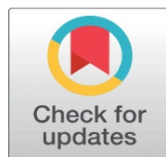
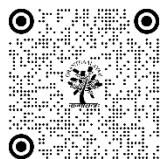


AN IN-DEPTH ANALYSIS OF THE NTPC MARKETING STRATEGY

Dr. S. R. Rath ¹, Chandani Kumari ²

¹Dean - Commerce & Management, AISECT University, Hazaribag, Jharkhand

²Research Scholar, Department of Management Studies, AISECT University, Hazaribag, Jharkhand



DOI

[10.29121/shodhkosh.v4.i2.2023.3908](https://doi.org/10.29121/shodhkosh.v4.i2.2023.3908)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Copyright: © 2023 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



ABSTRACT

NTPC is India's largest power utility company. It has been operating its plants at high-efficiency levels. It is not only a power generator but also it is among the great places to work. The company has been ranking in "Top 50 Best Companies to Work for in India" for the past 11 years. Every company has its weaknesses and threats, but it depends on the company how they overcome these issues. We can clearly see that they have big plans for their future, which will make the company more successful.

Keywords: Performance Measurement and Management, Maharatna Companies, Public Sector Enterprises, NTPC, Balance Scorecard

1. INTRODUCTION

NTPC, also known as National Thermal Power Corporation Limited, is a prominent player in the power development sector in India. Established in 1975 by the Government of India, NTPC's primary focus is on generating and selling electricity to State Electricity Boards across the country. With an impressive installed capacity of 62,110 MW, NTPC is India's largest power utility.

As a Maharatna company, NTPC gained its esteemed status in 2010 due to its exceptional performance and significant contribution to the power sector. The company's unwavering commitment to excellence and innovation has solidified its position as a key player in power development in India.

What sets NTPC apart is not just its impressive generation capacity but also its status as a preferred place to work. With a strong emphasis on employee welfare and development, NTPC has created a work environment that fosters growth, innovation, and inclusivity, earning the reputation as one of the best places to work in India.

With a rich history and a significant impact on power development in India, NTPC continues to lead the way in the energy sector, embracing new technologies and sustainable practices to meet the nation's growing energy demands.

2. MARKETING MIX OF NTPC

NTPC, being India's largest power utility company, employs an effective marketing mix to drive its success. This involves the strategic implementation of product, price, place, and promotion strategies. Let's take a closer look at how NTPC utilizes these elements:

Product Strategy:

NTPC offers a diverse range of power products, including thermal power, hydro power, and renewable energy. This product portfolio allows NTPC to cater to different customer needs and contributes to its position as a leading power utility company.

Price Strategy:

NTPC's pricing policy is reasonable and takes into account factors such as state electricity board regulations and government guidelines. This approach ensures that NTPC's pricing remains competitive while balancing the need for profitability and affordability.

Place Strategy:

NTPC has established a vast distribution network that covers various regions across India. This extensive network enables NTPC to efficiently deliver its power products to customers, ensuring reliable and widespread access to electricity.

Promotion Strategy:

NTPC employs a comprehensive promotion strategy to create awareness and generate interest in its projects. The company utilizes various channels, such as social media, television advertisements, and newspapers, to effectively promote its power generation initiatives.

By carefully curating and implementing these marketing mix strategies, NTPC has solidified its position as India's premier power utility company.

Marketing Elements	Mix	Description
Product Strategy		NTPC offers thermal power, hydro power, and renewable energy products to cater to diverse customer needs.
Price Strategy		NTPC follows a reasonable pricing policy that considers state electricity board regulations and government guidelines.
Place Strategy		NTPC has established an extensive distribution network to ensure reliable and widespread access to electricity.
Promotion Strategy		NTPC utilizes various channels such as social media, TV ads, and newspapers to effectively promote its power generation initiatives.

3. MARKETING STRATEGY OF NTPC

NTPC, India's largest power utility company, has developed a robust marketing strategy to meet the increasing demand for its products. The company focuses on two key aspects: expanding production capacity and gaining a larger market share. By increasing its production capacity, NTPC can cater to the growing requirements of consumers and industries, ensuring a steady supply of power across the country.

Furthermore, NTPC recognizes the significance of renewable energy sources in today's environmentally conscious world. The company has made a concerted effort to incorporate renewable energy into its portfolio, aligning with its commitment to sustainable development and reducing its carbon footprint. By emphasizing renewable energy sources, NTPC aims to contribute to India's transition to a greener and cleaner future.

In addition to its focus on meeting product demand and promoting renewable energy, NTPC is dedicated to its corporate social responsibility (CSR) activities. The company actively engages in initiatives that promote economic sustainability in the communities it operates in. Through various CSR programs, NTPC strives to uplift local communities, enhance livelihood opportunities, and foster social and economic development.

Through its comprehensive marketing strategy, NTPC aims to address the increasing product demand, drive sustainable energy practices, and make a positive impact on society. By aligning its goals with market trends and societal

needs, NTPC remains at the forefront of India's power sector while contributing to the country's economic growth and environmental sustainability.

4. SWOT ANALYSIS OF NTPC

NTPC's SWOT analysis reveals its strengths, weaknesses, opportunities, and threats. Understanding these factors is essential for developing effective strategies and maximizing the company's potential.

Strengths:

- **On-time project completion:** NTPC's strong project management capabilities ensure timely completion, enhancing customer satisfaction.
- **Central government support:** Backed by the Indian government, NTPC enjoys political stability and favorable policies.
- **Employer of choice:** NTPC is recognized as one of India's best companies to work for, attracting top talent.

Weaknesses:

- **Government interference:** NTPC faces challenges due to bureaucratic processes and political involvement in decision-making.
- **Decreasing material sources:** Reduced availability of key resources can impact NTPC's operations and hinder growth.

Opportunities:

- **Strong digital presence:** By enhancing its online presence, NTPC can reach a wider audience and strengthen its brand image.

Threats:

- **High competition:** NTPC operates in a competitive market, requiring constant innovation and strategic differentiation.
- **Increase in production costs:** Rising costs of raw materials and energy can impact NTPC's profitability and financial performance.

Understanding NTPC's SWOT analysis allows the company to leverage its strengths, address weaknesses, capitalize on opportunities, and mitigate threats. By developing strategies based on this analysis, NTPC can enhance its market position and achieve sustainable growth.

SWOT Analysis of NTPC

Strengths	Weaknesses	Opportunities	Threats
On-time project completion	Government interference	Strong digital presence	High competition
Central government support	Decreasing material sources		Increase in production costs
Employer of choice			

5. COMPETITORS OF NTPC

NTPC, as India's largest power utility company, faces competition from several notable players in the industry. Among its key competitors are Adani Power, TATA Power, and Texas Power & Lighting.

Adani Power is recognized as one of NTPC's top contenders in the power generation sector. With a strong presence and impressive portfolio, Adani Power poses a significant challenge to NTPC's market share and profitability.

TATA Power, on the other hand, is a major player in the power generation industry, known for its diverse power generation sources and reliable services. Competing head-to-head with NTPC, TATA Power maintains a strong foothold in the market.

Texas Power & Lighting, while not as prominent as the other competitors, still represents a noteworthy player in the power industry. Its strategic positioning and effective market strategies keep NTPC on its toes.

To maintain a competitive edge, NTPC must conduct regular competitive analyses, closely monitoring the revenue and market strategies of its rivals. By understanding their strengths and weaknesses, NTPC can adapt and refine its own strategies to stay ahead in this dynamic and highly competitive sector.

Competitor	Key Strengths
Adani Power	Strong market presence Impressive power generation portfolio
TATA Power	Diverse power generation sources Reliable services
Texas Power & Lighting	Strategic positioning Effective market strategies

6. FUTURE GOALS OF NTPC

NTPC has set ambitious future goals to further strengthen its position as a leading power utility company. With a long-term plan in mind, NTPC aims to become a 128,000 MW company by 2032, showcasing its commitment to power generation and meeting India's growing energy demands.

In line with its vision for a sustainable future, NTPC is focused on expanding its renewable energy capacity. The company plans to add significant solar photovoltaic and wind energy capacity to its portfolio. By embracing clean and green energy sources, NTPC aims to reduce its carbon footprint and contribute to a more environmentally friendly energy landscape.

Recognizing the importance of diversification, NTPC has been allotted coal blocks in various locations. This strategic move enables the company to enhance its coal-based power generation capabilities and ensure a consistent power supply to the nation.

By pursuing these future goals, NTPC is committed to its growth and development, embracing innovation, sustainability, and efficiency in power generation.

Future Goals	Description
NTPC Renewable Energy Expansion	Add significant solar photovoltaic and wind energy capacity to the company's portfolio
NTPC Coal Blocks	Utilize allocated coal blocks to enhance coal-based power generation capabilities
NTPC Long-term Plan	Achieve a total capacity of 128,000 MW by 2032

7. CHALLENGES AHEAD FOR NTPC

NTPC, being one of the leading power utility companies in India, faces several challenges that demand innovative solutions and strategic approaches. These challenges include:

Adapting to New Environmental Norms

NTPC must navigate the ever-evolving landscape of environmental norms and regulations. As sustainability takes center stage, NTPC must continually invest in cleaner and more efficient technologies, ensuring compliance with environmental standards without compromising its power generation capabilities. Adhering to stringent norms will not only reduce the company's environmental impact but also enhance its reputation as an environmentally responsible organization.

Reducing Costs to Stay Competitive

As the power sector becomes increasingly competitive, NTPC must constantly find ways to reduce costs and enhance operational efficiency. The company needs to explore innovative cost-saving measures, optimize its supply chain, and leverage advanced technologies to streamline its processes. By implementing strategies to improve cost-effectiveness, NTPC can remain competitive and deliver competitive tariff rates to its customers.

Managing Falling Load Schedules and Revenues

NTPC faces the challenge of managing falling load schedules and revenues due to several factors, including changes in energy consumption patterns and the integration of renewable energy sources. The company needs to proactively address these shifts in demand by forecasting load schedules accurately and implementing strategies to optimize power generation and utilization. By adapting to these changes, NTPC can maintain a reliable power supply while managing its revenue streams effectively.

Dealing with Stagnant Power Demand

An additional challenge for NTPC is stagnant power demand in certain regions. To overcome this hurdle, the company should focus on diversifying its customer base and expanding its market reach. NTPC can explore opportunities to provide power to industries, rural areas, and other sectors where demand may be untapped. Additionally, NTPC can invest in promoting the use of electricity for emerging sectors such as electric vehicles and clean energy technologies, stimulating demand and fostering growth.

NTPC recognizes these challenges and remains committed to finding effective solutions that ensure its continued success and market leadership. By embracing innovation, making strategic investments, and proactively addressing these challenges, NTPC will be well-positioned to overcome these obstacles and thrive in the dynamic power sector.

8. OPPORTUNITIES: BALANCING POWER

NTPC has the opportunity to play a crucial role in balancing power supply and demand within the grid, especially with the increasing integration of renewable energy sources. As renewable energy generation becomes more prevalent, the grid requires a delicate balance of power to ensure stability and reliability.

Through its extensive experience and expertise in power generation and grid management, NTPC can actively contribute to the optimization of power flow and the management of grid operations. By leveraging its capabilities in real-time monitoring and control, NTPC can help mitigate the challenges posed by intermittent renewable energy sources and ensure a consistent power supply.

NTPC's focus on renewable energy integration not only aligns with global sustainability goals but also opens up opportunities for monetizing flexibility in power generation. The ability to provide ancillary services, such as ramping up or ramping down power quickly, offers NTPC a valuable opportunity to participate in the power market and potentially generate additional revenue.

The power market, which values flexibility and reliability, presents NTPC with prospects for monetizing its flexibility and grid management capabilities. By actively engaging in the power market, NTPC can leverage its expertise in balancing power supply and demand to capture value and optimize its operations.

Furthermore, NTPC can capitalize on its extensive renewable energy portfolio to integrate a higher share of clean and sustainable power into the grid. This not only contributes to India's renewable energy goals but also positions NTPC as a key player in the transition towards a greener and more sustainable energy future.

NTPC's Renewable Energy Integration Potential

Renewable Energy Source	Installed Capacity (MW)
Solar Power	2,487
Wind Power	1,103
Hydro Power	851
Total Renewable Energy Capacity	4,441

Table: NTPC's renewable energy capacity showcases its potential to integrate a substantial amount of clean power into the grid. With an installed capacity of 2,487 MW in solar power alone, NTPC is well-equipped to contribute to India's renewable energy goals and enhance the sustainability of the power sector.

9. FORWARD INTEGRATION: DISTRIBUTION BUSINESS

NTPC, as one of India's largest power utility companies, has the potential to expand its operations and venture into the distribution business. By becoming a distribution network operator or supply licensee, NTPC can strengthen its presence across the energy value chain, ensuring reliable power supply to end consumers and mitigating the risks associated with depending solely on financially stressed distribution companies.

Potential Benefits of NTPC's Distribution Business

Forward integration into the distribution business can yield several benefits for NTPC:

- **Enhanced Control:** As a distribution network operator or supply licensee, NTPC would have better control over the distribution of electricity, allowing for greater efficiency and responsiveness in meeting consumer demands.
- **Wider Reach:** By establishing its own distribution network, NTPC can expand its presence geographically, ensuring that its power reaches even the most remote corners of the country.
- **Reduced Dependency:** Developing its distribution infrastructure enables NTPC to reduce its reliance on external entities, thereby reducing the vulnerability posed by financial constraints faced by distribution companies.
- **Increased Revenue Streams:** With a direct role in the distribution business, NTPC can generate additional revenue streams by charging fees for distributing electricity and offering value-added services to consumers.
- **Improved Customer Experience:** By actively participating in the distribution business, NTPC can prioritize customer experience, ensuring reliable and quality power supply to meet the needs of consumers.

Risks and Challenges

While forward integration into the distribution business presents numerous opportunities, it also comes with certain risks and challenges that NTPC must consider:

- **Regulatory Compliance:** NTPC will need to adhere to the regulatory framework governing the distribution sector, ensuring compliance with technical and operational requirements.
- **Infrastructure Investment:** Establishing a distribution network requires significant investment in infrastructure, including substations, transformers, and distribution lines.
- **Competition:** The distribution business can be highly competitive, with existing players and other power utilities vying for market share. NTPC would need to differentiate itself and offer unique value propositions to attract and retain customers.
- **Operational Efficiency:** Maintaining and managing a distribution network efficiently can be challenging. NTPC would need to develop robust systems and processes to ensure uninterrupted power supply, handle customer grievances, and manage billing and revenue collection.

10. LOW LOAD OPERATION – TECHNOLOGICAL SOLUTIONS

NTPC, as a leading power utility company, is constantly exploring advanced technological solutions to improve the efficiency and reliability of its thermal power plants. In the context of low-load operation, NTPC has identified two promising technologies – plasma ignition technology and tiny oil ignition technology – that can significantly enhance plant performance.

Plasma ignition technology involves the use of plasma to ignite the fuel-air mixture in the combustion chamber, resulting in faster and more efficient combustion. This innovative technique enables stable ignition even at low loads, ensuring optimal combustion efficiency and reducing emissions. By implementing plasma ignition technology, NTPC aims to enhance the operational flexibility of its thermal power plants during low-load cycling.

The second technology, tiny oil ignition technology, focuses on improving the ignition process in thermal power plants through the controlled injection of a small amount of oil into the combustion chamber. This technique promotes smoother and quicker ignition, particularly during low-load operation, ensuring stable and efficient combustion. By

adopting tiny oil ignition technology, NTPC aims to enhance the reliability and responsiveness of its plants, especially in situations requiring frequent cycling between high and low loads.

Both plasma ignition technology and tiny oil ignition technology offer viable solutions to address the challenges associated with low-load operation in thermal power plants. By harnessing these innovative technologies, NTPC can optimize plant performance, reduce maintenance costs, and contribute to the sustainable and efficient generation of electricity.

11. CONCLUSION

In conclusion, NTPC has emerged as India's leading power utility company, demonstrating its strength and dominance in the market. Despite encountering various challenges, NTPC has successfully implemented effective marketing strategies, positioning itself for future growth and success. With a clear vision, mission, and set of objectives, NTPC is well-equipped to continue fueling the growth of India's power sector and is on track to becoming one of the world's most prominent and esteemed power utilities.

The success of NTPC can be attributed to its unwavering commitment to excellence and adaptability in the face of adversity. By leveraging its extensive experience and expertise, as well as integrating the latest advancements in technology and sustainable practices, NTPC has remained a frontrunner in the industry.

Looking ahead, NTPC's future prospects are bright. The company's focus on renewable energy sources and its dedication to corporate social responsibility ensure a sustainable and environmentally friendly approach. By continuously striving for innovation and staying ahead of market trends, NTPC is poised to capitalize on emerging opportunities and overcome any potential challenges that may arise.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

REFERENCES

- Anand, M., Sahay, B. S., & Saha, S. (2005). Balanced scorecard in Indian companies. *Vikalpa*, 30(2), 11-26.
- De Bruijn, H. (2002). Performance measurement in the public sector: strategies to cope with the risks of performance measurement. *International Journal of Public Sector Management*, 15(7), 578-594.
- De Bruijn, H. (2003). *Managing performance in the public sector*. Routledge.
- Heinrich, C. J. (2002). Outcomes-based performance management in the public sector: implications for government accountability and effectiveness. *Public administration review*, 62(6), 712-725. *Financial Markets, Institutions and Risks*, Volume 2, Issue 3, 2018 37
- Kaplan, R. S., & Norton, D. P. (1999). The balanced scorecard for public-sector organizations. *Balanced Scorecard Report*, 15(11), 1999.
- Kaplan, R. S., & Norton, D. P. (2001). Transforming the balanced scorecard from performance measurement to strategic management: Part I. *Accounting horizons*, 15(1), 87-104.
- Kaplan, R. S., Robert, N. P. D. K. S., Davenport, T. H., Kaplan, R. S., & Norton, D. P. (2001). *The strategy-focused organization: How balanced scorecard companies thrive in the new business environment*. Harvard Business Press.
- Kaplan, R. S., & Norton, D. P. (1999). The balanced scorecard for public-sector organizations."
- Sharma, D. P., Nair, P. C., & Balasubramanian, R. (2005). Performance of Indian power sector during a decade under restructuring: a critique. *Energy Policy*, 33(4), 563-576.
- Verbeeten, F. H. (2008). Performance management practices in public sector organizations: Impact on performance. *Accounting, Auditing & Accountability Journal*, 21(3), 427-454.
- Vine, E. (2005). An international survey of the energy service company (ESCO) industry. *Energy Policy*, 33(5), 691-704.

Wang, C. N., Lin, L. C., & Murugesan, D. (2013). Analyzing PSU's performance: A case from ministry of petroleum and natural gas of India. *Mathematical Problems in Engineering*, 2013