

Role of Marketing Efforts and Quality Management in Indian Paint Industry

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Abstract

Marketing efforts and Quality Management will influence companies to meet competition in all level of marketing environment. Producing quality products with appropriate marketing efforts may lead to overall success of a company in retaining dominant market share of products in the market. The marketing efforts and Quality management are the independent variables and competitiveness is the dependent variable. This paper focuses to establish the relation between these variables and aims to correlate among the impact of marketing efforts. Quality management and competitiveness in Indian Paint Industry.

Key words: Marketing, Quality Management, Competitiveness

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MARKETING EFFORTS IN PAINT INDUSTRY

Marketing efforts are done through identifying the needs of the consumers. It also includes communicating through advertising. Sales promotion, events and experiences, public relation, direct marketing and personal selling. Marketing efforts also include the effective supply chain management. Channel establishment, channel expansion and channel correction are very important marketing efforts. The marketing efforts always aim to communicate the quality aspects of the products to the consumers. With the innovative marketing efforts, the paint industrial sectors communicated to its target consumers that instead of using the comment based exterior pain which does not lost longer the paint manufacturer may communicate to use Acrylic Based Exterior Emulsion paint which withstands vagaries of weather. This acrylic paint is thus superior in the quality. This will become more relevant in high rise buildings where paintings frequently are costlier and inconvenient.

The organized paint industrial sector is making innovative marketing efforts to capture higher range of market share to their products. Among the marketing efforts the notable efforts are advertise in print media and electronic media, computer aided color mining is another innovative marketing effort in the recent times. Organize the architects, builders and painters meet to educate regarding the product modifications. Sales promote by providing the special dealer discounts seasonally or by providing target linked annual turnover rebate etc., are some of the marketing efforts resorted by paint companies. Some paint companies do arrange for the foreign trips to dealers who achieve the fixed targets. Window displays, display contests etc., are common in marketing of paints. Some paint companies provide 'T- Shirts' to the shop boys to motivate them to sell the paint products. At the same time with the captions and company's brand names printed on the 'T-Shirts' will work as advertisement. Depending on the turnover some of the paint companies recognize the dealers as Silver Club or Gold Club members and they will special privileged by the holders of club members.

Quality Management in Paint Industry

Quality refers to product performance, features, flexibility, durability, conformance, serviceability, aesthetics and perception. With respect to paints it has several variables that sum up quality. It may be the looks and final outcome of the paint, the variety of shades, consistency and non-fading type etc., A good quality paint product is the result of a strong technological knowhow and innovative R and D efforts.

In case of paint industry, the manufacturers may add some fragrance to the paint to avoid the characteristics smell/bad odor. Otherwise, the smell may lead to allergy or breathing problems. This type of new features may not increase the quality of the product, but definitely creates higher level of acceptance by the consumers.

Introduction of a premium exterior finish formulated with 100% pure acrylic emulsion by paint industrial sector that quality paint is tough and durable film may effectively with stand extreme tropical conditions of high rainfall, humidity, heat and cold, ensuring extra protection for exterior masonry, brick work and concrete. It may be the Co- polymer system formulate with light- fast pigments and highly effective fungicides to keep exterior walls looking their best year after year.

Paint is a product which will be sold through word of mouth also. If one customer is fully satisfied with the quality he may influence his friends, relative of a neighbor. If the quality of a product is not up to the satisfaction it may play a negative impact of the customer's mind and he may advocate not using the product. Actual quality of a product is depending on it's performance once the product quality is established the same has to be communicated and popularized through the marketing efforts.

Competitiveness in Paint industry

The term competitiveness is a multidimensional concept that includes-performance, quality, productivity, innovation and image. A firm's competitiveness depends on its ability to provide goods and services to the market place more effectively and efficient than others in the market. Competitiveness refers to the ability to retain the competitive position of an organization by satisfying the expectations of customers, while constantly eliminating threats and exploiting the opportunities which are arising in the competitive market environment. Market competitiveness in paint industry is like any other manufacturing industry. The competitiveness in paint industry depends on strength of an organization with regard to the Research and Development, product design, production planning and control, management support, material management, logistics and Inventory Management etc., enhance the competitive ability of an organization.

Constant and continuous maintenance of quality in paint manufacturing is playing important role to meet competition. Quality of paint stems from the innovative R and D and in turn the brand image being enjoyed by the company. Quality in supply chain management also pays an important role with respect to the competitiveness. The competitiveness in paint industry means to make available the quality products at the right time, at right place and at the right price. When a customer requires a particular product of paint, it implies the brand image and this is mainly because of the assured quality of the product produced and supplied by reputed company enjoy brand image which is acquired because of rigorous marketing efforts coupled with the continuous improvement of the product features.

II. Review Of Literature

Zairi M (1994) says that "Benchmarking is a practice which is extremely focused can be effectively used as a tool for measuring competitiveness. Benchmarking gives quality programmes more impetus and motivate organizations to be constantly externally focused and working on identifying gaps in performance and developing the right strategies for closing them.

Tucker R.B (2001) indicates that enterprise wise innovation is the key to operation discipline, like technological and global change, the commoditization of product lines and industries and the convergence of strategies. He states that companies have to reinvent how they accomplish the all-important task of "inventing in future". He also indicates that comprehensiveness, organized, systematic, and continual search for new working on improving the climate for innovation, are the four essential principles of managing innovation.

Bonn Ingrid (2001) says that strategic thinking is critical to remaining competitive in an increasingly turbulent global environment. The author suggests that organizations should address strategic thinking at two different levels, at the individual level and at the organizational level. The requires corporate commitment to innovation and change and the willingness to involve people throughout the organization in the strategy development process. The core competency will be difficult for competitors to imitate, make the organization more flexible and adaptable for changes, and help it to survive and prosper in the turbulent environment of the twenty-first century.

Nair. M et al (2006) have used robust econometric formulation called the unrestricted Error Correction Model (UMCM), to measure the Competitiveness of the Malaysian manufacturing sector. They state that the trade openness has a positive impact on the competitiveness of the Malaysian manufacturing sector. This includes the abundance of traditional factors of production (land, labour and capital), absorbability of human capital in that country, innovative capabilities of domestic firms, and level of advancement of infrastructure institutions in that country.

Sharma. A.D et al (2006) states that competitiveness is increasing in emerging context. While the role was always been well understood in the developed countries, it is increasingly being touched by the progressive

firms in developing countries also. According to them, the competitiveness is a multidimensional concept. It includes core technology competence

Yang Bai-Chuan et al. (2006) states that in the past few years, the progression of human resources on training and development gradually portrayed the importance establishing in core competency. Numerous studies indicated that the concept of core competency is widely applied in human resource management activities. They indicate that "competency" and its concept, factors and context that effect learning had been well established and thoroughly discussed ever since 1970's.

Objectives of the study

1. To study the quality management of Indian paint industry
2. To evaluate the marketing efforts of Indian paint industry

III. Methodology

To measure the level of competitiveness enjoyed by the five sample companies viz., Asian Paints Ltd., (APL), Kansai paints (KNP), Berger paints Ltd (BPL), Shalimar paints Ltd., and Imperial Chemicals Industries (ICI). These paint companies are producing and marketing the varieties of paints and having product line in paints. These paint industries come under organized sector and operating their business in national and international market.

The relevant questions were formulated and the actual users of paints from sample companies' responses were ascertained by making use of five-point scale. Based on the five-point scale, the factors that influence marketing effort, quality management and competitiveness have been ascertained in two levels.

Level 1.

In the first level, the degree or levels of various critical factors which impact the quality and marketing efforts and assessed.

Level 2.

At the second level, the effectiveness of the one of the components of marketing efforts i.e., advertisement on competitiveness has been examined.

Scope of Study

The respondents selected for the study were dealers of paints of sample companies spread over entire Bangalore city. The eight critical factors are taken into consideration to assess quality and marketing efforts. They are:

- Quality of the product
- Price
- Timely supply of the products
- Credit
- Brand image
- Personal Contact
- Range of products and
- Demand from customers due to advertisements.

To establish relationships between marketing efforts are (Advertisements) and Competitiveness eight channels of advertisement Medias were selected. They are:

- T.V adds
- News paper
- Magazines
- Hoarding and Kiosks
- Wall paintings
- Cinema slides
- Radio
- Internet

Analysis and Interpretation

The respondents were asked to indicate the factors that are influence competitiveness based on five-point scale. Higher scale 05 indicates very important factor, 04 indicate important, 03 indicate moderate, 02 indicate unimportant and 01 indicate very unimportant. The opinion on critical factors was collected from 05 dealers spread over entire Bangalore city.

1. **Quality and Marketing Efforts**

Table. 1
Quality and Marketing Efforts

Critical Factors	Rating					Total	Success
	5	4	3	2	1		
Quality	50	00	00	00	00	50	100
Price	02	32	16	00	00	50	04
Supply in time	50	00	00	00	00	50	100
Credit	02	29	16	03	00	50	04
Brand Image	48	02	00	00	00	50	96
Companies Sales Person	02	31	15	02	00	50	04
Range of products	49	01	00	00	00	50	98
Demand from customer due to advertisement	49	01	00	00	00	50	98

Table 1 indicates that the opinion of dealers. 10 according to responses 100 percent respondents/dealers believe that quality of the paint products is very important to be competitive. Only 04 percent accepts that price is important. Further, 100 percent respondents agree that supply the ordered product in time is important to be competitive, 4 percent indicate that credit is important Brand image is very important as per the 96 percent respondents. Personal contact is important only to an extent of 4 percent. Range of product is very important as per 98% of the respondents. 98% dealers accept that demand from customers due to advertisement is vital.

The above table implies that quality, in time supply, brand image, range of products and demand to advertisement are very important factors to make a paint company competitive.

2. **Marketing Efforts and Competitiveness**

Table – 2
Marketing Efforts and Competitiveness

Likeness of Type of Ad's	Rating	5	4	3	2	1	Total	Success
T.V Ad's		50	00	00	00	00	50	100
News Papers		03	15	30	02	00	50	36
Magazines		04	42	04	00	00	50	92
Hoarding and Kiosks		00	13	32	04	01	50	26
Wall paintings		00	07	13	16	14	50	14
Cinema Slides		00	01	01	07	41	50	02
Radio		00	12	23	14	01	50	24
Internet		31	18	01	00	00	00	98

Table 2 depicts that 100% of the respondents have agreed that the TV ads are very effective. 36% have agreed that ads in newspapers play vital role. Ad's coverage in Hoarding, Wall paintings and cinema slides has a response of 26, 14 and 2% respectively. According to the respondents Radio ads are effective only to the extent of 24%. The Internet ads have attracted up to 98% next to ads in TV to the extent of 100%.

Marketing efforts by means of promotion is one of the important marketing mix components. Now a day the advertisements through TV is considered one of the effective means of communication to reach target customers.

3. Hypothesis Testing

Hypothesis is formulated as – “Competitiveness is more influenced by Quality Management and Marketing Efforts”. In order to test the formulate hypothesis regarding the impact of Quality Management and Marketing Efforts on Competitiveness, the 08 parameters are considered in case of marketing efforts, both the parameters are clubbed which accounted for 16 parameters. Since 50 respondents were asked to indicate the rankings 16X50 that figure to 800 points. These 800 points are considered to be total ranking. Keeping the 800 points as the basis 05-point Likert Scale is adopted for measuring attitudes of respondents -05 high scale indicates very important factor, 04 candidates unimportant and -03 to indicate moderate 02 indicates unimportant and 01 to indicate very unimportant. Using rating scale and parameters point the hypothesis has been tested as follows.

Success Factors – Scale 05 and 04

Failure Factors – Scale 03,02, and 01

Factors considering

1. From Table 1 Factors considered :08
2. From Table 2 Factors considered :08

16

Total Respondents

Points consider for Ranking

=Total Factors X Total Respondents

= 16X50

= 800 Respondents.

Techniques used for Testing of Hypothesis are population proportion method to establish Relation. Out of the total ranking figure of 800, those who scored 05 and 04 are considered to be success factors and those who have scored 03, 02, and 01 are considered to be failure 562 respondents have marked 05 and 04 factors.

Here X = No. of success factors

N = Sample size

Success factors = $\frac{x}{n}$

Hence Success factors is $\frac{562}{800} = 0.7025$

Failure Factors is $\frac{238}{800} = 0.2975$

- Null Hypothesis (Ho): P = 0,2975
- Alternative Hypothesis (H1) : p<0.2975
- Alpha the Significance level a = 0.05 (95% confidence interval)
- The test of statistics is $Z_o = \frac{x-np_o}{\sqrt{np_o(1-P_o)}}$
- X=562, n=800 and probably of failure (Po)= 0.295

$$Z_o = \frac{562-800 \times 0.2975}{\sqrt{800 \times 0.2975 (1-0.2975)}}$$

$$Z_o = 24.95$$

= Reject Ho: Po = 0.2975 if the calculated value of Zo is < (table value)-

$$Z_{o.05} = - 1.645$$

= Here calculated value of Zo = 24.92

= Zo = 24.92 < - Zo.05 = 1.645

Hence null hypothesis Ho is rejected

= Alternative Hypothesis (H1) is accepted

IV. Conclusion

In the view of the responses recorded based on the primary data and the variables were used for analyzing with the help of statistical tools proportion method of hypothesis is tested. As per the results obtained the new hypothesis is rejected and Alternative Hypothesis is accepted. Hence, the formulated hypothesis “Competitiveness is more influenced by quality management and marketing efforts”.

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