

Study on the Psychological Mindset of the Dealers and its Impact with Reference to the Cement Industry

Dr.Sachin K.Parappagoudar¹

Dr.Sana Saima²

Jabili. Kamurthy³

Isha Chetan Ammembal⁴

Khushi Chitlangia⁵

Yash Agarwal⁶

L.Harini⁷

Mahish Varma⁸

Jhashith Gowda⁹

Manas Khetriwal¹⁰

¹Assistant Professor and Research Guide Faculty of Management, Centre for Management Studies, Jain Deemed to be University, Bangalore, India.

²Assistant Professor and Research Guide Faculty of Management, Centre for Management Studies, Jain Deemed to be University, Bangalore, India.

³BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁴BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁵BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁶BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁷BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁸BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

⁹BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

¹⁰BBA Student, Centre for Management Studies, JAIN (Deemed-to-be University), Bangalore, India.

Abstract:- India's cement industry is a pivotal contributor to the country's economy, offering substantial employment prospects to a large section of the populace, both directly and indirectly. As India strives to keep pace with the increasing competition from prominent foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat, the industry has immense potential for growth and development, particularly in the realm of infrastructure and construction. This study delves into the various factors that influence dealers' ability to maintain a competitive edge, examining the role of psychological mindsets and perceptions regarding companies and other industry-related factors in shaping dealers' decision-making processes and sales strategies. The study was conducted to understand the dealer psychological mindset in Bangalore with reference to Bharati cements in particular.

Keywords:- Dealers, Psychological Mindset, Cement, Sales, Decision Making.

I. INTRODUCTION

The study aims to explore the psychological factors that influence dealers of Bharathi Cements to engage in business transactions with the company. It seeks to uncover dealers' perceptions and attitudes towards the quality of the company's products, as well as the efficiency and effectiveness of the distribution and services provided. Additionally, the study will provide insights and

recommendations to the company's management on how to improve their relationship with the dealers, and address any psychological barriers that may be hindering their cooperation and collaboration.

The role of a dealer in commercial transactions involves more than just buying and selling products. Dealers play a crucial role as intermediaries between manufacturers and consumers, and they rely heavily on their knowledge of the market and their psychological mindset to push products through the channels. While manufacturers cannot sell all their products directly to consumers, dealers help to market the products and connect with customers. Therefore, dealers are not just buyers and sellers but also psychological marketers who understand the needs and preferences of consumers, and use this knowledge to effectively promote products. They could be wholesalers, retailers, distributors, or agents, who add value to the product and make it more accessible to the end consumer.

Psychology is the scientific study of human behaviour and mental processes. It seeks to understand how people think, feel, and behave in different situations and contexts.

The psychological mindset of dealers in the cement industry is shaped by a range of factors, including market competition, customer demands, and economic fluctuations. Dealers must have a deep understanding of the market and stay informed about changes in supply and demand. They need to be skilled negotiators and able to manage

relationships with both suppliers and customers. Moreover, dealers must be flexible and able to adapt to changes in the market. This requires a high level of resilience and the ability to manage stress effectively. Successful dealers in the cement industry also possess strong interpersonal skills and are able to build trust and credibility with their customers. Overall, the psychological mindset of cement industry dealers requires a blend of strategic thinking, adaptability, and effective communication skills.

The psychology of business dealers can have a significant impact on the success of a business. Business dealers, such as sales representatives or account managers, are responsible for building relationships with customers and generating revenue for the company. The way they approach their job, communicate with customers, and handle objections can influence customer behaviour and determine the success of the business. For example, dealers who are skilled at building rapport, identifying customer needs, and offering solutions that meet those needs are more likely to close sales and generate repeat business. Conversely, dealers who lack these skills or who are pushy, aggressive, or dishonest can turn customers off and damage the company's reputation. Additionally, the psychology of business dealers can impact team dynamics and workplace culture. Dealers who are motivated, engaged, and collaborative can create a positive work environment that fosters productivity, innovation, and growth. However, dealers who are disengaged, uncooperative, or negative can create a toxic work environment that demotivates other employees and hinders the success of the business. Therefore, it is essential for businesses to invest in the training and development of their business dealers to ensure that they have the necessary skills and mindset to contribute to the success of the business.

➤ Objectives

- To identify the factors and reasons that affect dealers' decision to do business with the company.
- To determine dealers' psychological mindset about the quality, distribution, and services provided by the company.
- To provide management with recommendations for future planning and improvement based on the study findings.

➤ Scope of the Study

The study of dealer's psychological will aid the company to understand and take keen steps to analyse the psychological mindset of the dealers and to come up with meaningful conclusions so as to study their impact in the cement industry in detail. Dealers serve as a vital element in the supply chain management of any industry for boosting trade and commerce. Dealers are the middlemen who actually put in effort to sell the products and leads to bulk sales. So, it is very necessary to study the psychological mindset of the dealers so as to obtain maximum sales.

II. REVIEW OF LITERATURE

(Pareek & Pincha, 2015) Cement is a critical industry for a nation's development and growth, comprising various substances such as calcium oxide, silica, aluminium oxide, and iron oxide. It primarily consists of silicates and calcium aluminates, with demand largely determined by the economy's business, financial, real estate, and infrastructure sectors. Worldwide, cement is used for all types of construction projects, including residential and commercial building projects, as well as the construction of infrastructure like ports, roads, power plants, and other facilities. The Indian cement industry has enormous growth potential, driven by the abundance of high-quality limestone in the nation, and is a major player in the global market due to positive trends such as cost control and technological advancement. However, the industry is also a significant energy consumer, and technological innovations and cost control measures are crucial to remain competitive.

Glynn, M. S. (2010) Studies have identified the advantages of industrial brand equity for a manufacturer-dealer working relationship, demonstrating the necessity for B2B brands to form affective and cognitive bonds with their target audiences. While B2B branding has received little attention, studies addressing its various effects, such as industrial brand equity and brand performance, have recently started to emerge, highlighting the importance of key stakeholders, including those in the supply chain.

Prabu, (2007) Dealers are intermediaries who facilitate commercial buying and selling between producers and consumers, providing a crucial link in the marketing process. They purchase and resell goods on a retail or wholesale basis, and the producers rely on them to push their products off since they cannot sell all of their goods directly to consumers. The dealers cover the whole market in their area and demand higher commissions from manufacturers, who rely on them to give them a competitive edge over their clients. Customers are not particularly loyal to dealers and frequently switch, and dealers' service assistance from manufacturers frequently sets them apart from competitors. Therefore, intense competition at both levels encourages dealers and manufacturers to look to each other for support in order to take market share away from rivals, leading to mutual dependence.

(Jonsson & Zineldin, 2003) Partnerships, alliances, collaboration, and buyer/supplier relationships have received significant attention since the 1990s, with industry reports suggesting that clearer marketing can achieve long-term customer loyalty and satisfaction. Satisfaction is a crucial factor influencing the relationship between a supplier and a dealer, and qualitative outcomes, such as satisfaction, can affect a channel's performance. Prior studies have focused on the impact of influence strategies on satisfaction, but the relationship between satisfaction and performance has rarely been discussed.

➤ *Limitations of the Study*

- *Most primarily the study was conducted in a short span of time.*
- *Lack of expertise while undergoing the study, no psychologist was hired to study the dealer’s psychological mindset.*
- *Survey forms such as questionnaire and interviews were used for primary data collection so there is a chance of personal prejudice.*

III. RESEARCH METHODOLOGY

Descriptive research: It is a fact-finding investigation with adequate interpretation. It is used for formulating more sophisticated study. The main objective of using descriptive research is identifying various characteristics of a community or institution or problem under study, but it does not deal with the hypothesis. However, it can reveal potential relationships between variables thus creating a platform for more elaborate investigation at later stages.

And hence it was used as research design as it studies the existing state of affairs.

➤ *Sampling Design:*

Population: 150 and Sample size: 25 dealers
 Population: 150- authorised dealers of Bharathi Cements
 Sample size: 25 dealers- quota sampling technique where the entire Bangalore of cement dealers is divided into 4 clusters where one cluster of Bangalore has 25 dealers.

➤ *Data Source:*

- *Primary data: Primary data was collected using arranged questionnaire from dealers.*
- *Secondary data: Secondary data was an array of magazines, journals, company profile, industry profile and official websites.*
- *Tools for data collection: Questionnaire and interviews. Statistical tool for data analysis: Percentage method.*
- *Tools for analysed data presentation: Bar chart and tables.*

Table 1 Showing Experience in Dealership:

Years of Experience	No of Respondents	Percentage
Below 10 years	10	40%
11 years – 15 years	12	48%
16 years- 20 years	2	8%
Above 20 years	1	4%
Total	25	100%

Source: Primary Data

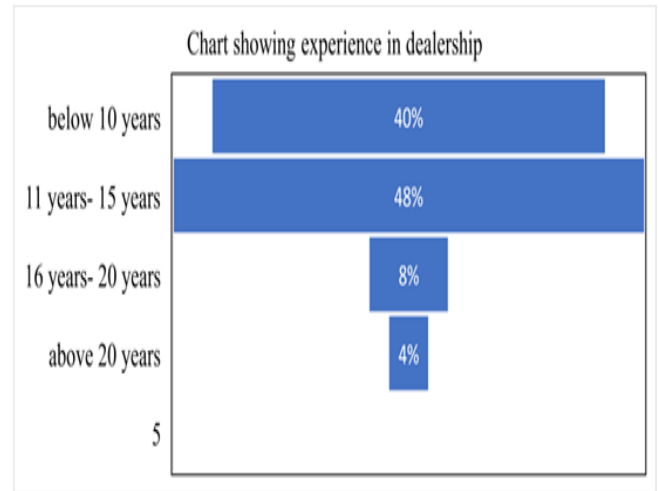


Chart 1 Showing Experience in Dealership:

• *Interpretation:*

The table indicates that maximum 48% of the dealer were having 11 years- 15 years of experience and the minimum 4% of the dealers were having above 20 years of experience.

Table 2 Showing Classification of Delivery of Cement Regularly

Category	No of Respondents	Percentage
Very often	20	80%
Often	3	12%
Rarely	2	8%
Never	0	0%
Total	25	100%

Source: Primary Data

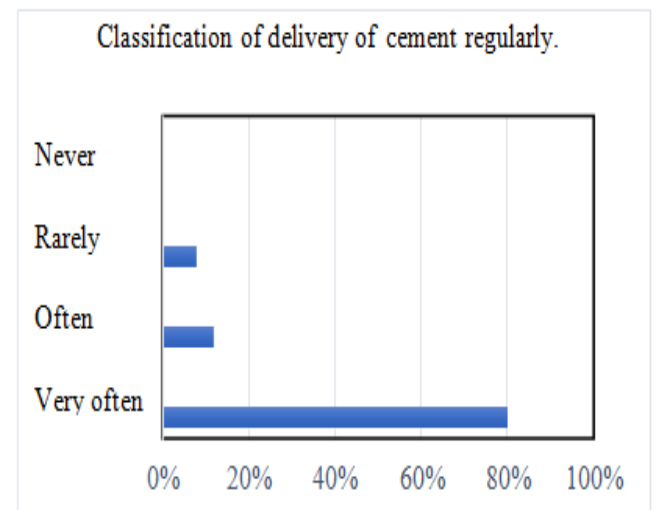


Chart 2 Showing Classification of Delivery of Cement Regularly

• *Interpretation:*

The table indicates that maximum 80% of the dealer were getting cement “Very often” and the minimum 2% of the dealers were saying that they “rarely” get cements regularly.

Table 3 Showing Classification of Replacing the Damaged Product

Category	No of Respondents	Percentage
Strongly	0	0%
Disagree	0	0%
Neutral	2	8%
Agree	5	20%
Strongly agree	18	72%
Total	25	100%

Source: Primary Data

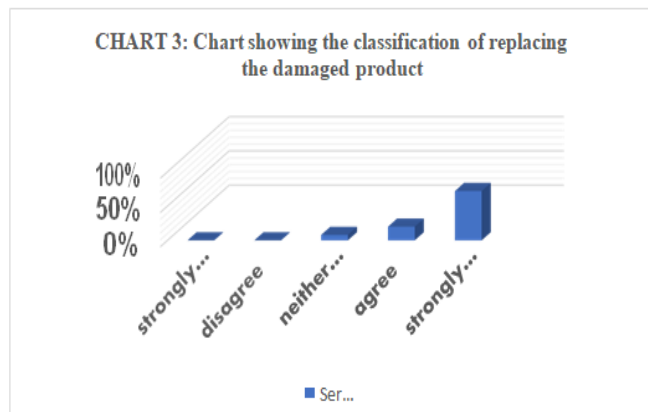


Chart 3 Showing the Classification of Replacing the Damaged Product

• Interpretation:

The table indicates that maximum 72% of the dealer's strongly agree that they replace the damaged product and the only 8% of the dealers neither agree or disagree.

Table 4 Showing Classification of Problem Faced in the Delivery and Purchase of Cement

Category	No of respondents	Percentage
Bad packing	0	0%
Lack of timing	1	4%
Insufficient Delivery	1	4%
Communication	3	12%
Stock	2	8%
No problem	18	72%
Total	25	100%

Source: Primary Data

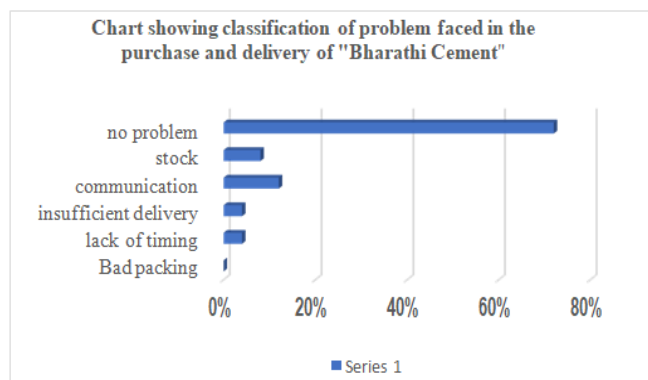


Chart 4 Showing Classification of Problem Faced in the Purchase and Delivery of Cement

➤ Interpretation:

The table indicates that maximum 72% of the dealers have no problem in the delivery and purchase of cement and the only 4% of the dealers have problem in the lack of timing and insufficient delivery of the products.

Tables showing classification on the basics of quality, price and dealer service/ scheme's:

Table 5 Showing Classification on the Basics of Quality:

Category	No of respondents	Percentage
Very unsatisfied	0	0%
Unsatisfied	0	0%
Neutral	2	8%
Satisfied	7	28%
Very satisfied	16	64%
Total	25	100%

Source: Primary Data

Table 6 Showing Classification on the Basics of Price

Category	No of respondents	Percentage
Very unsatisfied	2	8%
unsatisfied	14	56%
Neutral	5	20%
Satisfied	4	16%
Very satisfied	0	0%
Total	25	100%

Source: Primary Data

Table 7 Showing the Classification on the Basis of Dealer's Scheme

Category	No of respondents	Percentage
Very unsatisfied	4	16%
Unsatisfied	3	12%
Neutral	7	28%
Satisfied	5	20%
Very satisfied	6	24%
Total	25	100%

Source: Primary Data

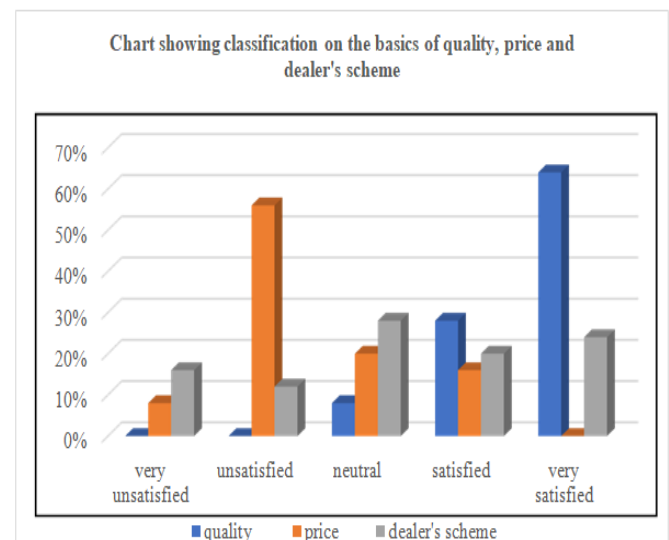


Chart 5 Showing Classification on the Basics of Quality, Price and Dealer's Scheme

Interpretation:

The table indicates that maximum 64% of the dealers are “very satisfied” with the quality of cement but 56% of the dealers are unsatisfied with the prices and only 28% of the dealers tend to remain neutral in the dealer scheme which the company provides.

Table 8 Showing Classification of Primary Factors Influencing Dealership of Cement

Category	No of respondents	Percentage
Credit period	5	20%
Agency support	4	16%
Advertising	1	4%
Profit margin	15	60%
Total	25	100%

Source: Primary Data

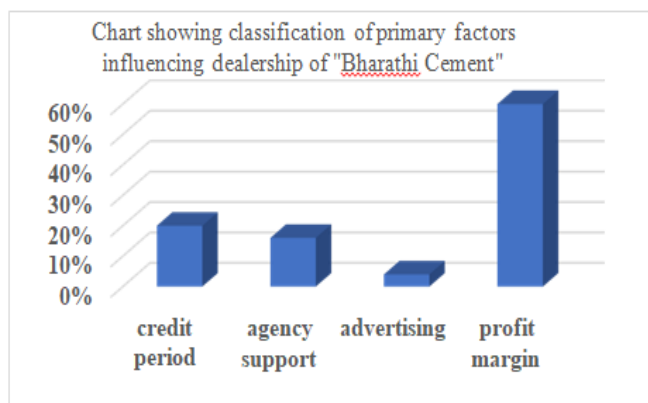


Chart 6 Showing Classification of Primary Factors Influencing Dealership of Cement

Interpretation:

The above table exhibits the primary factors influencing dealership of cements. Here maximum 60% of the respondents felt that “profit margin” as the primary factor and minimum 4% of the respondent felt that “advertising” as the primary factors.

Table 9 Showing Classification of Incentive Schemes

Category	No of respondents	Percentage
Very good	7	28%
good	9	36%
Satisfied	8	32%
Poor	1	4%
Total	25	100%

Source: Primary Data

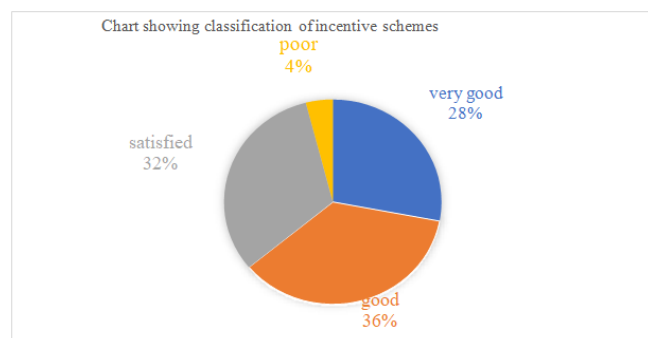


Chart 7 Showing Classification of Incentive Schemes

Interpretation:

This table explores that maximum 36% of the respondents feel that incentive schemes provided are good and minimum 4% respondents feel that incentive schemes are poor.

Table 10 Showing Classification of Customer Acceptance of Cements

Category	No of Respondents	Percentage
Highly Acceptable	1	4%
Acceptable	3	12%
Moderately Acceptable	4	16%
Fairly Acceptable	14	56%
Not Acceptable	3	12%
Total	25	100%

Source: Primary Data

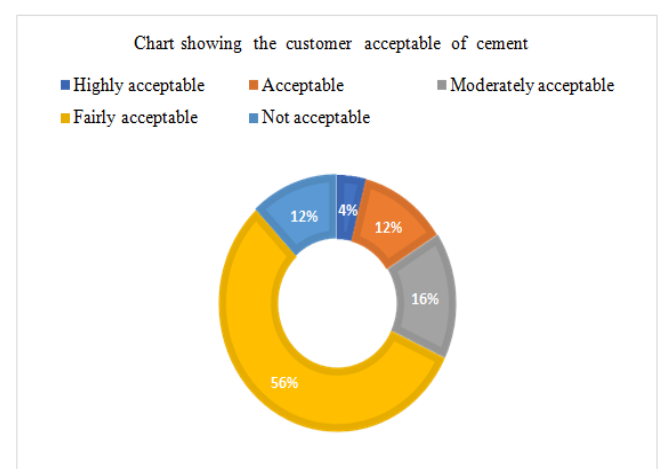


Chart 8 Showing the Customer Acceptable of Cement

Interpretation:

This table explores that maximum 56% of the customers fairly accept “Bharathi cement” compared to other brands and minimum 4% of the customers does not accept it.

Reason being: The awareness created by Bharathi Cement through marketing is less as compared to the other brands.

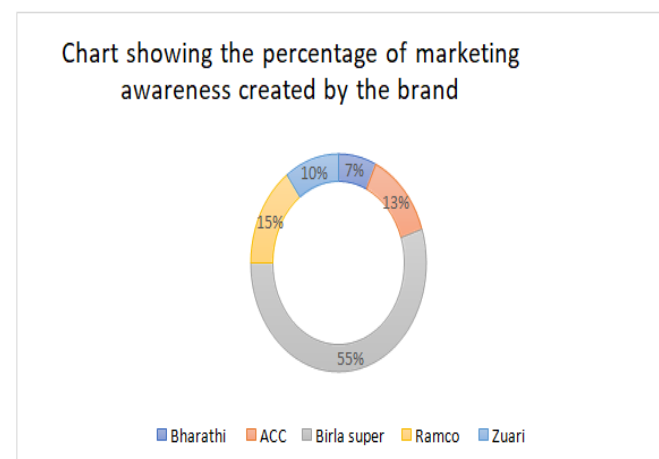


Chart 9 Showing the Percentage of Marketing Awareness Created by the Brand

Interpretation:

Therefore, it is very clear that 7% of the marketing awareness is created by “Bharathi Cement” as compared to other brands where Birla Super holds a maximum of 55% in creating the awareness of their brand in the minds of the customer.

Table 11 Showing the Classification on the Basics of the Present Dealership of Cements:

Category	No of respondents	Percentage
Very unsatisfied	2	8%
Unsatisfied	8	32%
Neutral	10	40%
Satisfied	3	12%
Very satisfied	2	8%
Total	251	100%

Source: Primary Data

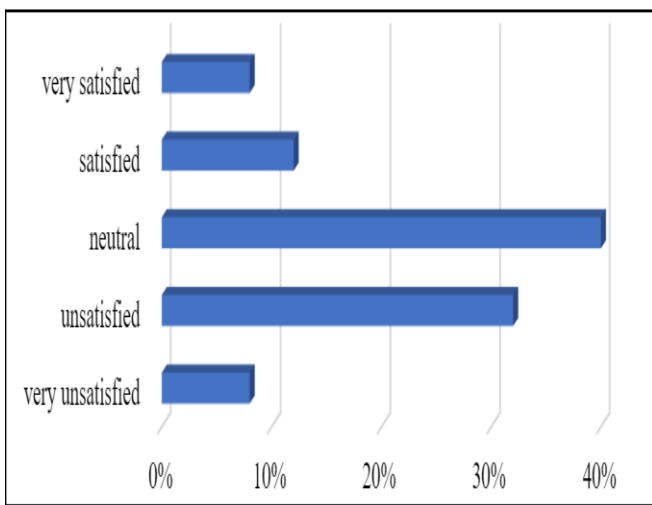


Chart 10 Showing the Classification of Present Dealership

Interpretation:

Based on the information provided in the table, we can see that the majority of the dealers (between 60% to 92%) have some level of satisfaction or dissatisfaction with their present dealership for cement. However, a significant proportion of dealers (up to 40%) remain neutral, indicating neither satisfaction nor dissatisfaction.

Furthermore, the minimum percentage of dealers who are very unsatisfied or very satisfied with their present dealership is 8%. This suggests that there is a significant amount of fluctuation in the dealers' opinions and experiences, as some dealers are extremely satisfied while others are extremely dissatisfied.

Overall, this information implies that there is a wide range of experiences and opinions among dealers regarding their present dealership for cement, with some dealers feeling very positive and others feeling very negative. The fact that a significant proportion of dealers are neutral suggests that there may be room for improvement in terms of overall dealer satisfaction with their present dealership Reason being: Due to the outbreak of covid-19 period.

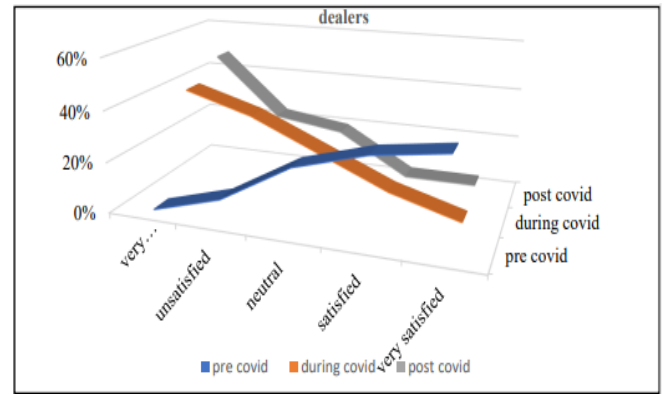


Chart 11 Showing the reason for the fluctuation in the Mindsets of the dealers

Interpretation:

It is understandable that the outbreak of COVID-19 has had a significant impact on many businesses, including their ability to meet financial expectations and satisfy the needs of their dealers. The reduced capital and disruptions in supply chains and operations caused by the pandemic have made it challenging for companies to maintain the same level of performance as before the pandemic.

It's possible that this has resulted in a downward movement in the satisfactory level of dealers during the COVID period and post-COVID period. To address this, companies may need to evaluate their business strategies, financial plans, and supply chains to ensure they are better prepared for future disruptions. It may also be necessary to work closely with dealers and other stakeholders to understand their concerns and needs and develop appropriate solutions to meet them.

Table 12 Showing The Fastest Moving Brand In Their Counterspace:

Category	No of respondents	Percentage
Bharathi	5	20%
ACC	1	4%
Birla Super	11	44%
Ramco	6	24%
Zuari	2	8%
Total	25	100%

Source: Primary Data

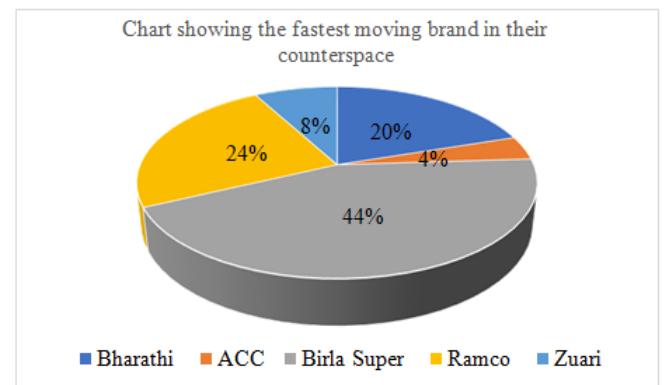


Chart 12 Showing the Fastest Moving Brand in their Counterspace

- *Interpretations:*

The chart suggests that Birla Super is able to sell up to 44% of the cement in the market due to two key factors: intensive advertisement and strong brand equity.

On the other hand, ACC is only able to sell 4% of the cement while Bharathi cement sells 20% of the cement. The reasons for this are dealer satisfaction through various factors, such as pricing and brand awareness among customers. Overall, the table highlights the importance of effective marketing and branding strategies in the cement industry.

IV. FINDINGS

Based on the information provided, it can be concluded that the majority of the dealers in the cement industry have considerable experience, with 48% having 11-15 years of experience. Bharathi cements appear to be the most popular brand among respondents, with 80% of them getting cement from the company very often. The company also seems to have a good reputation for replacing damaged product packing, with 72% of respondents strongly agreeing with this statement.

Delivery and purchase of cement do not seem to be a problem for most respondents, with 72% of them stating so. The quality of the product also appears to be satisfactory to a majority of respondents, with 64% of them being very satisfied. However, the prices of the product are a concern for most respondents, with 56% of them being unsatisfied.

In terms of motivation for pushing the cement, the profit margin provided by the company seems to be the primary factor for most dealers, with 60% of them agreeing to this. The incentive schemes provided by the company are considered good by only 36% of respondents.

Bharathi cement appears to have some work to do in terms of brand awareness, as only 56% of customers fairly accept it compared to other brands, and only 7% of respondents mentioned a lack of awareness by Bharathi cement as the reason.

Fluctuation in delivery and satisfaction during and post covid-19 period seems to be a concern for 40% of the dealers, as they remain neutral in their current dealership with the company. Birla Super seems to be the most popular brand among respondents, with 44% of the cement being sold by them due to aggressive advertisement and strong brand equity image in the market.

V. SUGGESTIONS

After conducting a comprehensive study, recommendations were made to the company to improve dealer satisfaction and increase market demand. One suggestion was to increase direct sales to builders and construction companies. Another recommendation was to reposition the brand with a tagline that resonates with customers' emotions, aspirations, desires, and dreams. It was

also recommended that the company implement a strong public relations campaign to promote and market the brand since the research revealed that many customers are not aware of the brand. Aggressive TV ads and campaigns should focus on customers' emotions. In-store marketing should be done near airport areas and metro stations. Digital marketing using platforms such as Instagram, LinkedIn, and Twitter can be utilized to promote and acknowledge the dealer's effort in front of the world. A strong CSR platform should be implemented to encourage dealers, masons, and engineers to use the cement and create a good image in the eyes of the customers. Community building activities for dealers, masons, and engineers should also be a focus. Lastly, a strong dealer retention plan should be put in place, as the outbreak of COVID-19 has led many dealers to lose trust in continuing their present dealership with the company. Keeping uniform prices in the market for all counters is very important to ensure that intra-brand price competition does not occur.

Overall, the suggestions focus on improving brand awareness, building a strong image, and strengthening relationships with dealers, masons, and engineers. The company can consider expanding their direct sales efforts, leveraging PR, and running aggressive TV ad campaigns that appeal to customers' emotions. In-store marketing and digital marketing can also be effective tools to reach a wider audience.

The company can also focus on CSR and community building activities, which can help establish a positive image and build trust with customers. It is important for the company to retain their dealers, especially in the wake of the COVID-19 outbreak. Finally, maintaining uniform pricing across all dealerships is crucial to prevent intra-brand price competition. By implementing these suggestions, the company can improve dealer satisfaction, increase market demand, and build a strong brand image.

VI. CONCLUSION

The cement industry plays a pivotal role in the construction industry and has a direct impact on the economy, as it is linked to the purchasing power of people. In terms of the psychological mindset of cement dealers, the thesis suggests that Bharathi Cements has a reasonably good performance in terms of dealer satisfaction. However, to improve sales and profits, the organization needs to focus on several key areas that are crucial from the perspective of dealers, such as ensuring price uniformity, enhancing promotional activities, improving brand visibility and availability, and adopting a dealer-centric approach. Addressing these areas would not only benefit the organization but would also satisfy the psychological mindset of the dealers, thus enabling them to perform better and contribute to the overall growth of Bharathi Cements.

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