

Marketing analysis of the nippon company



**ASSIGN
BUSTER**

The Nippon Company was first started in Japan as Komyosha in 1881. By two brothers Haruta and Jujiro Moteki and their chief engineer Heikichi Nakagawa was also their partner. In the beginning they started their projects for the Japanese navy but after this they started the production of viscous paint. In 1896 NIPPON Company all the production process in the new factory situated in Tokyo. After transferring their business to Tokyo in 1898 NIPPON Paint was recognized as Japan's first real paint manufacturing company. Nippon Paint Company spread very fast across Japan. After this in 1914 Nippon Paint expanded its business into China, India and South Pacific. Nippon Paint established the Malaysian Paint Industries in 1963 which is as Nippon Paint Singapore. Four years later in 1967 Nippon Paint also started its business in Thailand and Malaysia. Innovative product inventions have been a trademark of Nippon Paint growth through the decades.

Nippon Paint in 1986 introduced a new "photo ED" system for printed circuit boards. In 1992 Nippon Paint Company introduces two more highly progressive innovations "Flexceed" printing plates which could be developed in water. Now the Nippon Paint is recognized as paint industry leader in Asia. In the cities across Asia as well as Ho Chi Minh and Seoul, the company plays diverse roles, increasing and improving different features of life and business. Nippon Paint has acquired more than 70% shares of automobile industries in Vietnam. Nippon Paint launched a colour shading system in China across the country offering more than 1000 colour shades and types. Nippon Paint constantly seeks

new products and coatings that are more eco-friendly and also focus on protecting the environment.

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Colour introduces by Nippon having more than 1000 shades

2. Nippon Paint Pakistan (Private) Limited

Nippon Paint Pakistan (PVT) (LTD) was entering in to Pakistan market in 5th November 2007 its Head quarter is in Japan. In Pakistan Nippon Paint will be invest \$25 million over the next three to five years which will include a manufacturing facility in the Mustafa Abad District Kasur. Currently Nippon paint Pakistan has 200 outlets nationwide out which 113 outlets are furnished by Nippon Paint colour creation shading system company aim was to have more than 200 colour creations outlets by the end of the

year 2008. the distribution network of the company is currently spread from the south Karachi and Gwadar to Hilly areas of Mingora and continues going to spread. All authorized dealers are equipped with Nippon colour creation machines which is an computerized innovative system this system allow customer to choose colour from thousands Of colour and made available colour of their own choice within minutes. Nippon Paint has specially formulated paint products for the Pakistan market. The five main products of Nippon paint are in Pakistan are Nippon Brilliance Matt Enamel, Nippon weather bond for exterior walls, Nippon perfect Emulsion and Matex Gold for Interior walls and Nippon 9000 Gloss finish for Wood and metal products.

Now the main paint of Nippon Paint in under the manufacturing process of paint initially there are about 300 employees are working. Nippon Paint is the largest and quality paint manufacturing company in Asia and prominent name in paint worldwide. it is Number 1 in Japan, china, Indonesia, Singapore

and Malaysia and key player in Thailand, Vietnam, Taiwan, Korea, and Hong Kong and in India. Now it is also growing very rapidly in Pakistan.

3. Vision Statement

“ We aim to build upon the strength of current foundations to meet the demands of the new millennium everywhere across the globe”

We seek to live in harmony with nature and society, playing our part as responsible citizens by enhancing and beautifying our surroundings, protecting nature and encouraging the personal growth of our people.

We seek to develop innovative and technologically advanced paint products that will enhance beauty and protect our surroundings.

We will create a workplace that maximizes the potential of each person, that creates mutual interdependency and trust, and that instills collective pride and identity

3. 1 Corporate Vision

The Nippon Paint is going to expand its business globally as a specialty chemical company, offering high value added coatings.

3. 1. 2 The five C, s Of code of Behavior

Credibility

We shall answer to public confidence in our presentations with right and clear judgment, keeping in mind a high sense of honesty and accountability.

Customer oriented

We shall fulfill customer expectation by providing them with the best solutions through the Group's joint forces and all out efforts.

Creativity

We shall create new standards with perception, anticipation and highly flexible ideas.

Challenge

We shall found the highest conceivable goals and make every effort to complete the highest levels of standards in the world.

Collaboration

We shall promote a corporate culture of freedom and kindness through positive communication and teamwork by allowing the diversity of human characteristics.

4. Mission Statement

“ To be the partner of first choice for customers and suppliers, ensuring sustained leadership position in the markets where we compete, delivering long-term business value through a high performance culture, innovation, ethics and responsible care”

4. 1 Our company mission is attached on five corporate purposes

Customer happiness

To give the best value and the high quality at the competitive prices and to maintain good customer services every time.

Constant Growth

To follow solid and sustainable growth both in the industrial and other use paints

Human Resource Development

To develop our employees to their completest capabilities. That they can work for the betterment of company.

Service to the community

To contribute in the social wellbeing and economic activities of community in which we operate by placing a high regard on the environment.

Profitability

To ensure a fair and attractive on the shareholders' investment on shares

5. CSR of Nippon Paint

At Nippon paint we are offering colour and design services in according to Nippon policy of contributing to the improvement and protection of the global environment along with practices of regularly finding solutions for the protection of natural. Three principles have been developed by the Nippon paint to guide in environmental protection activities.

We make effort to protect the global environment and maintain green balance by protecting energy and resources in all of our activities.

We support the development of products and technologies that eliminate the environmental impact and also keeping in the mind health and safety of peoples.

Nippon paint stated programs of charity by donating to, rural areas and to hope projects. The hopes primary schools in rural areas provide best place for children's for the purpose of obtain education.

5. 1 The program started with the name of “ colour way of love”

“ Colour way of love” means is the color hopes with love. Colour appears thoughts of kids. Nippon Paint working with DuPont started a program in 2009 to paint the walls of schools making the school beautiful and improving condition of education in the hope schools. “ Colour way of love” support a charity program by Nippon. Nippon Paint colour project hope fund, established in 2009 it donate art class rooms in schools in addition to building more and more hope schools for the attention of education in rural

8. SWOT Analysis

The overall assessment of company internally and externally is called SWOT analysis. In the SWOT analysis we check the Strength, weaknesses, opportunities and threats of the company. Internal environment includes strength and weaknesses while the external environments include opportunities and threats. The SWOT analysis is very useful for the decision making of the company.

8. 1 Strength of Nippon Paint Pakistan

The major strength of Nippon Paint Pakistan is that it is the quality paint from japan.

Large amount of colors and latest colour scheme in Pakistan.

High quality products because Nippon is providing high range of paints.

Colour creation machine first time introducing in Pakistan at their outlets

8. 2 Weaknesses

Nippon paint market coverage is weak while the market coverage of Berger paint and ICI paint is very fast.

There are only few dealers of Nippon paint in the Pakistan

The prices of Nippon paint products are high than other paints. Its competitors are offering fewer prices than Nippon

Nippon Paint Head office in Lahore is not in proper place

Nippon Paint promotion is also weak because Nippon paint is still not familiar to public in Pakistan

8. 3 Opportunities

It is very good opportunity for the Nippon paint to increase its promotion in order to give information about their products to customers in the Pakistan.

Nippon's paint can increase its coverage to make it possible supply of products till customer.

It is very good opportunity for the Nippon paints it can increase its sales by decreasing its prices.

8. 4 Threats

The competition is increasing in this industry, many key players and local niches is present in the market and will hard time for them . Nippon paint has to take this factor into account.

As we know that Nippon Paint is the Quality paint from japan so the political instability can influence the Nippon paint business.

9. 1 Strategies under BCG matrix

That is the exact time for Nippon's Paint to grow rapidly with the showing of its internal strength to the market to make the market favorable. Following are the main strategies that will be helpful for Nippon's Paint to get a better market position.

9. 2 Differentiation Strategy

Differentiation strategy is that the company makes its products or services differ to the other companies. Nippon's Paint has to provide more values

To its consumers, so that it will be beneficial to become the market leader.

Nippon's Paint is using differentiation in order to differentiate its product and services from other key player in paint industry of Pakistan.

9. 3 Cost Leadership Strategy

Nippon's Paint has to consider its cost to improve its profitability ratio. As the profitability ratio will increase, Nippon's Paint become stronger to invest more. There are number of costs that the company has to consider, That's

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not the right stage to adopt this strategy because Nippon's Paint is recently enter Pakistan market and has to spend more to cover the entire market through strong promotion of their product and services but Nippon's Paint will use this strategy in near future to compete the market and cover it. Nippon's Paint has to be careful all type of costs.

9. 4 Focus Strategy

Focus strategy refers to the focus on the customer, focus on that target market, identify it and serve them better. Nippon's Paint is currently following this strategy in order to meet the organizational objective. The initial Nippon's Paint is targeting the high and middleclass people the country having ability to purchase quality product by paying it cost but in future company is also planning to meet the whole need of the nation by providing necessary product line to the people of Pakistan.

10. Competitors

MASTER PAINTS

ICI PANITS

BERGER PAINTS

ROYAL PAINTS

PRIMAX PAINTS

SUNSHINE PAITS

FALCON PAINTS

ASIAN PAINTS

SUNSHINE PAINTS

KANSI PAINTS

DELUX PAINTS

Nippon's paint Pakistan is facing strong competition in Pakistan. Their major competitors ICI, Berger, Asian paint and Master paint etc. Because of these competitors, Nippon's paint Pakistan is facing a serious problem in order to attract new customers and retain their existing customer. In order to meet the competitors, Nippon's paint Pakistan has to spent more money on advertising, promotional activities and area coverage for their customer satisfaction.

11. Nippon Paint is introducing the following brands to the Pakistan Market

Nippon Paint Perfect Emulsion (Interior)

Nippon Paint Weather bond (Exterior)

Nippon Paint 9000 Gloss Finish

Nippon Paint Brilliance Matt Enamel (Interior Wood, Metal & Wall)

Nippon Paint Matex Gold (Interior)

Nippon Paint Super Matex (Interior)

Nippon Paint Vinilex 5100 Wall Sealer

Nippon Paint ACS Wall Putty

Nippon Paint Coloured Undercoat

12. Colour creation

Nippon Paint is the pioneer of tinting systems in South East Asia. Nippon Paint now brings its Computerized Tinting System, Colour Creations to Pakistan. It is a computerized paint system that lets you accurately choose the right shade, hue, tint and accent of colour. All you have to do is choose the type of paint for your specific needs first. Then, choose the colour that suits your theme, from more than 3, 000 shades available in our two colour collections. The Ambiance colour series offers you softer, pastel shades, while the Evolution colour series, gives you richer, bolder ones. Your selected colour will then be analyzed in the colour computer and the information is sent to the dispenser. The paint is then mixed and shaken, to give you the finished product. Its done right before our eyes, in minutes and in your choice of Nippon Paint Perfect Emulsion, Nippon

Weather bond, Nippon Paint 9000 Gloss Finish, Nippon Paint Brilliance Matt Enamel, and Nippon Paint Matex Gold. Choosing the right paint and the right colour has never been easier! Nippon Paint is introducing the following brands to the Pakistan Market

Colour Creation Machine

13. Nippon Paints Has Paints for following use

13. 1 Painting Industries, Big and Small

The Nippon Paint canvas ranges from a gigantic bridge to a palm sized iPod.

Today, thousands of industrial manufacturers depend on Nippon Paint products for long lasting strength, protection and improved productivity.

Bridges, ships, fuel pipes and chemical tanks, road markings, electronic appliances, steel and wooden furniture are just some examples where Nippon Paint displays its leadership.

Nippon Paint's Plastic Coatings protect surfaces against persevering firebrands such as alcohol, grease and oil. Its Marine Paint has the capability of protecting surfaces of ocean vessels such as super-tankers and container ships from corrosion and fouling usually caused by sea water. In the Disk Drive Coating market, Nippon Paint's tin free CED

coating is dominant. It is a paint specially formulated for protecting the aluminum die-cast casing from rust and weathering.

13. 1. 2 Electrical Appliances Paint

Our products for electrical appliances are developed to protect both home appliances and office equipment against rusting, food staining and household chemicals like detergents and scourers.

Electrical items such as computer and telecommunication equipment benefit from the protective properties of coating systems such as the Nipsea Polystylac and Superlac F/45.

13. 1. 3 Cathodic Electrode position Paint (CED)

Nippon Paint's CED coat is trusted for its outstanding properties such as corrosion, humidity, chemical and abrasion resistance, and excellent adhesion. Currently, this product for HDD holds a dominant 90% share of the disk drive coating market worldwide because of its complete tin-free technology.

13. 1. 4 Furniture Paints

We also deliver high quality coatings for wooden and steel furniture. The Nippon 2000 and Melamic 1200 series are widely used for the high levels of protection and durability they provide for furniture fittings, picture frames, decorative doors and canework.

13. 1. 5 Road Paints

Nippon Paint's Road line series of road markings and coloured tarmac paints play a significant role in facilitating land traffic. These paints are important in creating a safer and more attractive environment in parks and commercial zones.

13. 1. 6 Plastic Paint

Nippon Paint's industrial solutions for plastic components are developed with special features such as alcohol, grease and oil resistance, resilience against heating and freezing cycles, and excellent adhesion and scratch abrasion resistance. These paints and coatings are specially formulated for plastic components used in internal and external automobile fittings, electrical equipment and audio products, and are available in gloss, semi-gloss and matt finishes.

13. 1. 7 Wood Finishes

These finishes are mainly used by both domestic and export market manufacturers for protecting furniture and fittings such as picture frames, decorative doors, cane work and wood panels. A variety of finished coat appearances are available, and these include clear and coloured lacquers, solid and metallic, marble, stone, antique and other patterns.

12. 2 Breathing Life into the Landscape

Is it enough that urban landscapes look modern? Besides the aesthetics of a structure, Nippon Paint with its durability, weather-resistant functions and unmatched quality, ensures that it's kept well protected. The role of Nippon Paint in modern architecture is crucial.

12. 2. 1 Cement-Based Surfaces

Nippon Paint's coatings for cement-based surfaces feature many innovative features. The Wall clean line of acrylic coatings, for instance, has anti-algae, anti fungi and anti-carbonation properties that make the paint extremely durable and easy to apply. Durasil is another

breakthrough product in silicone resin emulsion paint that provides excellent durability in protecting exterior walls against the effects of water, Poisons and chemical attacks while preserving the initial coated state.

Another popular product, Super Matex Emulsion is a cost-effective paint solution that provides lasting coats for internal walls. For waterproofing protection we have W300 Watershield, an invisible system used extensively on bricks and other porous surfaces. This product helps to retain the original look of the surface, while effectively repelling water and moisture.

12. 2. 2 Metal Surfaces

The Bodelac 9000 series is one of the most popular products for metal surfaces in the home and office environments because of its easy application method and attractive appearance. On the other hand, Coupon products offer high levels of durability in highly corrosive environments, and function effectively in the harshest chemical industries as well as under salt-water exposure. As for cladding finishes, Nippon Paint offers the Duflonar system.

This product is one of the world's most advanced fluoro polymer coating system and can be used for aluminum paneling, extrusions and curtain wall surfaces. Available in solid as well as metallic and exotic colours, the Duflonar system of primer, coat thinner and finishing coat offers excellent levels of performance in terms of its exterior weather ability, film integrity and general appearance.

12. 2. 3 Timber Surfaces

One of the most popular products from Nippon Paint for timber surfaces is Timberlake, an easy-to-apply clear varnish that retains the natural beauty of wood grains resulting in a long-lasting lustrous finish.

12. 3 Colouring the Four most important walls in the world

Choosing just the right colour palette for your home can be a difficult decision. It is a fresh new start. A complete range of products from the Home department is the first step towards this new beginning. With Nippon Paint, you get the largest range of paints for just the right expression and purpose. This range spans across base-coats and top-

coats for interior and exterior walls, wood, metal surfaces, roofs, as well as paints for special finishes and effects.

The Solar Reflective Paint Coating helps in reducing surface temperature by up to 5° Celsius. The Weather bond Exterior Paint protects walls against the harshest corrosive materials. Walls look as new as the day they were painted. The premium Odourless All-In-One Paint is considered as a ‘ clutter-breaking-success-story’ of Nippon Paint.

12. 3. 1 Interior Wall Coatings

Nippon Paint’s 3-in-1 Medi-Fresh Anti-Bacterial paint has fast gained a prominent position in the home interior market. Its special anti-bacteria formula helps inhibit bacteria growth, thus lowering the risk of flu, diarrhoea and other ailments in households. In addition, it is also waterproof, washable, and covers hairline cracks.

Other highly popular paint products for home interiors include the 5-in-1 and 3-in-1 series, renowned for their durability and excellent anti-carbonation properties; and Super Vinilex 5000, Satin Glo, Vinyl Silk and Matex, which provide lasting protection to Asian homes.

12. 3. 2 Exterior Wall Coatings

Nippon Paint’s ranges of home exterior products meet high standards of protection and durability. Nippon Paint Weather-bound and Ultra shield, for instance, are recognized as high-performance exterior paints that effectively protect homes from weathering and surface dirt accumulation.

12. 3. 3 Wood & Metal Coatings

Nippon Bodelac 9000 for wood and metal surfaces is well-received for its super gloss finish and durability. Also popular is Nippon Timberlac, a clear wood varnish that enriches surfaces without concealing the beauty of wood's natural grain. 2KPU, another range of high quality wood coatings, has gained a strong following in the China market.

12. 3. 4 Roof & Tile Coatings

For roof tiles, Nippon Paint has developed a coating system that protects and enhances asbestos, tiles and metal roofs. The Nippon Roof Coating system is a high performance acrylic water-based paint that is both fungus- and weather-resistant.

12. 4 That's our Paint traveling at 200 mph

In the highly competitive, design-intensive automotive segment, Nippon Paint showcases its aesthetic superiority as well as its protective quality. It's in coating the finest cars that Nippon Paint has consistently set new industry standards with specially developed coatings for enhanced performance and vehicle life-span. Nippon Paint's automotive products include surface treatment chemicals, protective base-coats, intermediate coats and sparkling top-coats. Nippon Paint is the only company that supplies an entire paint system for cars, dominating Asian markets such as Japan, Thailand, Indonesia, Vietnam and the Philippines.

Nippon Paint has developed a polarised paint, Maziora, which changes colour depending on the angle from which it is viewed or from where the light highlights it. This paint is used to re-paint automobiles or used as high-

design paint for new automobiles and designer racing cars. Maziora can also be used on sporting goods, cellular phones and musical instruments.

13. 4. 1 Surface Treatment Chemical

SURF, one of Nippon Paint's popular surface treatments chemical, works excellently for cleaning the body of contaminants, degreasing metal and plastics, surface conditioning and phosphate. The chemicals are available in both powder and liquid forms, and can be applied on aluminum, iron and steel, copper and plastic by spraying or immersion.

13. 4. 2 Cathodic Electrode position

Nippon Paint's Cathodic Electrode position (CED) paint provides the automobile protection against diverse climatic conditions. This electrode position system acts as an anti-rust primer, and also works effectively as an anti-corrosion agent. Nippon Paint is one of the leading electrode position paint suppliers in the Asian automotive industry, supplying both anodic and cathodic electro-deposition systems.

13. 4. 3 Surfacer

Used to condition the automobile after phosphate, the surfacer gives the automobile surface anti-corrosion properties and good inter-coat adhesion. This layer enhances the automobile's finishing by bringing out the smoothness, brightness and gloss of its colours. Nippon Paint's range of surfacers includes sanding or non-sanding polyester, alkyd polyester, epoxy polyester and acrylic polyester.

13. 4. 4 Top Coats

This is the layer that provides the first level of protection against the elements. At the same time, it helps transform the car into a thing of true beauty. Our topcoats come in a range of different resin-based finishes comprising polyester, melamine, acrylic and alkyd melamine. MACFLOW, one of the most popular Nippon Paint's automotive products, is an acid-resistant topcoat that reduces the use of volatile organic compounds while meeting high performance needs for acid resistance. In Japan, Nippon Paint has also developed a polarized paint "Maziora" that changes colour depending on the angle from which it is viewed or where the light falls on. It is used to repaint automobiles or as a high-design paint for new automobiles. It can also be used for sporting goods, cellular phones and musical instruments. Besides this, we also have powder and water-borne coating products, which are used extensively in Japan, North America and Europe.

13. 4. 5 Bumper Paint

An integral part for the finishing in automobile design, Nippon Paint's paint system for bumpers comprises the 1-pack primer for polypropylene and acrylic substrates and resin-based top coat of polyurethane, nitrocellulose, acrylic, Cab acrylic and polyester.

13. 4. 5 Automobile Repairs

Nippon Paint's newly-developed range of glossy pigments, scratch resistant coatings and super-water repellent coats let car-owners give their vehicles a new lease of life with minimal fuss and hassle.

14. Paint preparing procedure.

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