

# MARKETING OF BRICKS - A STUDY WITH SPECIAL REFERENCE TO NANGUNERI TALUK OF TIRUNELVELI DISTRICT (TAMILNADU)

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**Abstract:** Of all the districts in Tamil Nadu, the brick works business has been popularly carried out in Tirunelveli and Thoothukudi districts. The present study attempts to compare and evaluate the performance, problems and prospects of brick works of several types such as clamp kiln bricks, Bull's Trench kiln bricks, hollow blocks and fly-ash bricks in Tirunelveli and Thoothukudi districts. The study covers several aspects such as production performance, marketing aspects, the investment and profitability aspects of brick works of Tirunelveli and Thoothukudi districts which are analysed and compared. In Tirunelveli and Thoothukudi districts, the major production problem is labour turn-over and labour absenteeism respectively. Much variation exists in the price of all types of bricks in Tirunelveli and Thoothukudi districts in different months of a year. The dominant factors that motivate the buying decision behaviour of bricks are analysed. In Tirunelveli and Thoothukudi districts, the major marketing problem is price fluctuation and competition respectively.

**Index Terms - , Bricks, Marketing, Tirunelveli, Naguneri.**

## Introduction:

India is the second largest producer of bricks after China. The estimated brick production during 2000-2001 was close to 140 billion. The Indian brick industry is unorganized with small production units. More than one lakh units have clustered in rural and semi-urban areas in the country. In India, the brick industry is one of the important labour intensive industries which provides employment to both skilled and unskilled rural people. There are about 30000 brick kiln units in India employing over five million landless labourers Brick industry has virtually been a small scale industry. The brick industry still has that touch of primitiveness. The brick making activity is carried on in rural and semi urban areas and even on the outskirts of metropolitan cities.

## Marketing of bricks:

Marketing is one of the vital factors for the success of industry. Because of the increasing range of construction work, the raise in the demand for bricks is obvious . The concept of marketing involves the four core elements (4Ps) of marketing, Viz, Product, Price, Physical distribution and Promotional activities of bricks manufacturers.

## Objectives of the Study:

- 1) To analyse the production process and pricing policies of brick manufacturers of Nanguneri Taluk of Tirunelveli District.
- 2) To analyse the distribution channel and promotional activities of brick manufacturers of Nanguneri Taluk of Tirunelveli District.
- 3) To provide valuable suggestions to enhance improvement in the marketing activity of brick manufacturers.

## Statement of the Problem:

Most of the brick manufacturers in the selected study area are well experienced and expert in production activity of bricks but they lag behind in the marketing activities. The marketing activities has become challenging activity in their career. There are various marketing issues addressed by this project to have a systematic study.

**Area of Study:**

Nanguneri Taluk of Tirunelveli District of Tamilnadu has been selected as the area of this study of all Taluks in Tirunelveli District, Nanguneri Taluk has a large number brick manufacturing units. In this Taluk, there are 57 country bricks manufacturing units producing more than five lakh bricks (Per manufacturer) in a year.

**Scope of the study:**

The present study examines the marketing activity of country brick manufacturers of Nanguneri Taluk. The study stresses on the activity of marketing only and does not include their other allied activities such as sales and profit.

**Sampling Design:**

Out of 57 manufacturers, 30 manufacturers are selected under random sampling method for data collection and analysis purpose.

The value of any project is closely related to the method used in a study. This is a study based on survey method. Primary data were collected from the manufacturers of brick kilns and analysed using Percentages. Pie chart and bar diagram is also used for the presentation of information more lucid.

**Period of study:**

The present study examines the marketing of bricks of Nanguneri Taluk of Tirunelveli District (Tamilnadu) for the period from August 2019 to November 2019.

**ANALYSIS AND INTERPRETATIONS:****1. Product:****a) Raw Materials required:**

The following are the basic raw materials required for the production of bricks:

- Clay
- Fuel –Firewood, charcoal, coconut fiber etc.
- Water

**b) Production Process:**

All the manufacturers of the study area carry on similar production process for producing bricks which involves the following process:

Step 1: Digging the ground and bringing the clay.

Step 2: Mixing the clay with water and soaking it for 1 day.

Step3:Moulding the clay mix into rectangular shape with the molding frames and making the raw bricks to dry in the sun heat for 3 to 5 days.

Step 4: Stacking it.

Step 5: Storing the raw bricks in the shed.

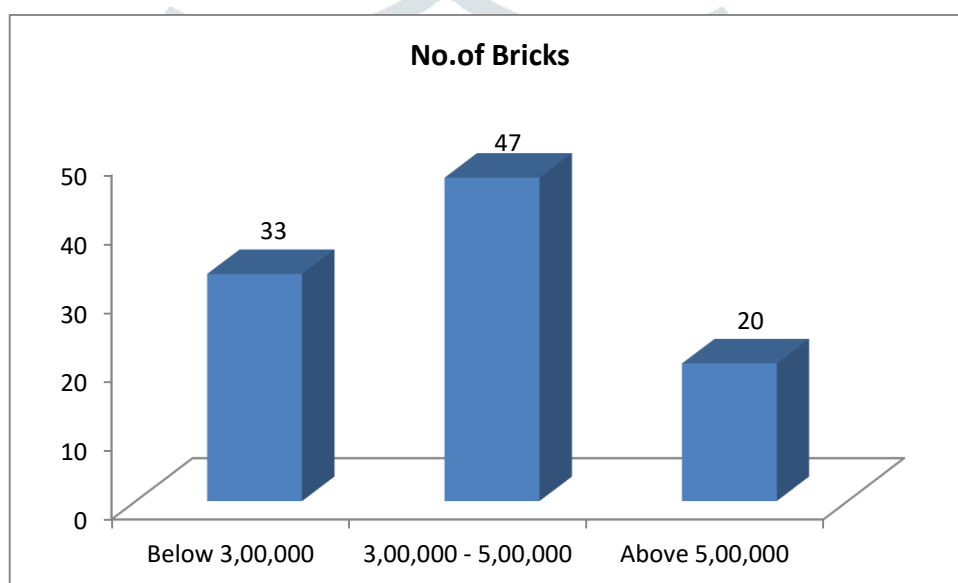
Step 6: Firing the bricks in the kiln.

**Table No: 1**  
**Table showing No. of Bricks manufactured**  
**by the respondents (Per annum)**

No.of Bricks (in Nos)	No.of Respondents	Percentage
Below 3,00,000	10	33
3,00,000 - 5,00,000	14	47
Above 5,00,000	6	20
Total	30	100

Source: Primary Data

The above table shows the number of bricks manufactured by the respondents (Per annum) is given. Since they have lack of technical knowledge and they suffer from capital inadequacy, their production capacity is low and also rely heavily on manual work rather than mechanized system of production.



## 2. Price

Likely the price of any commodity in a competitive economy, the price of bricks is also determined by the interaction of demand and the supply forces.

### a) Seasonal Pricing

Since the brick industry is a seasonal industry, there is always a seasonal fluctuation in the price of bricks. During the normal season i.e. from January to August, the price of brick is subject to mild changes. This may be due to uninterrupted production during this season. But during the rainy season, the production of bricks is mostly suspended. Hence there is a short supply of bricks to the market. This leads to a steep rise in the price of bricks during the rainy season.

### Method of pricing.

The manufacturers of brick follows either of the following methods for the fixing the price.

- Cost - based Pricing
- Demand - based Pricing
- Both cost and demand based Pricing

Table No : 2

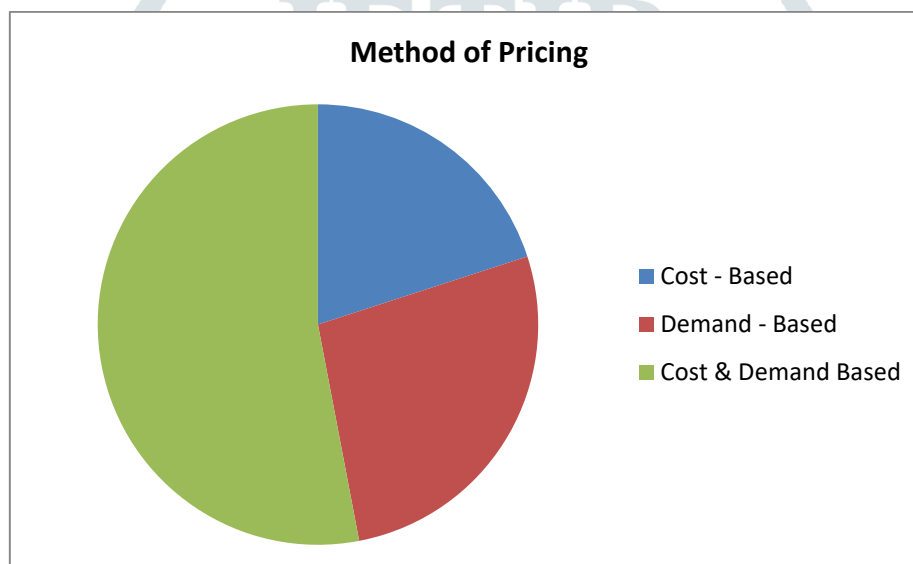
Table showing Method of Pricing adopted by respondents

Method of Pricing	No.of Respondents	Percentage
Cost - Based	6	20
Demand - Based	8	27
Cost & Demand Based	16	53
Total	30	100

Source: Primary Data

From the above table, it is found that, 20% of the respondents fix their selling price on the basis of their cost of production, 27% of the respondents fix the selling price on the basis of demand, 40% of the respondents fix the selling price on the basis of both cost and demand. The highest percentage of respondents falls on cost and demand based pricing category which yield profit to the manufacturers & benefit to the buyers.

However, it should be noted that whatever may be the method of pricing, the fluctuations in the price levels of bricks according to season is unavoidable.



### 3. Physical Distribution:

All marketing efforts come to nothing unless products are placed in the hands of those who need them.

#### Distribution Channel

A distribution channel is a route along which goods flow from producer to consumer. This channel is grouped into two.

- Direct Channel
- Indirect Channel

#### a) Direct Channel

In direct channel, there are no middlemen. Mfg. directly market and sell their goods to their consumer.

#### b) Indirect Channel

In the indirect channel, there are middlemen who act as a link between manufacturer and consumer.

The nature of bricks is quite typical and different from other types of manufactured goods. Bricks are bulky and no one would think of distributing them through a long chain of middlemen. More ever baked bricks do not require any special arrangement for storing.

Table No . 3

**Table showing No. of Respondents  
on the basis of their Distribution Channel**

Distribution Channel	No.of Respondents	Percentage
Direct Channel	22	73
Indirect Channel	8	27
Total	30	100

Source: Primary Data

The above table shows the No.of respondents on the basis of their distribution channel they adopt. It reveals that 22% of the respondents adopt direct channel and 8% of the respondents adopts indirect channel of distribution.

Thus the trade channel of brick distribution is a short one. It does not require elaborate middlemen in its channel.

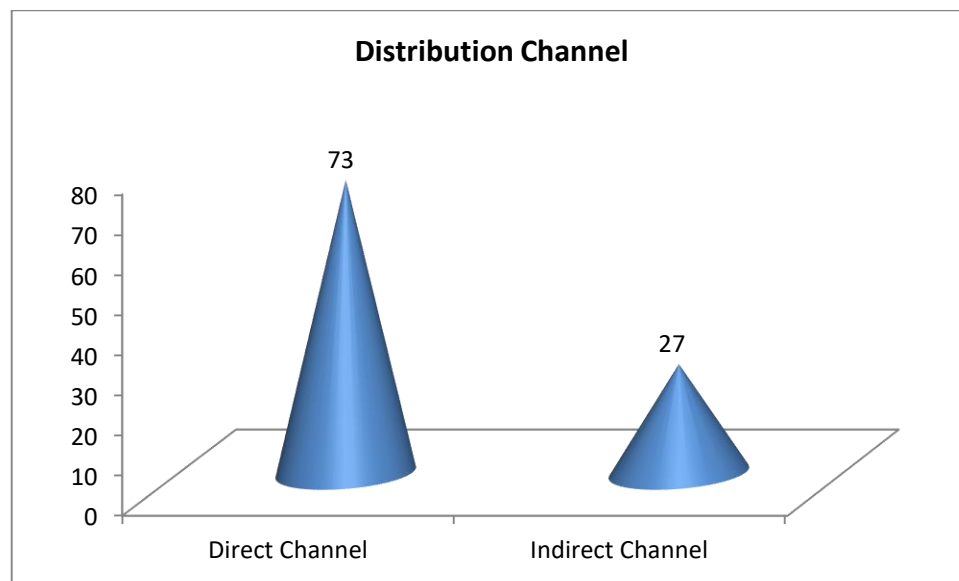


Table No. 4

**Table showing distribution of respondents  
on the basis of type of middlemen Preferred**

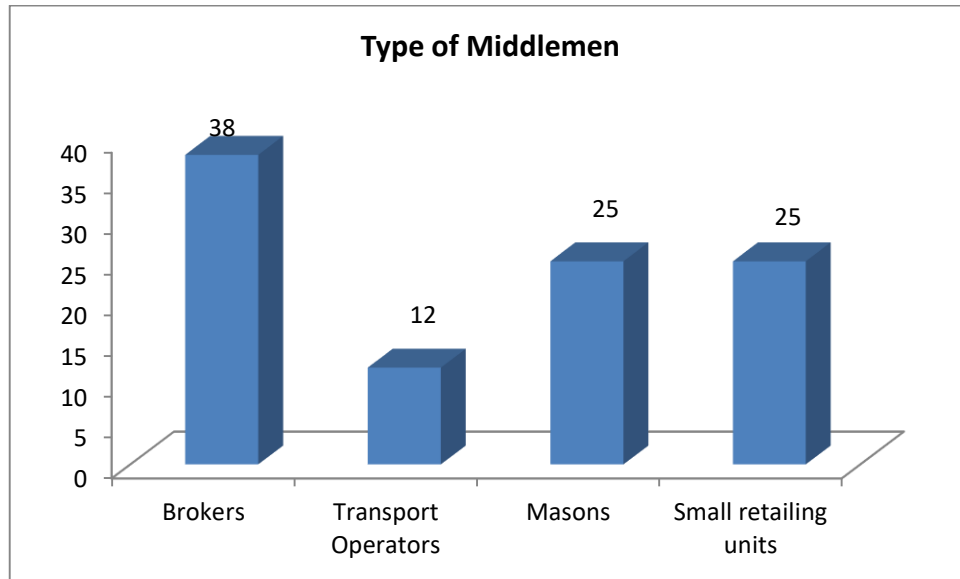
Type of Middlemen	No.of Respondents	Percentage
Brokers	3	38
Transport Operators	1	12
Masons	2	25
Small retailing units	2	25
Total	30	100

Source: Primary Data

The above table shows that 38% of the respondents prefer brokers as middlemen, 12% of the respondents prefer transport operators, 25% of the respondents prefer masons and 25% of the respondents prefer small retailing units.

It is a surprising fact that these brokers in the study area were originally engaged by the masons and later turned into independent middlemen. But masons because of their busy nature of work they do not find time to transact this business of arranging bricks. Hence they engage brokers to buy the bricks on their behalf. They both share the commission. There are certain retailing agents operating at certain important extension areas near Nanguneri Taluk. They keep regular stock of bricks at their

places and sell them in small lots i.e. 100s, 200s i.e. in fraction of a lorry load. Rarely, private lorry owners also engage themselves as a middleman for selling bricks.



#### 4. Promotional Activities:

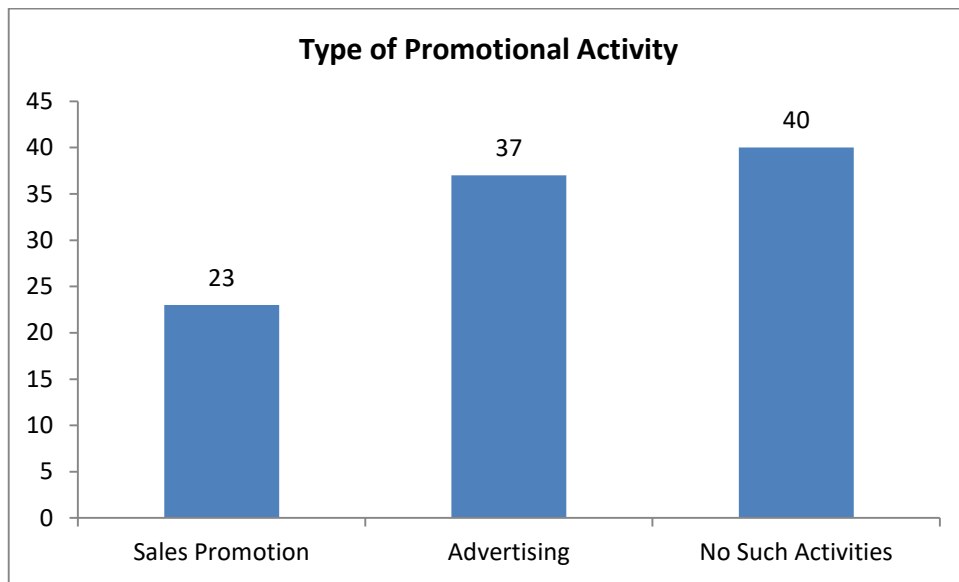
In this age of mass Production and severe competition, sales promotion and allied activities such as advertising etc have become the most activity of marketing management.

**Table No. 5**  
**Table showing distribution of respondents**  
**on the basis of type of Promotional activity carried on by them**

Type of Promotional Activity	No.of Respondents	Percentage
Sales Promotion	7	23
Advertising	11	37
No Such Activities	12	40
Total	30	100

Source: Primary Data

From the above table, it is found that 23% of the respondents carried on sales promotion activity such as providing free transportation facilities for buyer of nearer areas, providing some extra number of bricks with the load of bricks etc, 37% of the respondents advertise their products (bricks) in local media such as local newspaper, local temple function and by showing slides in local cinema theatre etc and 40% of the respondents have a strong belief that none of the promotional will boost sales. They rely heavily on their quality and good customer relationship.



**Findings:**

The major findings of the study are:

1. Majority of the respondents manufacture 300000 to 500000 bricks per year.
2. Majority of the respondents follow both cost and demand based pricing.
3. Majority of the respondents use direct channel for distribution of bricks.
4. Majority of the respondents do not make any special promotional activities to enhance sales.

**Hypothesis Testing:**

There is no significant relationship between level of production and method of pricing.

**Table No. 6**

**Level of production and Method of Pricing**

Level of Production (in numbers) (per annum)	Method of pricing			
	Cost based	Demand Based	Both cost and demand Based	Total
Upto 300000	2	2	6	10
300000 to 500000	2	4	8	14
Above 500000	2	2	2	6
Total	6	8	16	30

Calculated value of Chi square = 2.12

Degrees of freedom = (r-1)(c-1) = (3-1)(3-1) = 4

Table value at 5 per cent level of significance = 9.49

Since the calculated value is less than the table value, the null hypothesis, there is no significant relationship between level of production and method of pricing is accepted.

**SUGGESTIONS:****Regarding Product**

Today's trend of brick manufacturing process has become more sophisticated and highly technical. But some manufacturers of study area adopt old and traditional methods of production. It leads to increase in cost of production, vast time consumption etc. Hence the manufacturers should take possible efforts to avail the benefits of sophisticated technology.

**Regarding Price**

There is a general complaint on the brick manufacturers that they artificially raise the price of bricks during the months of September, October, November and December every year, whether at that months rain occurs or not or production took place or not. This results in loss to the consumers (Especially to building contractors who already fix contract price for their customers which could not be changed according to this fluctuation in brick price)

Hence the brick manufacturers should maintain the moderate price level as much as possible.

**Regarding Physical Distribution**

The manufacturers of bricks works should choose the proper channel of distribution which suits their business; if necessary they can include or eliminate middlemen in their course of business accordingly.

**Regarding Promotional Activities**

The manufacturers of bricks units occasionally carry on promotional activities. Though they limited financial capacity, their supply & demand activities are carried on at local level, they have to take more promotional activities not only to boost up sales but also to enhance good customer relationship.

**Conclusion:**

The manufacturers of bricks concentrate much on production and other allied activities but giving meager importance to the activity which forms the basis of (very purpose of) production activity i.e. marketing. They have not fully appreciated the importance of marketing. Quality, Cost, design, advertisement and proper distribution of bricks constitute marketing. It plays a very crucial role in competing and holding the market. It is an important duty of the brick manufacturers to employ and implement effective marketing techniques in their enterprise.

**“When you say it – it’s marketing. When they say it – it’s social proof”**

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