
A Brief study of

Project Topic

PROJECT REPORT

Submitted to

*Faculty of Management,
L.N.Mishra College of Business Management, Muzaffarpur*

In the partial fulfillment of the requirement for the degree of

MASTER OF BUSINESS ADMINISTRATION



Session :

Under the Guidance of

Dr. Guide Name

M.B.A. ,Ph.D.

Assistant Professor

L.N.M.C.B.M. Muz.

Submitted by

Your Name

Roll No.:

Reg.NO.:

Session:

MBA (specialization)

Lalit Narayan Mishra College of Business Management

(Affiliated to University Grant Commission and Approved by All India Council For Technical Education)

An Autonomous College under B.R.A.Bihar University, Muzaffarpur

NAAC Accredited with B⁺⁺ Grade (1st Cycle)

PREFACE

Project Study is an integral part of two years MBA course curriculum. This project is meant to give first-hand experience of the practical field. The business management students are required to undertake the project on real life situations in business and organizations.

Summer project is an integral part of the MBA program and is essential for the students to do after completing their 3rd Semester. It helps us to have a practical exposure as well as better outlook of the subject, which we are studying.

The program is designed to provide both portfolio of strong functional skills and the ability to adapt and integrate those skills in different management settings. Nevertheless, no course of study is fully completed without practical exposure and experience gained thereby, based on theoretical knowledge acquired, which enable an individual to face the challenges systematically and confidently that are likely to be faced in the competitive environment and rapidly changing scenario.

Therefore, to reinforce this strong theoretical base by practical knowledge, the students of L.N.M.C.B.M. are sent to reputed business organizations to undergo a summer project.

I was assigned to do my summer project under Channel of Distribution of Cement Industries with special reference to Dalmia Cement Bharat Ltd. at Muzaffarpur. I worked with the organization with full sincerity and dedication. I did my survey in Muzaffarpur District.

This report offers a glimpse of various stages of the project work in order to serve the purpose of the study in systematic manners, hope that the findings and recommendations will go way in helping the organization.

(Your Name)

ACKNOWLEDGEMENT

I express my sincere gratitude to the **MANAGEMENT** of Dalmia Cement Bharat Limited at Muzaffarpur for providing me the opportunity to undergo the training programmed in their organization to complete my project work in marketing division.

I am obliged to **Mr. Gaurav Kumar**, Area Sales Manager of Dalmia Cement Muzaffarpur and the staff of the organization for their wholehearted co-operation when I need in my training period.

I am extremely thankful to my able guide **Dr. Guide Name**, Assistant Professor of **L.N.Mishra College of Business Management, Muzaffarpur** for his all along suggestion and dynamic guidance to me.

I also acknowledge with a deep sense of gratitude towards the members of my family who has always supported me morally as well and economically.

My last work not the least thanks goes to all my friends who directly or indirectly help me to complete this project report.

(Your Name)

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CHAPTER - 1

Introduction of the study

- (a) Objective of study
- (b) Scope of the study
- (c) Methodology used
- (d) Limitations of the study

Introduction of the study

This report attempts to study the Channel of distribution strategies keeping in mind the current market situation. Distribution channels are vital for the expansion of overseas trade of any organization. It requires careful study of not only the product but the target market as well. The product will guide for the types of the channels to be used and the markets will dictate the format.

The moment an organization decides that it wants to make its products available in the foreign markets, it has to do extensive research work to identify and manage the specified distribution channels right unto the final customer's destination.

The purpose of the distribution channels is to bring the desired goods and services as close to the ultimate consumers as possible and make the goods available at any given time in a continuous replenishing cycle so that at no time the goods are out of stock to the customers.

This information about the market could be collected by the way of proper market survey from the market survey we get the feed about the good or services of the organization. For this purpose the said project work is undertaken. The project was carried out for knowing prevailing market condition of Dalmia Cement in Muzaffarpur region. The second object of the project was to study the market share activities undertaken by Dalmia Cement and its other competitors. The project was carried out in the market of Muzaffarpur of Bihar state. There are many players in cement industry they are Birla, Ultratech, Ambuja, Lafarge, ACC etc from these they are few local brands selling in the market.

My title of the project "Channel of Distribution of Dalmia Cement at Muzaffarpur" itself suggests the gist of the project. Dalmia Cement is the largest cement company in India and amongst the leading producers of cement globally. As a responsible contributor towards sustainable development, Dalmia Cement balances the growing demand for cement and its environmental implications by developing and championing sustainable solutions.

Objective of the study

The objective of the project is almost clear by the name with Dalmia Cement was what that led to the database which will help to increase the sales of the product. The study is taking care of all sort of information regarding sites and also notifying about the current scenario of the product.

- ✚ To identifying the distribution network of the company
- ✚ To know the awareness level of dealer and retailers.
- ✚ To study the different facilities of Cement companies given by dealer/retailers.
- ✚ To know the motivational level of dealers of Dalmia Cement.
- ✚ To know factors affecting the sale of Dalmia Cement in Muzaffarpur Market.
- ✚ To see the distribution gap by which the product is selling.
- ✚ To suggest the suitable method to improve the efficiency of distribution Network.

Scope of the study

Marketers face problems in distinguishing urban markets and rural markets due to spread of consumers across various population categories and with different demographics. Marketers have to ensure that all the members of channel of distribution would get all the cement products well on time and motivate all the channel members to stock their products at all levels.

Making products available at rural retail and marketers have a big challenge ahead for regular supply with less lead time. Distributors, wholesalers, stockiest, super-stockiest and retailers are the channel members in rural market and this chain plays a crucial role in the profitability of the company and their satisfaction also in terms of benefits as given to their urban counterparts is also very crucial as per the company's business point of view.

Methodology used

Research Plan

Initially an extensive research was undertaken to gain insight into the general nature of the research problems and objectives. The possible decision, alternatives and the relevant variables that need to be considered while designing the questionnaire.

Research Design

The research plan has been designed by keeping in mind both qualitative and quantitative data that the research has to deal with during the analysis of the data. Along the line of Descriptive Research, the research objectives were defined and the questionnaire was designed. With the help of the questionnaire, a survey was conducted among various retailer of Muzaffarpur District.

Techniques of data collection :-

In this particular project the data are collected from both primary and secondary sources.

Primary Data :-

Primary data are the data which are collected by the researcher on variables of interest for the specific purpose of the study from the respondents through the questionnaire.

Here also the Data are collected from the Primary sources like the dealers of cement in a particular area.

Secondary Data :-

Secondary data refers to information gathered from sources already existing. It indicates the data collected from the existing sources.

In this particular project sources like Internet, Magazines, Newspapers, Company Journals etc have been used as secondary sources to collect data to prepare this project report.

Sample size and sampling method

Sample size of the study is 200

Sampling Method : Convenience sampling

Questionnaire Design :-

The primary data were collected with the help of well structured questionnaire which was meant for dealers. The questionnaires contained both closed ended and open ended questions, which were directed towards getting information that serves the problem. Sufficient care was also taken about the language, structure and format of the questionnaire.

Data Analysis and Interpretation

After collecting the data, they are prepared with the help of tools like tabulation (i.e. arranging the data in a concise and logical order), mean and graphical method like pie-charts, bar diagrams etc. for convenience in understanding the results and their interpretations. The interpretations and conclusions are based on the facts and findings revealed from the pictorial and table presentations.

Limitations of the Study

(i) Limitation of time :

The time allowed for the study was not been possible to adopt full methodology within the stipulated time.

(ii) Limitation of finance :

It had not been possible to make in depth study in above respect due to the limitation of finance.

(iii) Limitation of area :

It was not possible to survey the each & every dealer/retailer of Muzaffarpur district due to the lack of time and finance.

In spite of all those limitations efforts were made on my part to come out with whatever possible information was gathered and give view/points on it in the form of suggestion at the concluding part of this project.

CHAPTER - 2

Introduction of the Organization

- (a) History of the Organization
- (b) Organization Structure
- (c) Product Profile of Dalmia Cement Bharat Ltd.
- (d) Market Status of the Organization
- (e) Competitors of the Organization

INTRODUCTION TO THE ORGANIZATION

Dalmia Cement Bharat Ltd. is the largest manufacturer of grey cement, Ready Mix Concrete (RMC) and slag cement in India. It is also one of the leading cement producers globally. Dalmia as a brand embodies 'strength', 'reliability' and 'innovation'. Together, these attributes inspire engineers to stretch the limits of their imagination to create homes, buildings and structures that define the new India.

The company operates a manufacturing capacity of 26.5 million tonnes per annum (MTPA), across 13 cement plants and grinding units, spread across nine states. We invest heavily in research and development, operating three R&D centers equipped with cutting edge robotic labs (called Dalmia Cement Future Labs) at our regional hubs.

Dalmia Cement's availability spans across 22 states and union territories, mainly in East, North East and Southern India, with selective presence in Uttar Pradesh and Maharashtra.

Our Building Products business is an innovation hub that offers an array of scientifically engineered products to cater to new-age constructions. Dalmia blocks are economical, light-weight blocks ideal for high-rise buildings, while Dry Mix Products include waterproofing, grouting and plastering solutions designed for faster completion of projects. The retail format of Dalmia Building Solutions offers a wide range of construction products to the end customers under one roof.

With its significant presence in slag cement, concrete, building products and building solutions, Dalmia is a one-stop shop for all primary construction needs. Its meteoric rise as the largest cement brand in India reflects the organisation's focus on cutting edge technology, research and technical services.

Dalmia Cement provides a range of products that cater to the needs of various aspects of construction, starting from foundation to finish. These include:

- Portland Pozzolana Cement, Portland Slag Cement, Composite Cement, and Ordinary Portland Cement in select markets.
- Ready Mix Concrete and a range of specialty concretes with specific functional properties under Dalmia Concrete

As a result of our constant innovation and research, Dalmia Cement has been certified as no. 1 in global cement sector by CDP (formerly Carbon Disclosure Project) on business readiness for Low Carbon Transition. We are the global leader on lowest carbon emissions per ton of cement produced.

Dalmia Cement has a range of firsts when it comes to leading on sustainability:

- First global cement company to join the EP100 and committing to double our energy productivity by 2030
- First cement company to join the RE100; we aim to use 100% renewable energy by 2030
- We are 5 times water positive and have set a goal to become 10 times water positive by 2030.
- Increasing focus on installation of Waste heat recovery systems in our manufacturing process, resulting in 9.2 Mw installed capacity

BUSINESS

Dalmia Cement Bharat Limited is the largest cement company in India and among the leading producers of cement globally. Dalmia is also the largest manufacturer of Dalmia DSP and ready-mix concrete in India.

Dalmia Cement provides a range of products that cater to the needs of various aspects of construction, ranging from foundation to finish. This includes Portland Pozzolona Cement, Portland Slag Cement, Composite Cement, and Ordinary Portland Cement in select markets. Cement is sold under the brands ‘DalmiaCement, Dalmia DSP and Konark Cement.’

The company operates a manufacturing capacity of 26.5 million tonnes per annum (MTPA), across 13 cement plants and grinding units, spread across nine states. We invest heavily in research and development, operating three R&D centers equipped with cutting edge robotic labs (called Dalmia Cement Future Labs) at our regional hubs.

The company's subsidiaries are Orissa Cements Limited (OCL) , Dalmia Cement East Limited (DCEL) , Konark cement.

Brand Dalmia

Brand Dalmia is positioned as the expert for all construction needs. Its imagery, strengthened by the engineer in the yellow helmet, reinforces the aura of knowledge and specialisation. Dalmia connects with its consumers on an emotional level by providing the assurance that comes from associating with a knowledgeable expert. It is this that is succinctly encapsulated in its tagline, 'The Engineer's Choice'.

Instead of focusing the brand essence on merely product attributes or a brand personality, a conscious effort is being made to focus on a set of touch points, through which the brand can deliver a consistently distinctive and inspiring customer experience.

The company doesn't just sell a product or a service, it sells solutions. The Dalmia brand not only helps build cities and homes, it helps build trust and ultimately, build lives.

Awards

While 'Customer Satisfaction' is an important indicator used at Dalmia to enhance the company's performance, its pursuit of excellence has been acknowledged across multiple performance criteria by experts and contemporaries. The company has, over the years, won numerous awards across categories such as export,

quality, safety, among others. While these awards are a great source of pride, yet more importantly, they inspire us to continuously push the very benchmarks of quality a little higher, every day.

Dalmia Cement is easily amongst the most unique brand in its category. The consumer perception of Dalmia is built around the attributes of 'modernity', 'quality' and 'technological superiority'. Based on these defining facts, the brand is positioned as the expert for all construction needs. Dalmia has been recently bestowed with the title of consumer validated 'Super brand' by the Super brands Council and consumer selected 'Powerbrand' by Powerbrands India.

DCBL has promoted 3 educational institutions and one Skill Training Centre in this rural area for the development of youth. It strongly believes that the Nation will be worthy only when its citizens are educated. All the above institutions cater to the needs of the rural population.

Dalmia Higher Secondary School

This school was started in the year 1950 and offers education from 1st standard to +2 Standard. There are 1900 students studying in this school and teaches in both English and Tamil media. 60 teaching staff and 15 non-teaching staff support the school. First 3 ranks in +2 in the educational district are from this school. This school has continuously bagged championship for all categories of sports for the past 10 years in the Educational District. This school also is recognized by the District Administration for inculcating saving habits among the students and teachers and has been awarded as the 'best school' in the district. Extra curricular activities such as N.C.C., N.S.S. (National Service Scheme), Junior Red Cross, Scout and Guides are well established.

Vivekananda Matriculation School

This school was started in the year 1989 and offers child-oriented education from L.K.G. to X standard. This school offers education in English medium and is considered a premium school in this Education District. This School produces 500

students of excellent quality every year. The school concentrates on co-curricular activities like sports, debate, drawing, painting, craft and fine arts and the students have won many prizes in inter-school and district levels. Education of Character development and inculcating moral values among students are the chief concern of the school management.

Corporate Contributions For Neighboring Schools

Apart from operating the above educational institutions, DCBL is constructing a school in Palanganatham (neighboring village) with an investment of Rs. 8 lakhs. Further, about 35. schools, noon-meal shelters have been constructed to enable the children to have the food in a clean atmosphere. Fifteen Schools in the neighbourhoods have been provided with stools, benches and separators.

Cash Assistance For Poor Students

The company, through Rotary Club of Dalmiapuram, has been extending cash assistance to the poor & deserving students. On an average, a sum of Rs. 1.30 lakhs is allocated for the purpose of education of rural youth.

Industry Educational Institutions Interaction

DCBL also encourages students' visit to its factory to have a first hand glimpse of factory situation and also interacts actively with the students and faculty members and appraises them on the expectations of the industry.

Year Name of the Award

- 2017
Mr Puneet Dalmia, Managing Director, Dalmia Bharat Group recognised as the EY Entrepreneur of the Year 2017 in the Manufacturing Category
- 2018
 - Gold Award in the 16th ABK AOTS CUMI 5S Competition
 - ET NOW Social Responsibility Leadership Award
 - Puneet Dalmia received the EY Entrepreneur of the Year Award 2017 in the Manufacturing Category.

- Best CSR Partner Award for Smart Village Activities by the Andhra Pradesh Smart Village Foundation, Government of Andhra Pradesh
- India Green Building Council Platinum Award by CII
- Fastest Growing Cement Company- Large Category Award by ASAPP Publications
- Sustainability Award by ASAPP Publications
- Adaptive Supply Chain Award by CII
- 2019
 - ICC Social Impact Award for Clean Energy
 - Best CSR Report Award by ET Now
 - Dalmia Bharat Limited wins CII Climate Action Program Cap 2.0 degree climate oriented award
 - India Green Building Council Platinum Award by CII
 - Dalmia Cement Wins the Most Creative Digital Marketing Campaign Award #Ghareksandook, organised by the Public Relations Society of India.
 - Mr. Puneet Dalmia, Managing Director, Dalmia Bharat Group receives the Lakshmipat Singhanian - IIM, Lucknow National Leadership Award in the Business Category from the President of India
 - Dalmia Bharat Limited's Dalmiapuram unit wins second best environment excellence in Limestone mines
 - Dalmia Bharat Group - HR wins Arogya World Healthy Workplace Award
 - Three North East Units (USO, Lanka, Jagiroad) of Dalmia Bharat Limited Bag Work Management Award
 - Dalmia Bharat Group won the GOLD level of recognition in the 2019 Arogya World Healthy Workplace award accorded by Arogya World Trust India in partnership with Public Health Foundation of India.
 - Dalmia Bharat Foundation (DBF) bagged PLATINUM PARTNERSHIP AWARD from PORTEA HEALTHCARE #DIKSHA #NSDCINDIA.

- **2020**

- Dalmia Cement (Bharat) Limited (DCBL) has been honoured with the prestigious Tamil Nadu Best Employer Brand Award 2020
- Dalmia Cement (Bharat) Limited (DCBL) received the Greentech CSR Award under the Environmental Sustainability Category
- Dalmia Bharat Limited wins FICCI Corporate Social Responsibility Award for Environmental Sustainability
- Dalmia Bharat Sugar Industries Limited wins CII ITC Commendation Award for Corporate Social Responsibility
- Dalmia Bharat Group Wins Award for Corporate Governance at Legal Era Awards 2019-20
- Empowering the Rural Population Recognizes Dalmia Bharat Foundation for being adjudged the Winner in Large Project Category
- Dalmia Bharat Sugar and Industries Ltd receives appreciation for sharing its initiatives and valuable contribution in Sustainable Management of Water in Agriculture: Compendium of Good Practices.

HISTORY OF THE ORGANIZATION

Founded in 1935 by Jaidayal Dalmia; the cement division of DCBL was established in 1939 and enjoys a heritage of 70 years of expertise and experience. We are headquartered in New Delhi with cement, sugar, travel agency, magnesite, refractory and electronic operations spread across the country.

The Dalmia Group had established four cement plants in pre-independence years, two of which were affected by the partition and Independence. The two remaining plants operate as Dalmia Cement and we have also made strategic investment in Orissa Cements Limited(OCL). Managed by a professional team, we have sustained the path to innovation and growth for seven decades.

Early on in our history we learnt that a strong business is an amalgamation of strong relationships. The key to establishing such relationships is to learn from each other, to enjoy a spirit of camaraderie, and to recognize and identify with their needs of the people we work with. Today with their rich experience we have been able to broaden our horizons to include a holistic approach to the best practices in the industry.

DCBL prides itself on having been at the forefront of pioneering and introducing many new technologies, which exist today, which are followed by others in the industry. DCBL has been and continues to be an industry leader in the niche market segments.

This timeline highlights some of the significant moments that took place over the years and shows how our business has evolved.

ESSENCE of DALMIA CEMENT

The year 1939 saw the establishment of one of India's first cement plants with an installed capacity of 250 tonne cement per day-we as DCBL had just arrived. The plant today has grown by manifolds in terms of capacity. We as a group too have expanded both in terms of vision as well as business interests ranging from harnessing of the bounty of iron-ore and magnesite in the country, Travel and export activities. These diversifications were an effort to build and contribute to the development of basic industrial materials. The year 1993 saw us foraying into the Sugar business with an installed capacity of 2500 TCD. Today alongwith the Cement business, Sugar business is one of the key growth engines of DCBL.

Apart from establishing our footprints across various business segments we have also kept up our pace of excellence. In 1993, DCBL became the first company in South India to obtain ISO 9002 certification and second in the country among the Indian Cement Plants. In 2004, we became an ISO 14001 Certified company. Our efforts in sustaining growth with responsibility have merited us many notable awards for Energy Conservation & Efficiency, Safety, Health & Environment issues from the Government and other reputed agencies.

Today, we stand as one of the most profitable players in the cement industry, with sustainable high margins and strong financials backing our efforts. Our vision which balanced the changing needs with our corporate imperatives, our organization has grown over the years taking us to new heights and building onto our strengths. Today we stand on a strong foundation of high organizational valuesand business ethics through which we have cemented our growth.

Our business has year on year moved up the value chain with a consistent record of making profits and paying dividends, making the company financially strong and stable. With a total income of over Rs 2194 crores DCBL has businessinterests in two major segments, Cement and Sugar. Our objective is to grow

further and be among the top manufacturing industries today. In this course, our cement business has grown with an increased production capacity from 1.5 million tonnes [MT] in the past to the current installed capacity of 9 MT. Also our sugar business since its commencement in 1994, has grown to have three Integrated Sugar Mills in the State of Uttar Pradesh with total installed capacity of 22,500 tonnes of cane crush per day leading to sugar manufacturing of about 300,000 MT per annum, distillery capacity of 80 KL per day & cogeneration facility. With the launch and commencement of its two Greenfield projects in the Kadapa district of Andhra Pradesh and Ariyalur in Tamil Nadu with a total 5MN tonnes capacity, DCBL has expanded its cement footprint in the Southern India. DCBL also holds a stake of 45.4 % in OCL India Ltd., a major cement Player in the Eastern Region. Dalmia Cement now controls a cement capacity of 21.8 million tonnes & has a strong presence in Southern & Eastern Regions of the Country. This parabolic growth in last few years is a testament of our determination to grow into a leadership position.

Our aim is to sustain the growth that we have witnessed for the past years as well as forge ahead with the ambitious plan we have envisioned for ourselves with the help of professional Management team under the guidance of the experienced promoters of the Group.

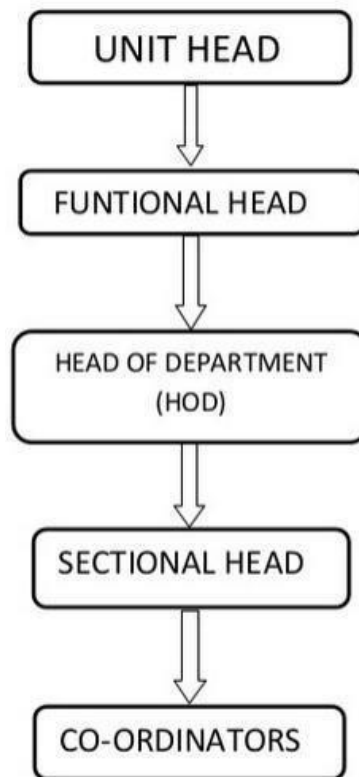
Quality of our products and Innovation is what has made us, unique in the Indian Cement Industry. We have given India several vital projects from dams to critical defense installations and created special cements for special applications with newer and innovative technologies. This spirit of innovation has fuelled the development of specialty cements for special needs, – which includes strengthening Airstrips, concretizing Railway Sleepers, cementing Oil Wells, etc. In this journey of success we have always been the benchmark of the latest and best technology with an endurance to achieve noteworthy milestones.

The homegrown talent of its people has fueled the commendable growth of the company. DCBL has been and is committed to its people, and considers them to be vital to our success. To this end we focus on creating opportunities for growth and diversity for all our employees. We foster an environment that is supportive of their personal and professional development, so that they may maximise the opportunity to achieve their career goals.

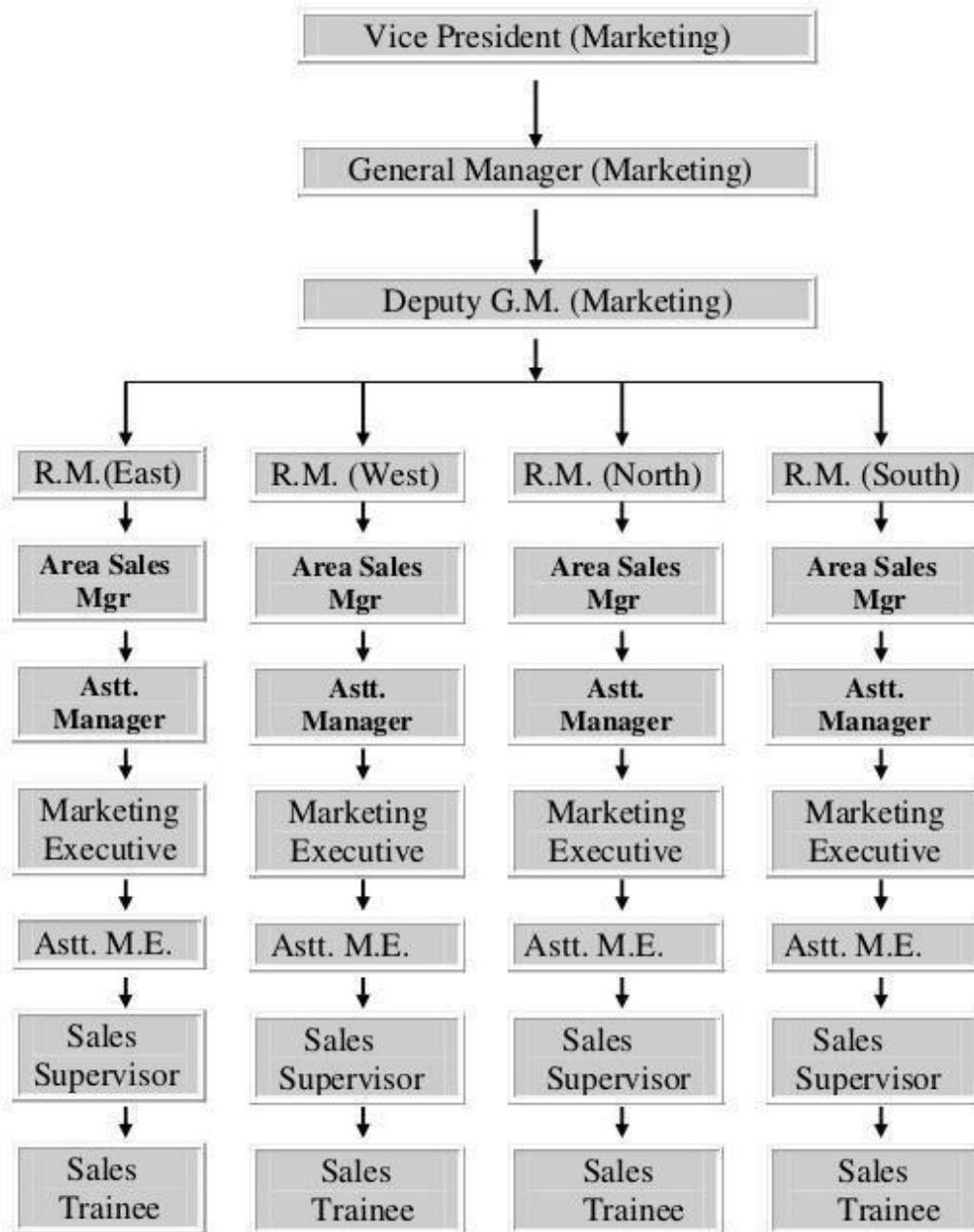
Being a value based organization our approach has been based on our guiding principles of mutual respect, dignity, responsibility, ownership, commitment, honesty, initiative, innovation, collaboration, and faith. This strong foundation is what has been leveraged for attracting the best talents in the industry for decades to be part of the success and growth. Looking ahead, the company expects to create leaders at every level, and evolve the company into a high productivity organization based on its strong ethos. We aspire to create an organization that will continue to lead and strive to meet the expectations of its customers, employees and shareholders for generations to come.

ORGANIZATIONAL STRUCTURE

Structure of Every Department



THE COMPLETE HIERARCHY OF MARKETING DEPARTMENT



*RM = Regional Manager

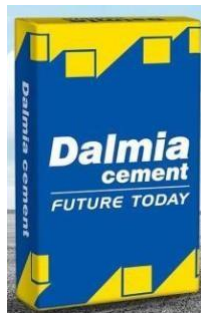
*ME = Marketing Executive

Product Profile of Dalmia Cement

FOR HOME BUILDERS

Dalmia PSC

Dalmia Cement offers impeccable quality across a wide variety of cements for your home. When you use our cement, you get access to the same quality assurance, research and experience that's used to build many of India's landmark structures.



Dalmia PPC



Konark PPC/PCC

Konark Cement is a heritage brand of India that has been delivering high-quality cement for more than 65 years, contributing to the construction of several long-lasting homes. Crafted using state-of-the-art manufacturing technology along with superior strength and quality control measures, the widely trusted cement brand has not only helped build some of India's iconic structures like Hirakud Dam and Vidyasagar Setu but has also continued to lay the foundation of happiness for millions of Indians by consistently providing an unmatched quality for building their dream homes.



Konark cement is a blended cement that is crafted using the highest quality of supplementary cementitious materials such as fly ash and slag. This enables a secondary hydration reaction, which results in improved binding properties. The reaction continues for years and further leads to increased concrete strength and pore refinement, making it denser more impermeable. This helps in providing protection from harsh environmental conditions and ensuring a long-term compressive strength gain.

Dalmia DSP

Dalmia DSP Cement is a specialised, best - in - class product formulated particularly for concrete applications - foundation, column & slab requiring high strength. It's unique product composition of High Reactive Silica with Micro Fine Particles helps in giving you a rock strong & durable home for decades to come. Being a brand under Dalmia Cement, the product is a culmination of intensive R & D efforts, combined with over 8 decades of experience in trusted customer service and providing innovative solutions. We have expertise in developing cement for special applications and demanding projects. And the same is applied when manufacturing Dalmia DSP Cement, making it an apt choice for the modern-day, fast-paced, and high-strength construction.



Engineered For High Strength Foundation, Column & Slab

Dalmia DSP offers a unique blend of advantages of high early & long term strength gain, making it most suitable for high strength foundation, column & slab of your home. It helps give your dream home strength & protective ability in the most critical stages of construction.

Crack & Corrosion Resistant – Durable Construction

It's highly engineered product features helps guard your home against cracks & corrosion making it durable for decades to come.

On –Site Expert Supervision

Get assured on-site expert supervision for every stage of your construction by Dalmia BUILD ADVISOR – our team of expert civil engineers. A value-added service, at no extra cost, that provides technical assistance to ensure that you use the right construction practices for a strong & durable dream home.

Greenest Cement

Dalmia Cement constant focus on innovation, co-creation & sustainability has helped us become the world's greenest cement manufacturer*. We take pride in being the first cement company to have the smallest carbon footprint compared to any other cement company in the world.

Dalmia SUPREME CEMENT

Dalmia Supreme Cement is a specialized, best-in-class product that is formulated for all construction applications. As a part of Dalmia Cement Portfolio, this has been designed through intensive research and



development combined with over 8 decades of expertise to provide quality that lasts a lifetime. At Dalmia, we have expertise in developing cement for different applications and demanding projects there by ensuring high-strength construction.

DALMIA INFRA PRO

With a legacy of more than 80 years, and 13 state-of-art manufacturing plants across India, Dalmia Cement is a leading cement manufacturer in India. Since 1939, Dalmia has been playing an important part in nation building by helping build critical infrastructure, industrial, and residential projects. We offer a wide range of variants which perfectly match our customers' cement needs. Dalmia Infra Pro, designed and marketed especially for use in large projects, is known for its consistency, high strength, and performance. The brand is also available in several specialized cement variants, perfectly suitable for different applications.



Market Status of the Organization

Dalmia Bharat has merged OCL India Limited and Dalmia Cement East Limited 'Bokaro' with Odisha Cement Limited. The resulting company will be called OCL India Limited. It has also amalgamated Adhunik Cement with Dalmia Cement (Bharat) Limited (DCBL) and transferred the power assets in Dalmia Cement Bharat Power Ventures Limited to DCBL.

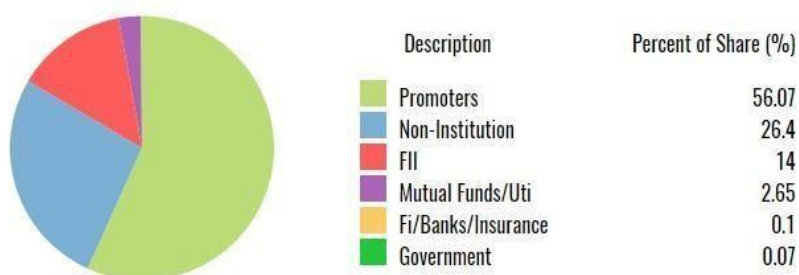
In a statement the Indian cement producer added that the move would simplify its corporate structure leading to significant unrealised benefits. It added that following the consolidation OCL will become the largest Portland slag cement producer in India.

In early March 2016 Dalmia Bharat received approval from the Competition Commission of India to acquire a 15% stake in its subsidiary Dalmia Cement Bharat from private equity firm KKR for over US\$181m in a cash and stock deal. After the purchase, Dalmia Cement Bharat became a wholly-owned subsidiary of Dalmia Bharat.

Dalmia Bharat runs cement and power businesses. The group has a presence in southern and eastern India, including the northeast. Dalmia Bharat has a cement production capacity of 25Mt/yr.

DALMIA BHARAT LTD SHARE HOLDINGS

DALMIA BHARAT LTD SHARE HOLDINGS



Dalmia Bharat Ltd. was incorporated in the year. Its today's share price is 1474.95. Its current market capitalisation stands at Rs 27599.19 Cr. In the latest quarter, company has reported Gross Sales of Rs. 1510 Cr and Total Income of Rs.3170 Cr. The company's management includes Niddodi Subrao Rajan, Dharmendar Nath Davar, Sudha Pillai, Virendra Singh Jain, Puneet Yadu Dalmia, Gautam Dalmia, Yadu Hari Dalmia, Jai Hari Dalmia, Pradip Kumar Khaitan.

It is listed on the BSE with a BSE Code of 542216 , NSE with an NSE Symbol of DALBHARAT and ISIN of INE00R701025. It's Registered office is at Dalmiapuram Lagudi, Dist. Tiruchirappalli, Tiruchirappalli-621651, Tamil Nadu. Their Registrars are ACC Ltd. It's auditors are SS Kothari Mehta & Co

Competitors of Dalmia Cement

Ultra Tech Cement Limited



UltraTech Cement is a leading cement manufacturing company with a network of over 80,000 partners and a presence in more than 80% of Indian cities. It has also recently acquired Century's cement business to increase its market share in the eastern region. The company is also exploring the possibility of establishing retail stores.

The company is one of the largest cement manufacturers in India and is a part of the Aditya Birla Group. It produces OPC and PPC cements which are widely used for building small residential and industrial buildings. The company has more than eighty-five plants across India, with many of them located in Rajasthan, Tamil Nadu, and Andhra Pradesh.

The company operates 22 integrated manufacturing units, 27 milling units, eight bulk packing terminals, and more than 100,000 distributors across India. Its products are available in over 80 markets in India, and the company also has 170 RMC plants across the country. In addition, the company produces a wide range of specialty concrete.

Lafarge Duraguard



Lafarge is one of the leading cement companies in India. It has six cement plants across the country and has become one of the biggest names in the market. It has the largest presence in the eastern and central parts of India and sells cement and ready-mix concrete under different brand names.

This company was founded in 1983 and is a part of Holcim, another largest cement makers in the world. It is one of the most trusted brands in the Indian market and is known for the quality of its cement. It is a low-cost cement producer and has a focus on quality and efficiency. It has also won several awards from Government bodies and autonomous bodies.

Nuvoco Vistas Corporation Ltd.



Besides Lafarge Duraguard, Nuvoco is another leading cement player in the country. This company is located in East India and is one of the biggest players in the country's cement sector. It has recently launched Zero M Epoxy Tile Grout in Punjab, Delhi, and Haryana. It has also introduced InstaMix Xpress in Bhutan.

Ambuja Cement



Ambuja Cement is part of the Holcim Group and one of the largest cement companies in India. The company is renowned for its eco-friendly products and a strong presence in western India. It has manufacturing facilities in Rajasthan,

Himachal Pradesh, and Gujarat. It is a part of the Swiss conglomerate LafargeHolcim, which is a world leader in cement manufacturing.

Birla Corporation Limited



Birla Corporation Limited

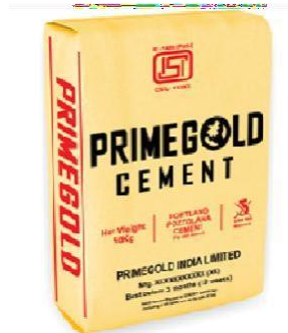
Birla Corporation Limited is the flagship company of the MP Birla group and was established in 1919. It has seven cement factories and has received ISO 9001:2000 certification for its production and marketing processes. The company's Birla Premium cement brand is a well-known name in the industry.

Birla Corporation Limited has a long history and is a leading player in the cement industry in India. It has a strong network of 9,000 dealers and a retail footprint that extends from Rajasthan to Bengal. It employs over 120,000 people from 42 nationalities.

Birla Corporation Limited has been in the cement industry for over eight decades and is one of the **best cement companies** in India. It has operations across the country and contributes to the building of national infrastructure. It has almost 90 ready-mix concrete plants and 17 cement manufacturing units. The company employs over 6,600 skilled personnel. It also has a nationwide sales and distribution network.

As India's construction industry is growing at a rapid rate, the demand for cement is increasing. The construction industry accounts for 7% of the country's GDP. As demand continues to rise, the market for cement is likely to increase even faster. India has an installed capacity of 151.2 million tons of cement per year.

Prime Gold Cement



Prime Gold was founded in 1984 by Shri Pradeep Aggarwal. He had an objective of giving a solid and secure living, and with his assurance, he accomplished his goals and made his name in the construction industry. It is among the top brands that produce construction materials and has a major name in the construction business. They give top-quality items, which is the reason they are known as the best producers of cement.

Prime Gold is a rising and driving undertaking with a high level and technology, which guarantees the world a superior future.

Chapter 3

A Theoretical Aspect of Distribution Channel Efficiency

A Theoretical Aspect of Channel of Distribution

Marketing sales are the routes taken by the title to product in its journey from the manufacturer to the ultimate consumer.”

The main object of the marketing process is to distribute the product to the actual users. This function involves a number of sub-functions are most important first the creation of demand and secondly to supply the goods when the demand has been created. The creation of demand is made through the process of advertising and sales promotion activities. On the other hand the distribution function is concerned with the arrangement of the system of distribution of goods i.e. the sales of Distribution. The decision relating to the channel of distribution is a very important decision from the firm's point of view because the selected channels of distribution is a very important decision from the firm's point of view because the selected channels affected considerable other marketing decisions. Such decisions are of long-term nature and exercise their impact on the cost structure of the firm also.

By Channel of distribution we mean the intermediaries or the process through which the goods or products are transferred from the producer to the ultimate users.

According to William J. Stanton: -

“A Channel of Distribution for a product is the route taken by the title of the goods as they move from the producers to the ultimate consumers of industrial users.”

Now a days any of the producers and the consumer bearing a variety of names performing various kinds of function. Some intermediaries such as whole sales and retailers buy and resale after taking the bill. They are known as merchant middle men and other are brokers representative sales agents who seeks or search for

customers and negotiable on the half of the producer but do not take title of the goods. These are called agent middlemen.

Then manufacture and its distributive outlets share a common objective to sell the manufacturer products at a profit. It is not doubt its objective differ with the marketing circumstances even through many variation of specific objectives fits into definite categories. There are as follows: -

- (a) to build distributive network loyalty.
- (b) To stimulate distributive outlets together selling efforts.
- (c) To develop managerial efficiency in distributive organization.
- (d) To identify the source of supply for the product for the product line at the final buyer level.

The Channel of distribution is a structure which is organized and presents a choice among alternative Channel of distribution of the different marketing situations faced by retailers whole seller and producers with in the structures. It may be considered as a series of functions which must me performed in order to market product effectively.

To bearing maximum profits to all institutions concerned a Channel of distribution should be treated as a unit total system of action. The activities of the manufacturer need to be co-ordinated with these of middlemen used in the distribution of given product.

The importance of middleman is channels of distribution can be over emphasized. It is be who :-

- (i) Collector concentrates the output of various producers.
- (ii) Sub divides these into lot desired by the customers gathers various items together in the assortment wanted. And
- (iii) Disperses the assortment to consumer industrial buyers.

The role of middle man that of specialist in concentration equalization and dispersion besides he also aids in the creation of the time place form and procession utilities.

DECISION MAKING FOR CHANNEL OF DISTRIBUTION

The marketing executive must undertake to following steps in order to establish the channel of distribution for a company.

- (i) He/She must understand the retail and wholesale market and types of middle men available in both.
- (ii) He/She must understands the various conflicts which continually exist between and within the channel.
- (iii) He/She must select the general channel to be used keeping in mind the goals of the company marketing programmer and the job to be done by distribution system.

The distribution of goods is the last, but the most crucial phase of the process of marketing. Actually the distribution channel is the path in way through which the products are sent to the final customers. Channels of distribution are not only concerned with the physical movement of goods but also with their promotion, selling and marketing control.

A producer an manufacturers has to take the positive steps to bring his product to the consumers. Far this purpose every producer seek to link together the sets of marketing intermediates that best fulfill the film's objectives. Where intermediaries help in moving the product from the producer to the consumer.

So channels of distribution are the most powerful element among marketing mix elements. Many products which we internally sound, died in their infancy because they never found the right road on channel to the market. On the other hand, be developing a sound distribution network and launching aggressive advertisement campaigns, a company can carve out a niche far itself.

Thus, the flow of goods most contain same route, which is known as channel of distribution. The different channel of distribution for any company is as follows (The company may adapt any of the situations depending upon the product and current marketing condition) :

Marketing Channel

Most producers do not sell their goods directly to the final users. Between them stands a set of intermediaries performing a variety of function. These intermediaries constitute a marketing channel. They are also called a trade channel or distribution channel. Marketing channels can thus be described as a set of independent organization involved in the process of marketing a product or service available for use or consumption. A distribution system is a key external resource. Normally it takes years to build and it is not easily changed. It is equally important along with key internal resources such as manufacturing, research, engineering and field sales personnel and facilities. It represents a significant corporate commitment to large number of independent companies whose business is distribution and to the particular market they serve. It also represents, a commitment to set of policies and practices that constitute the basic fabric on which woven an extensive set of long-term relationship.

A marketing channel performs the work of moving goods from producer to consumer. It overcomes the place and possession gap that separates goods and services from those who need or want them. Members of the marketing channel perform a number of key functions.

1. The gather information about potential and current customers, competitors and other actor and forces in the marketing environment.
2. They develop and disseminate persuasive communication to stimulate purchasing.

3. They reach agreement on price and other so that transfer of ownership or possession can be affected.
4. They place orders with manufacturers.
5. They acquire the funds to finance inventories at different level in the marketing channel.
6. They assume risk connected with carrying out channel work.
7. They provide for the successive storage and movement of physical products.
8. They provide the buyers payments of their bills through banks and other financial institutions.
9. They oversee actual transfer of ownership form one organization or person to another.

Number of Marketing channels

1. Direct Marketing Channel - A marketing channel that has no inter-mediaries levels.
2. Indirect Marketing Channel - Channels containing one or more inter-mediaries levels.

Customers Marketing Channel

- Channel 1. Manufacturer..... Consumer
- Channel 2. ManufacturerRetailer..... Consumer
- Channel 3. Manufacturer.....Wholesaler.....Retailer..... Consumer
- Channel 4 . ManufacturerWholesaler.....Jobber.....Retailer. Consumer

Channel Dynamics

Distribution channel do not stand still. New whole selling and retailing institution emerge and new channel systems evolve. There are four types of marketing channels.

1. Conventional Distribution Channel

A Channel consisting one or more independent process (S) wholesale (S) & Retailer (S). Each is a separate business seeking to maximize its own profits even if this goal reduces profit for the system as a whole. No. of channel member has complete or substantial control over the other members.

2. Vertical Marketing Channel

This is most recent Marketing channels. A distribution channel system as which producers, wholesalers and retailers act as unified systems. One channel member, the Channel Captain owns the others or franchises them or has so much power that they all co-operate. The channel captain can be the producer, the wholesaler, or the retailer.

3. Horizontal Marketing Channel :

A distribution Channel System in which two or more unrelated companies put together resources or programmes to exploit an emerging marketing opportunity.

4. Multi-Channel Marketing:

In the past, many companies sold to single market through a single Channel, Multi channel Marketing occurs when a single firm uses two or more marketing channels to reach one or more customer segments.

RETAILING

Includes all the activities involved in selling goods or services directly to final consumers for personal non-business use. A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing.

Retailers are the last but not the least in the marketing channel through whom the eventual transfer of ownership of goods takes place. The use of retailer boils down to their superior efficiency in making goods widely available and accessible to target markets. In most cases the retailers perform the important functions mentioned as under.

1. Information
2. Promotion
3. Negotiation
4. Ordering
5. Financing
6. Risk Taking
7. Physical Possession
8. Payment
9. Title.

The Major retailer types are following :-

1. **Speciality Store :-** They sell narrow product line with deep assortment.
2. **Departmental Store:-** They sell several product line with each line operated as separate department managed by specialist buyers or merchandisers.
3. **Super Market: -** They are relatively large, low cost, low margin, high volume self service operation designed to serve total needs for food, laundry and household maintenance product.
4. **Convenience Store :-** These are relatively small store located near residential areas, Open long hours, seven days a week and carrying an

united lines of high turn over convenience products at slightly higher prices.

5. **Discount Store :-** These sell standard merchandise at lower prices with lower margins and higher volumes.
6. **Off price Retailer :-** These sell the merchandise which are bought at less than regular wholesale prices and sold as less than retail. These may be of 3 types mentioned as under :
 - (a) Factory orders
 - (b) Independent off-price retailers
 - (c) Warehouse clubs (Wholesale Clubs)

Promotional Activity

The science of marketing has identified the four p's of marketing i.e. (i) Products, (ii) Place, (iii) Price and (iv) Promotion. Every product including soft drink after satisfies human needs by quenching their thirst. It is made available for consuming public through a Channel of distribution i.e. distributors and retail outlets. This covers the place aspect. Each product is priced in such a way that it covers the whole cost of manufacturing, sales and still leaves a reasonable margin of profit for the maker. Price is also determined keeping in mind the competitors price and the demand of the product.

The promotion of a product is done to stimulate its demand in such a way, as to increase sales, better image and increase market share. The Sales promotion of softdrink & water products include advertising, personal selling, sales promotion, publicity and public relation.

Distribution strategies

Prior to designing a distribution system, the planner needs to determine what the distribution channel is to achieve in broad terms. The overall approach to distributing products or services depends on a number of factors including the type of product, especially perishability; the market served; the geographic scope of operations and the firm's overall mission and vision. The process of setting out a broad statement of the aims and objectives of a distribution channel is a strategic level decision.

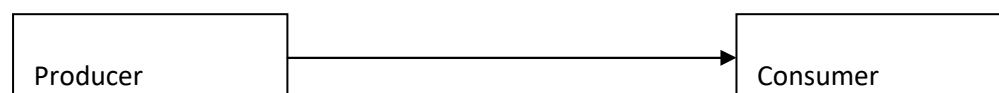
Strategically, there are three approaches to distribution:

- *Mass distribution* (also known as *intensive distribution*): When products are destined for a mass market, the marketer will seek out intermediaries that appeal to a broad market base. For example, snack foods and drinks are sold via a wide variety of outlets including supermarkets, convenience stores, vending machines, cafeterias and others. The choice of distribution outlet is skewed towards those that can deliver mass markets in a cost efficient manner.
- *Selective distribution*: A manufacturer may choose to restrict the number of outlets handling a product. For example, a manufacturer of premium electrical goods may choose to deal with department stores and independent outlets that can provide added value service level required to support the product. Dr Scholl orthopedic sandals, for example, only sell their product through pharmacies because this type of intermediary supports the desired *therapeutic* positioning of the product. Some of the prestige brands of cosmetics and skincare, such as Estee Lauder, Jurlique and Clinique, insist that sales staff are trained to use the product range. The manufacturer will only allow trained clinicians to sell their products.
- *Exclusive distribution*: In an exclusive distribution approach, a manufacturer chooses to deal with one intermediary or one type of intermediary. The advantage of an exclusive approach is that the manufacturer retains greater

control over the distribution process. In exclusive arrangements, the distributor is expected to work closely with the manufacturer and add value to the product through service level, after sales care or client support services. Another definition of exclusive arrangement is an agreement between a supplier and a retailer granting the retailer exclusive rights within a specific geographic area to carry the supplier's product.

Thus, the flow of goods most contain same route, which is known as channel of distribution. The different channel of distribution for any company is as follows (The company may adapt any of the situations depending upon the product and current marketing condition) :

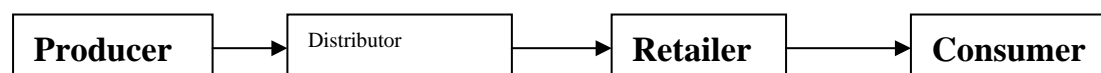
Zero level distribution Channel



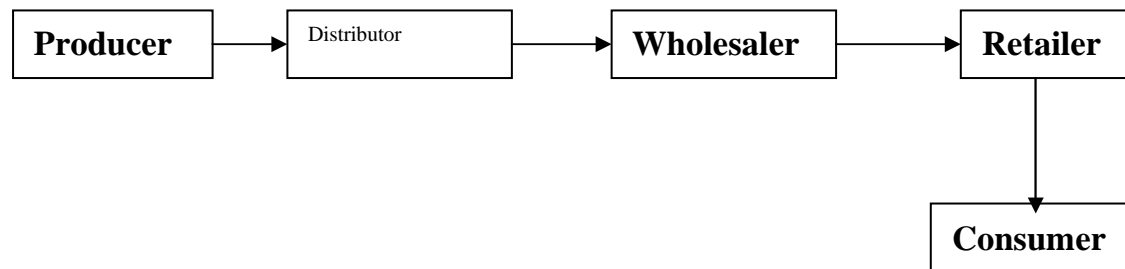
One Level distribution Channel



Two Level distribution Channel



Three Level distribution Channel



Decision Making for Channel of Distribution

The marketing executive must undertake the following steps in order to establish the channel of distribution for his Company.

- ⇒ He must understand the various conflicts which continually exists between and within the channels.
- ⇒ He must understand the retail and wholesale markets and types of middle men available in both.
- ⇒ He must select the general channel to be used keeping in mind the goal of company marketing programme and he jobs to be done by the distribution system.
- ⇒ He must take decision regarding the intensity of the distribution to be used at each level and each market.
- ⇒ He must determine the methods and the Producer in he Physical distribution of the product.

Role of middlemen in the distribution of goods

The middlemen perform the following marketing functions which are listed in sequence.

- I. Searching out buyers and sellers (contacting & Mechandising), matching goods to the requirements of market.
- II Offering goods in the form of assortments or packages.

-
- III Persuading and influencing the prospective buyers to favour a certain product and its maker (personal selling/sales promotion).
 - IV Implementing pricing policies in such a manner that would be acceptable to buyers and ensure effective distribution.
 - V. Providing feed back information, marketing intelligence and sales forecasting services for the regions to their suppliers.
 - VI Looking after the process of distribution where necessary.
 - VII Participating actively in the creation and establishment of a market for a new product.
 - VIII Offering pre and after sale services to consumers.
 - IX Communicating the use of technique of the product to the users.
 - X Offering credit to retailers and consumers.
 - XI Risk bearing with reference to stock hoarding/transport.

Desirability of eliminating the middlemen

You have already learnt the role of middlemen above, which indicates the significance of middlemen in the channel of distribution. Indeed without the existence of middlemen goods produced on a mass scale could not have reached the consumers at right time and place. However the existence of middlemen may lead to several short comings. The elimination of middlemen is based on the following grounds.

- I. **Excessive number** : Often there are too many middlemen between the manufacturers and consumers. As every middleman charges some commission or profit, the ultimate consumer has to pay a very high price for goods. They are social parasites thriving at the cost of the consumer and their ultimate elimination will reduce prices and burden on consumers.
- II. **Superfluous** : Most middlemen do not render any useful service in lieu of profit or commission. They act as only transfer agents and unnecessarily cause

delay in the flow of goods. Their elimination will result in quick and smooth flow of goods.

III. Limited risk taking : Middlemen do not bear the producers' risk such as loss due to strikes, lockouts, depression and change in fashions and habits, etc.

IV. Anti-social activities : They take undue advantage of adverse conditions in business. Some businessmen (middlemen) indulge in anti-social activities like hoarding and adulteration to earn huge amount to profits.

V. Limiting consumers' choice : The middlemen often promote products which are inferior in quality and get high margin of profit. Thus they exploit consumers and limit their choice.

Role of wholesaler and retailer in distribution of goods

Role of Wholesaler :

Wholesaler acts as a middlemen in the channel of distribution as he buys goods in large quantity from the manufacturer and sells these to retailers in small quantities. His role in distribution of goods is discussed below:

I. Buying and assembling : A wholesaler forecasts the demand for goods and assembles different varieties of goods from several manufacturers. Some wholesalers also import goods from foreign countries.

II. Selling and dispersing : A wholesaler breaks the bulk so that retailers and users can buy them in small lots. His representatives regularly call on retailers and industrial users/buyers to distribute the goods among widely scattered people.

III. Transportation : A wholesaler arranges transportation of goods from producers to his godowns and from there to retailers. Sometimes he has his own transport arrangement for this purpose.

IV Storage : He holds large stocks and serves as a reservoir and supplies to retailers. He helps in stabilising prices by adjusting supply of goods to their demand.

V. Packing and grading : A wholesaler packs and repacks goods in convenient lots. He sorts out goods in different grades. He also gives brand names to the products packed and graded by him.

VI. Advertising and sales promotion : A wholesaler performs advertising and sales promotion activities to increase the sale of products. He also takes the services of experts for this purpose.

VII. Financing : Sometimes the wholesaler buys goods on cash basis from manufacturers and sells them on credit to retailers. In this way he provides financial help both to the producers and retailers. If necessary, the wholesaler also provide financial help by way of advance payment to producers.

VIII Risk-taking : A wholesaler bears risks of changes in demand and prices, bad debts and damage to goods in the course of transportation and storage. By undertaking various risks he simplifies the process of distribution.

Role of Retailers :

Retailers buys goods from wholesaler and sells them directly to consumers. Thus he acts as a direct link between the wholesaler and consumers. His role in distribution of goods is enumerated below:

I. Wide choice to consumers : The retailer anticipates needs of consumers. He assembles goods from different sources and stocks different varieties of products. Thus, he offers a wide choice to consumers. They can buy according to their purchasing power and requirements.

II. Availability of goods in small quantities and at convenient locations: A retailer provides ready supply of goods so that consumers can buy conveniently and quickly in small lots without any inconvenience of placing advance orders and waiting for supplies. By ensuring uninterrupted and fresh supply of goods, he saves consumers from the botheration of buying goods in bulk and storing them.

III. Home delivery : A retailer transports goods from wholesalers to ultimate consumers. Some retailers provide free home delivery service to their consumers. Thus they create place utility.

IV. Assurance of regular supply : He maintains adequate supply of goods so that consumers are sure of getting regular supply at the time of their need.

V. Credit facility : Although retailers mostly sell goods for cash, they also supply goods on credit to their regular customers.

VI. Close interaction with customers : A retailer brings new products to the notice of customers and educates them in their uses. A retailer thus, acts as a friend and guide to his customers. Indeed his interaction with customers is of intimate personal nature and thus he is able to provide feed back to wholesalers and manufacturers about consumers' preferences.

Role of specialised retail outlets e.g., departmental stores, multiple shops and mail order business house

A retailer is the final link in the distribution channel between a manufacturer and the consumers. He is directly and continuously in touch with people of varied tastes and preferences. Retailers may be divided into two categories, namely institutional and non-institutional. The institutional retailers (retail outlets) include departmental stores, multiple shops and mail order houses. Non-institutional retailers include the floating population of street sellers, pedlars, and hawkers.

(a) **Departmental Stores** : A departmental Store is a big retail store with many departments under one roof. It offers a wide range of products so as to suit different consumer tastes and preferences. All the departments are centrally controlled but each department forms a complete sales unit in itself. The examples of such stores in metropolitan cities are Akbarally's and Sahakari Bhandar in Bombay and Spencers in Madras.

(b) **Multiple shops or chain stores** : Manufacturers often use their own retail shops for direct sale of their products to consumers. These retail shops are established as multiple shops operating in the same city or different parts of the country. These shops have identical product display. Bata India Ltd and DCM provide typical examples of multiple shops system. In this type of retail selling manufacturers have control over distribution channel and have first hand information regarding customers' preferences.

(c) **Mail-order business** : These are retail outlets which sell goods by mail only. The mail order house centrally procures products, advertises them and expects prospective buyers to send offers/ orders. The products are sent through value-payable post. Mail Order Sales Ltd, Bombay, the seller of 'Bull worker' health aid, is a typical example of such mail order business in India. It is through these retail outlets that manufacturers often bypass the wholesalers in trade route or path. You have already learnt in detail about departmental stores, multiple shops and mail-order business in lesson No.8 on 'Internal Trade'.

Choice of a channel of distribution

The factors to be considered before choosing a suitable channel of distribution are listed below:

1. **Product considerations** : The nature and type of product have an important bearing on the choice of distribution channels. For examples, perishable goods need speedy movements and hence shorter channel or route of distribution; For

durable goods, longer and diversified channels may be used; Similarly, for technical products requiring specialised selling and serving talents, the shortest channel should be used.

2. Market considerations : The nature and type of customers and size of market are important considerations in the choice of a channel of distribution. For example, if the market size is large, there may be long channels, whereas in a small market direct selling may be profitable. The nature and type of consumers include factors such as desire for credit, preference for the stop shopping, demand for personal services, amount of time and effort the customer is willing to spend. It also includes factors like age, income group, sex, and religion of customers.

3. Company considerations : The nature, size and objectives of the business firm also play an important role in the selection of distribution channel. It includes financial resources, market standing, volume of production, desire for control of channel, services provided by manufacturers', etc. For example a company with substantial financial resources need not rely too much on the middlemen and can afford to reduce the levels of distribution. Similarly a company desiring to exercise greater control over channel will prefer a shorter channel.

4. Middlemen considerations : The cost and efficiency of distribution depend largely on the nature and type of middlemen. It includes characteristics of middlemen such as availability, attitudes, services, sales potential, costs etc. For example, if the terms and conditions of engaging wholesalers are unfavourable, a manufacturer may like to channelise his products through semi wholesalers or retailers, thereby, bypassing wholesalers. However, the determining factor would be the differential advantage involved in the choice.

To conclude, the channel generating the largest sales volume at lower unit cost will be given top priority. This will minimise distribution cost.

Chapter 4

A Practical Aspect of Distribution Channel Efficiency

A Practical Aspect of Distribution Channel Efficiency

In our summer training programme, which is of 6 weeks. I want to make a part of that type of organization which have good reputation in market, and from where I learn something which is helpful for me in future and in this process. I noticed the Dalmia Cement. So I gone to it's office to know the procedure by which I get the opportunity in the organization for summer training. There I met Mr. Gaurav Kumar (Area Sales Manager) who give me all information regarding summer training.

Finally I got opportunity to be a part of this organization and for this organization give me a set of question (Questionnaire) and said to visit to all Cement Shop of Muzaffarpur Dist. because my area is Muzaffarpur.

Firstly, I face some difficulties but Mr. Gaurav co-operate me very well and gives some important tips regarding to Cement Shopkeeper and after that I have done my work very well. During my visit I know the real Market of Cement, really I said that Dalmia Cement is leader of Market because the feedback of each & every dealer about the Dalmia Cement is very good. I also met such type of retailers who heartly want to be a dealer of Dalmia Cement, they said that the demand of DalmiaCement is very high Compare to other Cement, which are available in Market.

Really, I learn lot of things regarding marketing by this summer training and for this I am highly obliged to Dalmia Cement and their employee. During my survey, I am visited several dealers & stock point. These are as follows :-

1. Bihar Industrial Traders, Zila School Road, Muzaffarpur.
2. R.S.Traders, Bela, Muzaffarpur.
3. Chaudhary Enterprises, Neem Chowk, Muzaffarpur.
4. Om Traders, Dardha, Muzaffarpur.

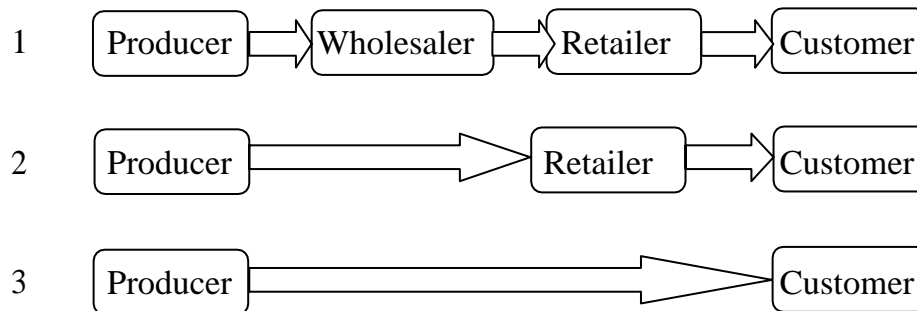
5. Kailash Cement Stores, Goshala Road, Muzaffarpur.
6. Chauhan Traders, Gobarsahi, Muzaffarpur.
7. Roy Traders, Markan, Muzaffarpur.
8. Om Hardware, Aghoria Bazar, Muzaffarpur
9. Kumar Traders, Kudhani, Muzaffarpur.
10. Bhagwati Agency, Sakra, Muzaffarpur.
11. M.M.Traders, Narsanda, Kanti, Muzaffarpur.
12. Bajrang Cement Bhandar, Bairiya, Muzaffarpur.
13. Sri Mahavir Traders, Bairiya, Muzaffarpur.
14. Chauhan Steel Centre, Bairiya, Muzaffarpur.
15. M/s Kumar Agency, Bairiya, Muzaffarpur.
16. Ansari Traders, Mohanpur, Muzaffarpur
17. Ganpati hardware, Narauli, Muzaffarpur.
18. R.L.Traders, Kachchi Pakki, Muzaffarpur
19. Hanuman Traders, Laxmi Chowk, Muzaffarpur.
20. Gautam Traders, Kazi-Inda, Muzaffarpur.

SALES & DISTRIBUTION

Companies invariably hire agents or transport cements to own or government warehouses either via roadway or railways. In case of exports, cement reaches the nearest port via roadways or railways and is then transferred to the importing country. Domestically, from agents or warehouses the cement is transported to the dealers/distributors and in turn to sub dealers who finally sell it to the end users. There may or may not be physical ownership of goods. In the second case, dealers and sub-dealers take order from buyers and place it to the companies, co ordinate and monitor the timely dispatch of said orders.

There is a use of 3 levels of channelling.

Manufacturer to agents to Wholesaler to Retailer to End User.

***Supply Chain***

The team orders and maintains the inventory of stock keeping units so that unit does not run out of critical supplies at any point. The team also ensures that all stock keeping units of items used in the unit are received at stores from vendors and distributed to the different outlets on time, Other functions include;

Distribution Function Configuration

Number, location and network missions of suppliers, production facilities, distribution centers, warehouses, cross-docks and customers.

Distribution Strategy

Includes functions of operating control (centralized, decentralized or shared), delivery scheme (e.g., direct shipment, pool point shipping, Cross Docking, DSD (Direct store delivery)).

Information :

Integration of and other processes through the supply chain to share valuable information, including demand signals, forecasts, inventory, transportation and potential collaboration etc.

Inventory Management :

Quantity and location of inventory including raw materials, work-in-process and finished goods.

Chapter 5

DATA ANALYSIS AND INTERPRETION

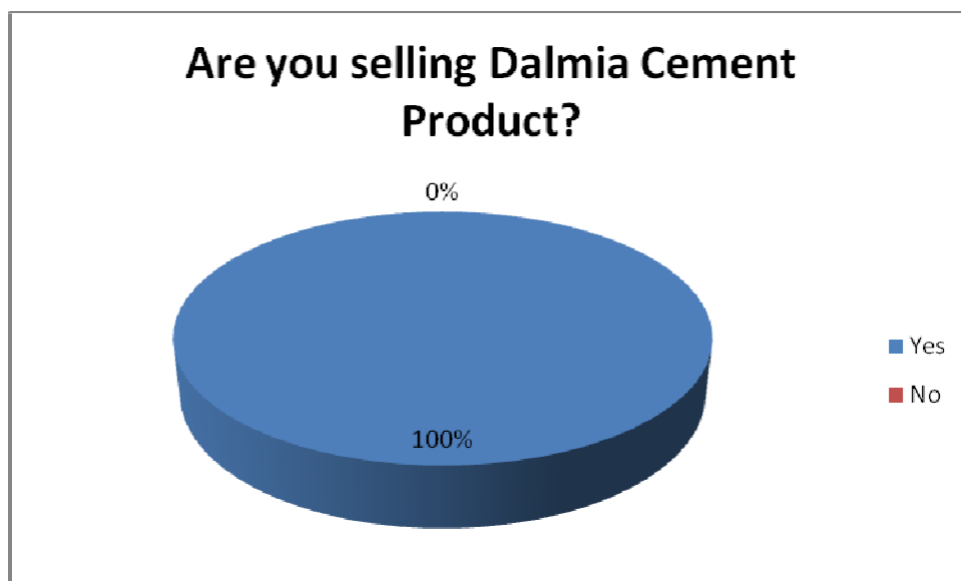
DATA ANALYSIS AND INTERPRETION

According to the survey conducted by me in Muzaffarpur area through a questionnaire opinion of various dealers & retailer has been found. The opinion has been depicted in the form of graph which represents the opinion of various business figures and customers in the form of percentage as such :-

Q1. Are you selling Dalmia Cement Product?

No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Yes	200	100%
No	0	0%

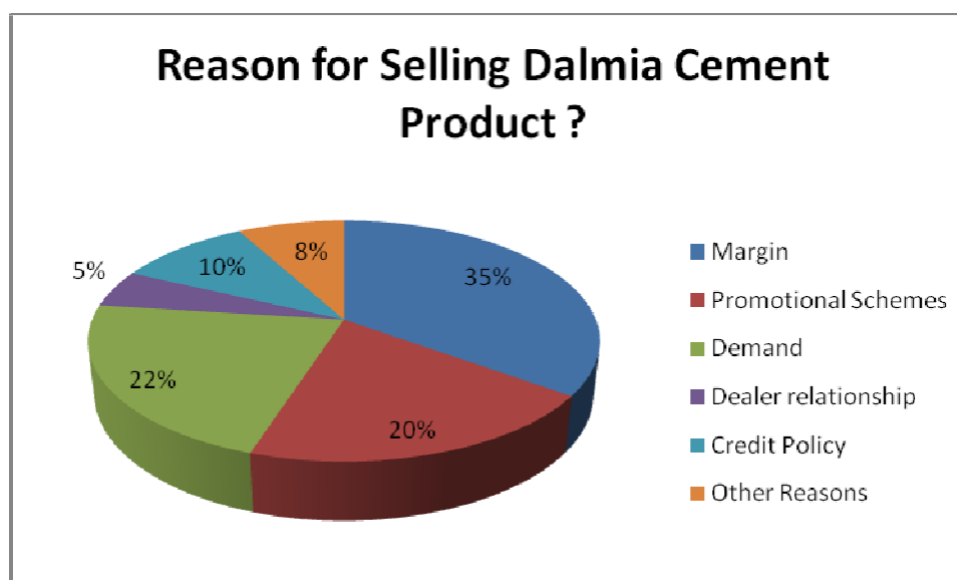


Inference: In my survey, I have interviewed 100 respondents to know about selling of Dalmia Cement.

2. Reason for Selling Dalmia Cement Product ?

No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Margin	70	35%
Promotional Schemes	40	20%
Demand	44	22%
Dealer relationship	10	5%
Credit Policy	20	10%
Other Reasons	16	8%

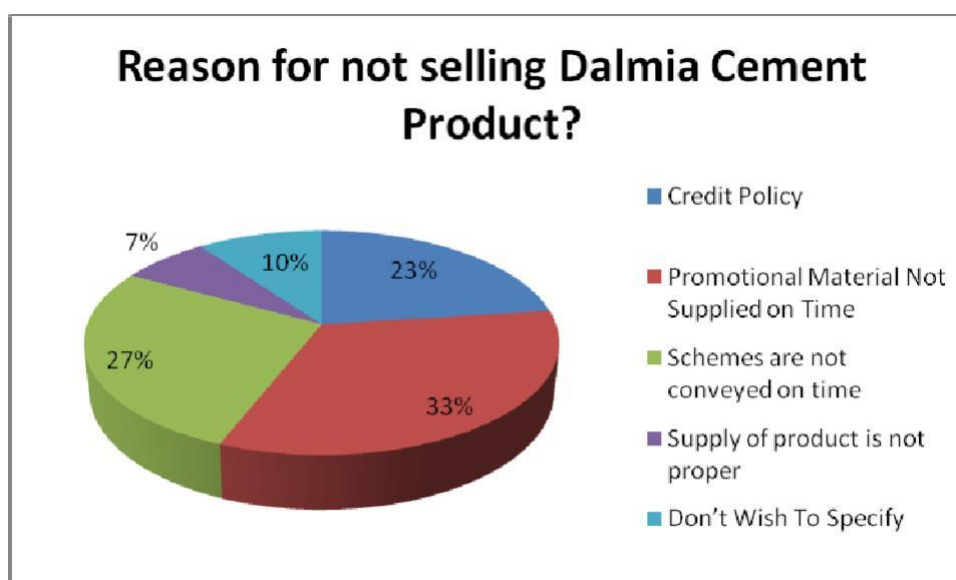


Inference: It was found that 35% dealers sale Dalmia cement due to Margin, 20% due to Promotional Schemes, 22% due to Demand, 5% due to Dealer relationship, 10% due to Credit Policy and 8% due to other reason.

3. Reason for not selling Dalmia Cement Product?

No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Credit Policy	46	23%
Promotional Material Not Supplied on Time	66	33%
Schemes are not conveyed on time	54	27%
Supply of product is not proper	14	7%
Don't Wish To Specify	20	10%

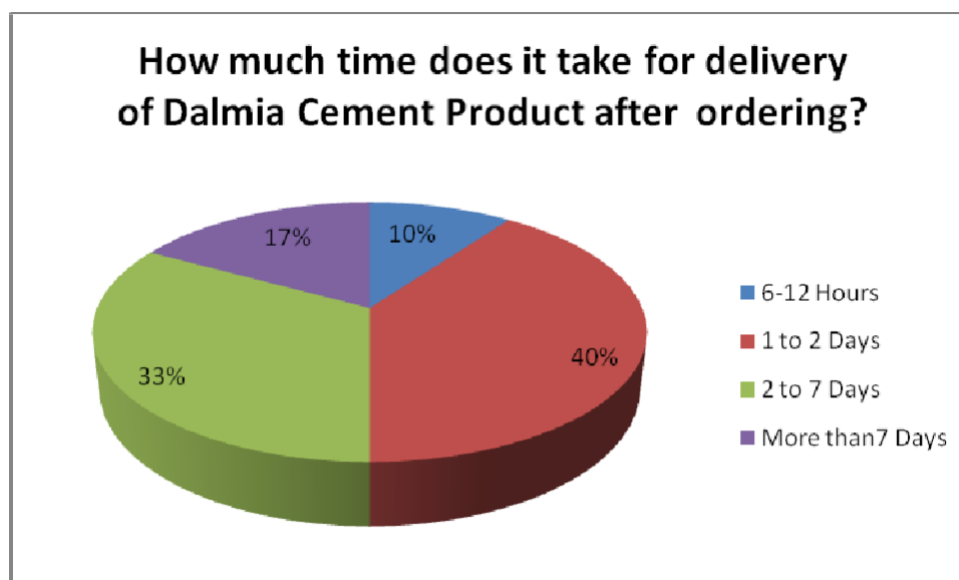


Inference: In the above data, it is seen that 23% respondents not selling Dalmia product due to Credit Policy, 33% due to Promotional Material Not Supplied on Time, 27% due to Schemes are not conveyed on time, 7% due to Supply of product is not proper and rest 10% respondents Do not wish to Specify the reason.

4. How much time does it take for delivery of Dalmia Cement Product after ordering?

No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
6-12 Hours	20	10%
1 to 2 Days	80	40%
2 to 7 Days	66	33%
More than 7 Days	34	17%

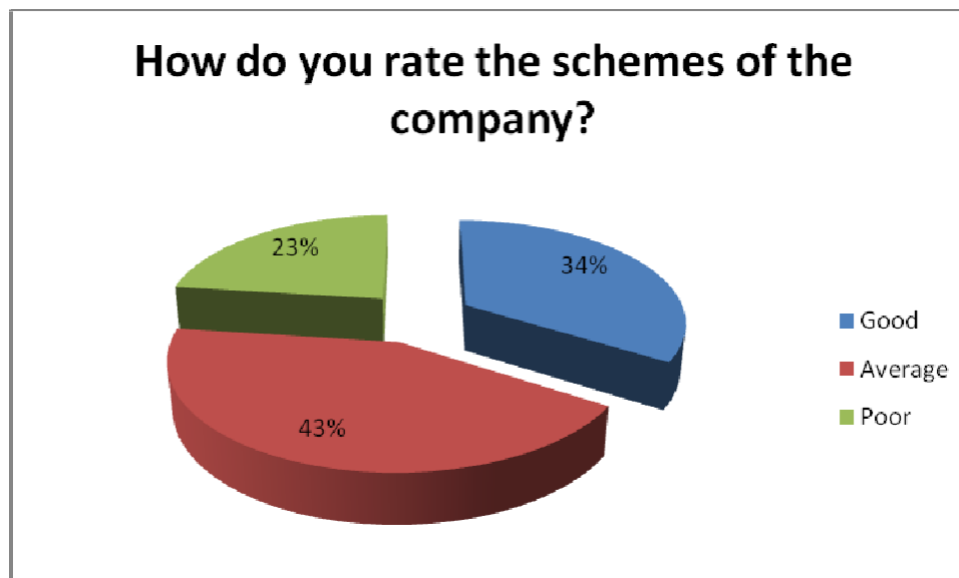


Inference: From the above data it was found that most of the respondents i.e. 40% take Dalmia Cement product within 1-2 Days, 33% take within 2 to 7 days, 17% take within More than 7 days and 10% take within 6-12 Hrs. in Muzaffarpur City.

5. How do you rate the schemes of the company?

No. of Respondents = 200

Category	No. of Respondents	Percentage of Respondents
Good	68	34%
Average	86	43%
Poor	46	23%

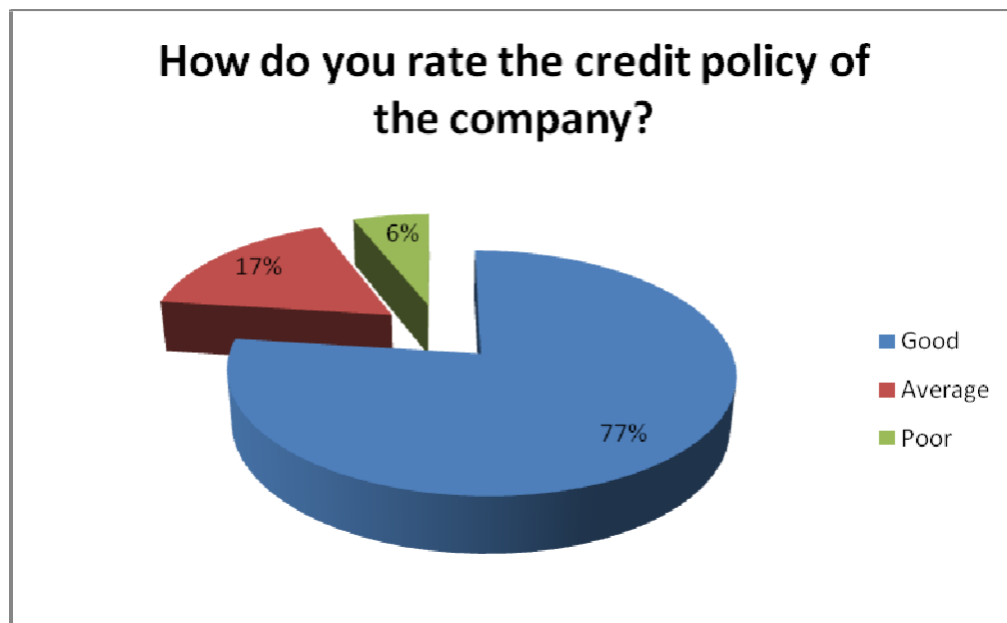


Inference: From the above data it is observed that 34% respondents give the opinion Good, 43% give Average & 23% give Poor that the Schemes of the Company.

6. How do you rate the credit policy of the company?

No. of Respondents = 200

Response	No. of Dealers	%age of Dealers
Good	154	77%
Average	34	17%
Poor	12	6%
Total	200	100%

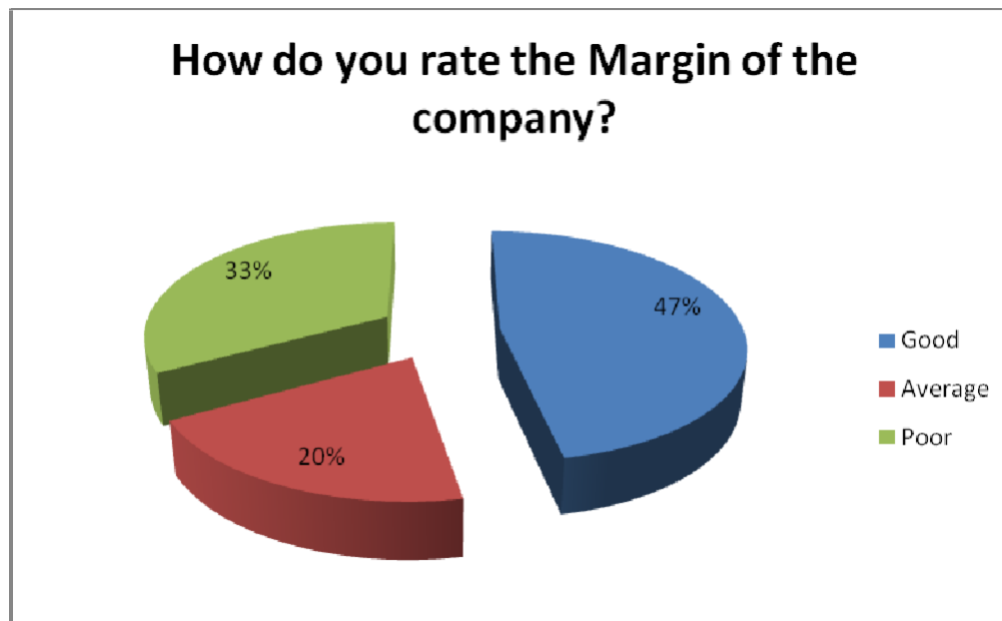


Inference: From the above data, it is seen that 77% of the dealers said that Dalmia cement provide Good credit policy, While 17% dealer said Average and 6% said Poor credit policy of the company.

7. How do you rate the Margin of the company?

Total No. of Respondents = 200

Response	No. of Dealers	% of dealers
Good	94	47%
Average	40	20%
Poor	66	33%

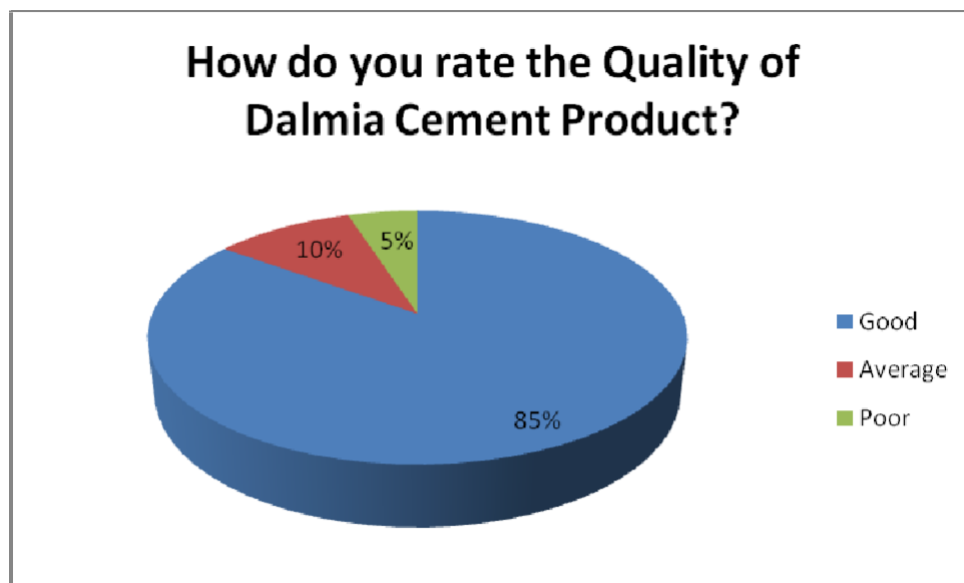


Inference: It was found that 47% dealers rate the Margin of Company Good, 20% rate Average and 33% rate Poor margin of the Company.

8. How do you rate the Quality of Dalmia Cement Product?

Total No. of Respondents = 200

Response	No. of Dealers	Percentage of Dealers
Good	170	85%
Average	20	10%
Poor	10	5%

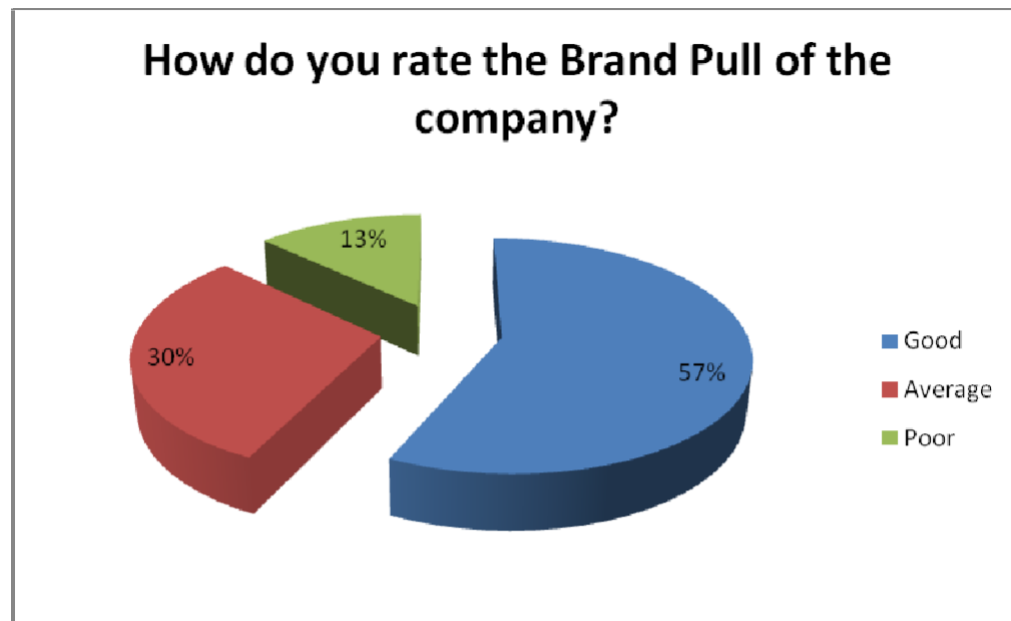


Inference: From the above data it is seen that 85% of the dealer rate Good Quality of Dalmia Cement product, 10% rate Average and 5% rate Poor quality of Dalmia Cement Product.

9. How do you rate the Brand Pull of the company?

Total No. of Respondents = 200

Category	Frequency	Percentage
Good	114	57%
Average	60	30%
Poor	26	13%

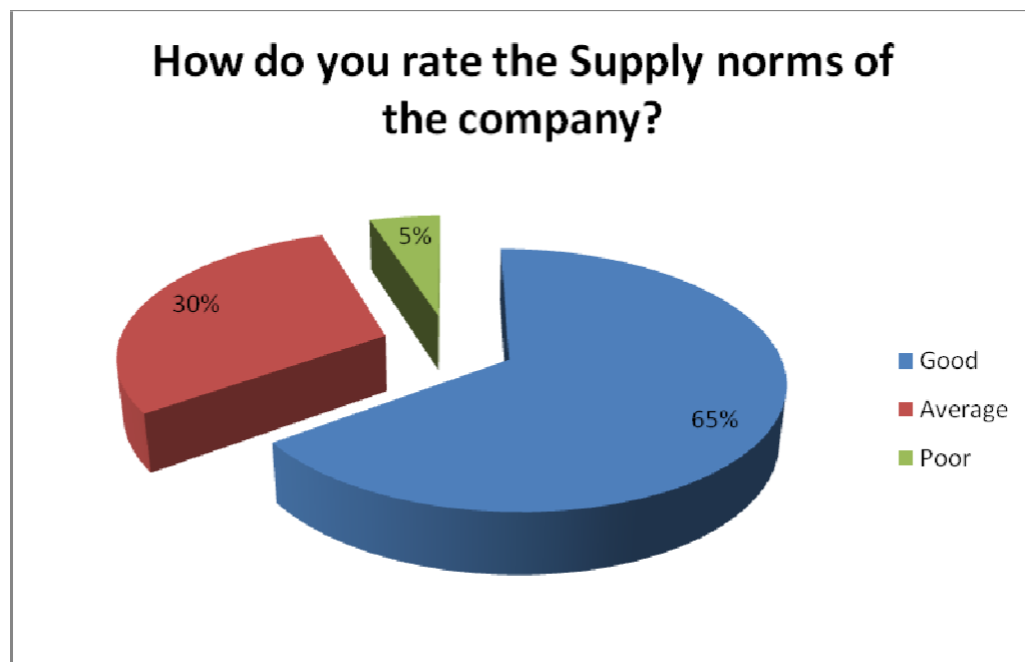


Inference: The diagram shows that 57% dealer Rate the Brand Pull of the Company Good, 30% rate Average and 13% rate Poor.

10. How do you rate the Supply norms of the company?

Total No. of Respondents = 200

Category	No. of Dealers	Percentage (%)
Good	130	65%
Average	60	30%
Poor	10	5%

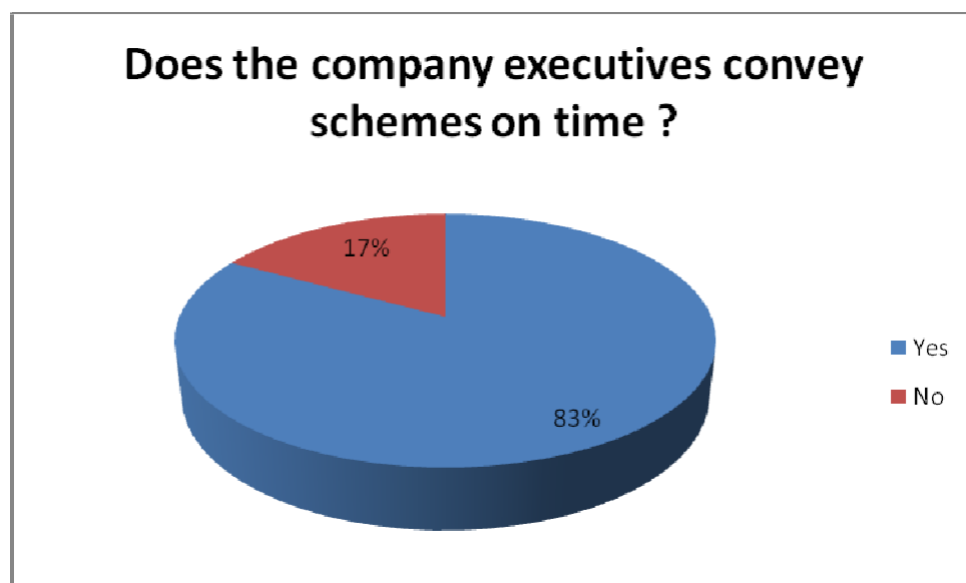


Inference: From the above data it is seen that 65% rate the Supply norms of the Company is Good, 30% rate Average and 5% rate Poor.

11. Does the company executives convey schemes on time ?

Total No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Yes	166	83%
No	34	17%

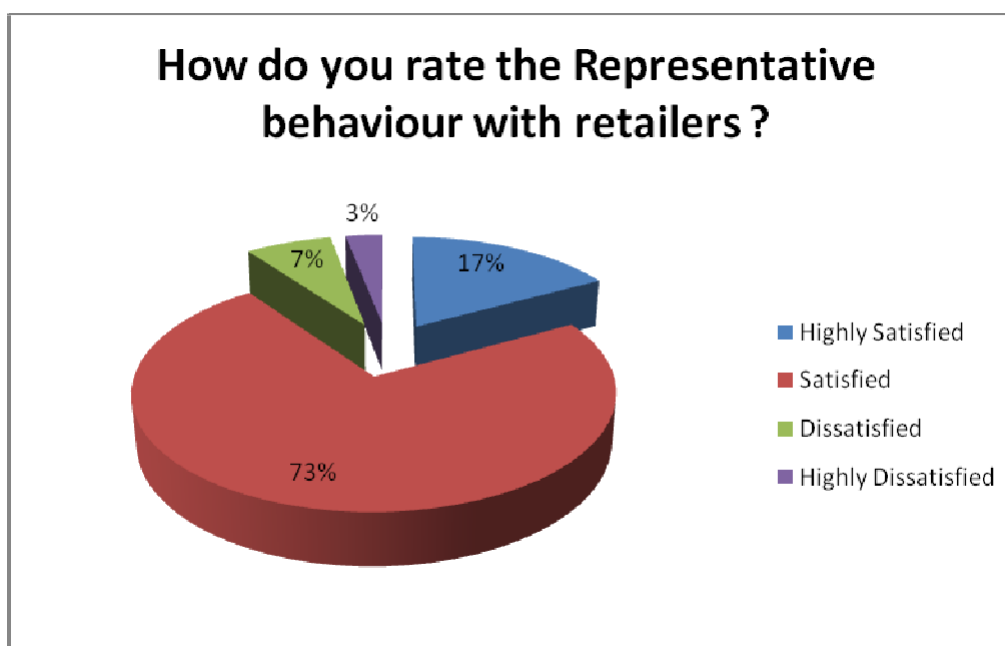


Inference: From the above diagram and table it is clear that 83% are of the opinion that company executives convey schemes on time and 17% said does not company executives convey schemes on time.

12. How do you rate the Representative behaviour with retailers ?

Total No. of Respondents = 200

Category	No. of Respondents	Percentage of Respondents
Highly Satisfied	34	17%
Satisfied	146	73%
Dissatisfied	14	7%
Highly Dissatisfied	6	3%

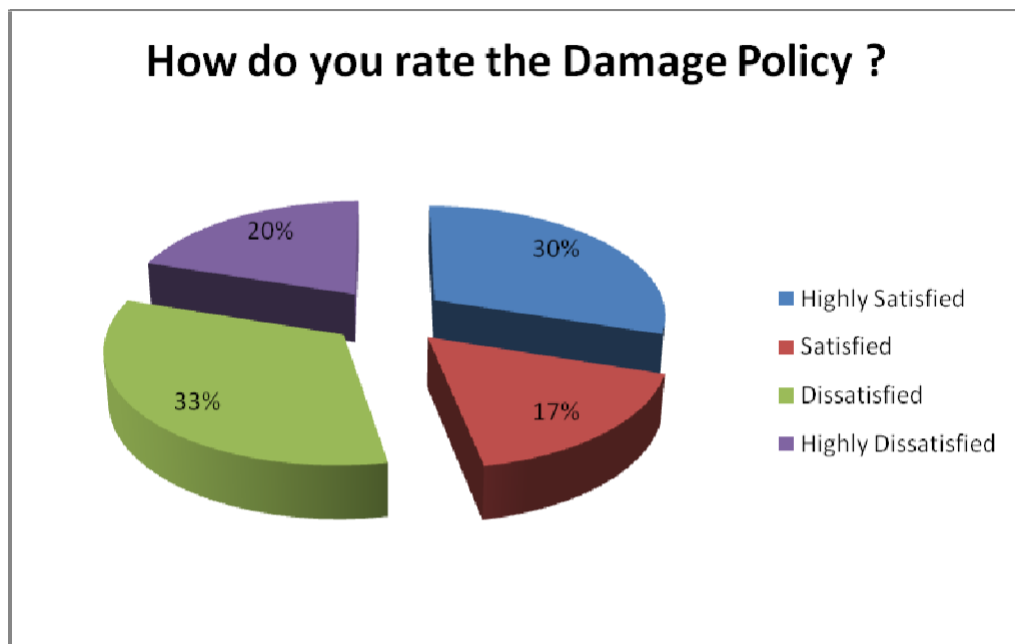


Inference: From the above diagram it is found that 17% respondents highly satisfied with Representative behaviour, 73% satisfied, 7% Dissatisfied and 3% Highly Dissatisfied with representative behaviour.

13. How do you rate the Damage Policy ?

Total No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Highly Satisfied	60	30%
Satisfied	34	17%
Dissatisfied	66	33%
Highly Dissatisfied	40	20%

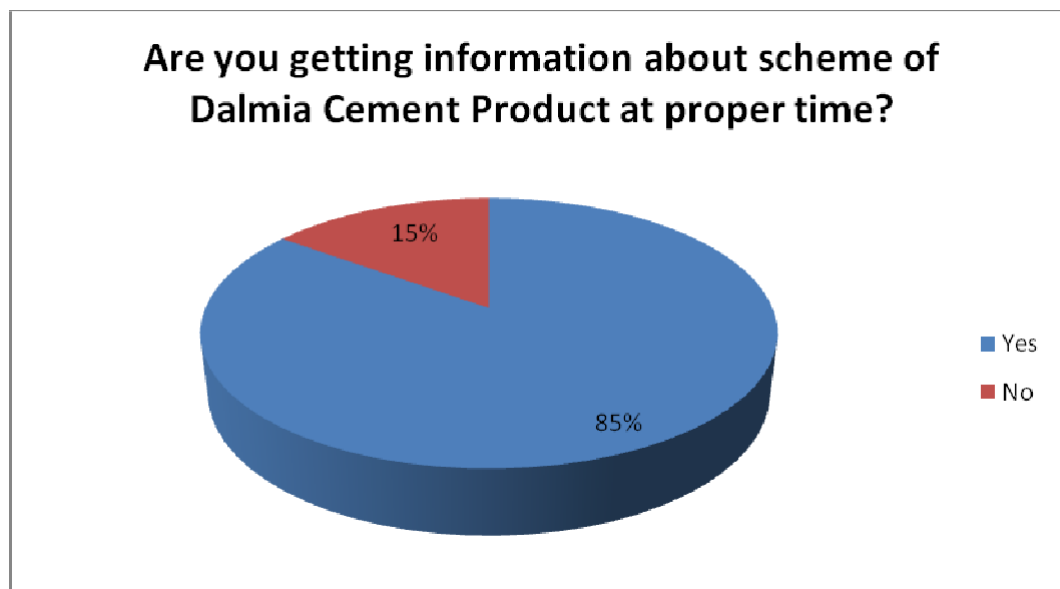


Inference: The above pie diagram and table shows that according to 30% dealers are Highly Satisfied with Damage Policy of Dalmia Cement, 17% Satisfied, 33% Dissatisfied and 20% Highly Dissatisfied with Damage policy of Dalmia Cement.

14. Are you getting information about scheme of Dalmia Cement Product at proper time?

Total No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Yes	170	85%
No	30	15%

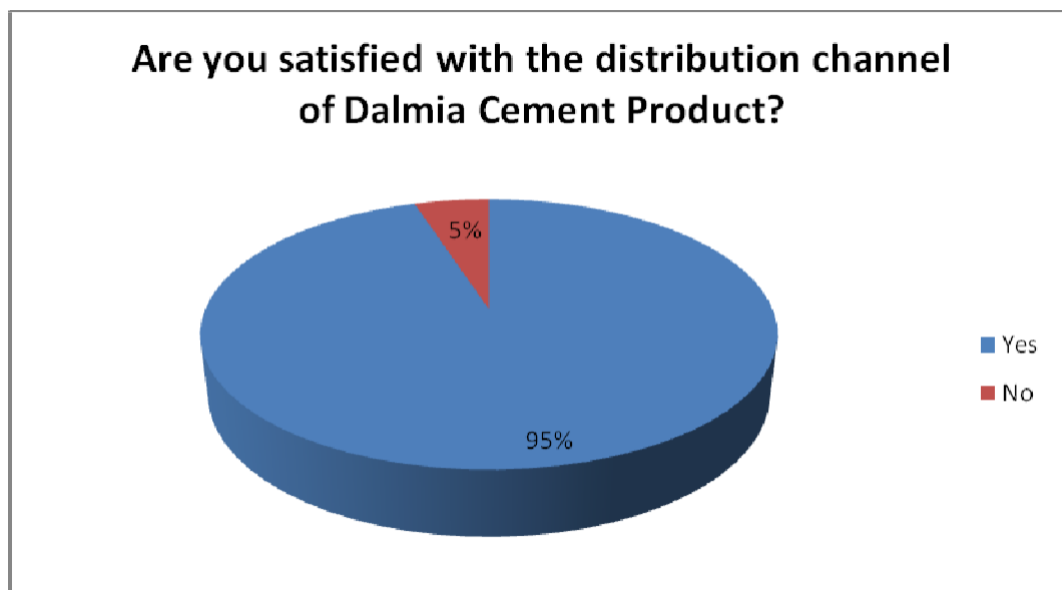


Inference: From the above data we have seen that 85% dealers get information about Scheme of Dalmia Cement Product at Proper time and 15% dealer not get information about schemes of Dalmia Cement Product at Proper time.

15. Are you satisfied with the distribution channel of Dalmia Cement Product?

Total No. of Respondents = 200

Response	No. of Respondents	Percentage of Respondents
Yes	190	95%
No	10	5%



Inference: From the above data we have seen that 95% dealers satisfied with distribution channel of Dalmia Cement Product and 5% not satisfied with distribution channel of Dalmia Cement Product.

Chapter 6

Conclusion & Suggestions

* *Questionnaire*

* *Bibliography*

Conclusion & Suggestions

Conclusion

As a consequence of the research work it is found that the market share of Dalmia Cement in Muzaffarpur District is in 1st Position. Most of the dealers are of Dalmia Cement. To increase the number of dealers of Dalmia Cement should take care of their existing dealers along with sub-dealers so that they can gather more customer and this will lead to increase the necessity of enhancement of dealers in particular area.

Periodically there should be Dealer Meet and Mason Meet. Feedback should be taken by the company from the dealers and corrective action should be taken regarding the feedback provided by the dealers.

As a consequence of the research work it has been found that there is great impact of advertisement on sales of the cement.

It is hoped that this report will help the organization to get actual picture of the prevailing market scenario and to increase its market share.

Findings

1. I have found 100 respondents to know about selling of Dalmia Cement.
2. It was found that 35% dealers sale Dalmia cement due to Margin, 20% due to Promotional Schemes, 22% due to Demand, 5% due to Dealer relationship, 10% due to Credit Policy and 8% due to other reason.
3. In my survey, I found that 23% respondents not selling Dalmia product due to Credit Policy, 33% due to Promotional Material Not Supplied on Time, 27% due to Schemes are not conveyed on time, 7% due to Supply of product is not proper and rest 10% respondents Do not wish to Specify the reason.
4. In my survey, I found that most of the respondents i.e. 40% take Dalmia Cement product within 1-2 Days, 33% take within 2 to 7 days, 17% take

within More than 7 days and 10% take within 6-12 Hrs. in Muzaffarpur City.

5. From the above data it is observed that 34% respondents give the opinion Good, 43% give Average & 23% give Poor that the Schemes of the Company.
6. From the above data, it is seen that 77% of the dealers said that Dalmia cement provide Good credit policy, While 17% dealer said Average and 6% said Poor credit policy of the company.
7. It was found that 47% dealers rate the Margin of Company Good, 20% rate Average and 33% rate Poor margin of the Company.
8. In my survey, I found that 85% of the dealer rate Good Quality of Dalmia Cement product, 10% rate Average and 5% rate Poor quality of Dalmia Cement Product.
9. In my survey, I found that 57% dealer Rate the Brand Pull of the Company Good, 30% rate Average and 13% rate Poor.
10. In my survey, I found that 65% rate the Supply norms of the Company is Good, 30% rate Average and 5% rate Poor.
11. In my survey, I found that 83% are of the opinion that company executives convey schemes on time and 17% said does not company executives convey schemes on time.
12. In my survey, I found that 17% respondents highly satisfied with Representative behaviour, 73% satisfied, 7% Dissatisfied and 3% Highly Dissatisfied with representative behaviour.
13. In my survey, I found that 30% dealers are Highly Satisfied with Damage Policy of Dalmia Cement, 17% Satisfied, 33% Dissatisfied and 20% Highly Dissatisfied with Damage policy of Dalmia Cement.

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14. In my survey, I found that 85% dealers get information about Scheme of Dalmia Cement Product at Proper time and 15% dealer not get information about schemes of Dalmia Cement Product at Proper time.
 15. In my survey, I found that 95% dealers satisfied with distribution channel of Dalmia Cement Product and 5% not satisfied with distribution channel of Dalmia Cement Product.

Suggestions

- Dalmia cement should provide more schemes to their consumer and should provide gifts and extra bags to them in festive seasons.
- There should be increase in advertisement in rural areas to attract more customers.
- Packaging of the content can be made more attractive.
- The advertising should be more informative as well as attractive.
- More banners are needed in Muzaffarpur area.
- Periodically there should be Dealers meet and Mason meet.
- There are complaints from customer regarding setting time, corrective action should be taken to improve the quality.
- Feedback should be taken by the company from the dealers and corrective action should be taken regarding the feedback.

Questionnaire

Dealer's Name :

Firm's Name :

Address :

Contact No. :

Q1. Are you selling Dalmia cement Product?

- (a) Yes (b) No

Q2. Reason for Selling Dalmia cement Product ?

- (a) Margin (b) Promotional Schemes
(c) Demand (d) Dealer relationship
(e) Credit Policy (f) Other Reasons

Q3. Reason for not selling Dalmia cement Product?

- (a) Credit Policy
(b) Promotional Material Not Supplied on Time
(c) Schemes are not conveyed on time
(d) Supply of product is not proper
(e) Don't Wish To Specify

Q4. How much time does it take for delivery of Dalmia cement Product after ordering?

- (a) 6-12 Hours (b) 1 to 2 Days
(c) 2 to 7 Days (d) More than 7 Days

Q5. How do you rate the schemes of the company?

- (a) Good (b) Average
(c) Poor

Q6. How do you rate the credit policy of the company?

- (a) Good (b) Average
(c) Poor

Q7. How do you rate the Margin of the company?

- (a) Good (b) Average
(c) Poor

- Q8. How do you rate the Quality of Dalmia cement Product?
- (a) Good (b) Average
(c) Poor
- Q9. How do you rate the Brand Pull of the company?
- (a) Good (b) Average
(c) Poor
- Q10. How do you rate the Supply norms of the company?
- (a) Good (b) Average
(c) Poor
- Q11. Does the company executives convey schemes on time ?
- (a) Yes (b) No
- Q12. How do you rate the Representative behaviour with retailers ?
- (a) Highly Satisfied (b) Satisfied
(c) Dissatisfied (d) Highly Dissatisfied
- Q13. How do you rate the Damage Policy ?
- (a) Highly Satisfied (b) Satisfied
(c) Dissatisfied (d) Highly Dissatisfied
- Q14. Are you getting information about scheme of Dalmia cement Product at proper time?
- (a) Yes (b) No
- Q15. Are you satisfied with the distribution channel of Dalmia cement Product?
- (a) Yes (b) No

Thanking you

(Signature of Respondents)

(Signature of Surveyor)

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