

# Crafting Market Strategies To Unlock Growth Potential

**-Shalini Chauhan Negi**

Holtec Consulting Pvt. Ltd.

# ABOUT HOLTEC

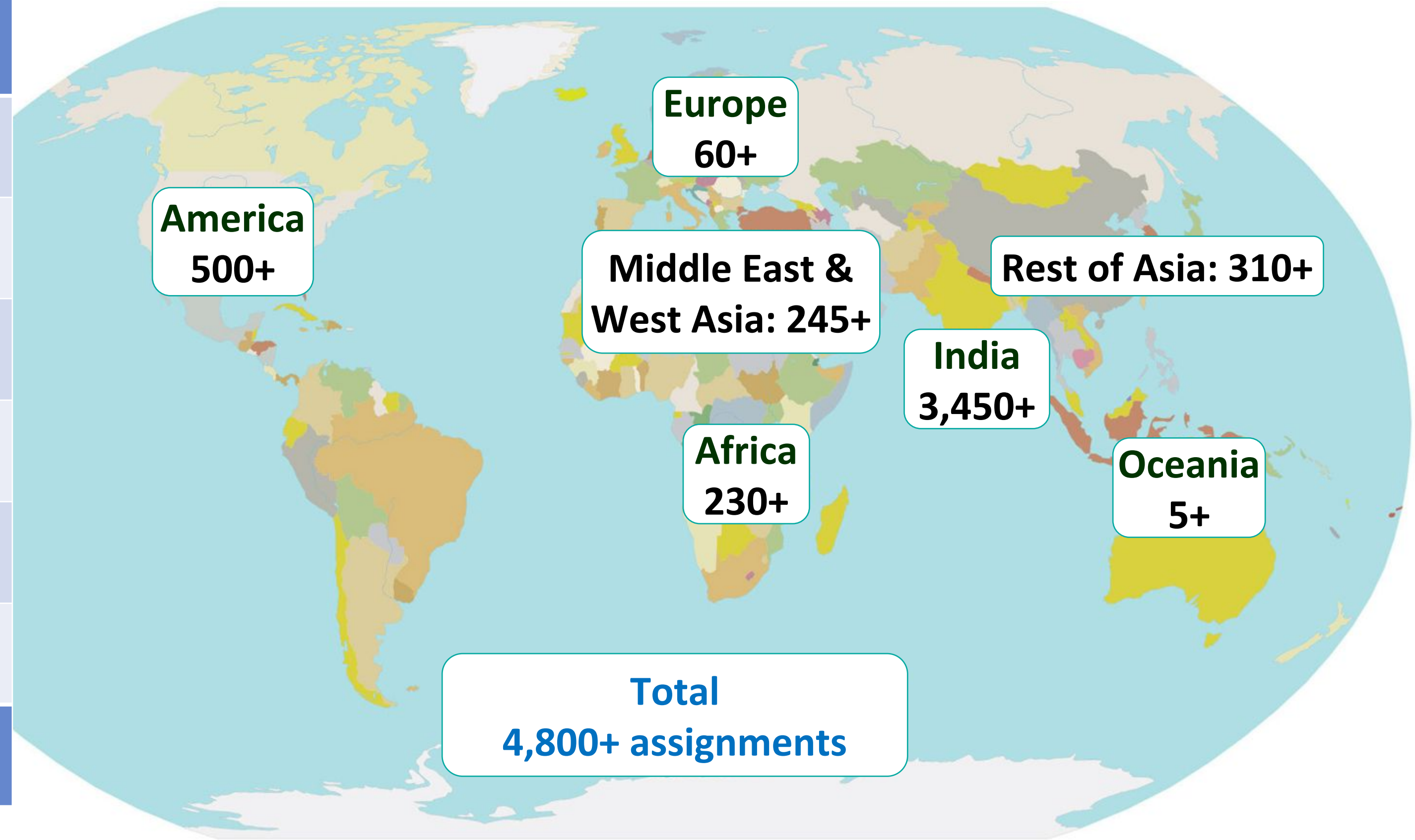
- ❑ Created in year 1967
- ❑ Services firm focused on the Global Cement Industry: Advisory, Engineering, Plant Operations & Maintenance, Solutions
- ❑ Also offer services in Highways, Power & Engineering Support Services
- ❑ 4,800+ assignments for 1,000+ clients in 100+ countries
- ❑ Full fledged engineering and business consulting firm
- ❑ Strong execution processes (ISO certified)
- ❑ Total Solutions: Integrated service from concept through commissioning and operations
- ❑ Industry expertise with 6,500 man-years experience
- ❑ Extensive database built over 55+ years
- ❑ Offices: 3 in India, 1 in UAE (Sharjah) and various other site offices

HOLTEC delivers comprehensive, end-to-end solutions tailored for the global cement industry



# EXPERIENCE IN THE GLOBAL CEMENT INDUSTRY

Type of Projects	No. of Projects
Due Diligence, Valuations and Investment Studies	190+
Raw Material Studies	750+
Feasibility, Market and Strategic Studies	1,100+
Performance Enhancement and Audit Studies	320+
Project Engineering, Procurement, Field Services, etc.	2,260+
Other Miscellaneous Studies	180+
<b>Total</b>	<b>4,800+</b>

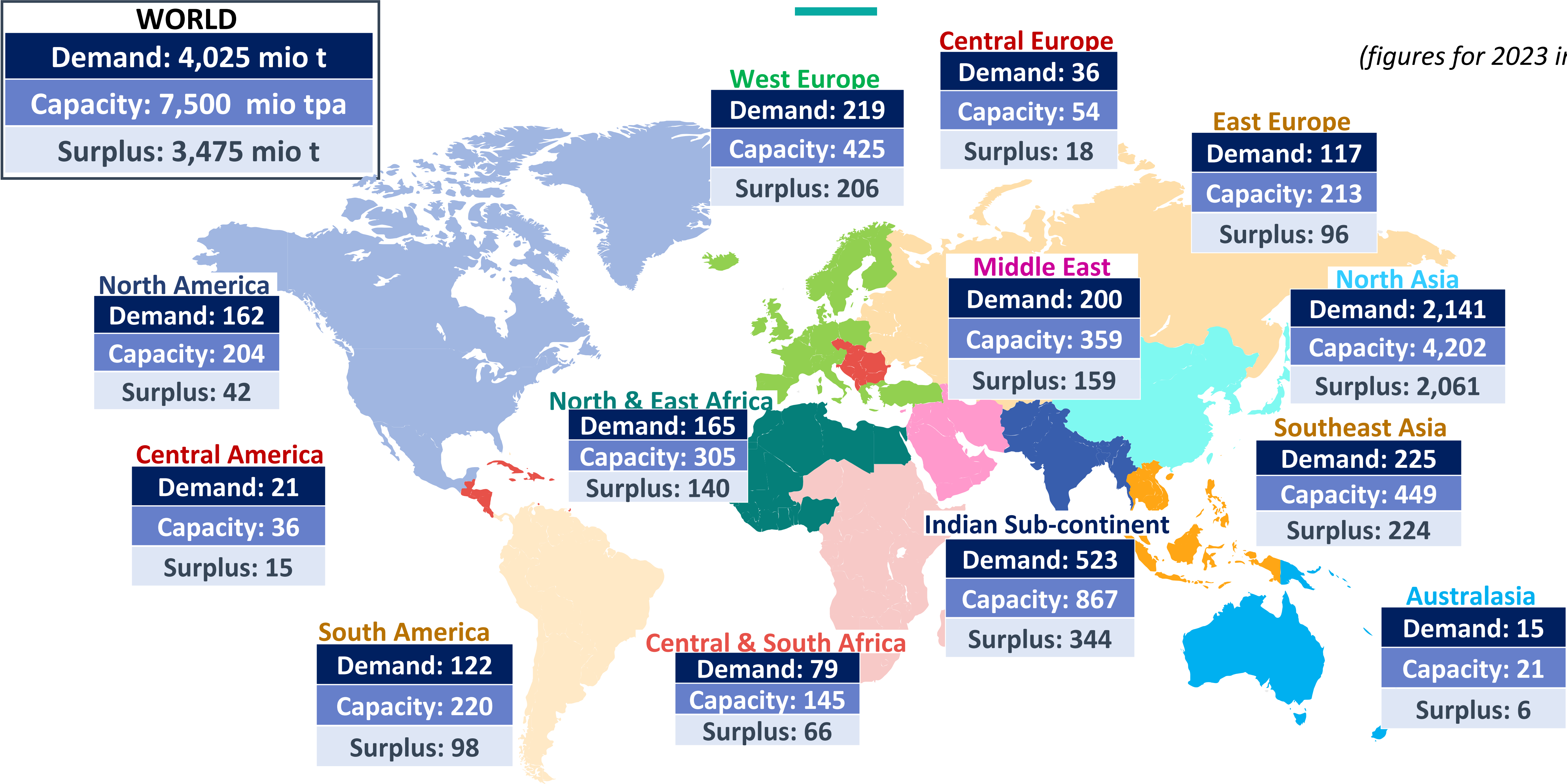


## Highlights

- Engineered over 100 large-sized projects, greenfield and brownfield; 20+ with kiln capacities of >8,000 tpd and 30+ with kiln capacities of 6,000-8,000 tpd
- Successfully executed 700+ Market and Strategy studies worldwide

# CEMENT INDUSTRY LANDSCAPE - 2023

(figures for 2023 in mio t)





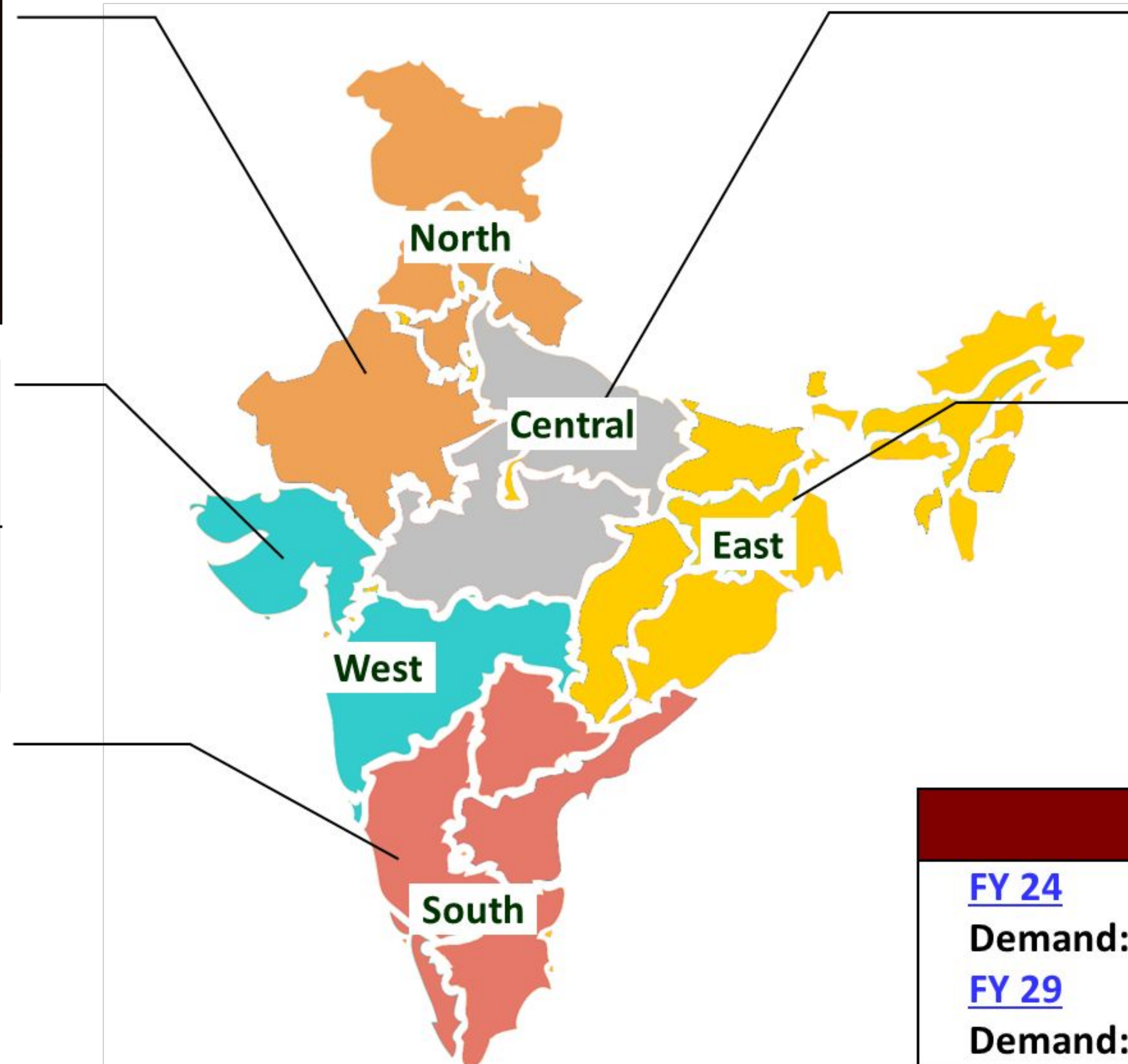
# INDIAN CEMENT INDUSTRY

(Estimated figures in mio t)

<b>FY24</b>	
Demand : 74	34
Supply : 108	
<b>FY29</b>	
Demand : 108	22
Supply : 130	

<b>FY24</b>	
Demand : 69	6
Supply : 75	
<b>FY29</b>	
Demand : 99	-10
Supply : 89	

<b>FY24</b>	
Demand : 102	62
Supply : 164	
<b>FY29</b>	
Demand : 147	43
Supply : 190	



<b>FY24</b>	
Demand : 65	14
Supply : 79	
<b>FY29</b>	
Demand : 97	2
Supply : 99	

<b>FY24</b>	
Demand : 105	20
Supply : 125	
<b>FY29</b>	
Demand : 156	7
Supply : 163	

INDIA
<b>FY 24</b>
Demand: 415, Supply: 551
<b>FY 29</b>
Demand: 607, Supply: 671

\*Supply Refers to domestic supply (net of exports), assuming supply for any capacity added as 50% in Yr 1 & 100% from Yr2 onwards and Cap. Util. of 90%.

# Crafting Market Strategies to Unlock Growth Potential

## Webinar Flow

- Why Strategy?
- What To Examine?
- Approach & Methodology
- Steps to Derive the Strategy
- Cases Studies – real life examples
- Key Takeaways



# WHY MARKET STRATEGY?



## Changing Market Landscape

- Muted demand growth compared to capacity increase
- Challenging to keep market share and revenue growing
- Some global regions: Threat of imports



## Increased Competition

- Markets witnessing major mergers & acquisitions
- Medium and small sized companies under pressure
- New players/ plants entering the market – need for Value Proposition



## Need for Increased Market Orientation

- Consumerization of cement
- Emphasis on brand image
- Need to be proactive to capture opportunities
- Need for techno-marketing
- Have clearly defined Value Proposition for your Positioning

# WHAT TO STUDY?

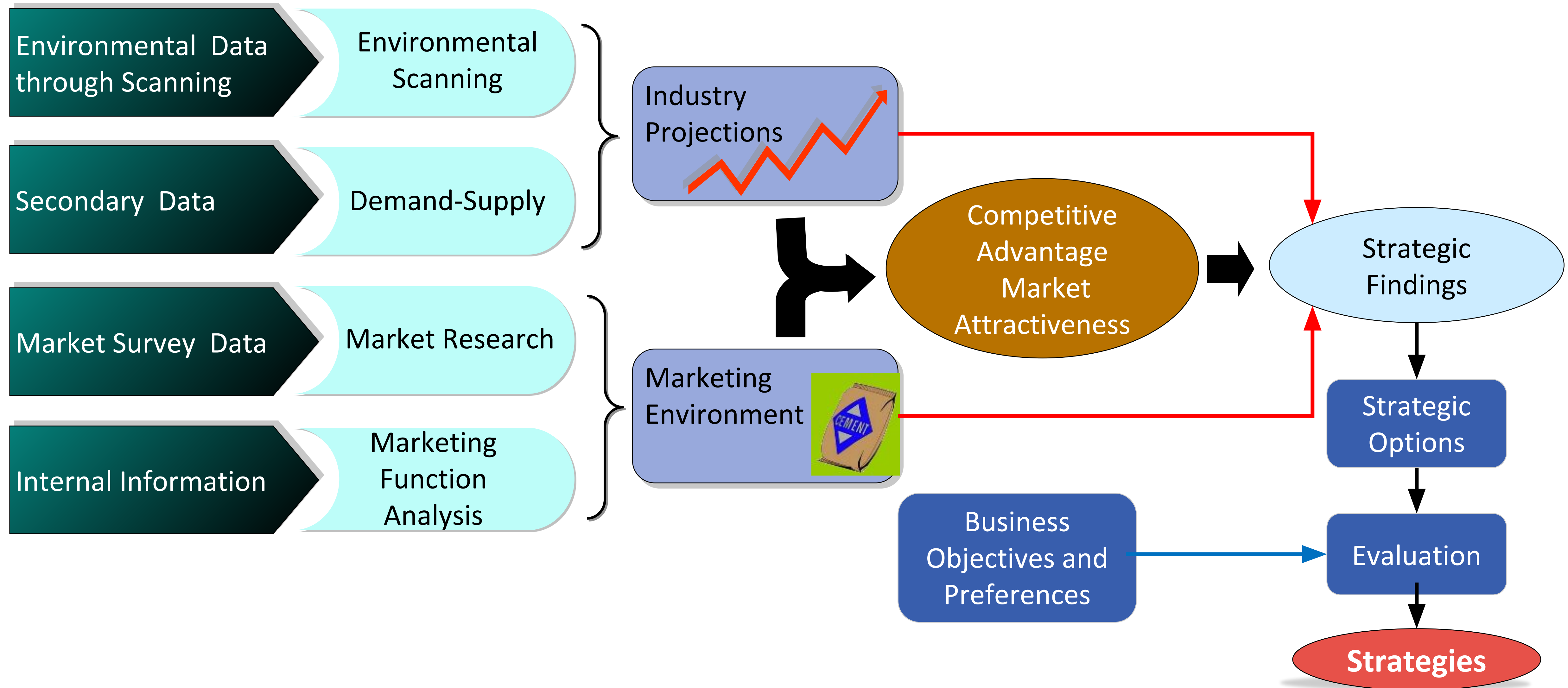




# APPROACH AND METHODOLOGY

- ✓ **Market Insight and Situation Analysis**  
Market transparency followed by a detailed market, customer and competitive analysis to have clarity of Current Scenario & Future Trends
- ✓ **Strategy**  
Define CLEAR goals & objectives to achieve the desired outcomes.  
Quantify desired outcomes with tangible KPIs
- ✓ **Implementation**  
Prepare Action Plans to implement the strategy. Assign timelines, responsibility centres, associated costs for implementation and mitigation measure to enable achieving the KPIs
- ✓ **Measurement**  
Evaluating the outcomes of market plan periodically and course corrections wherever required to ensure goal alignment

# HOW TO DO IT?





# INDUSTRY PROJECTIONS

Quantitative forecasting using various independent variables

**Demand Projections**

National

State

Sub-State

**Demand  
Supply  
Gap**

Holtec's Database & published information about capacity additions

**Supply Projections**

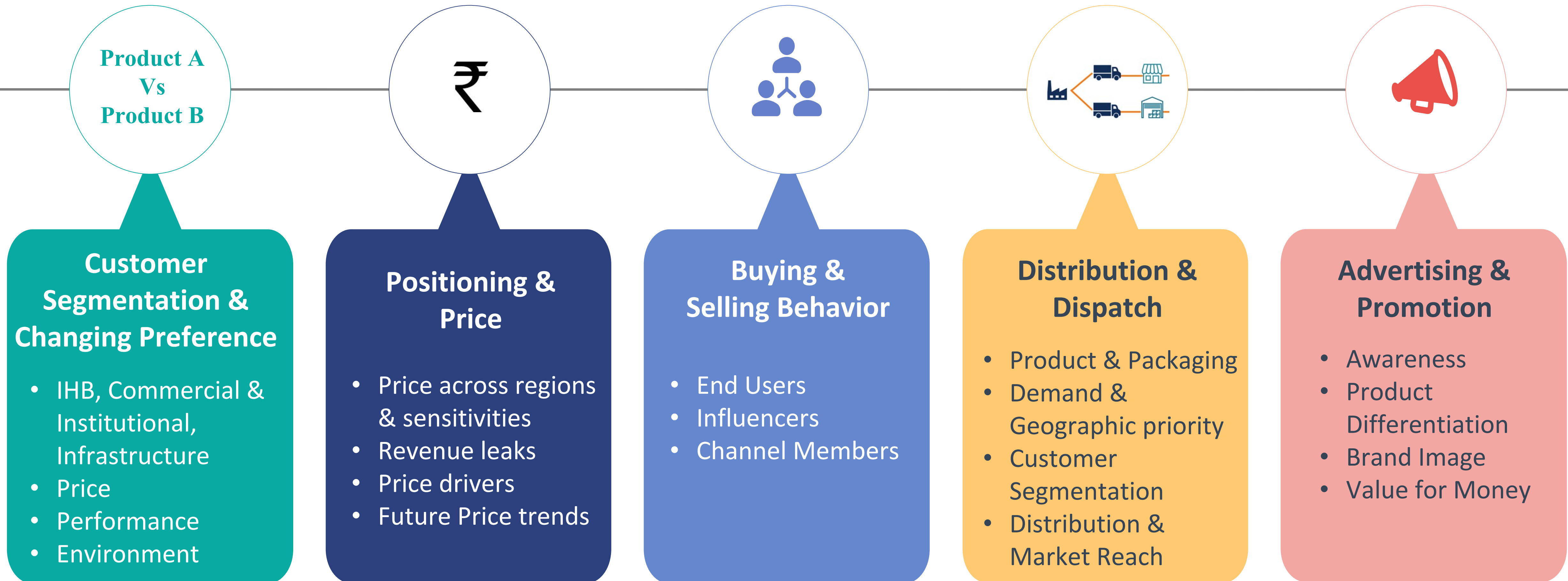
National

State

Sub-State

Demand projections are quantitative, substantiated qualitatively, based on market intelligence, government projects, development in housing, commercial and institutional segment and infrastructure development

# MARKETING ENVIRONMENT



## Helps in understanding:

**Customers:** Needs, Influencers, brand value, prices

**Channel Members:** Needs, credit policies, margins, sales team's call cycle/ interaction frequency, technical assistance

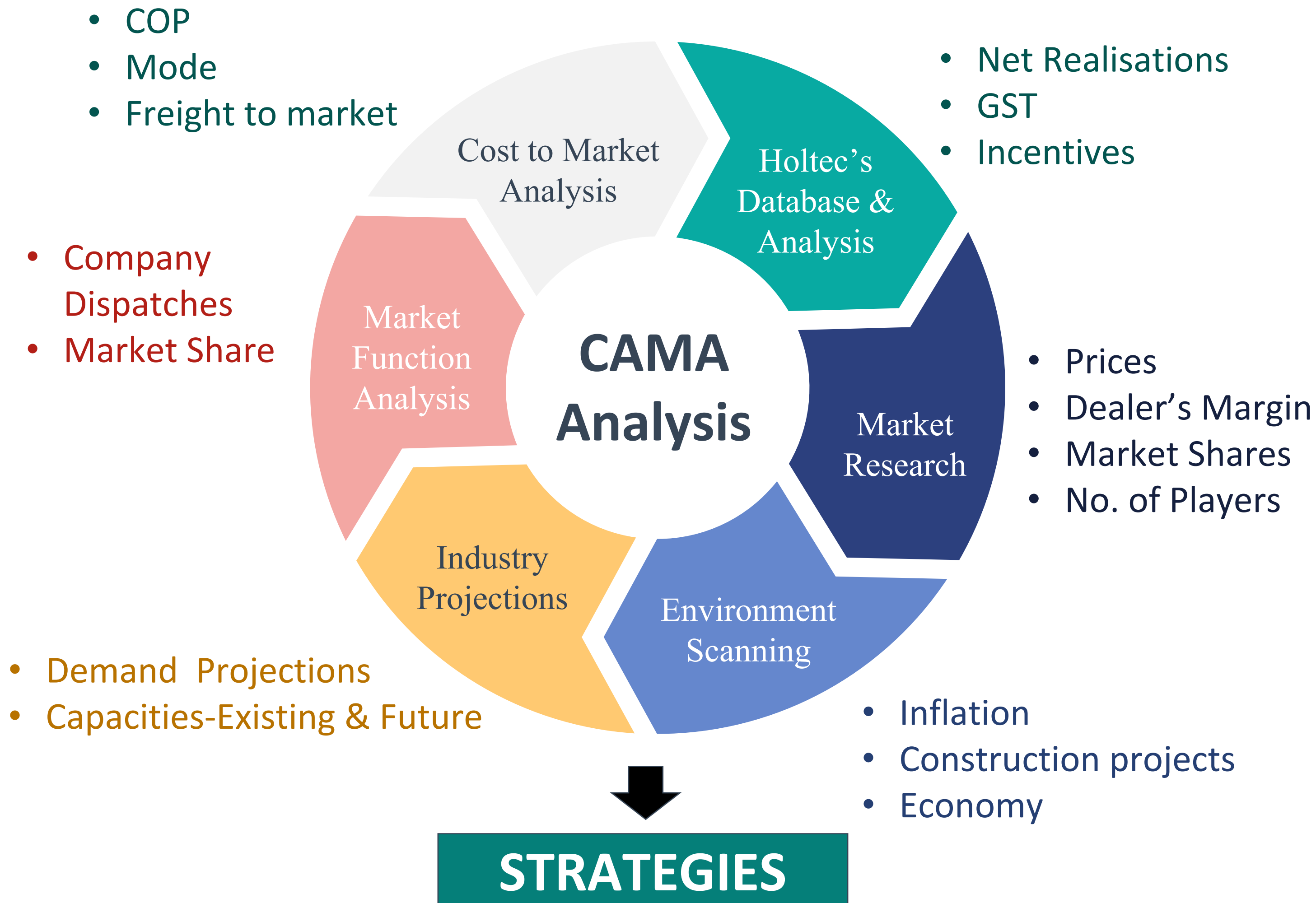
**Competitors:** Strengths, Weaknesses, Strategies, market positioning

**Trends:** Opportunities like new products, green cement, needs, construction practices



# CAMA

## (COMPETITIVE ADVANTAGE - MARKET ATTRACTIVENESS)



### Qualitative factors

- **Trade vs Non-Trade:** Non-Trade gives higher volumes per customer vs variable sales volumes, brand recognition based higher price from Trade channel
- **Major Projects** in the target market: Investment zones, business hubs, etc
- **Partnerships:** Supply chain, forward integration, including RMC, blocks, contract manufacturing, digitalization...
- **Value Proposition:** Your product vs competition in relation to Price & Quality
- **MMIS:** KPI monitoring like sales volumes, sales per person, per dealer, per region, NSR, product wise sales, changing trends, etc

# DELIVERABLES & OUTCOMES

## Deliverables

Based on the customers need, could include:

- ✓ Demand-Supply scenario and Market Trends
- ✓ Competition Analysis
- ✓ Suggested Distribution/ Market Reach, depots, BCT/ GUs/, greenfield expansion
- ✓ Pricing Product-wise
- ✓ Logistics (Modes, Cost, Distance, use of technology, own vehicles, green energy)
- ✓ Cost-Benefit implications for Strategies, clarity on risk associated with strategies, value proposition
- ✓ Action Plans
- ✓ Periodic review of Action Plans, Counter-Strategies and Recommendations

## Outcomes

This exercise helps a client:

- ✓ Enhance and maintain market presence
- ✓ Increase revenue (NSR/ ex-gate price)
- ✓ Optimize distribution network, decrease delivered cost, lead distance
- ✓ Action plans to achieve the same



## Case Study 1

### Market Entry Strategy for a new cement player in a CIS Country



# PROBLEM STATEMENT

**Background:** ABC Cement Ltd was a new entrant in the cement market which was dominated by few players and wanted to establish itself as a long-term player in the market.

**Problem:** How to gain entry into an already established market with strong players and maintain market presence for long term?

**Why is it important to solve the problem?** A weak entry strategy may lead to company having to exit the market prematurely.



# KEY OBJECTIVES

Key objectives defined for the study were as under:

- Gain transparency on the cement market scenario in the target region
- Evaluate the opportunities and threats and accordingly position the company
- Estimate the likely sales volumes and sales revenue
- Develop strategies to ensure a strong market entry
- Create action plans to ensure implementation of the proposed strategies

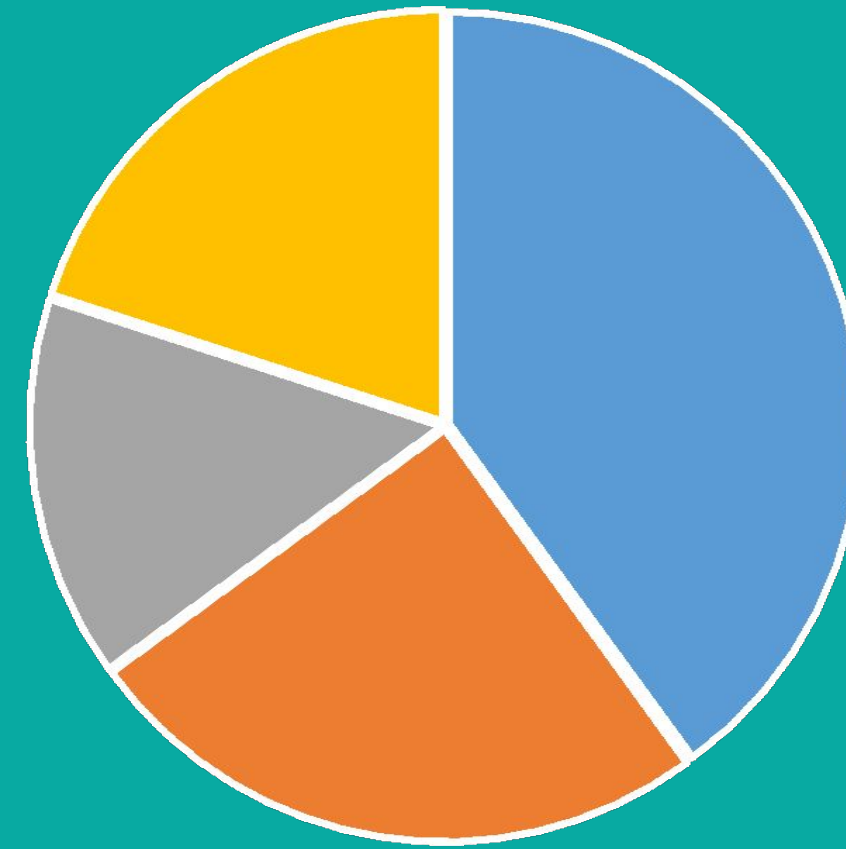
# CEMENT MARKET: TRANSPARENCY

## Demand and Capacity

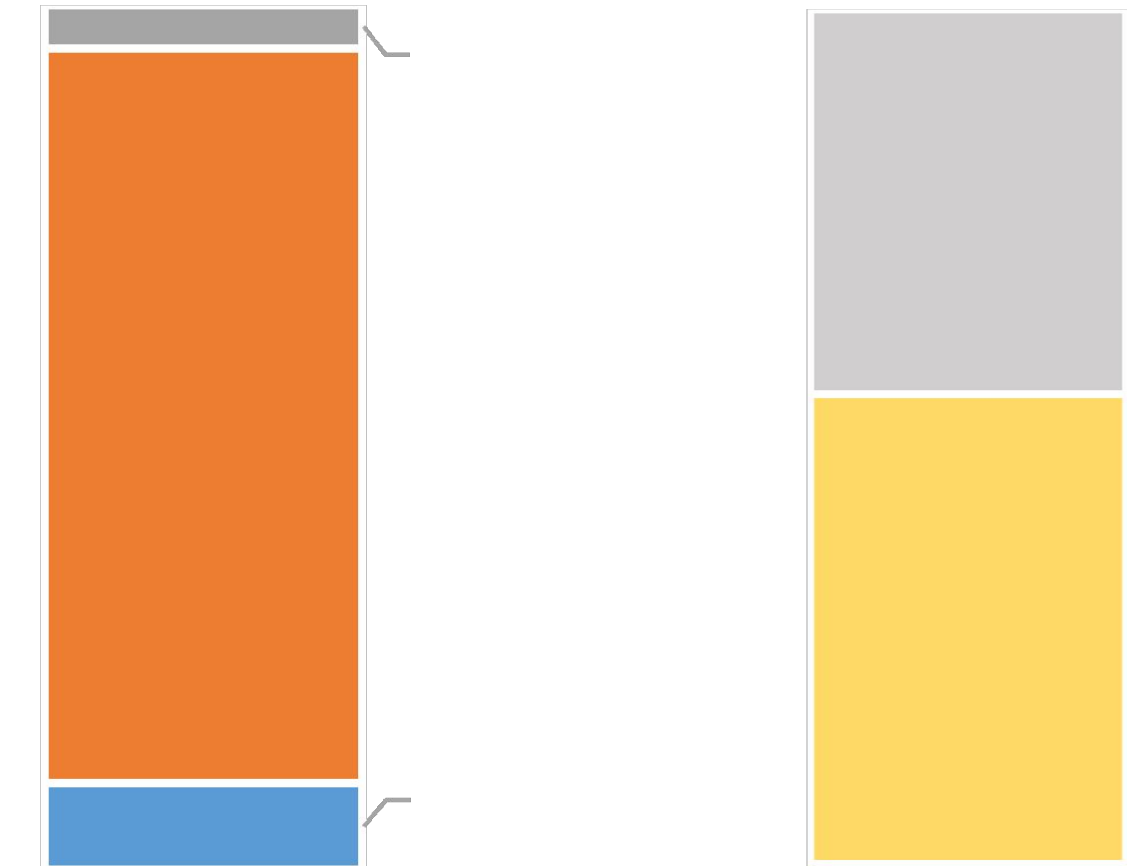
**Demand:** 3.5 mio t with estimated future growth rate of around 4% p.a.

**Capacity:** 3 players 4 mio tpa cement capacity.

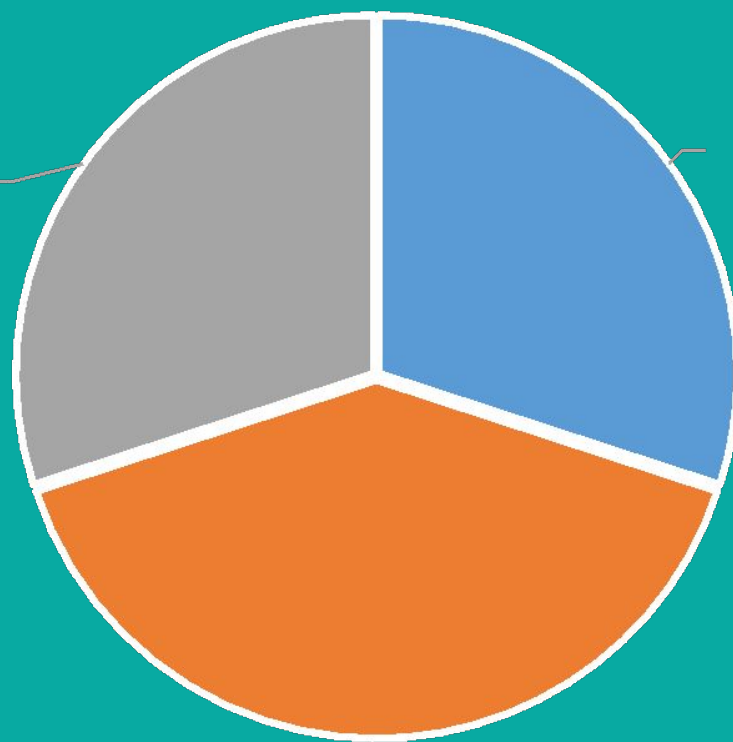
## Market Shares



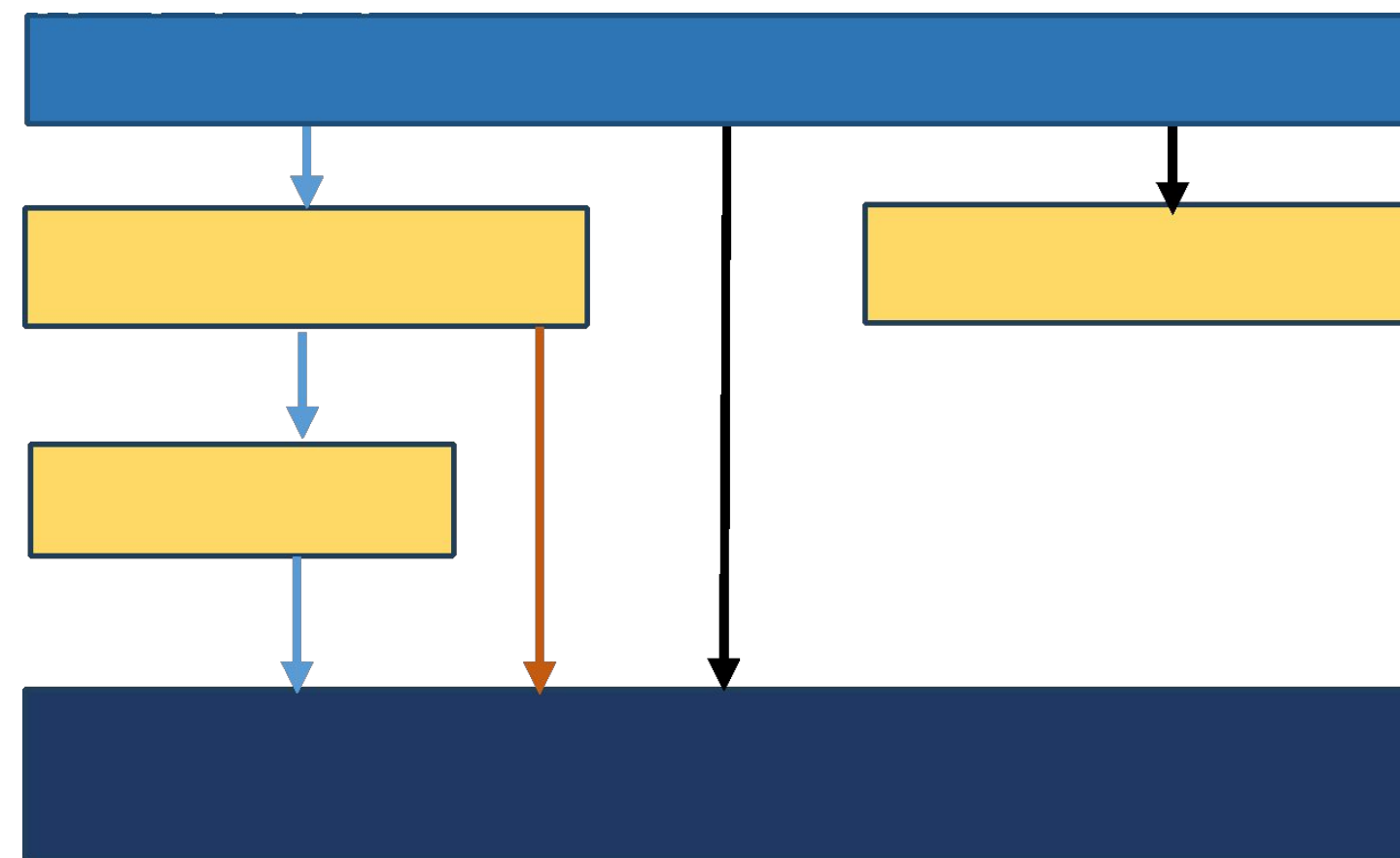
## Product Mix & Packaging



## Customer Segmentation



## Distribution Network



## Logistics

**Domestic Dispatches:**

90% Road + 10% Rail

**Imported Cement:**

By Rail through neighbouring countries + Sea

# MARKET ANALYSIS – P.E.S.T.

## Political Factors

- Stability: High
- Nature of Government: Democratic; ranks high on “Doing Business”
- Regulation/Deregulation: Favourable for cement

## Economic Factors

- Business Cycle Stage: Country emerging from recession
- GDP Growth: Positive for future
- Crude Prices: May not sustain

## Sociocultural Factors

- Rehabilitation of Internally Displaced Persons to boost housing demand
- Housing shortage in the country

## Technological Factors

- Concrete roads planned
- RMC usage on increase
- Building types changing



# COMPETITIVE ANALYSIS – PORTER'S 5 FORCE MODEL



1. **Threats of new entrants:** Low. High investment, access to distribution network, low product differentiation.
2. **Threats of substitutes:** Low.
3. **Degree of rivalry:** Medium to High. Number of competitors is less but they dominate the market, market size and growth are average, product differentiation is low although opportunity of brand differentiation.
4. **Bargaining power of suppliers:** High. Fuel used is Natural Gas and suppliers sell gas to various other industries including exports. Also cost of switching to other fuels is high.
5. **Bargaining power of buyers:** Medium. Limited number of companies supplying cement, chances of RMC companies backward integrating to make cement are low, although RMC can switch to other cement vendors.

# STRATEGIES

Strategies answered the following questions:

Where

Target Market & Distribution Plan

Whom

Customer Segmentation

What

Product Mix, Packaging

How

Distribution Channel, Pricing,  
Advertising & Promotion, Marketing Organisation, MMIS



# STRATEGIES

## Where?

- Region wise distribution of volume are given based on competitiveness of the company to serve the market.
- Market shares was estimated to be 7-8% in year one and was gradually increased to 20% as the company establishes its distribution system and builds brand.

## Whom?

- Customer segmentation was defined in each market region.
- For each market, sales volumes in each target segment were recommended based on existing segmentation, future outlook and competitiveness vis-à-vis other players.

## What?

- Product mix and
- Packaging types (50 kg bags & bulk depending upon the market segment and storages with users). Additionally, palletisation of bags was seen to increase sales to bulk buyers.



# STRATEGIES

## How?

The following area were covered to address this question

1

Distribution Channel

2

Depot/ Stock Points

3

Logistics

4

Brand & Price Positioning

5

Advertising &  
Promotion

6

Sales Organization

7

Marketing  
Management  
Information System

# STRATEGIES

## How?

### 1. Distribution Channel

- Recommendation on number, size and region of dealers
- Typical margins, typical credit terms defined
- Bulk cement target customers defined for direct sale

### 2. Depot/ Stock point

- Location
- Size

### 3. Logistics

- Mode of transport
- Recommended size of trucks for different markets

### 4. Brand & Price Positioning

- High price positioning was recommended as market had strong perception that only high-priced cement is of good quality

## How?

### 5. Advertising & Promotion

- Advertising and medium of advertising was recommended to create a pull for the product
- Promotion activities for both dealers and influencers were recommended to push the product in the market

### 6. Sales Organization

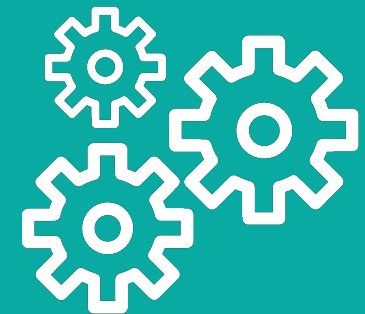
- Number of salespersons depending upon optimized call/ service cycle
- Number of salespersons at each Levels in sales organization for efficient sales management

### 7. Marketing Management Information System

- Type and frequency of reports
- Content of each report
- Source of each report



# ACTION PLAN & SITUATION TODAY



## Action Plan

**Action plans** for each strategy was detailed:

- Each strategy broken down in list of activities to be carried out for achieving the target.
- Gnatt Chart defining the timeline prepared.
- Clear targets and responsibility centres



## Situation Today

- ABC Cement is an established player in the market.
- ABC Cement is a Brand A player, with capacity utilisation higher than the average in the country
- It is the second largest player in the country.

## Case Study 2

### Market Strategy for a cement player in Western region of India



# PROBLEM STATEMENT

**Background:** XYZ Cement Ltd is a mid-size cement player in West India, operating in the market for past 20 years. The company was struggling to maintain its capacity utilization which was much lower than its peers located in the same region.

**Problem:** How to gain market share, increase sales volumes and maintain EBIDTA/t ?

**Why is it important to solve the problem?** A continued decrease in capacity utilization and lowering absolute EBIDTA may lead to company going in the red.



# KEY OBJECTIVES

Key objectives defined for the study were as under:

- Identification of key markets (5 districts identified with high demand which should be targeted).
- Drill down analysis of each key market.
- Identify problem areas and make strategy for increasing penetration and improving sales volumes and market share.
- Make action plans to implement the strategy.
- Periodic review of action plans and course correction, as required.

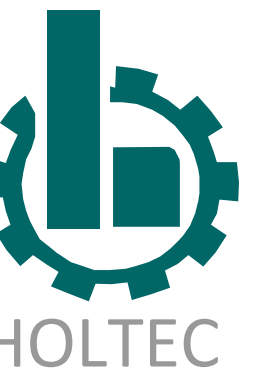
The subsequent slides give details of one of the key market/ district

# DISTRICT A - MARKET SNAPSHOT

<b>Demand</b>	<b>120,000 tpm</b>
<b>Major Players</b>	
Player – 1	35%
Player – 2	20%
<b>XYZ</b>	<b>10%</b>
<b>Product Mix</b>	
OPC	35%
PPC	65%
<b>Trade : Non-Trade</b>	
Trade Market	65%
Non-Trade	35%
<b>Customer Segmentation</b>	
Housing	70%
Commercial & Institutional	20%
Infrastructure	10%
<b>Bag: Bulk</b>	
Bag	90%
Bulk	10%

# DISTRICT A – COMPETITORS MAPPING

1/3



Factors	Player 1	Player 2	XYZ	Key Takeaways for XYZ
Market Share	35%	20%	10%	XYZ is a distant 3 <sup>rd</sup> player
Market Share: Trade (%)	38%	22%	7%	Market share of XYZ in trade is less than its overall market share in the market
Market Share: Non-Trade (%)	30%	17%	16%	XYZ is second largest player in Non-Trade along with Player 2
Volumes: Trade in tpm (%)	29,400 (70%)	16,800 (70%)	5,000 (45%)	XYZ presence in trade market is lesser than that of other players
Volumes: Non-Trade in tpm (%)	12,600 (30%)	7,200 (30%)	7,000 (55%)	XYZ presence in non-trade is as much as number 2 player
Total Volumes in tpm	42,000	24,000	12,000	XYZ is a distant 3 <sup>rd</sup> player

# DISTRICT A – COMPETITORS MAPPING

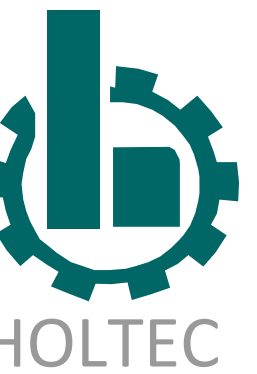


Factors	Player 1	Player 2	XYZ	Key Takeaways for XYZ
Number of Depots	4	2	1	Average dispatches from each depot is 7,000-8,000 tpm for competitors, where for XYZ it is only 5,000 tpm. The storage capacity of depots were reported to be similar for all the players
Number of Dealers	60-70	30-40	8	Competitors' dealers on an average sell 400-500 tpm, whereas XYZ dealers sell higher volumes of around 600 tpm per dealer
Digitalization of Channel (Order placement, Real time delivery tracking, product information, etc.)	Yes	Yes	No	XYZ needs to create digital platform for its channel partners



# DISTRICT A – COMPETITORS MAPPING

3/3



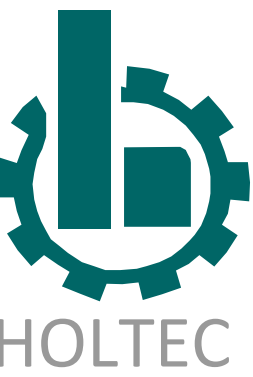
Factors	Player 1	Player 2	XYZ	Key Takeaways for XYZ
Brand/ Price Positioning (A/ B/ C)	A	A	B	XYZ's cement is priced lower than the market leaders
Brand Image	Good	Good	Good	XYZ's brand image is at par with the market leaders
Strengths	<ul style="list-style-type: none"> <li>- Presence in social media, print, TV</li> <li>- Plant located at 70 km</li> </ul>	<ul style="list-style-type: none"> <li>- Presence in social media, print, TV</li> <li>- High brand loyalty in rural market</li> </ul>	<ul style="list-style-type: none"> <li>- Perceived as good cement at an affordable price</li> <li>- Plant located at 70 km</li> </ul>	XYZ needs to create social media presence
Weaknesses	Limited variety of cement, no special cement	Plant located 130 km away, thus higher logistics cost	<ul style="list-style-type: none"> <li>- Lack of brand awareness in Trade market</li> <li>- Limited presence in rural market</li> </ul>	XYZ needs to take steps to improve brand awareness and target rural market which is ~25% of total market

# XYZ : Actual Vs Proposed for District A

Parameters	Actual	Proposed
Sales Volumes – tpm	12,000	17,000
Market Share	10%	14%
Trade Volumes in tpm	5,000	10,000
Non Trade Volumes in tpm	7,000	7,000
Depots	1	2
Dealers	8	22
Retailers	30	80
Digitalization of Channel	None	Complete digital platform
Price Positioning	Brand B	Brand B
Product Portfolio	OPC, PPC	OPC, PPC, Special Cement
Brand Awareness	POP	Increase POP, Create Social Media presence
Visibility in Rural Market	Low	Increase cement availability and POP ads in rural market

# XYZ : Actions Proposed for District A

1/3



## Action 1 – Enhance Channel Network

### Objective:

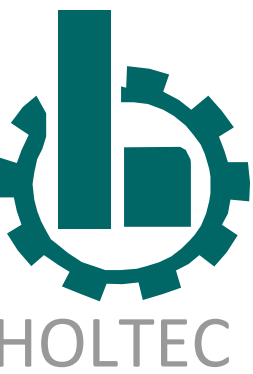
- Appoint more dealers and optimise the existing dealer and sub-dealer network in the North and East part of the district were the key drivers for this action
- This action is critical in order to achieve the targeted 100% increase in trade sales (~ increase of about 5,000 tpm)

### Actions

- Dealers to be given targets & incentives for creating and maintaining sub-dealers
- Increase sub-dealers in rural areas
- There are many inactive dealers who need to be revived
- Introduce digital platform for order placing, updates, delivery tracking, etc to make the process easy for the channel partners
- Sub-dealers categorization in terms of importance
- Providing adequate technical education related support to influencers (including masons, architects, small contractors, etc)
- Quantity incentives to be introduced for sub-dealers also

# XYZ : Actions Proposed for District A

2/3



## Action 2 – Support Activities for Rural Areas

### Objective:

There is a need to increase visibility and influencer (mason, small contractors, village heads, etc) in markets which have a large rural customer base

### Actions

- Hold influencer meets (mason and small contractors, etc) to increase product awareness
- Incentives for influencers for achieving a certain volumes of purchase in a stipulated time period
- Shop painting, hoardings, shop signage/ paintings and POP material to increase brand visibility

## Action 3 – Track Sub Dealers

### Objective:

Identify and develop high performance sub-dealers

### Actions

- Map sub-dealers, shortlist based on their market reputation and performance in other building material/ cement brand sales; thereafter select considering geography, existing gaps & overlaps
- Monthly reports for each sub-dealer, including targets achieved and what can be done to increase your sales
- As most of the sub-dealers sell multiple cement brands, identify which sub-dealers prefers which brand and why: offer similar/ higher incentives initially to create brand pull



# XYZ : Actions Proposed for District A

3/3



## Action 4 – Track Market Developments

### Objective:

Reporting of market developments & activities and response time needs to be improved

### Actions

- Regular reporting of key market information is imperative
- Should include reporting on dealers and sub-dealers' sales performance, competitors' volumes and any important strategy shift, prices and inventory levels with each channel member

# Outcome for District A

Parameters	Actual	Proposed	Achieved
Sales Volumes – tpm	12,000	17,000	15,500
Market Share	10%	14%	13%
Trade Volumes in tpm	5,000	10,000	8,500
Non Trade Volumes in tpm	7,000	7,000	7,000
Depots	1	2	2
Dealers	8	22	20
Retailers	30	80	70
Digitalization of Channel	Partial (only order placing)	Complete digital platform	In progress
Price Positioning	Brand B	Brand B	Brand B
Product Portfolio	OPC, PPC	OPC, PPC, Special Cement	Special Cement introduced in some markets
Brand Awareness	POP	Increase POP, Create Social Media presence	Increased POP Social media presence
Visibility in Rural Market	Low	Increase cement availability and POP ads in rural market	Implemented recommendations. Rural market sales volumes almost doubled

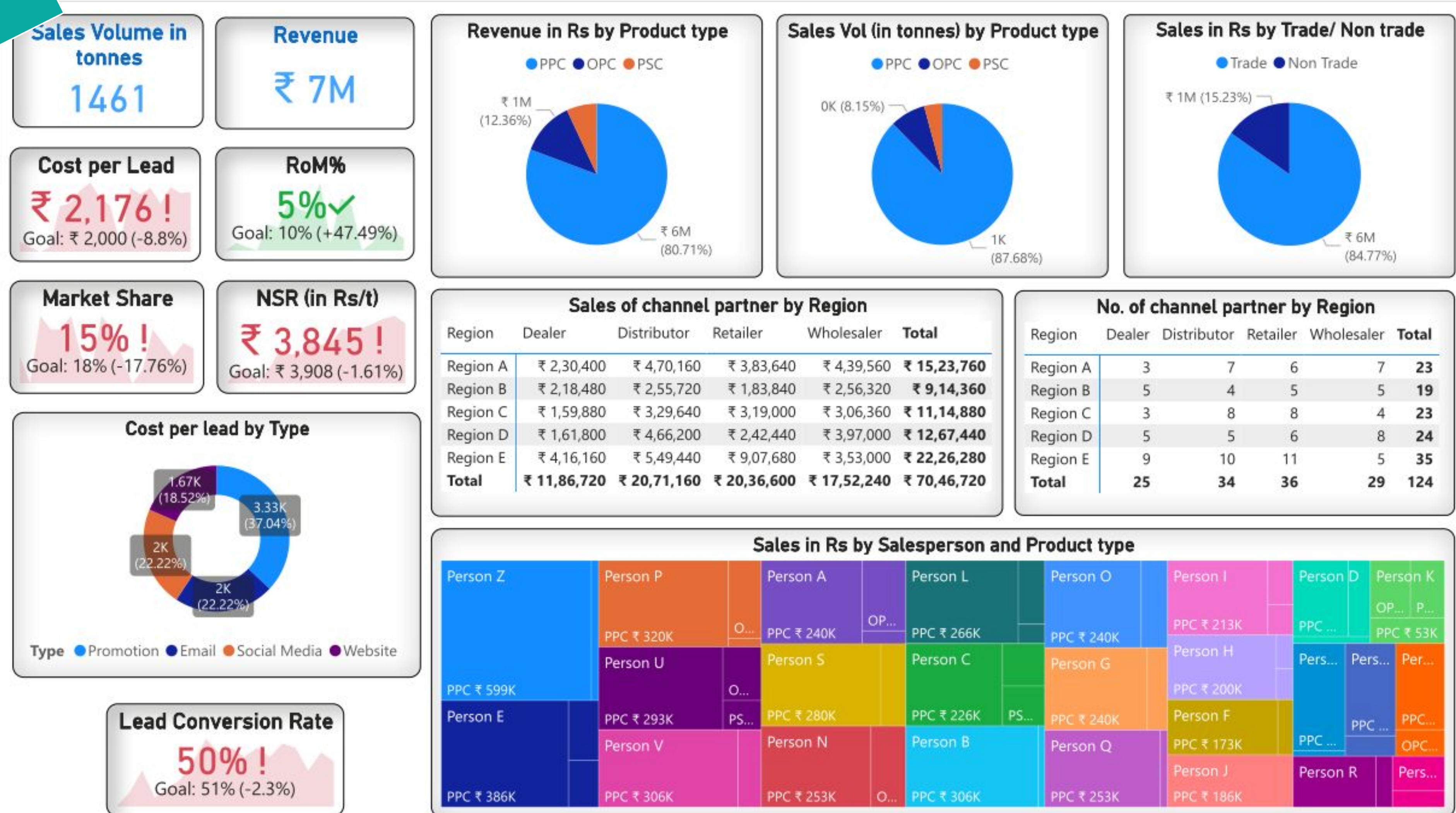
# Conclusion

- Holtec Team worked with the company for almost one year
- Monthly review and action correction, as required was done
- At various times, Holtec Team went from dealer to dealer with the Sales Officer(s) and facilitated in motivating channel members to increase sales
- 90% targets set was achieved
- This exercise was simultaneously carried out for the other key districts
- Current status (2024): The Cement Company is working at higher-than-average capacity utilization in its cluster and has increased EBIDTA by Rs 190/ t



# Dashboard for Tracing Progress – Real Time

SAMPLE



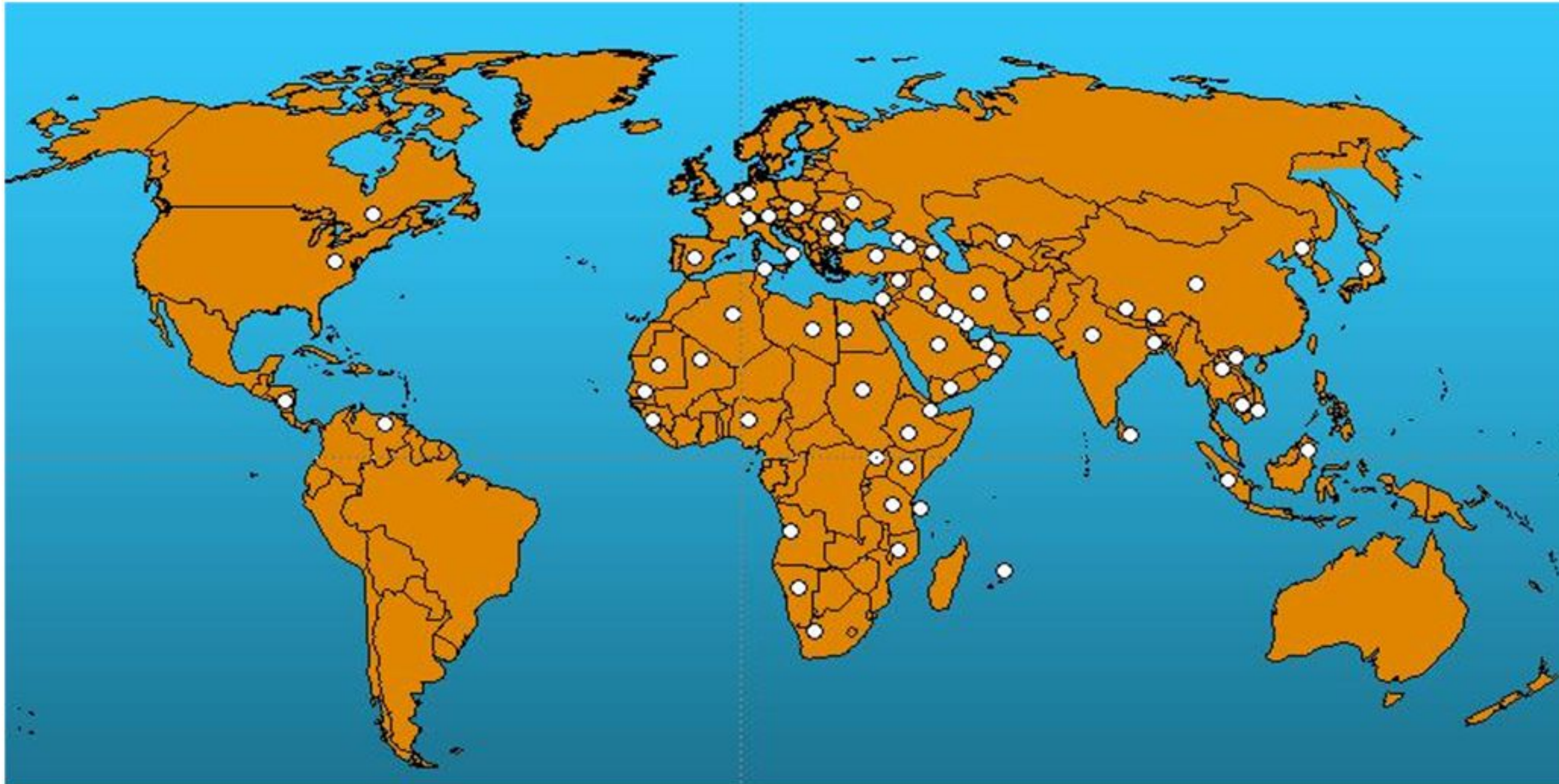


# Key Takeaways

- Market transparency is the base of crafting strategy. Data collation and its analysis should be free of any biases
- Interpretation of data is influenced by the Objective of the Strategy
- Thus, Desired Outcomes should be clear for Strategy Formulation
- A strong monitoring mechanism needs to be put in place to measure the impact of the Action Plans
- Finetuning Action Plans based on changing external environment and actual vs desired results is a MUST
- Every opportunity has Risks. Clarity on appetite to take “how much of Risk” should be evaluated in detail
- Counter-measures should be clear when “competition reacts” to your new strategy
- The strategy should be spearheaded by the Senior Sales Management, ensuring that implementation outcomes are monitored. If needed, alternative action plans should be developed in collaboration with field sales staff

# THANK YOU

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