

Porters five force analysis for paint industry



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For a dominant paint manufacturing company which is spread all over India, local players act as a very huge threat to them. With a small place for factory and an effective distribution system the local players may pose themselves a huge competition for these nationalized companies. As the local players do not mind quality but sell products for cheap rates they grab more attention of middle class people in India who are of majority. But if the major company has a huge brand name with quality product and some marketing gimmicks they can lure customers even if they have high prices.

Power of suppliers

As said above the local players are more or less who started as suppliers for the big companies. As the required number of raw material are more in preparation of paint if these suppliers come together and start making end products they pose themselves as huge threats.

Power of buyers

As this being a competitive industry with multinational players, national players, local players the buyer has a lot of options to his disposal. Switching cost is also not high. The contractors and painters also play their role, as they will tend to buy from people who give them incentives. So the companies should always be on toes in retaining the existing buyers by some effective reward or marketing system.

Availability of substitutes

The likelihood of availability of substitutes in this industry is less. But the varieties of products are more. This is where big players have an edge over

local players. With different kinds of paints available in market to manufacture all kind you need huge factories but the local players will have a small unit which basically manufactures not more than a few variants.

Competitive rivalry

As mentioned before the rivalry is very high with n number of makers in the market and n number of takers in the market. If the construction industry is on a downward slope then it affects this industry a great deal.