



DEALER PERCEPTION AND SATISFACTION IN THE CEMENT INDUSTRY: A COMPREHENSIVE ANALYSIS OF SELECT DISTRICTS OF UTTAR PRADESH

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ABSTRACT

Dealers are the people who will carry the brand and offerings to the ultimate customers. So if the dealers are strong and positive towards the company, success is very easy. Strong distribution network is more important not only in FMCG but also in Cement Industry. Many factors will influence the dealers' satisfaction and perception towards the companies. The present research work will focus on the factors influencing dealers and it is found that infiltration activities are very crucial in dealer management, from the research it is found that Exclusive dealers are getting more help for infiltration activities when compared to Non-Exclusive dealers, also it is found that dealers are perceiving that the companies are more helping Exclusive dealers in terms of Marketing and promotional activities. The research has been done with a sample of 53 valid sample dealers and the results were computed at 0.05 significance level.

Keywords: Cement industry, Dealer Satisfaction, Distribution Network, Exclusive dealers and Infiltration activities

I. Introduction

Cement industry plays a pivotal role in economic development of India^[1]. The cement industry stands as a cornerstone of global infrastructure development, playing a pivotal role in economic growth. The global cement industry plays a pivotal role in underpinning infrastructure development, acting as a fundamental driver of economic growth, especially in rapidly developing economies such as India. This introduction synthesizes recent academic research that provides deep insights into the multifaceted nature of the cement industry, with a particular emphasis on key areas including dealer satisfaction, consumer behaviour, marketing strategies, and regulatory dynamics. But there are some negative repercussions on the people who are staying nearby these cement plants^[2]. In 2017 itself, the Indian Cement industry installed limit is found to be 114 Million tons^[3]. Uttar Pradesh East region, characterized by its diverse market dynamics and varying customer demands, provides a compelling context for this study. Dealers in this region navigate a range of challenges that impact their satisfaction levels and business outcomes. If the company representatives visit more to dealers, the dealers would feel more satisfied and strengthened. This has been observed in Kenyan cement dealers. Communication of company with the dealers plays a vital role in distribution management^[4].

1.1 Dealer Satisfaction

The proficiency of manufacturer lies in production, but the product is made to reach customer with the help of Dealer, so the dealer is a person who mediates between manufacturer and the ultimate customer. Hence the dealer should be satisfied in terms of credit period, advertising & promotional activities, and also in the brand establishment^[5]. Dealer satisfaction is a critical component of success in the cement industry, impacting various aspects of a company's performance and market position. Dealers act as the intermediaries between manufacturers and end consumers, making their satisfaction pivotal for the seamless flow of products, effective market penetration, and sustained brand loyalty. Out of 65 variables selected which determines the dealer satisfaction, the results were more reliable for only 7 factors which are Knowledge Management in terms of Human Resources, Information Technology,



Acquisition, sharing of knowledge, usage of Knowledge, application of knowledge as well as Competitive Advantage ^[6].

1.2 Consumer Behaviour Dynamics

Understanding consumer behavior remains a cornerstone of research in the cement industry, highlighting the importance of comprehending the nuanced factors that drive purchasing decisions across diverse consumer segments. Understanding the Consumer perfectly is very important to get success in the market ^[7]. Researchers meticulously analyse how variables such as product quality, pricing tactics, promotional efficacy, and customer service standards influence consumer choices. This deep dive into market dynamics and consumer preferences is vital for cement companies aiming to tailor their products and marketing strategies effectively to meet evolving consumer demands. Coming to the cost of cement which is making the 60% of manufacturing cost, is considered as one of the most determining factors of cement purchase with respect to the customer ^[3].

II. Literature

For ACC CEMENTS Limited the experiences of dealers, particularly focusing on credit terms and service delivery are crucial for dealer satisfaction. Also the critical importance of well-structured credit policies and high-quality service in determining dealer satisfaction. The findings suggest that effective credit rules can significantly enhance dealer loyalty, contributing to a stronger market presence and improved performance for cement manufacturers. The research underscores that when dealers are provided with favorable credit terms and timely services, they are more likely to remain loyal to the brand, which in turn boosts the company's market position and operational success ^[8].

Dalmia Cement in Ariyalur underscores the pivotal role of effective supply chain management and targeted marketing tactics in fostering dealer satisfaction. Their comprehensive study reveals that streamlined supply chains significantly contribute to reducing delays, improving product availability, and ultimately enhancing dealer satisfaction. Efficient supply chain management ensures that dealers receive timely and consistent deliveries, which is crucial for maintaining their trust and loyalty towards the cement brand. ^[5]

Vembanad White Cement offers an in-depth exploration of consumer behaviors and preferences, with a particular focus on how promotional programs and service quality shape retailer perspectives in the Kottayam District. This research is pivotal in understanding the dynamics of market penetration and sales growth for cement brands at a local level. The study identifies promotional programs as a critical factor in influencing retailer perceptions and behaviors. Promotional activities such as discounts, special offers, and marketing campaigns significantly impact the retailers' willingness to stock and recommend Vembanad White Cement ^[9].

A study on JSW Cement Limited provides an in-depth analysis of how pricing and product positioning impact dealer satisfaction and business relationships. Conducted in Tamil Nadu, their field-based research offers valuable insights into the complexities of dealer interactions and the strategic approaches required to maintain and enhance these relationships in the competitive cement market. The study underscores the critical role of strategic pricing in shaping dealer satisfaction. By offering competitive and well-structured pricing models, JSW Cement can cater to the financial expectations and needs of dealers, thereby fostering loyalty and long-term partnerships ^[10].

Muger Cement Factory focuses on factors influencing distribution performance, underscoring the critical role of efficient distribution networks and logistics in the cement industry to enhance the dealer satisfaction. The research highlights how the effectiveness of these networks directly impacts product availability, which in turn affects dealer satisfaction and overall market performance. Timely and reliable delivery of cement products is essential for maintaining dealer confidence and meeting market demand ^[11].

The brand preference patterns in the cement industry, providing a thorough analysis of the key factors that influence consumer preferences. The critical elements of product quality, pricing, and brand reputation, offering valuable insights for cement companies looking to enhance their market presence



and competitive advantage. Also these factors do not operate in isolation but are interconnected [12]. A well-regarded brand with high-quality products and competitive pricing can significantly influence consumer preferences and purchasing decisions. For cement companies, understanding and leveraging these factors can lead to improved market positioning and consumer satisfaction [13].

Customers' brand switching behavior in the Indian cement industry, providing critical insights into the dynamics that drive consumers to change their preferred cement brands. The key factors such as pricing, product quality, and service delivery as primary influencers of brand switching. For instance, fluctuations in pricing or a perception of inferior quality can prompt customers to seek alternatives, while superior service delivery can serve as a strong retention tool [14].

The influence of brand image, price, and product quality on purchasing decisions at Semen Baturaja (Persero), Ltd., highlighting the intricate balance companies must achieve to attract and retain customers. The critical importance of brand image as a differentiator in the marketplace, where a strong and positive brand perception can significantly influence consumer choice. Furthermore, price competitiveness is crucial; offering products at a fair price relative to perceived value can attract cost-conscious customers without undermining the brand's premium positioning [15].

The examination of marketing strategies within the Indian cement industry emphasizes two key elements: infrastructure projects and targeted advertising campaigns. Their study underscores how strategic investments in infrastructure development projects can serve as catalysts for increased cement demand and market expansion. The factors influencing brand preference among consumers of cement brands in South Africa are product quality, pricing, and brand reputation. By examining these factors, the research underscores the critical role they play in driving consumer preferences and loyalty within the South African cement market [16].

Consumer purchasing decisions for cement brands in Zambia, with a focus on Dangote Cement, sheds light on several critical factors that influence consumer choices. There is a significance of product quality, pricing, and brand reputation in shaping consumer preferences within the Zambian market. Study highlights how consumers prioritize cement brands that consistently deliver high-quality products. Dangote Cement's commitment to maintaining stringent quality standards has helped it gain trust and preference among consumers [17].

An analytical study on marketing strategies of selected cement companies in India provides an in-depth examination of the diverse approaches these companies employ to enhance their market presence and competitive advantage. Also we can have valuable insights into the array of marketing strategies adopted by cement companies, focusing on promotional activities, brand positioning initiatives, and other tactical measures designed to capture and retain market share. One of the key aspects highlighted in the study is the role of promotional activities in driving brand awareness and consumer engagement [18].

Research on sustainable reporting practices of cement companies in India underscores the critical role of transparency and stakeholder engagement in building corporate reputation and attracting environmentally conscious consumers. This examines how comprehensive and transparent reporting on sustainability initiatives can enhance a company's image and appeal to a growing segment of consumers who prioritize environmental responsibility [19, 20].

III. Methodology

3.1 Research Questions

1. How far the Exclusive dealers are satisfied with respect to the Monetary aspects and non-monetary aspects
2. How far the Non-Exclusive dealers are satisfied with respect to the Monetary aspects and non-monetary aspects
3. What is the perceptions of Exclusive and non-exclusive dealers on the various services provided by cement companies?

3.2 Objectives of the study



- To study the perceptual difference of Exclusive and Non-Exclusive cement dealers of Uttar Pradesh East
- To analyze the satisfaction level of Exclusive and Non-Exclusive cement dealers of Uttar Pradesh East

3.3 Significance of the study

Coming to the cement dealers, they are Exclusive and Non-Exclusive category, the other categorization is dealers serving Urban and Rural markets. As the dealers are of different categories, the requirements in rural areas may differ from urban areas, and also the exclusive dealers may be satisfied more when compared to non-exclusive dealers, this will lead to have different perception on the companies for which they are distributing the cement.

3.4 Need and scope of the study

Success of any product/service depends on many factors and supply chain is one of the important factors. If the Supply chain is robust, then the chances of success for the product will boost up. In many of the cases, the success of supply chain depends upon the dealers and distributors. Channel Management becomes very important for the company and the companies should be taking care of different levels of channels. If the dealers are satisfied, obviously they push the product more and the company will become more successful, and also there is a need for finding the perception level of dealers with respect to the dealer category. The present study focuses on satisfaction and perceptual aspects of Cement dealers of Uttar Pradesh East.

3.5 Limitations of the study

- The study may involve a limited number of dealers, which might not accurately represent the entire population of Cement dealers in Uttar Pradesh East.
- The sample may be biased if it disproportionately includes dealers from certain areas or those with specific characteristics

3.6 Data collection instrument and Sampling

A Structured questionnaire with 23 questions (Excluding demographic details) has been shared among the Cement dealers of Uttar Pradesh East, only 56 responses have been obtained, it is found that 3 respondents have not filled most of the questions, so discarded the 3 respondents' data as a part of data cleaning. So final sample is 53. Descriptive analysis has been done with the help of Percentage analysis, Bar charts whereas Inferential analysis has been done with the help of Hypothesis testing using Chi-Square analysis (χ^2)

IV. Data Analysis and Discussion

The analysis is shown in the Table 1 and Table 2, It is observed that most of the respondents are Exclusive (84.91%) and few respondents are Non-Exclusive (15.09%). Among the respondents, about 96.23 % of them are satisfied with the product range of the cements which they are selling, whereas about 79.24% of the respondents are satisfied with the profit margins and 18.87 % of the respondents are neutral towards the profit margins. Most of the respondents are quite satisfied with the channel manager which is attributed to 92.45% and very less percentage of the respondents are not happy with the channel manager and field lobby activities with just below 4%. One of the most attractive components is incentives, which makes the dealers to push the cement sales is incentives, and most of the respondents 94.34% of the respondents are satisfied with the incentives of the companies. Surprisingly, all the respondents are satisfied with the medical insurance policies provided by the cement companies. One of the grey areas is Virtual Reality services, which states what about 45.28% of the respondents are neutral about the Virtual Reality services, this shows that the companies need to focus more on this aspect to educate the dealers.

	Responses	Percentage
Type of Dealership		
Exclusive	45	84.91
Non-Exclusive	8	15.09



Satisfaction with product range		
Very satisfied	10	18.87
Somewhat satisfied	41	77.36
Neither satisfied nor dissatisfied	1	1.89
Somewhat dissatisfied	1	1.89
Satisfaction with respect to profit		
Highly satisfied	5	9.43
Satisfied	37	69.81
Neither satisfied Nor dissatisfied	10	18.87
Dissatisfied	1	1.89
Highly dissatisfied	1	1.89
Satisfaction with Channel manager and filed lobby		
Highly satisfied	3	5.66
Satisfied	46	86.79
Neither satisfied Nor dissatisfied	2	3.77
Dissatisfied	2	3.77
Satisfaction regarding incentives		
Highly satisfied	5	9.43
Satisfied	45	84.91
Neither satisfied Nor dissatisfied	3	5.66
Satisfaction regarding Medical insurance		
Highly satisfied	16	30.19
Satisfied	37	69.81
Satisfaction regarding Virtual Reality services		
Highly satisfied	1	1.89
Satisfied	25	47.17
Neither satisfied Nor dissatisfied	24	45.28
Dissatisfied	3	5.66
Perception on infiltration activities & companies help		
Strongly helping	23	43.40
Helping	26	49.06
No opinion	1	1.89
Not helping	3	5.66
Perception on Effectiveness of Marketing & Promotion		
Very Effective	12	22.64
Effective	39	73.58
Neither Effective nor ineffective	1	1.89
Very Ineffective	1	1.89
Perception on Communication with company's representatives		
Excellent	2	3.77
Good	40	75.47
Fair	11	20.75
Perception on Meeting the demand in the market with product range		
Yes	41	77.36
No	7	13.21
Maybe	5	9.43

Table 1: Descriptive statistics of the respondents

In terms of perception dealers are feeling that the companies are helping the dealers against infiltration about 92.46% and only 5.66% of the respondents are feeling that the companies are not supporting them in this aspect. In Marketing and promotion related activities, the respondents are feeling that they are getting fair support from the company 96.22% of the respondents are comfortable in this aspect. In terms of communication with the company all the respondents are positive towards the companies' policies. Meeting the demand with the existing product range is one more concern where 77.36% of the people are perceiving that the company can meet the demand with the product range but the remaining respondents are expecting more product range.

	DOF	χ^2 Statistic	χ^2 Critical at 95%	p-value	Decision
Dealer Type- Profit Margin (Satisfaction)	3	6.75	9.348	0.569	Fail to reject the Null Hypothesis
Dealer Type-Channel relationship Manager & Tem lobby (Satisfaction)	3	1.43	9.348	0.697	Fail to reject the Null Hypothesis
Dealer Type-Incentives (Satisfaction)	2	0.63	7.378	0.728	Fail to reject the Null Hypothesis
Dealer Type-Virtual Reality services (Satisfaction)	3	0.63	9.348	0.755	Fail to reject the Null Hypothesis
Dealer Type-Medical insurance(Satisfaction)	1	0.24	5.024	0.624	Fail to reject the Null Hypothesis
Dealer Type-Feedback on quality of Cement from customers (Satisfaction)	2	0.77	7.378	0.681	Fail to reject the Null Hypothesis
Dealer Type-Meeting demand with the product range (Perception)	2	0.10	7.378	0.945	Fail to reject the Null Hypothesis
Dealer Type-Marketing and Promotional activities (Perception)	3	9.98	9.348	0.040**	Reject the Null Hypothesis
Dealer Type – Communication with representatives (Perception)	2	0.44	7.378	0.803	Fail to reject the Null Hypothesis
Dealer Type – Infiltration activities from other areas (Perception)	3	9.51	9.348	0.046**	Reject the Null Hypothesis

Table : 2: Analysis of Hypotheses using χ^2

From Table 2, it is evident that only in two instances such as the dealers who are Exclusive and Non Exclusive have different in terms of perception towards Marketing and promotional activities, and the other is perception in infiltration activities from other areas. The satisfaction level of both Exclusive and Non-Exclusive dealers have no difference in terms of profit margin, insurance related issues, communication with representatives Virtual Reality, Product Range, lobby team interactions both the categories of dealers don't have any difference in perception and satisfaction. But in the case of Marketing and promotional activities provided by the companies as well as the support provided with respect to the infiltration activities, Exclusive dealers perception is differing from Non-Exclusive dealers. In terms of Marketing and promotional activities we rejected the Null Hypothesis at 0.004 and in terms of Infiltration activities we rejected the Null Hypothesis at 0.046 both are tested at 95% confidence level

V. Conclusion

From the overall analysis, it is found that most of the respondents are exclusive dealers to the companies and very less respondents belong to non-exclusive category. It suggests that most of the cement dealers are loyal towards the company for which they are operating, most of the respondents irrespective of type of dealership are satisfied with the product range, whereas some of the respondents are perceiving that they need more product varieties to the cater to the needs of changing market and UGC CARE Group-1



customers. With respect to the profit margin, incentives and channel managers most of the respondents are comfortable, whereas Virtual Reality is one of the concerns raised by the respondents, most of the respondents need more clarity on this aspect. So the companies need to train more in Virtual Reality concept. Perception with respect to Effectiveness of Marketing and infiltration activities are differing from Exclusive to Non-Exclusive category of dealers. This concludes that Exclusive dealers are more satisfied and better helped when compared to Non-Exclusive dealers. If the companies focus more on this aspect the perception will change and overall satisfaction will still become positive.

Ethical Considerations

Ethical consideration has been done by explaining the respondents that their data will be kept confidential and obtained the consent from respondent for the purpose of analysis, also the data has been protected with utmost priority

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