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PRAGMATIC STRATEGIES FOR MARKETING OF PORTLAND CEMENT IN INDIA

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ABSTRACT

The Indian cement industry is one of the major contributors for the economic growth since it is closely related to the infrastructure development and home building. India is the world's second-largest cement manufacturer with an installed capacity of approximately 668 million tons in 2024-25 and production of around 468 million tons in 2025, accounting for nearly 8 per cent of global output. The change from a regulated to a competitive, market-oriented environment has resulted in private investment, a rapid growth of capacity and technical improvement.

This study studies cement production, demand scenarios and marketing strategies in India and stresses the importance of effective logistics, robust distribution networks and dealer participation in a high-volume low profit business. Cement is a commodity product but the purchase pattern is influenced by branding, service quality and close connections with dealers, contractors and masons. Competitive advantage has been critically secured by customer satisfaction arising from timely delivery, technical assistance and efficient complaint management.

The survey also identifies upcoming trends such as digital marketing, CRM systems, data driven decision making and sustainability-oriented communication. It believes that long-term competitiveness requires a combination of traditional relationship marketing and digital and customer-centric tactics.

KEYWORDS: Cement Marketing Strategies, Portland Cement Industry, Cement Distribution Network, Dealer Relationship Management, Digital Marketing in Cement Industry

1.0 INTRODUCTION

The Indian cement industry is closely associated with infrastructure and housing and so, plays an important part in the economic growth of the country. Cement is a crucial ingredient for roads, highways, bridges, metro rail projects, irrigation systems, industrial constructions and urban and rural dwellings. The expansion of the cement business in India was historically slow in the years after

independence due to stringent price restrictions, controlled distribution, little private investment and growing input prices. The government developed a system of controls on the price and distribution of goods in 1956 to guarantee fair availability and stable prices across the country. The cement business was under complete government control until 1982 and was then decontrolled in 1989 permitting further entry of private sector. Figure 2 shows cement production vis-à-vis installed capacity during the controlled and decontrolled eras. But when license rules were gradually eased and pricing and distribution were decontrolled, the business was changed. These changes were the reasons of private investment; increased pace of capacity growth and excess production situation and India became the leading cement manufacturer of the world.

The scenario of cement marketing in India has become extremely competitive and geographically varied in the post decontrol period. Currently, the domestic market is dominated by large national players and strong regional manufacturers. Companies such as UltraTech Cement, Adani Cement (Ambuja Cement, ACC,) Shree Cement, Novoco, Dalmia Cement, Madras Cement and JSW Cement have a stronghold in the market through capacity expansion, pricing strategies and a large dealer network. Cement is a standardized commodity and is controlled by tight quality criteria. However, branding, distribution efficiency and relationship management with dealers, contractors and masons play a significant role in influencing demand therefore marketing of cement.

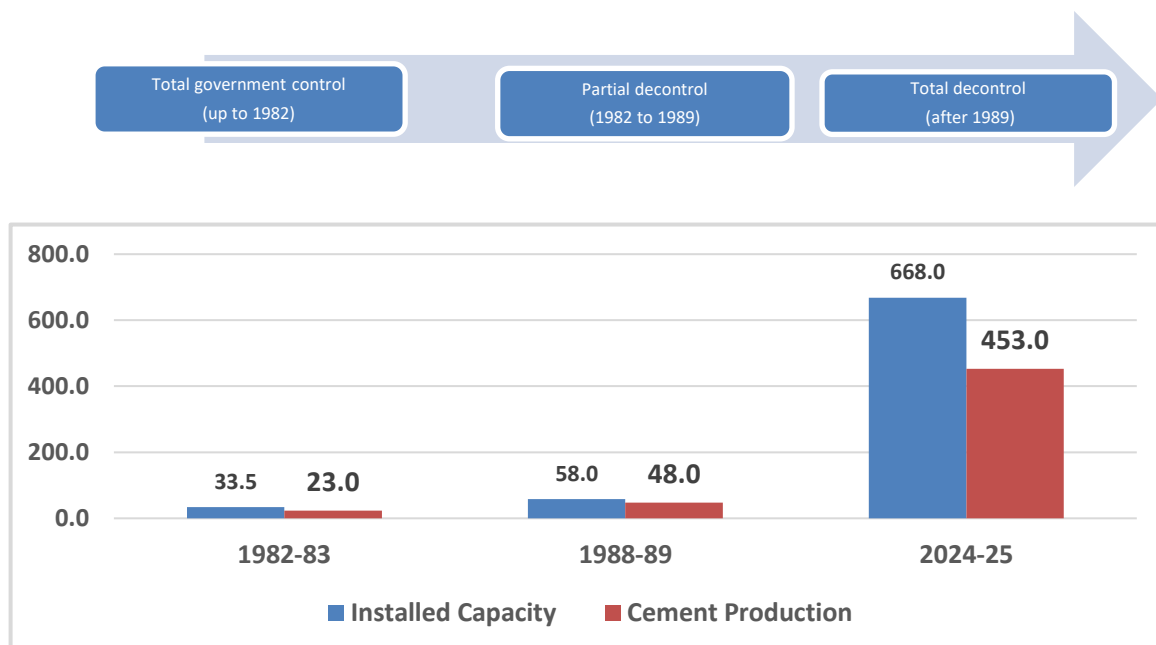


Fig.1: Installed Capacity and Cement Production of India during various period

Internal environment consists of employees, consumers, distributors, shareholders etc. External environment consists of political, legal, economic, social and technical elements. Indian cement marketing environment. (fig 2. In the Indian cement business, the expanding urbanization, continued government expenditure on infrastructure, increased attention on sustainability and use of digital technologies have made strong marketing tactics important for continued competitiveness and growth.

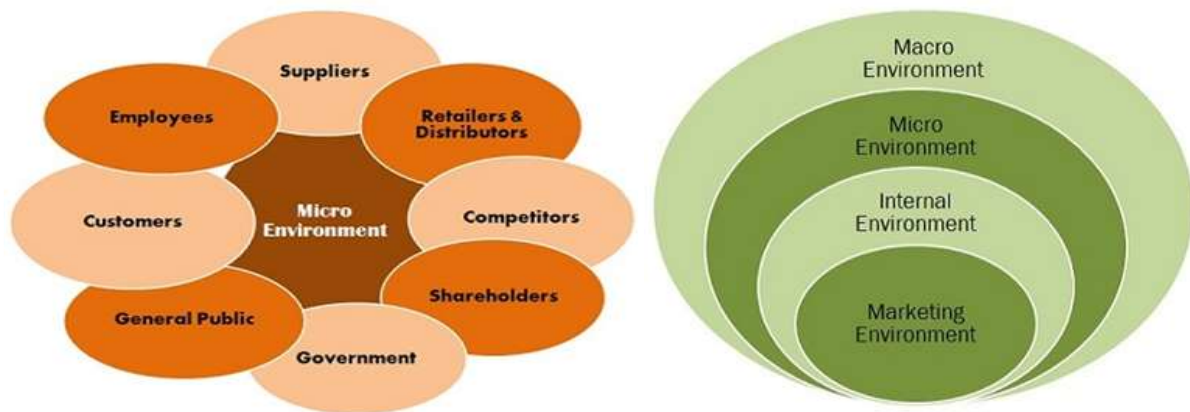


Fig.2: Cement Marketing Environment in India

2.0 Overview of Cement Production and Demand in India:

In 2024-25, India had an installed cement capacity of over 668 million tons, making it the second-largest cement manufacturer in the world after China, and accounting for about 8 per cent of global cement output. The size and development potential of the Indian market can be gaged from the fact that India's total production of all grades of cement in calendar year 2025 was roughly 468 million tons. India produces four basic cement kinds i.e. OPC, PPC, PSC and Composite Cement among a number of specific cements for home and international markets. Portland Pozzolana Cement accounts for around 60% of the overall output of all grades of cement. Figure 3 shows the product wise year wise demand of OPC, PPC, PSC and Composite Cement in India for the previous five year.

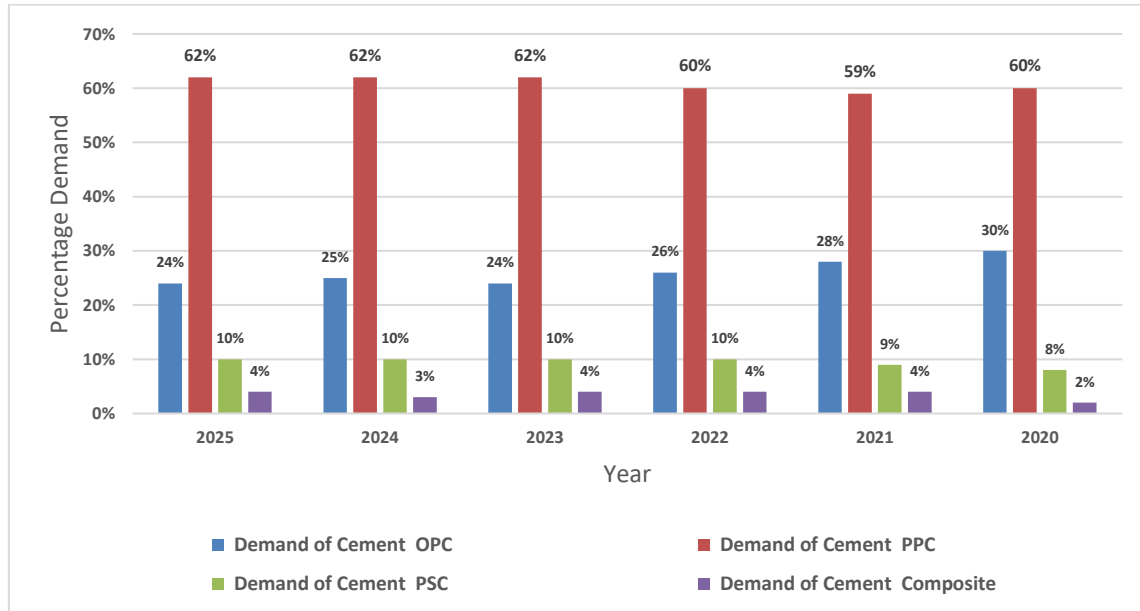


Figure. 3: Product-wise demand for various types of cement in India over the last five years.

India's cement industry has a widely spread and strong production base with roughly 210 integrated cement plants and 125 grinding units located in different parts of the nation. This vast geographical dispersion allows the producers to meet the demand particular to an area and efficiently handle the logistics and transportation cost. The sector has grown steadily in recent years with cement production volumes rising by roughly 6.3 per cent in the year 2025 showing strong domestic demand and capacity utilization.

The growth in demand for cement is primarily driven by the expansion of infrastructure construction such as roads, expressways, metro rail projects, ports and irrigation schemes combined with continuing activity in the housing industry. Government efforts to improve affordable housing, smart cities and rural infrastructure development have also had a role. In India there are 4 sectors in which the need for cement may be categorized as industrial & commercial, infrastructure, urban and rural. Amongst which the demand is the largest in rural regions due to Govt housing and infrastructure initiatives. Figure 4 shows the demand of cement for the above 4 industries. Demand is expected to expand at a robust pace of 6 to 8 per cent throughout 2026 as public and private sector investment in building and real estate continues.

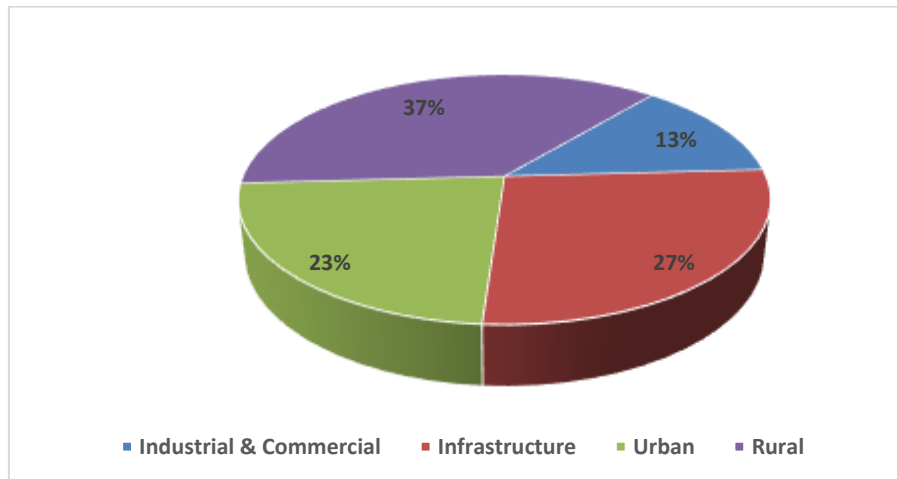


Fig.4: Sector-wise demand of cement in India

The Indian cement business has a mixed market structure of consolidation and competitive variety. Large national firms have dominance of total capacity and market share due to economies of scale, strong brand names and wide distribution networks. At the same time, a number of regional manufacturers continue to compete on the basis of local markets, cost efficiency and closeness to consumers. The co-existence of the big businesses and the regional brands produces a dynamic supply-demand market with different price patterns throughout the states.

Industry operations are increasingly influenced by technological innovation, energy efficiency and environmental measures. To summarize, the Indian cement industry is on a steady development path underpinned by good fundamentals, increasing demand and ongoing capacity augmentation.

3. Existing Practices in Cement Marketing

The marketing of cement is greatly based on the well-established and wide dealer and distributor network which is the backbone of the cement market penetration in urban and rural areas. Because the cost of transportation is high relative to the low value of cement, producers depend on good logistics and closeness to markets. With 210 major integrated cement factories and 125 grinding units dispersed across India, regional distribution systems have gained in importance. Timely availability of cement at retail level is a major driver of brand selection especially for individual house builders who account for about 65-70 per cent of total cement consumption.

The cement marketing business is controlled by promotional incentives to masons, contractors and dealers in an overwhelming majority. It's customary to build Mason loyalty programs, contractor gatherings, technical training events and on-site demos to impact purchase selections at the execution level. Trade programs are often set up to retain dealer ties and to encourage secondary sales. Today it

is normal practice to give financial incentives, discounts for volume and extended credit durations. Prices vary from place to place because of differences in freight costs, the presence of local competition and the dynamics of demand and supply. The price variations in bags in various states range from ₹20 to ₹40. There are competitive limitations and considerations concerning logistics.

In rural and semi-urban economies, personal relationships, trust and word-of-mouth play a significant role in purchasing behavior and so, ground level interaction is an especially critical aspect. The rural customer's principal source of knowledge is the advice of the merchant and mason, unlike the metropolitan institutional buyer. Another element that could affect marketing efforts is the seasonal demand patterns (associated with building activity and monsoon cycles). During periods of low production activity, manufacturers often run seasonal discounting campaigns in an effort to keep their shipment volumes and inventory levels up. In India cement is available through trade and non-trade sources. (fig.5.)

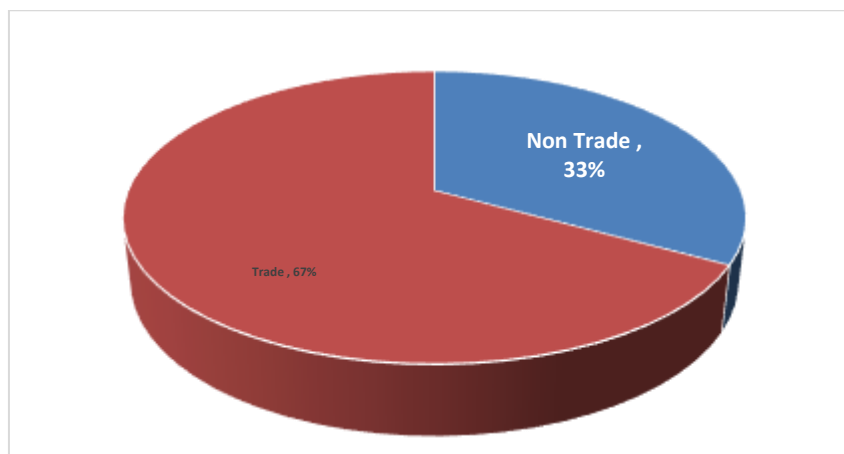


Fig.5: Mode -Wise Cement Sales in India in the year 2025

The majority of cement sales, approximately 67%, are conducted through the trade mode supported by various marketing strategies, and 33 % are sales through the non-trade mode. A typical comparison of cement prices across the two modes, including sales margins, is provided below.

Price/cost	Rs per bag (trade)	Rs per bag (non-trade)
Average realisation	204-209	197-202
Packaging cost	6-9	0

Freight	55-60	40-45
Average realisation including freight	268-273	240-245
GST @ 28%	74-79	65-70
Wholesaler margin	6	0
Dealer margin	8	0
MRP	358-363	308-313

Table.1: A typical estimate of the cost of cement in trade and non- trade mode

It has been observed that there is sufficient scope in the trade mode to adjust sale prices to enhance sales volume.

3.1 Market Characteristics of Cement

Cement prices are very volatile and subject to the existing demand and supply situation in the market. The logistics are quite important as cement is a big and heavy material and freight and handling cost is a large part of the total cost. The further the manufacturing unit is from the market, the higher the transportation costs, which negatively affects the total profitability. That's why cement makers like marketplaces near their factories. Furthermore, the achievement of sales is strongly influenced by the successful shelf availability and appealing dealer incentives, since they are elements affecting dealer motivation, product exposure and ultimately the customer's purchase choice in a competitive market setting.

i. Physical Distribution of Cement

Physical distribution is the aggregate of all operations concerned with the movement of cement from the producer to the consumer at the appropriate place, at the right time and at the minimum cost. Distribution costs are a major component of the final price in the cement business, amounting to over 20 - 30 per cent of the entire cost. Effective physical distribution systems aid in increasing the profitability and providing the customer's convenience and availability of items in time. Cement is sold through a variety of channels, including wholesalers, agents, stockists, retailers, and recently, online platforms, that provide vast market coverage and a seamless product flow.

ii. Role of Marketing Channels

- **Services to Producers:** The functions are effective management of logistics and transportation to assure effective movement of products and on-time delivery. Geographic restrictions are abolished and products are available where they are needed, allowing companies to focus on their core production tasks. “Businesses can identify demand patterns and make decisions based on ongoing market intelligence and consumer feedback. Sales and market share rise through promotions and agreements. Quick order placing and funding makes the business operations run smoothly. Carrying risk helps to absorb uncertainty in pricing, demand and transit. Finally, most importantly, cost efficiency is done by good coordination of various operations so that the total cost is reduced and profit is increased.
- **Services to Consumers:** Such advantages include the possibility of financing choices that make easier and adapt to the purchase of the consumers. The more variety is available, the better the chance that purchasers will find the things that meet their own preferences and needs. Consumers need technical help to maximize use of the product and to make educated judgments. Easy accessibility means how easily items can be reached when they are needed. Reliable after-sale service is not only useful for answering questions and fixing problems, but also helps to build lasting trust between buyer and supplier, and to improve customer happiness.

iii. Techno-Marketing of Cement.

Techno-marketing is the blend of marketing duties with technical skills. In many cement businesses, the marketing teams are technical, composed of civil and cement engineers. The main task of techno-marketing is to handle technical problems on projects, consult consumers on the correct use of cement and promote customer happiness and confidence by offering dependable technical help and correct information.

Techno-marketing specialists need to have deep awareness of BIS requirements (IS Codes) and cement chemistry and production processes. The work requires knowledge of concrete testing protocols, aggregate and water quality, and building processes. It is also important to have information about the rival products for easing technical comparisons. They also need to possess good communication and problem-solving abilities since they work directly with consumers to solve problems quickly and give useful technical advice to ensure the right usage of products and build trust across the whole customer experience.

Handling Consumer Complaints

Good customer satisfaction is based on good handling of complaints from consumers. Quickly answer problems, listen to the client and provide the proper solution, not only solves the current problem but also builds trust and loyalty. Having a well-structured complaint management procedure, makes the

consumer feel heard and appreciated, improving the consumer's experience with the company. If organizations respond consistently to feedback and solve problems quickly, they may create long-term satisfaction and keep good connections with their consumers. The complaints of consumers in cement business may be divided into three broad categories:

- cement-related,
- green concrete or mortar-related, and
- hardened concrete-related issues.

Research shows that the majority of complaints, about 69%, are linked to service aspects such as delivery delays, improper guidance, or handling errors, while the remaining 31% stem from manufacturing-related problems, including quality inconsistencies or material defects.

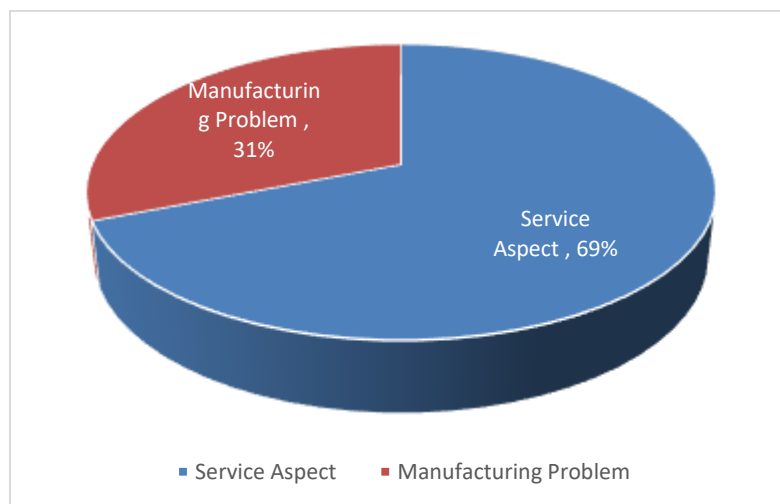


Fig.6: Customer Complaint during cement marketing

This highlights that while product quality is important, effective service, timely support, and proper technical assistance play a larger role in customer satisfaction. Addressing both service and manufacturing concerns is essential to reducing complaints and building trust with consumers. False complaints must also be handled carefully due to high customer acquisition costs.

i. Customer Satisfaction in Cement Marketing

In cement marketing, customer satisfaction is the degree to which the performance of a product meets or exceeds the expectations of the buyer. "High levels of satisfaction are key to building strong customer relationships. Satisfied customers may become brand ambassadors and that word-of-mouth

marketing builds the reputation and visibility of the firm in the market. For instance, unhappy consumers can damage a company's image, with unfavorable reviews, loss of sales and less faith in the brand. Cement firms that employ customer-centric operations such as on-time delivery, technical help, after-sales support and quick complaint handling may go a long way in improving customer loyalty. Focusing on customer happiness enhances the brand's image and aids to generate long-term revenue via enhancing repeat purchases, referral business, and reducing service problems. In general, keeping customer satisfaction high is a strategy that brings together quality, service and consumer expectations in cement marketing.

ii. Measuring Customer Satisfaction

Measuring customer satisfaction in cement marketing involves both direct and indirect methods to gain insights into customer experiences and perceptions.

- The direct methods include surveys and questionnaires, which seek to obtain organized feedback on the performance of items and quality of services. The face-to-face connection offers a more personal experience and a better knowledge of the challenges faced by the clients. However, the complaint analysis aids in identifying the reoccurring problems and areas that might be modified. Looking at complaints can also be helpful in finding areas that could require some improvement. Studies by third parties provide impartial assessments and surprise visits to the market allow companies to see in real time how clients behave and what they consume their goods.
- Indirect approaches are based on studying patterns that indicate levels of satisfaction. The pattern of complaints can help flag systemic issues, while the customer-loyalty index suggests how likely it is that customers will continue to engage with the company. Repeat purchase behavior is a strong measure of consumer trust and happiness. This means that they believe in the goods. By combining these direct and indirect methods cement firms can make educated decisions to increase service quality, improve product performance and develop long term customer connections.

iii. Complaint Handling Process

A good complaint management system means client problems are handled immediately and efficiently. It starts with active listening to comprehend the situation, then empathizing and recognizing the customer's concern. Once a complete root cause analysis has been done, the correct solution is put in place to find out the root cause. Follow-up ensures the customer is pleased

and good documentation provides a record for reference. Through the systematic study of complaints, organizations may not only cure individual problems, but also identify process gaps and opportunities for product enhancement, thus improving the overall service quality, preventing the recurrence of problems and building stronger customer trust and loyalty.

4.0 Significance of Cement Branding in the Marketplace

Although cement is a mostly uniform product subject to stringent quality regulations, branding plays a critical role in the Indian cement business. Branding is a significant indicator of trust, trustworthiness, quality and performance in a market generating over 450 million tons a year. Brand image minimizes perceived construction risk and impacts buying decisions for contractors, builders and individual house builders, who together account for over 70 per cent of cement use in India. Consequently, well-known brands tend to have better memory and preference even if the product has no technical distinction.

UltraTech Cement, Ambuja Cement, ACC, Shree Cement and Dalmia Cement are major national brands which have created significant brand equity via consistent advertising, dealer interaction and consumer education. In many countries, these firms are able to fetch a premium of ₹10-25 per bag over lesser renowned or regional brands, which is a reflection of the importance placed on confidence and assurance. Branding measures besides advertising through the mainstream media include exposure at retail stores, wall murals, hoardings and sponsoring of local building activities.

Quality certifications and technical endorsements are useful to reinforce the legitimacy of the business. It is often said in marketing communication, affiliation with major infrastructure projects such as roads, metros, dams, and smart city developments add to the brand prestige and customer confidence with BIS standards (IS 269, IS 1489, IS 455). Many organizations also focus on product performance features like greater strength, durability and workability to differentiate their offers.

In recent years, branding efforts have expanded to incorporate digital platforms, environmental message and the marketing of blended and low carbon cements. Overall, effective branding helps India's cement producers develop customer loyalty, keep their market share steady and preserve competitive advantage in what is otherwise a price sensitive and highly competitive industry.

5.0 Emerging Trends in Cement Marketing in India

Indian cement marketing is gradually drifting from the conventional relationship-based marketing to a technology and sustainability-driven marketing approach. Although the role of online marketing has risen substantially, personal contacts with dealers, contractors and masons still remain crucial. Today, more than 65% of recognized cement businesses are resorting to websites, mobile applications and social media platforms to communicate with key stakeholders including dealers, contractors, masons

and individual house builders. Client Relationship Management (CRM) systems are used in the cement business to monitor client orders, preferences and feedback. It encourages communication, guarantees delivery and generates confidence. “CRM systems aid in effective sales planning and complaint handling and enhance long term relationships that lead to higher customer satisfaction, loyalty and company success in a competitive market.”

Data analytics may be a powerful weapon for cement marketing. Companies also may use information on local consumption trends, building activity and consumer tastes to create tailored advertising for institutional buyers, contractors and retail customers. The data-driven strategy has improved demand forecasts and decreased inventory inefficiencies, with some firms reporting 10-15% reduction of stock-outs at dealer locations. Such enhancements increase product availability and consumer satisfaction in a highly competitive and price sensitive sector.

Sustainability communication has become a core element of marketing strategy. Cement manufacturers are increasingly marketing blended cements, goods with a low carbon impact, produced utilizing energy-efficient technologies. Sustainability credentials are increasingly a differentiator for brand image in big infrastructure and urban housing projects, driven by more severe environmental laws and more awareness among customers and project owners. Cement marketing in India will be a blend of strong on-ground contact with digital innovation, data-based decision making and sustainability-oriented message to enhance competitiveness and foster long-term success for the industry.

5.1 AI in Cement Marketing in India

A considerable switch from traditional dealer networks to internet sites has been seen. Today, over 22% of all cement sold worldwide is sold through internet retailers. Indian industry should take more note of this trend. More than half of cement firms worldwide already use AI to automate their marketing including targeting, customisation and assessing campaign effectiveness. Half of those organizations also aim to invest more in AI-powered marketing in the coming several years.

In India, companies such as JSW Cement are doing business over text messaging via WhatsApp, thanks to AI. This allows you to order, obtain dealer support, and upsell anytime. Natural language processing (NLP) allows these chatbots to respond to queries, accept payments and provide account information all without any human intervention. Likewise, AI-powered CRMs on platforms like IndiaMART support client engagement through context-specific replies and follow-ups.

Many people employ analytics and predictive insights. For instance, 90% of marketers using AI-powered dashboards to monitor campaign performance, and 45% of cement businesses leverage data

analysis to identify high-value niches. AI-based projections make it easier to synchronize sales peaks with promotions, improving planning for demand. The IoT equipment operating data helps with marketing since it guarantees product quality, real-time access, and dependable delivery.

Digital B2B platforms and mobile applications have grown in popularity between 20 and 55 percent, which has improved lead generation and enabled them to contact more small contractors. AI helps to make ROI more easily calculated and marketing automation reduces expenses by roughly 22%. By 2030, artificial intelligence (AI) is projected to make a huge difference in India's cement market, assisting with sales, customer interaction and environment-friendly advertisements.

6.0 CONCLUSION:

The Indian cement industry is at an inflection point when robust demand drivers are being challenged by growing competition and changing customer expectations. The analysis points out that cement remains a key feedstock for infrastructure and housing development in India, backed by continuous government expenditure and rising urbanization. Cement is nonetheless a commodity product, but marketing has become a key component in building brand preference, dealer loyalty and market share.

Our data suggests that efficient cement marketing in India is driven by a solid distribution network, efficient logistics and a good relationship with dealers, contractors and masons on the ground. Branding is important to reduce perceived risk for customers, allowing the market leaders to charge a premium price and sustain loyalty in a price sensitive industry. With a plethora of national and regional brands, consumer satisfaction based on consistent quality, availability, clear pricing and prompt service has become a strategic difference.

To summarize, the future of cement marketing in India will be shaped by the convergence of conventional relationship-based approaches with digital technology, data analytics, and sustainability-oriented messaging. The increasing interest in blended and low-carbon cements is in line with shifting regulatory and environmental goals. Cement businesses that embrace a pragmatic, customer-centric and technology-enabled marketing approach would be better placed to sustain growth, improve competitiveness and make important contributions to India's long-term infrastructural and economic development.

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