

Case Study: Thread the Eye of Needle

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CASE SUMMARY

The case presents the challenge of quality mark award-2015 winner, the pioneer in aluminum extrusion industry in central India. The organization considers the quality of their end product as the top priority to grab market share and satisfy customer expectations. But to the contrast customers are price sensitive and are not aware about the quality parameters. The organization is expected to choose an appropriate marketing and strategic option to increase the sales. This case is based on factual information from secondary sources. However, name of the organization and specific situations are fictitious.

Keywords: Quality, pricing strategy, marketing mix

INTRODUCTION

Quality as defined by famous United States of America business consultant, American statistician and father of modern quality movement W. Edwards Deming; is about how efficient the management circle is in planning, implementing and making improvements in the project. Joseph Juran (Professor and Quality Consultant, USA, 1951) defined quality as a product that meets customer needs leading to customer's satisfaction. It also comprises of all the activities that a business engages in to ensure that a product meets customer needs. Philip Crosby (Management Consultant, USA, 1979) defined quality as conformance to requirements. Crosby also referred to the quality system as a form of prevention; the quality standard as the cost of nonconformance, and the performance standard as zero defects.

In today's competitive world though quality is everyone's responsibility; very few organizations focus on it. Alumen Pvt. Ltd. is one of the organizations where quality is pride of workmanship. Alumen Pvt. Ltd. was one of the pioneers in the aluminum extrusion industry in India; its plant in central India was one of the first to be commissioned in the year 1989. In the year 2009, the company was rebranded as Alum Pvt. Ltd.; the new entity included trading and manufacturing operations; and had industry experience and knowledge of over 32 years. The company had a humble beginning in manufacturing aluminum extrusions. In a

record time of eleven months it commenced commercial operations, and it achieved the distinction of being one of the nation's largest manufacturers and exporters of aluminum extruded products from central India. Alum Pvt. Ltd. was a preferred choice by many companies worldwide. The company was exporting its products globally and was accredited with One Star export house status.

BACKGROUND

The organization had a yearly limit of 9000 metric tons under one rooftop with three pressure driven expulsion presses of 900, 1200 and 1450 tons which were constrained by CPU based innovation and programmable rationale control (PLC) framework. They had a billet casting and die manufacturing facility in a fully integrated plant; as well as two furnaces with capacities of 5 and 10 metric tons, respectively, in their own foundry.

The process of shaping material made of various aluminum alloys into particular shapes according to dies is known as extrusion. For a wide range of applications, these extruded sections have a definitive cross-sectional profile. Aluminum's unique combination of physical properties is utilized in the extrusion process, and its malleability makes it simple to machine and cast. Anodizing is an electrochemical process that transforms the metal surface into an anodic oxide finish that is durable, decorative, and resistant to corrosion. The company provided aluminum anodizing, which produced a durable, long-lasting coating that reflected the natural metal's beauty and luster. With two in-house anodizing plants, the company was able to provide customers with surface finishes of silver, champagne, brown, bronze, black, and up to 25 microns in length.

CHALLENGES

The company's mission was to emphasize quality as a crucial factor in success and expanding its market share. Their vision was to be the main aluminum expulsion brand, by conveying top tier items and fulfilling clients. The organization was committed to give the best quality to their clients which was reflected in their outsider quality reviews, the board of value circles and quality confirmation checks of the item. They were a business with ISO 9001:2015 accreditation. Their in-house quality assurance laboratory, which was outfitted with cutting-edge testing equipment like an optical emission spectrometer and computerized tensile testing machine, demonstrated their dedication to quality. They had won the "Quality Mark Award-2015" because of their dedication; Quickest developing organization grant 2017" in MSME area and so on.

The price of the product frequently exceeded that of its competitors in the market by almost a factor of two. Additionally, the organization employed a costly process called anodization to extend the product's lifespan. Customers demanded immediate access to high-quality goods at affordable prices. The primary obstacle facing the business was persuading customers to pay the higher price. The company's rivals in the market were offering discounted prices on products of lower quality. Organization was not in a mood of contaminant the nature of their item and the anodization cycle which gave the sturdiness.

Customers were more price-conscious in today's world. As a result, the company was constantly having trouble convincing customers of the significance of their services and the high level of quality they offered. This was not a cake walk. Export sector was not an important issue for the organization as many of the organizations demanded for third party quality audits that had stringent norms and the company believed in getting it done. The major problem was faced in domestic market and its domain services where layman customers could not understand the quality differences in the product easily. They were totally influenced by the prices the organization charged.

AT THE FOREFRONT

Alum Pvt. Ltd. though had good business in exports; its sales were suffering in domestic market. To improve its sustainability in the domestic market; the management came up with a proposal of forming a separate team for analyzing the customers mindset and planning the steps for improving the domestic sales. The team was also given the responsibility of providing a blueprint of their plan, highlighting the activities and ways to communicate the importance of quality and to engage the customers in a better way.

TEACHING NOTES

SYNOPSIS OF THE CASE

The present case was about Alum Pvt. Ltd. which was one of the pioneer aluminum extrusion industries in India. The company was finding it difficult to convince the customers to pay the premium price. There were many steps taken by the company in order to enhance their sales but the success they have been looking for was still elusive.

TARGET GROUP

The case study is prepared keeping in mind the undergraduate and post graduate students in the field of marketing and young executives or managers and working in the marketing domain.

TEACHING STRATEGY

The case may first be analyzed at the individual level and then may be discussed at the group level. The recommended group size is 4-6 members. Every group member has to analyze the case and write down the points in consensus. Each individual/group can put forth its interpretation and suggestions on the issues involved in the case followed by open discussion.

QUESTIONS

1. Analyze the case.
2. Consider yourself a team member and formulate a feasible plan for communicating the importance of quality to the customers.
3. What promotional strategies would you like to suggest to increase the domestic sales?