EFFECTIVENESS OF LEAD GENERATION IN A SMALL-SCALE INDUSTRY (OM SAI ANDHRA PAINTS, HYDERABAD, INDIA)

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ABSTRACT

One of the tedious tasks in business is generating leads, which often is overseen by the management. The lead generation plays a vital role in increasing the customer database for the business, thus making it an essential process that must be carefully curated. The process designs for lead generation depending on the type of business and based on products or services the company sells. Every business has its own unique lead generating process which must be designed carefully for effective results. Big industries have the power to fix a specific budget for the lead generating process. However, when it comes to small scale industries, it requires a considerable amount of budget and resources to pull things through. With modern technologies and ways that require lesser budget would help gain a considerable number of leads for the small-scale industries.

INTRODUCTION

The Indian paint industry is rooted in the existence of Indian people and their culture. Colours have a very significant role in Indian culture; colours are used from art to painting houses. Paints play a prominent role in religious customs, societal status, cultural aspects and are involved in some or other way in everyone's life. The growth of this industry is so pre-dominant that it started to co-exist with the infrastructural developments in the country. The paint industry has seen a gradual growth in its sector and is expected to grow in the coming years.

India is a country with a vast population; there are numerous manufacturers to meet the demand and supply. With an increasing number of manufacturers, the paint industry has been a great contributor to the Indian economy. Asian paints, Nerolac Paints, Berger, Dulux, Shalimar paints are a few prominent manufacturers in the Paint Industry.

Om Sai Andhra Paints is one of the paint manufacturers located in Hyderabad, India. Despite being a small-scale paint manufacturer, they produce paints that compete with the quality and standards of top paint brands of India. They have a manufacturing unit in Gajularamaram, Hyderabad, India, from where they manufacture and operate their business activities. Their business success lies in customization of product according to the customers' requirements. They have a good number of customer base which they earned it through customer satisfaction.

As Lead generation is no easy task for both small industries as well as big industries, it becomes more tedious task for small-scale industries. It requires lot of planning and good amount of budget for a lead generation process. The process design may differ from business to business and from product to product, thus no two-lead generation process can be identical. For this small-scale industry, in the given budget and resources, cold calling, emails and direct interactions were used to conduct the process of lead generation.

RESEARCH METHODOLOGY

OBJECTIVE OF STUDY

1. To analyse the effectiveness of lead generation process in a small-scale industry, which helps to assess the efficiency of the various channels used for lead generation.

2. To study various channels used, i.e. Cold-calling, emails and direct interaction, and evaluates the channels to helps determine the efficient channel for lead generation.

3. To study and to understand how effectively the channels that generate leads within a limited number of resources.

4. To determine the significance of each channel utilised to generate lead is determined.

HYPOTHESES

Null hypotheses:

H_0 : There is no significant difference between the channels to generate leads.

H_0^a : There is no significant difference between the channels Cold calling and Emails to generate leads.

H_0^b : There is no significant difference between the channels Cold Calling and Direct   Interaction to generate leads.

H_0^c : There is no Significant difference between the channels Emails and Direct Interaction to generate leads.

METHOD OF DATA COLLECTION

The market research that best fits for the objective of the study is the Empirical Research; where the empirical evidence collected through different channels, i.e.

1. Cold Calling
2. Emails
3. Direct Interaction

SOURCES OF DATA

Primary source: The data is collected through experimental process using emails, cold calling and direct interactions.

TOOLS USED FOR ANALYSIS:

1. Cold calling, emails and direct interaction
2. T-test

DATA ANALYSIS AND RESULT

There are various sources of data that can be used by a firm, but given the budget and plan of the experiment, the data collected from cold calling, emails and direct interactions help analyse the hypothesis. Organise the primary data collected via Cold Calling, E-mail and Direct Interaction into the excel sheet for further analysis. The data is segregated based on the industries contacted for prospective lead generation.

Industries	Cold Calls	Emails	Direct Interaction
Engineering	2	2	1
Infrastructure	3	1	0
Tyre pyrolysis	0	0	0
Beverages	1	0	0
Cement manufacturers	2	0	1
Chlor-alkali manufacturers	1	0	0
Rig manufacturers	3	1	0
Crane manufacturers	2	1	0

The T-test hypothesis of Cold Calling-Email:

Industries	Cold Calls	Emails
Engineering	2	2
Infrastructure	3	1
Tyre pyrolysis	0	0
Beverage manufacturer	1	0
Cement manufacturer	2	0
Chlor-alkali manufacturer	1	0
Rig manufacturer	3	1
Crane manufacturer	2	1
Pharmaceuticals	0	0
Mean	1.555556	0.5555556
StDev	1.130388	0.7264832
Variance	1.277778	0.5277778
N	9	9
t-test	0.040214	
t-value	2.2	

The Critical Value is calculated with the probability 0.05 and degree of freedom of 16 from the t-test table,

Critical Value=2.120

Since the t-value(t=2.2) is higher than the critical value, we reject the null hypothesis.

INTERPRETATION:

We reject the null hypothesis, and the t-test states that there is a significant difference in generating leads through cold calling and emails.

The T-test hypothesis of Cold Calling-Direct Interaction:

Industries	Cold Calls	Direct Interaction
Engineering	2	1
Infrastructure	3	0
Tyre pyrolysis	0	0
Beverage manufacturer	1	0
Cement manufacturer	2	1
Chlor-alkali manufacturer	1	0
Rig manufacturer	3	0
Crane manufacturer	2	0
Pharmaceuticals	0	1
Mean	1.555556	0.333333
StDev	1.130388	0.5
Variance	1.277778	0.25
N	9	9
t-test	0.009093	
t-value	2.86	

The Critical Value is calculated with the probability 0.05 and degree of freedom of 16 from the t-test table,

Critical Value=2.120

Since the t-value(t=2.86) is higher than the critical value, we reject the null hypothesis.

INTERPRETATION:

We reject the null hypothesis, and the t-test states that there is a significant difference in generating leads through Cold calling and Direct interaction.

The T-test analysis of Email-Direct Interaction:

Industries	Emails	Direct Interaction
Engineering	2	1
Infrastructure	1	0
Tyre pyrolysis	0	0
Beverage manufacturer	0	0
Cement manufacturer	0	1
Chlor-alkali manufacturer	0	0
Rig manufacturer	1	0

Crane manufacturer	1	0
Pharmaceuticals	0	1
Mean	0.555556	0.333333
StDev	0.726483	0.5
Variance	0.527778	0.25
N	9	9
t-test	0.460677	
t-value	0.622	

The Critical Value is calculated with the probability 0.05 and degree of freedom of 16 from the t-test table,

Critical Value=2.13

Since the t-value(t=0.622) is lower than the critical value, we accept the null hypothesis.

INTERPRETATION:

We accept the null hypothesis, and the t-test states that there is no significant difference in generating leads through Emails and Direct Interaction.

FINDINGS

The process of Lead Generation is more of strategic in nature and it requires a careful planning

1. The lead generation will be the priority for the Business to Business marketers for the year 2019 (Hubspot, 2019); though it is common for the corporate companies to use lead generation, it is not so common in the small and medium scale industries.

2. From the experience at small and medium scale enterprises; The success rate is satisfying; while the average success rate is 1-3% (Jantsch, 2019); we managed to get a success rate of around 7 %.

3. Since we used a combination of Marketing strategies; such as cold calling and cold e-mailing and direct interactions, we kept the success rate at around 7% based on the statistics.

4. By analysis of the data, it is interpreted that the hypotheses for cold calls-email and cold calls-direct interaction the null hypotheses are rejected, whereas for emails-direct-interaction the hypothesis is accepted.

5. The interpretation helps us determine that the cold calling channel has produced higher leads than that generated by the emails and direct interaction.

6. Owing to the limited resources of small-scale industries; generating leads through the non-traditional means is challenging; but the landscape is changing really fast. From our study Cold E-mails have the next best response rate after the Cold calling.

7. In lead generation the direct- interaction have the least response rate.

Overall, the scope for lead generation in small scale industry is raising and from our observation, it is more of strategy which must be backed up by an action plan. The best way for lead generation is by using two or more ways of the indirect marketing rather than using a single method.

CONCLUSIONS

From the data analysis, we can determine that in a small-scale industry like Om Sai Andhra Paints, where there are limited resources, the lead generation is more effective when strategized with a combination of traditional and modern methods of marketing. Since the paint industry expertise in industrial paints, the target sectors for lead generation are the industries that utilise industrial paints, mostly concentrating on manufacturing industries. The channels used for generating lead included cold-calls, email and direct interaction. The test conducted on the data collected gives us the effectiveness of those channels used to generate the leads. The test concluded with that cold calls-emails and cold calls-direct interaction had a significant lead generation in the firm. Whereas the lead generation through emails-direct-interaction had no significance in producing leads.

LIMITATIONS

1. The study is limited to Om Sai Andhra Paint only.
2. Given the budget by the firm, the channels to be considered were cold calling, email and direct interaction.
3. The organisation concentrates on industrial paints; hence, the contact list is limited to manufacturing sectors only, and the service sector is not taken into consideration.
4. Time constraint could not produce an adequate number of leads due to experimenting phase of the lead generation process.

SUGGESTIONS

1. Today`s generation is all about the internet; the firm should add more digital presence to increase its visibility. A company website is an ideal way to inculcate digital existence.
2. Social Media is yet another inexpensive and powerful tool to communicate the firm`s works and progress to the customers. Social media not only acts as the interface between marketers and customers but also enables marketers to market their product to a large audience.
3. The SEOs help in a great way to pull in online traffic to its website, so the application of SEO would help the firm grow better.
4. Since it is a B2B industry, a digital platform like IndiaMart, which creates a common platform for marketers can assist the firm is a great way to generate leads.

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