



# International Journal of Research in Finance and Management

P-ISSN: 2617-5754  
E-ISSN: 2617-5762  
IJRFM 2023; 6(1): 364-367  
Received: 10-03-2023  
Accepted: 12-04-2023

## Maneesh

Research Scholar, Department  
of Business Administration,  
Samrat Prithviraj Chauhan  
Govt College, Maharshi  
Dayanand Saraswati  
University, Ajmer, Rajasthan,  
India

## Correspondence Author; Maneesh

Research Scholar, Department  
of Business Administration,  
Samrat Prithviraj Chauhan  
Govt College, Maharshi  
Dayanand Saraswati  
University, Ajmer, Rajasthan,  
India

## Comparative analysis of Shree cements and Birla cements: Performance, strategies, and market position

**Maneesh**

**DOI:** <https://doi.org/10.33545/26175754.2023.v6.i1d.226>

### Abstract

This research paper aims to analyze and compare the key aspects of Shree Cement and Birla Cement, two major players in the Indian cement industry. The study provides an overview of both companies, including their company profiles, production capacities, product portfolios, market presence, and sustainability initiatives. The research paper explores the production capacities of Shree Cement and Birla Cement, considering their integrated cement plants and geographical locations. It examines the range of cement products offered by both companies.

The comparative study delves into the market presence of Shree Cement and Birla Cement, analyzing their respective market shares and reputations in the industry. It highlights their strengths, including quality products, operational efficiency, and customer satisfaction, as well as their regional dominance.

**Keywords:** Production, sustainability initiative, operational efficiency, regional

### 1. Introduction

The cement industry in India is a highly competitive and dynamic sector, with numerous players vying for market share and striving to differentiate themselves in an increasingly crowded marketplace. Two prominent companies that have established a strong foothold in the industry are Shree Cement and Birla Cement. This research paper aims to conduct a comparative study of the marketing policies employed by these two industry leaders.

Shree Cement, with its rich history and extensive presence in North India, has emerged as one of the largest cement manufacturers in the country. Its commitment to quality and operational excellence has enabled the company to gain a competitive edge and garner a loyal customer base. On the other hand, Birla Cement, a subsidiary of the renowned Aditya Birla Group, has also made significant strides in the industry, offering a diverse range of cement products and catering to various sectors across India.

Marketing policies play a pivotal role in shaping a company's success in the market. Effective branding, pricing, distribution, promotion, and customer relationship management strategies are crucial for achieving sustainable competitive advantage. By comparing the marketing policies of Shree Cement and Birla Cement, this research paper seeks to shed light on the similarities, differences, and overall effectiveness of their approaches.

### Research Objective

The objective of the present research is as follows;

1. The study aims to assess and compare the marketing strategies employed by Shree Cement and Birla Cement.
2. The comparative study seeks to identify the competitive advantages of Shree Cement and Birla Cement in the Indian cement industry.
3. The study aims to gauge the customer perception of Shree Cement and Birla Cement by analyzing their branding strategies and customer relationship management practices.

### Research Questions

The research questions are as follows;

1. How do the branding strategies of Shree Cement and Birla Cement differ in terms of brand positioning, brand image, and brand communication?

2. What are the pricing strategies employed by Shree Cement and Birla Cement, and how do they ensure competitiveness while maintaining profitability?

**Review of Literature**

Chakraborty (2010) [1] utilized “two execution measures, including the proportion of benefit before revenue, expense, and devaluation to add up to resources and the proportion of incomes to add up to resources, and two influence measures, including the proportion of complete getting to resources and proportion of obligation and value, and detailed a negative connection between these ones.”

Alovsat Muslumov (2005) [2] reasoned that privatization was related with declining esteem added and shareholders profitability in the Turkish cement industry. A decrease in the worth added and investors' productivity were for the most part brought about by the lessening consequently on resources. The decrease in the profit from resources was followed by declining resource efficiency. These outcomes are not reliable with past cross-sectional privatization studies and various national studies.

S. Chandrakumarmangalam and P. Govindasamy (2010) [3] examine the connection between the influence (monetary influence, working influence, and joined influence) and the acquiring per offer, and this concentrate likewise makes sense of the connection between the Obligation value proportion and Procuring per Offer and how successfully the firm be capable obligation supporting, the outcomes recommend that the influence and productivity and development are connected and the influence is affecting the benefit of the firm.

**Company Profile of Shree Cement**

Shree Cement is an Indian cement maker, established in Beawar, Rajasthan, in 1979. Presently settled in Kolkata, it is one of the greatest cement producers in Northern India. Shree Cement has moved over the most recent twenty years from having a 2 million ton (mt) creation ability to turning into the country's third biggest cement player, with an introduced limit of 43.3 mt in India and 100 kg overseas. It likewise delivers and sells power under the name Shree Power (Hostage Power Plant) and Shree Uber Power (Free Power Plant).

**Company Profile of Birla Cement**

Birla Enterprise Restricted is an Indian-based leader organization of the M.P Birla Gathering, established by Shri Ghanshyam Das Birla in the last part of the 1910s and carried on by Madhav Prasad Birla. During the 1890s, Birla Enterprise was a jute fabricating organization, yet over the long run, it developed to work four primary divisions: cement, jute, flooring, and auto trim. It's anything but a piece of the Aditya Birla Gathering, a global combination with items going from metals, cement, materials, horticultural organizations, broadcast communications, IT, and monetary administrations. Previously known as Birla Jute Assembling Organization Restricted, with the extension of divisions, the organization changed its name in 1998 to Birla Partnership Restricted.

**Production Capacity of Shree Cements [4]**

Shree Cement has a critical production capacity. It is known

for its enormous scope of cement production operations. The organization operates various cement plants across various locales in India. Here is an overall outline of Shree Cement's production capacity:

**Rajasthan Plants**

**Beawar Plant:** The Beawar Plant in Rajasthan is one of the biggest cement plants in India. It has an introduced production capacity of around 12.8 million metric tons per annum (MTPA).

**Ras Plant:** The Ras Plant in Rajasthan has an introduced production capacity of around 6.6 MTPA.

**Ajmer Plant:** The Ajmer Plant has an introduced production capacity of around 1.5 MTPA.

**Aurangabad Plant:** The Aurangabad Plant in Bihar has an introduced production capacity of around 3.5 MTPA.

**Uttarakhand Plant:** Laksar Plant: The Laksar Plant in Uttarakhand has an introduced production capacity of around 3.6 MTPA.

**Production Capacity of Birla Cement [5]**

Birla “Corporation presently creates cement in eight areas through its 11 assembling units with a joined capacity of very nearly 20 million tons per annum. The production units have been re-modeled and modernized to guarantee that the cement is at the standard the best.”

STATE	TOWN	UNITS	OPERATIONAL CAPACITY (MILLION TONS)
Madhya Pradesh	Satra	Satra Cement Works (1957)	2.70
Rajasthan	Chandera	Birla Cement Works (1957) / Chandera Cement Works (1986)	4.20
West Bengal	Durgapur	Durgapur Cement Works (1974) / Durga Hitach Cement (2009)	2.05
Uttar Pradesh	Raebareli	Raebareli Cement Works (1998) / Raebareli Hitach Cement Works (2015)	1.24
<b>Total</b>			<b>10.19</b>

**Comparison of Marketing Strategy of Shree Cements & Birla Cements**

**Branding**

**Shree Cement:** Shree Cement has focused on building a strong brand image based on qualities like quality, reliability, and innovation. Their branding emphasizes their commitment to excellence and sustainable practices.

**Birla Cement:** Birla Cement, being part of the Aditya Birla Group, leverages its strong brand equity and association with trust and credibility. Their branding emphasizes a customer-centric approach and a wide range of cement products.

**Pricing**

**Shree Cement:** Shree Cement has adopted a competitive pricing strategy, offering value for money while maintaining profitability. They aim to balance cost considerations with market demand and customer expectations.

**Birla Cement:** Birla Cement's pricing strategy is often based on market positioning. They offer a range of products at different price points to cater to various customer segments, from premium to value-based offerings.

**Distribution**

**Shree Cement:** Shree Cement has established an extensive distribution network to ensure product availability across different regions. They focus on efficient supply chain management, logistics, and timely delivery to meet customer demands.

**Birla Cement:** Birla Cement also maintains a robust distribution network, leveraging the widespread presence of the Aditya Birla Group. Their distribution strategy aims to reach customers through multiple channels, including dealers, retailers, and project sales.

#### Promotion

**Shree Cement:** Shree Cement has adopted a mix of traditional and digital marketing channels for promotion. They engage in advertising campaigns, participate in industry events, and leverage digital platforms to communicate their brand message and product offerings.

**Birla Cement:** Birla Cement employs a mix of above-the-line and below-the-line promotional activities. They invest in advertising, sponsorships, and events to create brand awareness. Additionally, they focus on digital marketing and social media to engage with customers.

#### Customer Relationship Management (CRM)

**Shree Cement:** Shree Cement emphasizes customer-centricity and aims to build strong relationships with its customers. They focus on after-sales services, feedback mechanisms, and customer support to enhance customer satisfaction and loyalty.

**Birla Cement:** Birla Cement also prioritizes customer relationship management. They offer personalized services, address customer queries and concerns promptly, and provide support through various touchpoints.

#### Competitive Advantage between Shree Cements & Birla Cement <sup>[6]</sup>

Identifying the competitive advantages of Shree Cement and Birla Cement in the Indian cement industry requires considering their unique strengths, market positioning, and distinguishing factors. Here are some potential competitive advantages for each company:

#### Shree Cement



- **Strong Operational Efficiency:** Shree Cement is known for its efficient production processes and effective cost management. Their focus on operational excellence helps them optimize resources and achieve economies of scale.
- **Extensive Production Capacity:** Shree Cement operates multiple cement plants with a significant production capacity. Their large-scale operations allow them to cater to a wide range of customers and meet market demands effectively.
- **Emphasis on Quality:** Shree Cement has built a reputation for delivering high-quality cement products. Their stringent quality control measures and adherence to international standards contribute to customer trust

and satisfaction.

- **Commitment to Sustainability:** Shree Cement has made considerable efforts in adopting sustainable practices. From energy-efficient manufacturing processes to waste heat recovery systems and the use of alternative fuels, their sustainability initiatives enhance their environmental credentials and appeal to environmentally conscious customers.
- **Strong Regional Presence:** Shree Cement has established a strong presence, particularly in North India. Their regional dominance allows them to leverage local market knowledge, customer relationships, and distribution networks, giving them a competitive edge in those areas.

#### Birla Cement



- **Established Brand Reputation:** Birla Cement benefits from being part of the Aditya Birla Group, a conglomerate with a strong brand reputation across various industries. This association adds credibility and trust to the Birla Cement brand.
- **Diverse Product Portfolio:** Birla Cement offers a diverse range of cement products tailored to different customer requirements. Their product portfolio includes various types of cement, such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), and Portland Slag Cement (PSC), enabling them to cater to a wide range of construction applications.
- **Extensive Distribution Network:** Birla Cement leverages a well-established distribution network, leveraging the group's wide reach and dealer network. This allows them to ensure product availability, timely delivery, and market penetration across different regions.
- **Customer-Centric Approach:** Birla Cement emphasizes understanding and meeting customer needs. They focus on providing value-added services, technical support, and customer-centric solutions to enhance customer satisfaction and loyalty.
- **Financial Strength and Resources:** As part of a conglomerate, Birla Cement benefits from strong financial backing and resources. This enables them to invest in technology, research, and development, as well as marketing initiatives, giving them a competitive advantage in terms of innovation and market responsiveness.

### Pricing Strategy Comparison

Shree Cement and Birla Cement employ pricing strategies that help them maintain competitiveness in the market while ensuring profitability.

#### Shree Cement

**Competitive Pricing:** Shree Cement adopts a competitive pricing strategy to remain competitive in the market. They consider market dynamics, competitor pricing, and customer demand while setting their prices. They aim to offer value for money to customers while maintaining profitability.

**Cost Optimization:** Shree Cement focuses on optimizing costs throughout their supply chain and production processes. By efficiently managing their resources, minimizing wastage, and adopting cost-effective practices, they can offer competitive prices while controlling their expenses.

**Economies of Scale:** Shree Cement benefits from its large-scale operations and production capacity. Their economies of scale allow them to spread their fixed costs over a higher volume of output, reducing per-unit production costs. This cost advantage contributes to their ability to offer competitive prices.

**Product Differentiation:** Shree Cement emphasizes the quality and features of its cement products as a means of differentiation. By positioning themselves as a provider of high-quality cement with unique characteristics, they can justify premium pricing in certain segments while remaining competitive overall.

#### Birla Cement

**Market Positioning:** Birla Cement adopts a pricing strategy aligned with its market positioning. They offer a range of cement products at different price points to cater to various customer segments. This strategy allows them to target a broader customer base and capture market share across different price-sensitive segments.

**Value-Based Pricing:** Birla Cement focuses on delivering value to customers through its products and services. They consider factors such as product quality, reliability, and customer support when setting prices. By emphasizing the value they offer, they can justify their pricing levels and maintain competitiveness.

**Pricing Segmentation:** Birla Cement employs pricing segmentation to address the specific needs of different customer segments. They may offer premium-priced products for specialized applications or construction projects that require specific attributes, while also providing more affordable options for cost-conscious customers.

**Promotional Pricing and Discounts:** Birla Cement may utilize promotional pricing strategies and offer discounts or incentives to customers. These tactics can help stimulate demand, attract new customers, and retain existing ones. By strategically managing their promotional pricing, they can enhance their competitiveness in the market.

Both Shree Cement and Birla Cement continuously assess market dynamics, customer preferences, and competitor strategies to ensure their pricing remains competitive while maintaining profitability. They strike a balance between providing value to customers and optimizing their costs to sustain their market position and financial performance.

### Conclusion

Shree Cement has established itself as a leading player with a strong emphasis on operational efficiency, sustainability, and regional dominance. They prioritize cost optimization, quality, and innovation, positioning themselves as a reliable and environmentally responsible brand. Shree Cement's extensive production capacity and focus on customer satisfaction contribute to its competitive advantage.

On the other hand, Birla Cement leverages its association with the renowned Aditya Birla Group and focuses on product range, customer-centricity, and brand reputation. Their diverse portfolio of cement products and customer-centric approach allows them to cater to various customer needs and enhance their market position. Both companies employ competitive pricing strategies while maintaining profitability. Shree Cement adopts a competitive pricing approach, balancing cost considerations and customer expectations. Birla Cement leverages pricing segmentation, value-based pricing, and promotional strategies to target different customer segments and enhance competitiveness.

Overall, the comparative study highlights the distinct marketing strategies and competitive advantages of Shree Cement and Birla Cement. Shree Cement's strengths lie in operational efficiency, sustainability, and regional dominance, while Birla Cement capitalizes on its brand reputation, product range, and customer-centric approach. Understanding these differences can assist stakeholders in making informed decisions, whether as customers, investors, or industry participants.

### References

1. Chakraborty I. Capital structure in an emerging stock market: The case of India, 2010.
2. Alovzat Muslumov. The financial and operating performance of privatized companies in the Turkish cement industry, METU Studies in Development, 2005.
3. Chandrakumarmangalam S, Govindasamy P. Leverage – An Analysis and its Impact on Profitability with Reference to Selected Cement Companies in India, European Journal of Economics, Finance and Administrative Sciences. 2010;27:53-66.
4. About Shree Cement [Online]. Shree Cement. Available at: <https://www.shreecement.com/about-us> (Accessed: 19 May 2023).
5. Birla Corporation [Online]. Available at: <https://birlacorporation.com/plants.html> (Accessed: 19 May 2023).
6. Indian Cement Industry, Top Cement Companies in India- IBEF [Online]. Available at: <https://www.ibef.org/industry/cement-india> (Accessed: 19 May 2023).