



ORIGINAL RESEARCH PAPER

Management

MARKETING STRATEGIES PRACTICES BY KALYANPUR CEMENTS LTD: AN APPRAISAL

KEY WORDS:

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• INTRODUCTION

Kalyanpur Cements Ltd (KCL) incorporated in August 1937 was the oldest Indian cement producing company. Kalyanpur cement was incorporated as the public limited company with its registered office in Kolkata, West Bengal and plants at Banjari, Rohtas, (Bihar). KCL was earlier known as Kalyanpur Lime and Cement works Ltd, commenced its cement production business in 1946 by setting up its first cement plant with small capacity of 46000 M. T. Per annum.

Bihar is KCL's natural market and besides Bihar, the company also serves some areas of the bordering states like U.P. and Jharkhand. Its brands namely "KC Super" and "KC Special" are well accepted in the state, State Government departments as well as Central Government undertaking. Plant has road connectivity with all its market places and operates a private railway siding at Sonenagar, situated about 40 KM from the plant. In 2018 KCL was declared bankrupt and Dalmia Bharat acquired is for divide it. The Marketing Strategies of KCL has been around Customers Satisfaction.

• Consumers Satisfaction

Consumers' satisfaction is the perceived fulfilment of consumers's desires after utilizing a company's product. Such satisfaction may be measured by degree of direct survey. Consumer's satisfaction is so important KCL allocate large portion of their resources to pursue this objective. One of the ways to achieve consumer's satisfaction is through effective marketing strategies which are developed around the identification of consumer's expectations using such dimensions as product, price, place, promotion along with organisation's distinctive competence. Virtually everything the marketers do is done with the ultimate aim of getting or attracting the potential consumers.

Marketers are eager to know what these expectations are in order to satisfy them adequately. They allocate huge of resources on strategies towards consumer's satisfaction in other to attract, retain and sustain consumers' loyalty and increase demands for their products.

• Concept of marketing strategy

Strategy is an action plan or a set of plans intended to achieve specific goals or objectives over a period of time. Marketing strategy is action plan on how an organisation intends to achieve its marketing objectives. Marketing strategy is an organisation's strategy that combines all of its marketing goals into one comprehensive plan. It involves participating in selling business objectives and formulating corporate and business unit strategies.

Marketing strategy involves all basic and long term marketing activities of an organisation including strategic of the organisation, formulation, evaluation and selection of market-oriented strategies that therefore contribute to the goals of the organisation and its marketing objectives, which is to satisfy consumers profitably. The ultimate objective of any marketing strategy is consumer's satisfaction without which no organisation can meet its goals.

Consumer satisfaction is the overall impression of consumer about suppliers and their products or services. Consumer

satisfaction as a measure of how products and services supplied by a company meets or surpasses customer's expectation. Consumer satisfaction is a key performance indicator. It shows how prudently a company has used its business unit strategies.

Cements has been a major contributor to the modernization of human civilization. The massive urban infrastructure that we see today across the world would have been far from imagination without cement. Cement is the root substance that has given the essential element of strength and durability to our houses, schools, offices and other buildings so that we survive in them without any fear. With big shift in cement manufacturing technology from wet process to dry process, KCL has followed proper marketing strategy to get edge our Competitors.

• Consolidation and Globalization

Large cement players is using the acquisition route to enhance capacity and market share. In the Indian scenario, domestic players believe that acquisition is the quickest and the best route to cut competition and increase market share. In an industry, which is fragmented, consolidation appears to be an imperative strategy for the larger players.

In cement, mergers and acquisitions do not happen when the going is bad. They happen when the going is good, as every seller in cement has a price tag in his mind. There is also the situation where there are no demanding lenders; even if the the company is not making money, lenders do not want them to go out of business.

As cement is a commodity product, manufacturers compete chiefly based on price. Production economies of scale are important, but are limited by the cost of transporting the finished product.

• Automation

The significant nature of changes to the Information technology area and the manner in which information will be processed will be drastic over the next 10-15 years. This will have some impact on the cement industry. Higher levels of technology, its seamlessness and functionalities that have wider acceptance and usage will also bring down operating costs considerably. It is envisaged that Indian companies, which operate several plants across states in India, will need to monitor plant operations on a centralized basis through the use of process automation.

CRM (Customer Relationship Management) tools will now be used more effectively in the next few years, relevant information with Channel partners, dealers will be shared through the company network for enabling synergies.

• Technology

Use of technology in marketing will assume more changes with increase in both communication and information technological changes. Concepts will emerge such as phone-a-cement, or portraying a 3-D animation of the house prior to its construction in a library, providing responses to customers through mobile technology. Increasing customer expectations of adding greater value will ensure attention to

this aspect.

• **Corporate Governance and Branding**

Corporate governance is as a set of systems, processes and principles, which ensure that a company is governed in the best interest of all stakeholders. The business environment has been changing over the years with increasing expectations from key stakeholders including regulatory bodies. Recent stock exchange regulations also require listed companies to enhance corporate governance and business practices and improved disclosure norms. While striving to achieve business objectives, companies and operating management are expected to enable a good working board and board committees, allow adequate transparency in operations, imbibe good business practices that are ethical, foster and institutionalize system and controls in all spheres of activity.

• **R&D and Innovation**

Companies do not have much of application-oriented research and development efforts but this will become critical for future success. To a large extent, this is related to creating the application and customer of the future and understanding customer needs based on the emerging environment. Companies will need to create niche products and develop the market for such products by providing solution-based offerings to the customer.

Innovation will be very important, to create high-grade and cheaper quality of cement. Indian companies have been moving from lower grade cement to higher over the years, and would have to continue to roll out even better quality to compete with the global players, and local competition.

Marketing Strategy : Kalyanpur Cement Ltd (KCL)

From last 8 decades, Kalyanpur Cements Ltd (KCL) known as Kalyanpur Lime and Cements works Ltd has played a pioneering role in nation building through supplying its quality building materials to various industries and fulfilling the dreams of the common man, Government, business houses and economic development altogether. Since its inception, it has been known for setting trends in cement technology.

• **Segmentation, targeting, positioning**

KCL Cements uses a mix of geographic and psychographic segmentation variables to understand the changing needs of the industry & end customers.

Since its products are targeted at a different segment of customers and are meant for varied uses in the meta-market, therefore, it uses differentiating targeting strategies.

It uses a mix of product class, usage and customer benefit based positioning strategies so as to penetrate the market by targeting different customer segments.

• **Brand Equity**

Its active participation in CSR activities as, Green Building centre and many others has helped the company in creating high in mind awareness resulting into increasing Share of wallet of customers.

• **Competitive Analysis**

In the highly competitive market, it competes with companies like Ultra tech cements, Shree cements, prism cements, Ambuja cements and many others.

Synergies in the supply chain, strong parent company (Holcim) and easy availability of the products is what helping the company in being competitivel ahead in the industry.

• **Customer Analysis**

Customers of cements are of Retailers, builders, distributors

and retail customers in the age group of 25-60 years. ACC cements is playing a pivotal role in penetrating to the rural areas in India through its extensive distribution network.

CONCLUSION:

Kalyanpur Cements Ltd (KCL) has been the oldest cements manufacturing company, located as Bavjavi, Bihar. Its corporate office has been located in Kolkata. The Marketing strategy of KLC has been based on satisfaction of needs of consumers. The essence of KCL Marketing strategy has been to attract customers and increase thin deserves for specific product or Services. With big shift in cement producing technology from wet process to dry process, KCL has followed proper marketing strategy to get edge over Competitors. KCL has played pioneering role through supplying its Reality building material. The company uses segmentation, targeting and positioning in the marketing strategy. The KCL active participation increases confidence of customers.

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