

Marketing Strategy of Central Electronics Limited (Cel)

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CEL (Central Electronics Limited) is a giant public sector undertaking of the Central Government. The researcher intends to study the marketing strategies of CEL as a model for the study of public sector marketing strategies, especially the defiance products marketing and distribution strategies. Marketing strategy is the complete and unbeatable plan designed specifically for attaining the marketing objectives of the firm. The marketing objectives indicate what the firm wants to achieve; the marketing strategy provides the design for achieving them.

Marketing strategy is not a nebulous idea. It is a well outlined game plan and there are definite ways of formulating it. Basically, formulation of marketing strategy consists of two main steps whether all public sector or private sector enterprise:

- ❖ Selecting the target market.
- ❖ Assembling the marketing mix.

The essence of marketing strategy of any firm can be grasped from the firm's target market and its marketing mix. The target market shows to whom the firm intends to sell. Together, they constitute the marketing strategy platform of the firm. Other elements of marketing strategy, as we shall see subsequently, are matters of detail.

Plans and policies related to marketing have to be formulated and implemented on the marketing mix, i.e. products, pricing, place (distribution), and promotion. The major issues and decisions relate to these marketing mix factors.

Historically, most PEs lack market orientation as they had a captive market either due to the nature of their products and services, or because they got preference in the sale of their products and services to the government or to other PEs. Where PEs face competition, their performances has been generally below par, and they had not been able to match the flexibility, innovativeness and speed required to meet the challenge of the market. There are of course some respectable exceptions: some PEs have been able to stand up to not only the national but also the international competition. But, by and large, marketing has been a very weak area of PE management.

Not much is known about marketing policies, practices and problems which are specific to PEs. Even the Public Enterprise Survey, submitted annually to Parliament, which covers almost all aspects of PE management, makes no reference to the marketing problems. The COPU and CAG reports also do not generally cover the marketing management aspects. Of the three major reports on PEs submitted in the eighties, namely, the Fazal Committee, the L.K.Jha commission, and the Sengupta Committee, only the Fazal Committee considered marketing management in some major PE sectors. The chairman of the concerned study group, whose report was utilized for the main report, was Mr. Ajit Kahsar, the then chairman, I.T.C. Ltd. The Fazal Committee provides some useful information about marketing in PEs. But it is over a decade old.

The free market economy, delicensing, and free imports have brought a sea change in the awareness in PEs about market compulsions. PEs cannot survive the liberalised regime unless they become market oriented and customer driven. Many PEs have appreciated the writing on the wall and are trying to adjust their plans and programmes to the changing situation.

Profile Of Central Electronics Limited (Cel)

Central Electronics Limited (CEL) is a central public sector company and was established in June, 1974. CEL's main work is located on a 50 acre plot in the Industrial Area of Sahibabad (U.P.) about 20 kms. From New Delhi.

The main operations of the company are divided into three business groups:

- ❖ Solar Photovoltaic Group
- ❖ Systems Group
- ❖ Components Group

CEL has built up a track record of successfully converting scientific principles into industrial technologies. This has been achieved through in-house Research and Development (R&D) efforts and/or in collaboration with other national/international research institutions. The company has successfully met challenges of offering most advanced technologies/products to meet the identified national requirements.

CEL's operations include turnkey installations in each of its product area.

Mission Of Central Electronics Limited (Cel)

“To achieve excellence in the technology, manufacture and marketing of renewable energy systems and selected electronic materials, components and systems”.

Quality Policy Of Cel

“CEL is committed to strive for the leadership in its product market by way of continuous improvement in the quality of its products and services and meeting the customer needs in time and every time at competitive price.”

“This shall be achieved through continuous up-gradation of Technology and Process improvement by involving all the employees, vendors, dealers and customers.”

“Quality is our basic business principle”.

The researcher has planned to study in detail the major products and services of CEL and its marketing strategies wherever possible, a comparative study will be made of marketing strategies of similar control public sector company - particularly BEL (Bharat Electronics Limited) and results will be drawn through analytical and critical study.

Objectives Of The Study

Research is essentially a systematic enquiry seeking facts through objective verifiable methods in order to discover the relationship among them and to deduce from them broad principles and law. It is really a method of critical thinking. It comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions and making conclusions and at last, carefully testing the conclusions to determine whether they fit the formulated hypothesis.

The following are the main objectives of this study:

- To define the concept of marketing in the present context and to define marketing strategy and the marketing planning.
- To discuss the significance of marketing strategy and the basic components of marketing strategy with all marketing mix.
- To explain marketing strategy in terms of target market and marketing mix and also to describe critically various marketing strategies.
- To establish the authenticity of Niche strategy of a company cultivating a small market segments or itself with unique products/services.
- To present the profile of CEL with its organizational structure, BOD, the products profile and various other allied issues of the organisation.
- To study the marketing strategies of CEL critically and to present the results carefully in an acceptable standard.
- To point-out the drawbacks of marketing strategies of CEL and to submit recommendations to the company after observations, findings and inferences.

Hypothesis Of Research Study:

First null hypothesis Ho. There is no relationship between Growth Strategies of CEL and Marketing Innovation.

First alternative hypothesis H1. Growth Strategies of CEL related to Marketing Innovation.

Second null hypothesis Ho. Brand Management does not affect Growth Strategies of CEL.

Second Alternative hypothesis H2 Brand Management affects Growth Strategies of CEL.

Third null hypothesis Ho.Media Services will not beneficial to create Growth Strategies of CEL.

Third Alternative hypothesis H3 Media Services will beneficial to create Growth Strategies of CEL.

Fourth null hypothesis Ho. Distribution Strategies & Channel Development will not affect Growth Strategies of CEL.

Fourth alternative hypothesis H4. Distribution Strategies & Channel Development will affect Growth Strategies of CEL.

Reserch Methodology And Plan Of A Study.

The researcher has planned to study the marketing strategies of CEL, Sahibabad unit which is the registered office of the company. Every specialized branch of science uses certain techniques which, though not fundamentally different, very considerably from one specialization to another. Research provides the basis for nearly all government policies in our economic system. For instance, government's budgets rest in part of an analysis of the needs and desires of the people and on the availability of revenues to meet those needs.

The present research work will be a combination of all the research designs. It will utilize primary as-well-as secondary information and various research tools like – questionnaires, interviews, discussions and the presentation of information with the help of statistical devices. A suitable research design is needed because it facilitates the smooth sailing of the various research

operations. The data will be collected by the administration of questionnaire and conducting interviews and personal visits and surveys of the company.

Conclusion-

Central Electronics Limited designs, manufactures, and markets solar photovoltaic (PV) cells, modules, and systems. The company also designs and manufactures railway signaling and safety equipment, and other electronic products that include single and multi section digital axle counters, universal axle counters, axle counter block systems, and train actuated warning devices. In addition, it offers microwave electronics; automatic electronic cathodic protection systems for the protection of oil/gas pipelines; and piezoelectric ceramics transducer elements that are used in low power and high power applications, industries, research institutions, and defense establishments.

After conducting the research study it has been concluded that-

1. Growth Strategies of CEL related to Marketing Innovation.
2. Brand Management affects Growth Strategies of CEL.
3. Media Services will be beneficial to create Growth Strategies of CEL.
4. Distribution Strategies & Channel Development will affect Growth Strategies of CEL.
5. A significance difference does not exist related to Growth Strategies among age groups.
6. Significance difference does not exist related to Marketing Innovation among age groups.
7. Significance difference does not exist related to Brand Management among age groups.
8. Significance difference does not exist related to Media Services among age groups.
9. Significance difference does not exist related to Distribution Strategies among age groups.
10. Significance differences exist related to Growth Strategies among company units.
11. Significance differences exist related to Marketing Innovation among company units.

12. Significance differences exist related to Brand Management among company units.
13. Significance differences exist related to Media Services among company units.
14. Significance differences exist related to Distribution Strategies among company units.
15. Significance differences exist related to Growth Strategies among company units.

Recommendation –

The researcher hopes that these recommendations will be found useful by the policy maker of the company as-well-as officials of the company. CEL occupies a very sound position in the production of defense components in India and has advanced towards globalization. Yet certain areas need special attention like, research and development, human resource development, cost reduction and project planning and development.

Products constitute the visible output of components manufacturing units, bringing in revenue for the company. New and value-added components products are, therefore, essential for greater sales realization and establishing the company's credibility as a supplier of quality components. Apart from the development of finished value-added components & products, such products are necessary which suit the national requirements particularly the defense requirements of the country in the present environment full of chaos, turmoil and volatile business conditions and also the national borders.

Internal customer satisfaction as-well-as external customers satisfactory are both needed in the present context. The following discussion reveals the whole story in an analytical and gist form.

But the environment within which these decisions are made is unique to each country. This differential of environment distinguishes international marketing from domestic marketing.

Typically, a firm should make domestic marketing decisions having given due

consideration to internal and external environments. The internal environment factors primarily refers to corporate objectives, corporate organization and structure, and resource External environment factors include competition technological change, the economic climate, political influences, social and cultural changes, pertinent legal requirements, current ethical business standards, consumerism, and changes among marketing channels.

The nature of decision making in international business is essentially the same as in domestic business. Consideration of environment, however, is more philosophically abstract. In addition to the internal and external environmental aspects listed previously, the environment of each individual country has a combined environmental reality that the international marketer must perceive.

The international marketer can sort out and combine these realities using four large general categories, economic, cultural, political, and legal environments. In addition, an understanding of international economic institutions (for example, the International Monetary Fund) and an understanding of agreements among nations are essential, even though it may not be strictly correct to label these as a part of the country's marketing environment.

In the opinion of the researcher, international marketing involves all the activities that form part of domestic marketing. An enterprise engaged in international marketing has to correctly identify, assess and interpret the needs of the overseas customers and carry out integrated marketing to satisfy those needs. In other words, in international marketing as-well-as in domestic marketing, the basic functions are the same. At the same time, there are several characteristics that are unique to international marketing.

When the business crosses the national borders of a given country, it becomes enormously more complex. The resulting problems and management situations transcend those of marketing, finance and production. A wide range of legal,

political, cultural and sociological dimensions enter the picture. While all these factors contribute to the complexity of international marketing, the one that contributes the most to the complexity is the environmental and cultural dynamics of global markets.

It is obvious that the difference between domestic and international marketing is essentially environmental and cultural in character. And cultural diversity continues despite the world getting closer. Modern communication and transport systems have no doubt brought nations closer, but the cultural differences continue. The cultural approach accordingly will provide the correct insights into global markets. Understanding the cultural variances and nuances and responding to them in a manner and style that is appealing to the foreign buyer is however, no easy task. In the present times, organizations are developing multi-culturism I.e., multi-culture organizations to survive and grow in the global markets.

It is not enough if the international marketer communicates in the buyer's language. Language is only one aspect of culture. A nation's history, its social and religious heritage, the value system of its people, the code of conduct handed down through generations - all these are components of a nation's culture. Moreover, culture is not a static entity. It undergoes a continuous evolution. So, sizing up the cultural dynamics of different markets of the world is quite a difficult task. And that explains the difficulty of international marketing.

The market scenario in the next few years of liberalization will be difficult and challenging but will also provide ample rewards for the enterprising business. The paradigm shift which we are witnessing today is clearly shifting the focus to the consumer and the customer, calling for sharp, focused communication and vastly improved logistics management, opening up new opportunities for niche marketing with great potential for growth and development.

CEL correctly sized up this scenario and formulated a unique distribution strategy. In

the normal course, a firm would have opted for the low-risk strategy of limited access to wholesale traders and a small share of the existing business. But CEL went in for a distribution strategy that amounted to a total innovation; CEL deviated totally from the existing pattern of distribution. Practically in every aspect of distribution, CEL strategy meant the polar opposite of the established/existing pattern.

CEL believes in manufacturing quality products and offering services in pursuance of this conviction CEL has established world class infrastructure to manufacture a variety of professional electronics equipment and components. CEL offers some of these facilities to International companies for contract manufacturing and the production of defense equipments and other items connected with information technology and advanced telecommunications.

CONTRIBUTION OF THE THESIS

The present research project will be unique study and is likely to bring fruitful results in terms of maximal information connected with marketing strategies of the public sector undertakings particularly CEL which is a giant central public sector company registered under the companies act 1956. It is hoped by the researcher that the research plan which has been developed will clearly study the problem at hand and will explicitly state the real problems connected with the marketing program of CEL in particular and PSUs in general it is also hoped that the present research work will motivate the further researches in this field.

ANTHOLOGY AND LITERATURE

- * Annual reports of CEL from 2004 to 2009
- * Central electronics limited- news letters
- * Central electronics limited – solar power for a brighter tomorrow
- * Central electronics limited _ microwave electronics for defense applications
- * Central electronics limited – reports of solar photovoltaic group (marketing).

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This study focuses on research methodology and associated tools of research adopted to conduct the present study. The purpose is to get an overview of the research and see how the secondary data can be compared with the primary data, and also how they can be compared with each other.

- 1) *Problem definition: Marketing Strategy of Central Electronics Limited (CEL)*
- 2) *Research design –Conclusive-Descriptive*
- 3) *Research method- Survey*
- 4) *Data collection- Through primary and secondary data*
- 5) *Sampling method- Random Sampling*
- 6) *Sample Size-600*
- 7) *Data collection Tool-Questionnaire*
- 8) *Scale for using interpretation of Data- Likert 5 point Scale*
- 9) *Statistical Tool for Data Analysis -Reliability, validity, Factor Analysis,, T test paired sample, Kruskal –Wallis H test & Bivariate Pearson Correlation.*
10. *Software for Data Analysis-SPSS-WIN ver. 16.0*