

Asian paints marketing strategy



**ASSIGN
BUSTER**

Asian Paints is India's largest paint company and ranked among the top ten Decorative coatings companies in the world with a turnover of INR 66. 80 billion. Asian Paints along with its subsidiaries have operations in 17 countries across the world with 23 paint manufacturing facilities, servicing consumers in 65 countries through Berger International, SCIB Paints - Egypt, Asian Paints, Apco Coatings and Taubmans.

“ Asian Paints aims to become one of the top five Decorative coatings companies world-wide by leveraging its expertise in the higher growth emerging markets. Simultaneously, the company intends to build long term value in the Industrial coatings business through alliances with established global partners.”

With Economic performance as objective the organization now has to develop short-term goals to reach the overall objective. These Goals are usually functional target such as production, Sales, new market develop, new product development and technology up gradation, once the goal are determined the strategies can be evolved to meet the goals. The organization is now on the way to achieve the overall objective of Economic

(i) Customer Asset : The settings up Asian paints colour world, a chain of state art paint shop, is a major step towards building customer asset. At the same time company is focusing more in rural areas than urban area and continuing to provide good and quality service to the customer.

(ii) Technology asset : Asian paint is one of first Indian company to go hi-tech. Asian paint has always kept its competitor at bay by constantly re-innovating its business process and system.

(iii) Employee Asset : Asian paint always praise its employee for its success in the market. Company always considers employee as a biggest factor of its success.

(iv) Dealer vendor relationship : Asian paint always maintain a close relationship with its dealers because company think that they play a major role in Asian paint recent success.

(v) Brand Asset : Although it is operating in the commodity market but still Asian paint is investing heavily in branding. Gattu- Asian paint official mascot is very popular in India.

Divisional objective:

Asian paint has following division that are as follows:

Decorative segment

Asian paint is the leader in this segment. It is ahead that its competitor Nerolac and Berger in Decorative segment company still have certain objective for this sector that to increase it sales and to acquire maximum position in the market share in Indian paint market.

Objective for decorative segment :

- To expanding its range in the economy segment.
- To strengthen its position in the emulsion segment in both exterior and interior emulsion.
- To continue its strategy of pricing aggression and increase it sales and to gain the market share along with a good operating margin.

- To focus on the rural market as company believes as it as been its objective since the beginning.
- To focus more on adcampaign for enhancement of their sales in urban as well as rural market.

Industrial segment

Asian paint second line of production deals with the industrial coating. The constraint in these segment is that it is not as successful as the decorative segment. In these sector it has to face a stiff competition from its nearest competitor Nerolac and Berger Paints.

Objective for Industrial segment :

- To build new infrastructure in the country for Industrial coating to increase the production capacity.
- To develop the quality of the product with a higher technological up gradation.
- To increase the sales of the Industrial coating with the help of proper Ad. campaign programme.

Automotive segment :

Automotive is the third segment of the Asian paint. It is a product which company target for the automobile market in India as well as abroad.

Objective of automotive segment :

- To put emphasis on continuous improvement in quality and productivity.
- To put emphasis on defect prevention

- To reduce variation and wastage in the supply chain

Marketing Objective:

Asian paints the leader in Indian paint Industry has a very strong marketing division. With more than 35% market share Asian paint is still growing in leaps and bounce to achieve higher targets. It is changing fundamentally with two objective in mind a huge ramp in the market share and better growth over the next three years. Previously company used to function as undifferentiated organization. But now they have divided it into three section each. And each section has its own independent support system, targets and performance parameter.

Company marketing objectives are as follows:

- Asian paint is highly accepted in the urban sector and now the company is trying to access the rural market with low price product like Utsav targeting every customer of all income level.
- To increase its sales in the urban sector Asian paints today have 30 colour world located in different cities of India where any body can have the real taste of the colour.
- Online marketing has become an integrated part of the company and company is trying install a strong integrated for online marketing.
- Asian paints international unit, which have a dedicated marketing team is also targeting for a rapid growth in overseal market.
- Asian paint is following unluqe strategy of marketing in the rural areas by using their official mascot. According to the company it feels that picture are more dominant than name.

- Asian paint website Asian paints com provides several information regarding the product and various other information that is being required by customer and dea

Volumes and Profits :

Indian paint industry is less than $\frac{1}{2}$ of the size of the Chinese paint industry by volume and less than $\frac{1}{5}$ of the size of the US paint Industry by volume.

In terms of Per capita consumption, the Indian paint industry lags behind the Pakistan and Sri Lankan markets also.

Product :

Paint

Asian paint details with product that is

(i) Decorative (ii) Industrial (iii)Automotive.

The product that this project will deal with will exclusively be decorative paints.

Decorative Paints includes the following categories of product

EXTERIOR WALLS :

Asian Paints offers a range of emulsion paints for your exterior walls such as ACE, Apex, Apex Ultima, Apex Duracast and more, based on the specific demand of surface area.

Interior Walls

Distempers

Distempers offer strong performance to the interior wall surface in terms of protection and adhesion. Tractor Acrylic Distemper, with better durability, is one of the best performing distemper made by Asian Paints.

Emulsions

Interior emulsions are advanced water based paints with better quality and shade range. Adhesion to wall surface, anti fungal properties and durability is more in emulsions.

Enamels

Enamels is a premium brand from Asian Paints, it is superior in terms of performance and gives that Perfect Finish for the walls.

Competitors :

In terms of gross sales we can rank the competitors of Asian paints as :

- Nerolac paints
- Berger Paints
- ICI Paints.

In industry they are recognized as trailing firms. But with their high growth in the industry the competitors can touch or even overtake Asian paints, for that the three main competitors have different strategies. Initially one common strategy must be their mind - is to increase the market share.

Market Size:

The market size of the Indian paints sector has been pegged at Rs 170 bn in value terms and is very fragmented. The per capita consumption of paints in

India stands at 0.5 kg per annum as compared to 1.6 kgs in China and 22 kgs in the developed economies. India's share in the world paint market is just 0.6%.

The unorganised sector controls around 35% of the paint market, with the organised sector accounting for the balance. In the unorganised segment, there are about 2,000 units having small and medium sized paints manufacturing plants. Top organised players include Asian Paints (30% market share), Kansai Nerolac (20% market share), Berger Paints (19% market share) and ICI (12% market share).

Decoratives: Major segments in decoratives include exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties etc. Decorative paints account for over 75% of the overall paint market in India. Asian Paints is the market leader in this segment.

Demand for decorative paints arises from household painting, architectural and other display purposes. Demand in the festive season (September-December) is significant, as compared to other periods. This segment is price sensitive and is a higher margin business as compared to industrial segment.

Industrial: Three main segments of the industrial sector include automotive coatings, powder coatings and protective coatings. Kansai Nerolac is the market leader in this segment. User industries for industrial paints include automobiles engineering and consumer durables. The industrial paints segment is far more technology intensive than the decorative segment.

Customer Retention

Asian Paints Limited, India's largest paint company, has a reputation for professionalism and fast-track growth.

Customers are at the core of all Asian Paints business activities. A simple but unbeatable concept of “going where the customer is” drives all its major initiatives.

The company has an enviable reputation in the corporate world for professionalism, fast-track growth and customer-centricity.

The Key Challenges addressed by the company are:

- A Fresh Approach to the Customer Experience
- Develop a direct link to the customer
- Standardize sales delivery processes used by Asian Paints
- Institute an online ordering and accounting system for providers
- Implement a real-time reporting system for employees and business partner

Intermediary Retention

Industry is characterized by the presence of intermediaries who have a very high influencing power on the purchase decisions of the consumer, especially in the urban areas.

Using these intermediaries for initiating demand: The intermediaries (the painters, contractors, designers, decorators etc.) are used as a marketing arm of the company. Occupy part of the intermediary space and try to sideline other intermediaries: Asian Paints has opened a service arm, which

provides the services provided by the existing intermediaries in the market. Being present in different seditions of the value delivery system and having a strong brand equity in the Paints market would give AP the credibility to operate a strong service arm. The service based strategy of AP could have two different approaches

AP could try to reduce the power of the intermediary by increasing the Pull for the product. The role of the influencer could be drastically reduced by increasing the power of the end-consumer. AP can achieve this by establishing a strong brand name for its brands.