

Developing Marketing Competencies in MMTC Ltd: A General Conceptual Perspective

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ABSTRACT:

Breaking the barriers of status quo has become an obsession for the Public Sector Trading organizations who envision their workers as agents of change rather than entities to be regimented, In this era of stiff competition, achieving a utopia is a challenge for organizations and the Machiavellian mindset of reductionist nature will now do the honors in the contemporary globalized world. MMTC has to set a trend in its growth story and this research paper has made an attempt to conceptually undergo both subjective and objective analysis of the milieu and how marketing strategies for MMTC could lead to perfect fits and tradeoffs. Gaining core competence which cannot be emulated has become a herculean task and rhabdomancy has become an overture for serendipity for an organization. In the age of fireworks marketing, it becomes pertinent for MMTC to constantly communicate with its customers, scale up the value chain and dive into arenas of sustainable development and Corporate Social Responsibility. e-WoM (electronic-Word of Mouth) can be a potential arena for exploitation and remains till date untouched.

Purpose: The aim of this paper is to devise some neophyte marketing strategies and the various ways in which marketing kilter shall take place in the most competent and efficient manner. The concept gyrates around the fact that how marketing strategies shall be administered in order to hog the customers willingness to purchase MMTC's products and how could it become the spearhead in industrial trade.

Design / Methodology / Approach: The research paper was completely based on data from secondary sources. Various websites, newspaper clippings, research papers and theses were foraged in order to mine the magnum opus information. The researcher has then made an adroit attempt to adapt from various postulated theories and tried to implement them in a context sensitive arena.

Originality / Value: This research paper is presented as a precious yardstick/touchpoints for both MMTC and the academic fraternity in the marketing fields. It educates about the state of the art competent marketing strategies that are quintessential to sustain in this mercurial market. It provides glistening tangential for marketing managers to capitalize on.

Keywords: *Core Competence, marketing, strategic fits & trade offs, e-WoM, value chain.*

1. INTRODUCTION:

MMTC (Metals and Minerals Trading Corporation of India) Ltd. owes its genesis to the innate need to gain a niche specialization in the trade of minerals and non ferrous metals. That is why it was decided to sequester a part of the State Trading Corporation of India which came to be known as MMTC Ltd under the tutelage of the Department of Commerce, Ministry of Commerce and Industry in the year 1963 with a paltry capital of only Rs. 3 Crore. The specialized agency was to gain a prowess in trade in specifically export of minerals and ores and also import of a batter of non-ferrous metals.

In the year 1970, the caliber was proven to be handsomely returning and further to its cornucopia of products, value addition was agglutinated in the form of imports of fertilizer raw materials and finished fertilizers to cater to the spur in demand in the agro sector. Various other products snowballed in time that ensued which ranged from a plethora of mixes like steel, diamond, bullion, agro, hydrocarbon and a list of concatenated products likewise. MMTC's diverse trade activities cover third country trade, Joint Ventures (JV's), link deals and all other forms of international trade. MMTC continues as the canalized agency for export of Iron Ore, Manganese Ore and Chrome Ore. MMTC is also one of the triumvirate canalizing agencies for import of Urea.

It is jaw dropping to note that MMTC is the largest Public Sector Trading body to be accorded the status of the coveted FIVE STAR EXPORT HOUSE by the revered Government of India for its contribution to exports and the first public sector enterprise to be bequeathed with this grandeur honor. It is also the largest international trading company of India with a turnover of around 12500 Crores and comes under the MINIRATNA status company. It is pertinent to note that it is the highest foreign exchange earner after petroleum refining companies, which places it in the cynosure of the corporate world and government trade policies.

For its aficionado in mineral trade, it has been acknowledged by CAPEXIL (Chemicals & Allied Products Export Promotion Council) for the 24th time in succession which is a token of pride and lays credence to its competent kilter. It is also the largest player in the bullion trade and its share was to the tune of 146 tonnes of Gold out of the total import of 600 tonnes of precious metal in the financial year 2008-09.

According to the latest news, it is the largest Gold and Silver importer in Asia which highlights two issues; Firstly the pivotal role that it plays in administering the precious metal trade in India and also secondly that the huge untapped potential of cash that the people of India contain and can be exploited by satiating this demand. It is also the largest supplier of Iron Ore in India which amounted to 20 percent of the total iron ore exports in financial year 2015-16. It is also the largest importer of LAM (Low Ash Metallurgical) Coke in India.

To capitalize in the competitive market, MMTC has promoted a number of joint ventures following the Public Private Partnership (PPP) model in the earlier years viz. Indian Commodity Exchange Limited (ICEX), MMTC PAMP Ltd, MMTC Gitanjali limited, SISCAL Iron Ore Terminals Limited (SIOTL), etc. MMTC has also take a

quantum leap to instill a spirit of both sustainable development with the use of conventional sources of energy by setting up a 15MW wind energy Project in the state of Karnataka and being sold to the State Electricity Grid.

MMTC has a fully owned subsidiary company called MMTC Transnational Pte Limited in Singapore which was incorporated in the year 1994. It enjoys the prestigious “GLOBAL TRADER PROGRAMME” (GTP) by the International Enterprise since the year 2000. To burgeon and forge trade liaison with the African nations, an office has also been opened in Johannesburg, South Africa in the year 2011. To hammer in the concept of CSR, MMTC has also started an in-house magazine called SPECTRUM which makes the people un-oblivious to the neophyte welfare schemes and the various methods to be administered.

2. CORE COMPETENCE:

Core Competence can be defined as a harmonized combination of multiple resources and skills that distinguish a firm in the marketplace (Prahalad & Hamel, 1990). Core Competencies fulfill the trinity criteria's i.e. provides potential access to a wide variety of markets, should make a significant contribution to the perceived customer benefits of the end product and lastly, to produce an output which shall not be able to be imitated by the nigh competitors. In this age of stiff competition, it has become very pertinent to maintain a uniqueness in your business functions to be able to retain your loyal customers, everything else can be aped but it's the core set of value system that is within the system which ensues from its sui generic culture that is not fathomable by even the most gargantuan firms—and that is what gives the organization an extra competitive sharpened wing and extra fillip to gain thrust in the globalized milieu of competition. We live in a flat world where new products can pop up from the most distant corners and it becomes a matter of concern to not compromise the quality on the anvil of quantitative production.

2.1. Individual-Organization contribution model:

We may apply this model in MMTC in products like precious minerals and fertilizers. The model postulates that the organization must deliver on what it promises. There must be full communication to what the heart and soul of the organization is, its value processes, its thinking, mission and its ultimate vision. In other words, the organization must deliver in practice what it preaches. The customers tend to gain trust in the organization when the products and services delivered to them are unique and of unquestionable purity. A brand image must be steadfastly set up. Like when it comes to bullion and silverware, the products of MMTC shall be the verb, which is simply remarkable. This will only happen on the principle of quid pro quo i.e. if the customer shows an interest in your product; the organization must deliver and honor his interest in order to capitalize the need. After this, the second step is to have a pronounced feedback loop which is the gyrate of any organizations success. For e.g.: if a customer has purchased a gold item, he must be proud of the product that he has purchased and only then will be able to spawn trust for the organization. The organization must take proactive steps in order to foster further relationship building and this is how competence in liaison building is maintained.

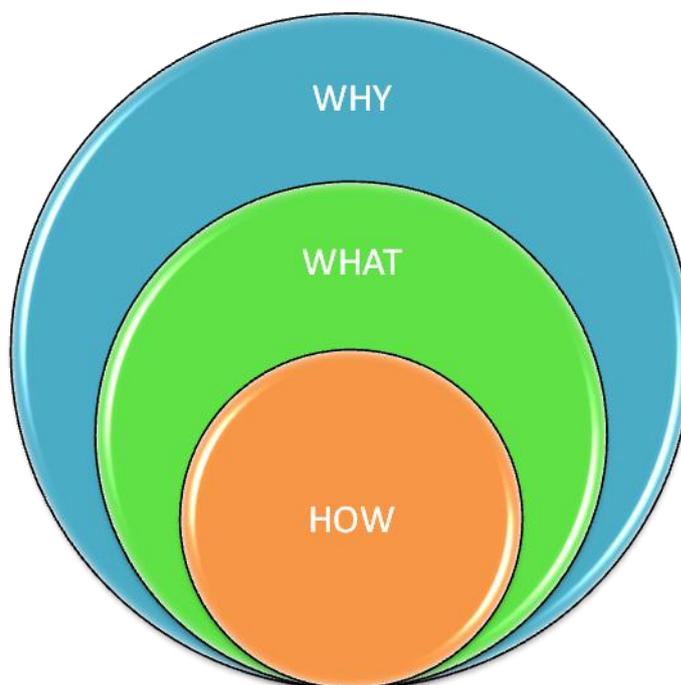


Source: Schein (1970) customer organization loyalty-trust forging model

This way MMTC shall be able to dig into the market soil and be able to entrench its products within the deep subliminal psyche of the customers. A crucible brand image must not only be created regarding the products of MMTC but also of the esteemed services that ensues after purchases. Advertising, marketing, fliers, etc all are simple mediums of communicating with the customers but the marketing magic will only translate into the magic of marketing when there is feed forward and feed back loop.

2.2. How, What and Why model of MMTC:

MMTC shall learn to transpire information inside out i.e. what happens within the organization shall be shared by the people outside the organization. Let us consider a small case of Apple Co. Apple has been able to create a good brand image of itself in the electronic industry and delivers state of the art high end electronic gadgets. The question that is important to ponder upon is that “what does it do that creates a ginormous hankering for its products”? The answer is that when a customer buys an apple product, he just doesn’t buy the product for its stunning features but the featured value and service that adds to the customer smug quotient. He knows that when he pays the precious price for the product, the product will add to him prestige, pride and pronounced power to dominate the peer owners of nether products. His identity is defined by the product that he possesses. This happens because Apple has been known to transpire its basic core functioning to the masses, align its vision with the people and vice versa. A niche market has been created and its notorious for creating a trend rather than to be a factotum acolyte of the established rules, regulations and procedure. It does not follow the baselines but creates benchmarks for others. MMTC should also be capable enough to do so. The How, What and Why model can be easily implemented in MMTC. The people must know the core values of MMTC. The tagline of MMTC itself encapsulates the golden nugget vision i.e. “TOUCHING LIVES, ADDING VALUES”.



Source: Authors Compilation

To scale up the value chain is the key for an organizations success. The entreaty is simple—keep the customers at the gyrate of the functioning of the organizational façade and constantly communicate. This will also help to counter the impediments as proposed by Michael E. Porter’s 5 Forces model which are 1. Bargaining Power of Suppliers, 2. Threat of Substitutes, 3. Bargaining Power of Buyers, 4. Threat of Neophyte Entrants and 5. Industry Rivalry.

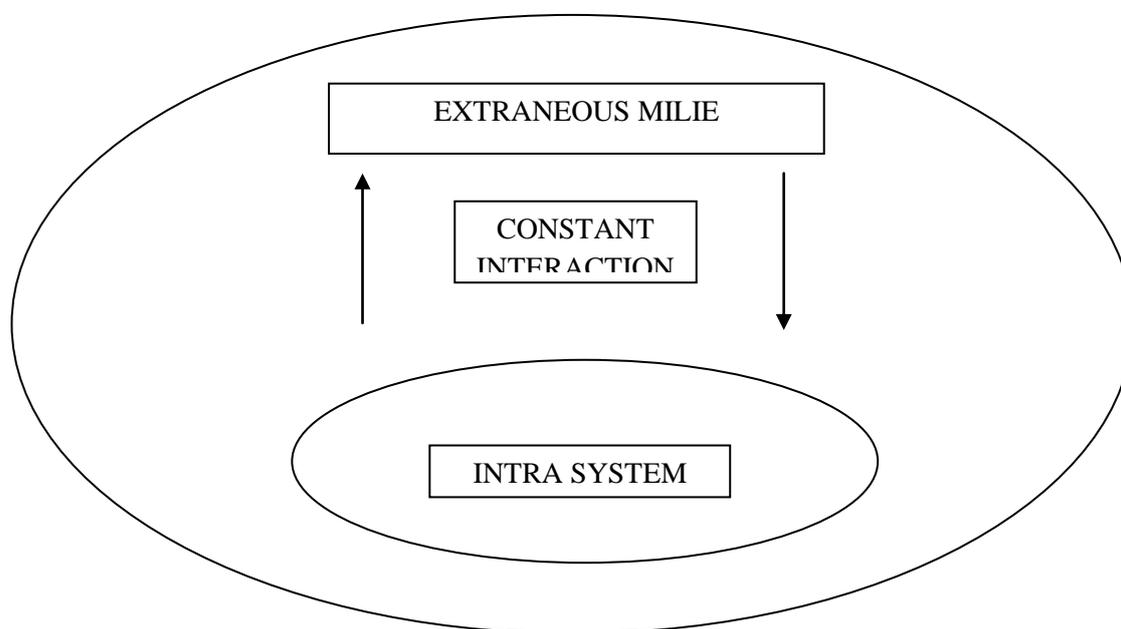
In the theory of Cybernetics propounded by Norbert Wiener, there can only be a control on a specific stimulus if and only if there is constant communication. Communication plays a glistening role in order to transpire what the organization is all about.

HOW: MMTC shall try to elucidate the ways in which it functions. It shall ooze out the dedicated work force that is employed to produce magnum opus products for its valued customers. The way hard work is done, the quantum of Research and Development which goes in making products, providing logistics, administration of the state of the art pro modernist approach to create tailored services, etc. In other words, the people outside the world shall know about the working dynamics of MMTC. It shall in both letter and spirit adopt what is called a “HOMEOSTASIS” proposed by the Psychologist Walter Cannon in the year 1926.

WHAT: MMTC shall explicate to its customers that what are the expertise areas in which it can outperform and outsmart others. The fact that it has been acknowledged by CAPEXIL, gained FIVE STAR EXPORT HOUSE tag by the Government of India is a testimony to its efficient functioning but this shall be known the masses

outside. People shall know about the products produced and if they purchase it, they don't only purchase the materialistic item but the intangible loyalty, trust and value that entails with the product.

WHY: MMTC should be able to preach what it practices. The corporate mission and vision should be in consonance with the customer's nous. The products that emanate from MMTC be it tangible or intangible shall communicate itself with the customers about the value they contain within. MMTC shall spread out the word of its wisdom into its products by telling people that the products are custom fit for every individual and that all engineering has gone to get the golden nugget as an outcome.



Source: Walter Cannon (1976), The Cybernetic-Symbiotic Interaction theory to gain NEGENTROPY.

3. MMTC AND THE GOVERNMENT:

“An open economy is just like the palm of your hand with the fingers representing Joint Ventures, Public Private Partners, independent startups and Multinational Companies.....which are long, dexterous and fast but the government acts as a thumb....which is very rigid and the strongest....which can check and balance the unsaddled power of fingers. ”

—Charles Edward Lindblom.

The ruling dispensation has promised a government which is more of an enabler and a catalyst rather than a feeder or dictator. MMTC works under the tutelage of the Department of Commerce, Ministry of Commerce and Industry, Government of India. MMTC has to learn to capitalize from the government scheme and not be dependent on the doles mete out by them. MMTC has proven its mettle and what it requires is to innovate,

calibrate and burgeon is span of working and trade. The government and MMTC has to work cheek by jowl in order to reap the best benefits of the available resources and technology. India is abundant in a smorgasbord of ores, minerals, hydrocarbons, etc and its exploitation becomes a herculean task. Both the government and MMTC shall take joint collaborations to forage for mineral and ore supply, shall take quantum leaps to infuse state of the art technological innovations and become an engine of economic spur. MMTC has collaboration in various Joint Ventures which did help it to cut the cost of operations, delegated authority, gained an expertise insight in both operations and functioning; helped to gain organizational efficiency. But the road is still too long.

Recently, the Government of India in its Gold Monetization Scheme decreed that the people can make money by depositing their gold deposits. MMTC shall take a proactive step and gain an incremental. The government has taken the digital route and the buzzword of today is “DIGITAL GOVERNANCE”. MMTC shall try to efface the man-to-man interface while dealing with pecuniary trade which will help to keep a check and balance on debauchery and profligacy. It will also help to keep a trail of money expenditure and income received. Also, it does help to streamline the payment function and help in the ease of doing business. India ranks 130 in the Ease of Doing Business Index which is released by the World Bank Group (WBG).

Under the Gold Monetization Scheme, MMTC has sold 68917 coins through seven banks weighing 651kgs and valued at a jaw dropping Rs. 2100 million. Currently, arrangements are being finalized with India Post for the sale of Indian Gold Coin. MMTC has also started e-auction of gold collected by the Government of India under the Gold Monetization Scheme. MMTC has also decided to go for a revamp of its e-commerce operations. The company has plans to put in place a full-fledged portal for the transaction of Gold and Silver exclusively. This will help it to cater the specific demands for niche customers. The idea is to expand the retail footprint of Gold and Silver in order to reach out to a wider customer base through a dedicated portal for bullion transactions. Though MMTC has a site for e-procurement, it does need to be substantially upgraded.

MMTC shall believe in the e-WOM (electronic Word of Mouth) concept which means that the internet plays a large role in order to gulp the customer’s attention. Various websites like Youtube, social networking sites like Facebook can be exploited in order to market MMTC’s products. These websites have a huge opportunity and with the country going digital, there is a huge potential for MMTC to gain a competence in this still unexploited avenue. With more than a million eye fall on the websites, MMTC shall advertise profusely so that the customer intention to purchase materializes.

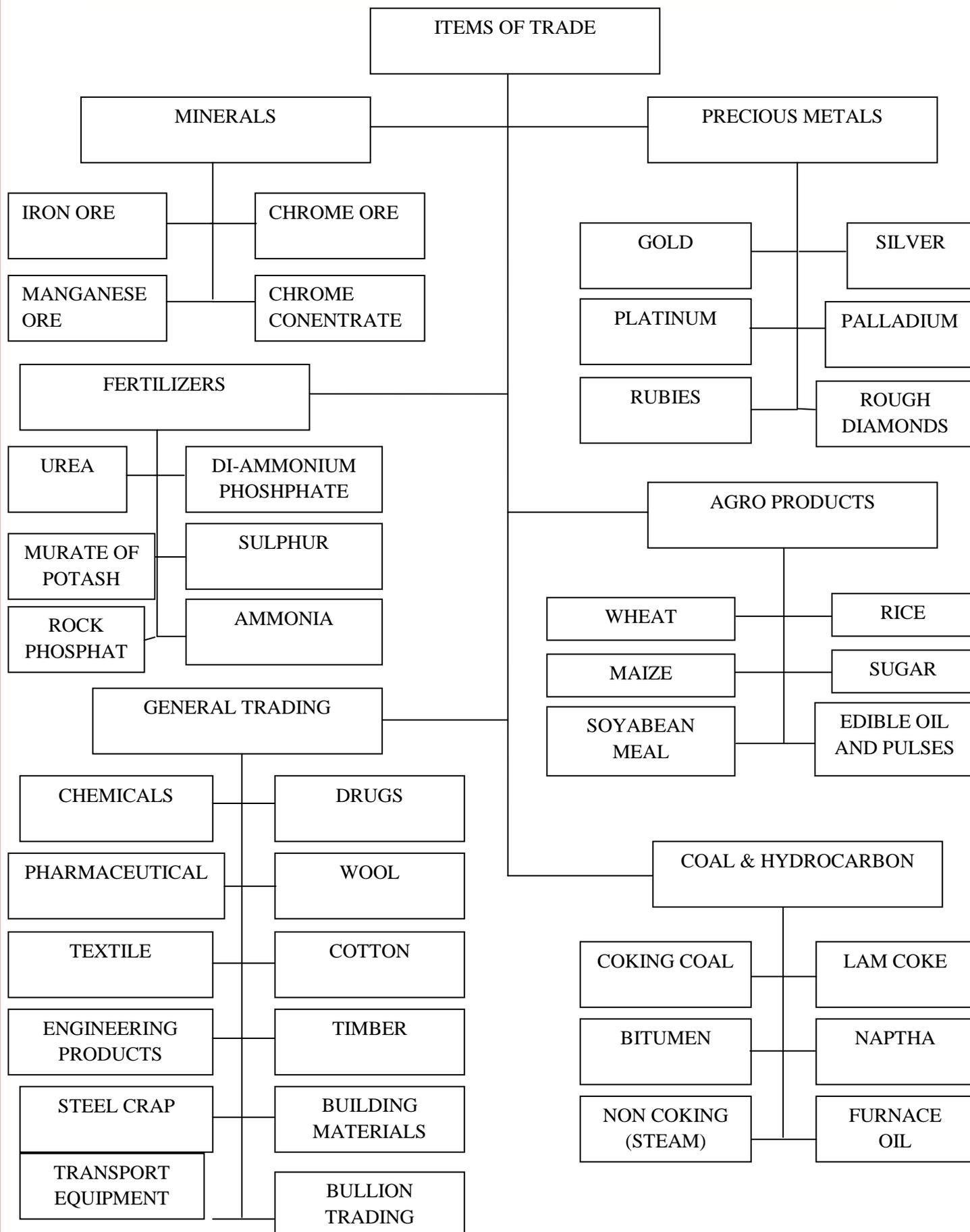
The government of India has mandated MMTC Ltd to launch the flagship Gold Reform Scheme in which both the Indian Gold Coin and the Indian Gold Bullion are to be sold from the 338 outlets of MMTC. MMTC has also tied up with several banks in order to make this scheme triumphant. These will be minted by the Security Printing and Minting Corporation of India Limited (SPMCIL) and hallmarked by the Bureau of Indian Standards (BIS). The World Gold Council (WGC) will be the marketing associate in this venture to create awareness about coin and the bullion. The new business area where MMTC is also setting the business ball to role is in drugs and pharmaceuticals, engineering goods and import of steel scrap.

3.1. CORPORATE GOVERNANCE:

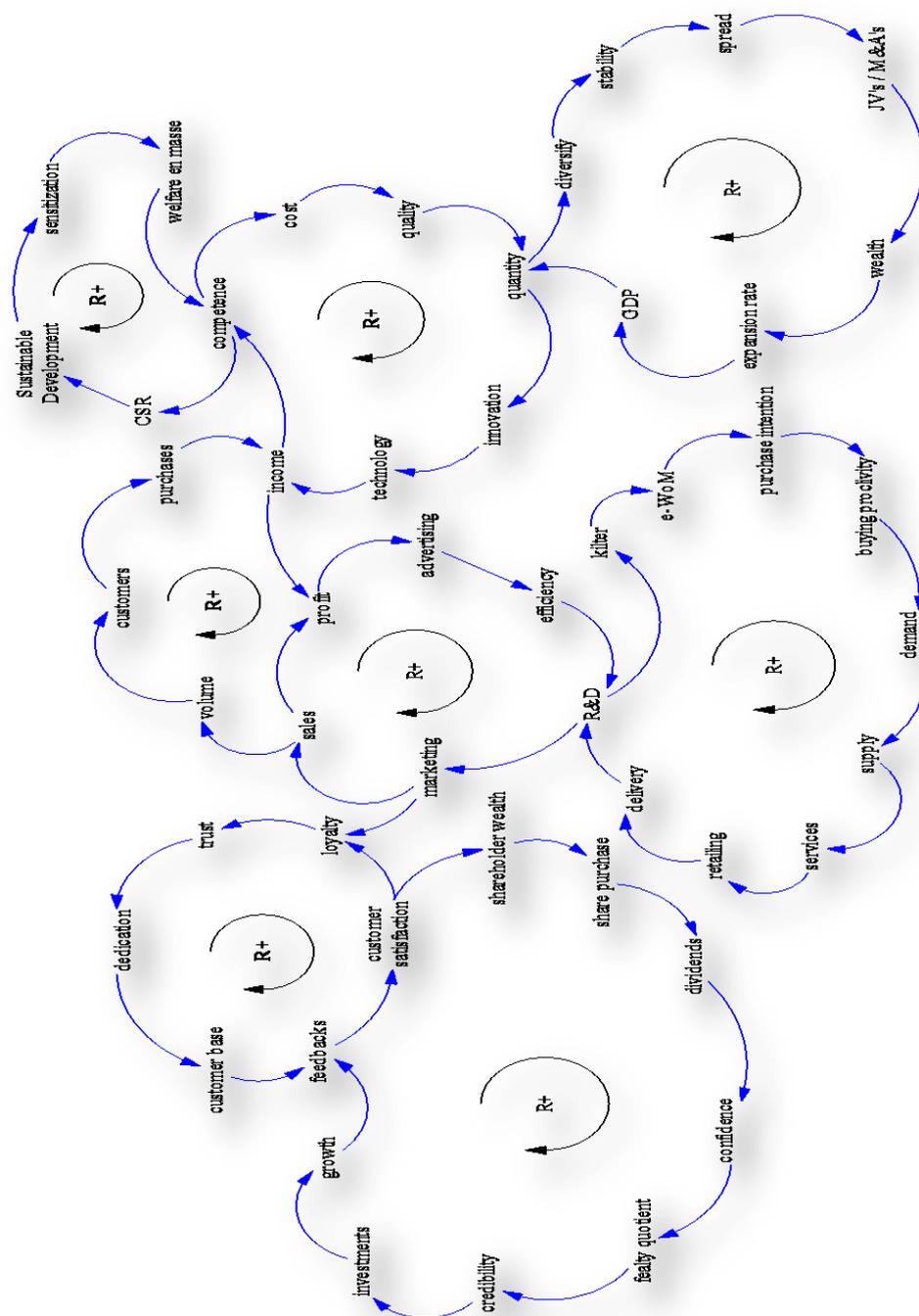
Corporate governance is a set of relationship amongst the company's management, its board of directors, its shareholders and its auditors. These relationships involve various rules and incentives provide the structure through which the objectives as well as performance is measured. MMTC shall be fully committed in promoting and strengthening the principles of sound governance norms through adherence to the highest standards and the most crucible pantheons of transparency and credibility, trust and integrity, responsibility and accountability, social responsiveness in form of Corporate Social Responsibility, professionalism and ethical conducts of business practices and commitment to the organization as a self discipline code for sustainable enrichment of value for stakeholders which include investors, directors, employees, suppliers, logistic deliveries, customers and the communities in general. As the 57th annual report of MMTC states that it will strive to SUSTAIN EXCELLENCE WHILE JOURNEYING TOWARDS GLOBAL HEIGHTS, it must adhere to the most competent principles of professionalism in an existentialist laisses faire market with a tinge of shareholder wealth maximization and profit.

3.2. SOCIAL GOVERNANCE:

“Touching Lives, Adding Values” encapsulates the essence of MMTC's societal responsibilities. In 2010, the Department of Public Enterprises (DPE) issued detailed guidelines on CSR for adoption by CPSE's. MMTC adopted these guidelines and redesigned its CSR policy accordingly. To ensure continuity in the CSR activities, voluntary contributions were made for undertaking CSR activities supporting the Swachh Bharat Mission. MMTC has assessed the need of the health sector and offered scholarships to students pursuing a degree in the field of public health management to fill the demand gap in the field which is critical for India's healthcare infrastructure. MMTC has undertaken skill development training in Odisha, Bellary and Goa after a skill chasm analysis of these districts. Over 800 local youth and women belonging to the marginalized and disadvantaged sections of the society were imparted skills development with an objective to create employment and trigger the high spirits of entrepreneurship amongst the vernacular people.



Source: MMTC's website.



Source: Authors Compilation; Figure: A CLD of MMTC's probable Marketing Competence model using System Dynamic Software

4. MANAGERIAL SIGNIFICANCE:

Knotty problems require bold nostrums and tinkering the edges of the system is simply not going to ameliorate the qualms of marketing machinery. This descriptive research paper is all effusive of the coping mechanisms

which hyperbole the nitty gritty of salubrious marketing practices to gain marketing competencies in both the Indian context and global firmament. The state of the art best practices have been tailored by the Indian organizations, molded and contrived to the indigenous ways of doing things. The bloated bureaucratic worked wonders for the anglophilic gubernatorial to help it strengthen its grip over the Indian administration but still we see the mindset amongst most of the Public Sector Undertakings to stick with this rote and monotonous practice of hectoring. The paper has made a comparative analysis of the essence of Marketing strategies and there are ample opportunities for the academia and industry to imbibe from the ace practices in the Indian context. Marketing department is just like a gardener which only shapes flower so that the hidden talents may come forward and the company can utilize them efficiently and effectively and it also helps to burgeon—it adds to the sinews of industrial strength. Thinking integration outsmarts troglodyte brainstorming.

At last, I shall conclude that MMTC shall be more of an ape than an earthworm.

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