

# A market 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.

buyer\_paint

<https://assignbuster.com/a-market-analysis-of-the-nippon-company/>

•

## **Shades of colour introduced by Nippon Paint**

### **Nippon Paint Pakistan**

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 a 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 shell 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.

## **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

<https://assignbuster.com/a-market-analysis-of-the-nippon-company/>

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

Human Resource Development

By 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

## **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 principals 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

### **6. Department in Nippon Paints.**

Following are the departments working at Nippon Paints Pakistan.

## **6. 1. 1 Human Resource Department**

**HR Manager (Mr. Anwar-ul-Haq)**

**Purchase Department (Manager)(Ghulam Rasool)**

**Finance Department**

**Finance Manager(Khuram Shahzad)**

**Marketing Department**

**Brand Manager(Sadique Akbar)**

**National Sales Department**

**Manager(Asad munir)**

It divide into Two sections

**North areas sales department**

**Manager (ijaz Ali Khan)**

**South areas sales department**

**Manager (Ali Baig)**

**Technical Department**

It divided into three sections



**Technical Trade new**

**Manager (Nasira Hadit)**

**Technical in Dew (Manager)**

**(Amir Hanif)**

**Technical Heavy Duty**

**Manager (Umar Itrat)**

**Production Department**

**Production Manager (Sajid Naeem)**

**TCM Department (Technical Colour Machine Department)**

**TCM Manager (Khalid Nasir)**

**7. Management Hierarchy of Nippon's paint Pakistan**

**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 pains.

<https://assignbuster.com/a-market-analysis-of-the-nippon-company/>

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. BCG Matrix

M

A

R

K

E

T

G

R

O

W

T

H

HIGH

LOW

**H**

**I**

**G**

**H**

STAR

ICI PAINTS

**QUESTION**

**MARK**

**NIPPON PAINTS**

**L**

**O**

**W**

**CASH COW**

**BERGER AND**

**MASTER PAINTS**

**DOG**

**ROYAL PAINTS**

RELETIVE MARKET SHARE

## **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 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

## **12. Colour creation**

Nippon paint is the first innovator of shading system in south Asia. Nippon paint brings first time computerized shading system called colour creation in Pakistan. It helps the customer to choose right shade, hue, tint, and accent of colour. by using this machine you can choose the paint according to your demand and also you can choose the colour which suits yours theme from more than 3100 shades available in two colour collections. The Quality colour series offers you softer, neutral shades, while the Evolution colour series, and gives you richer, bolder ones. The colour which you have selected first analyzed in the colour creation computerized machine and it gives information to distributor. The paint is mixed and shaken to give a finished

<https://assignbuster.com/a-market-analysis-of-the-nippon-company/>

product to the customer. All of this procedure is done in front of your eyes in few minutes colour-creations-room

## **Colour Creation Machine**

### **13. Nippon Paints Has Paints for following use**

#### **13. 1 Painting Industries, Big and Small**

**<http://www.nipponpaint.com/images/industrial-2.jpg>**

The Nippon paint has a wide range of paints from a bridge to a palm sized iPod as the Nippon paint is a number one paint in Japan so today, mostly industrial manufactures rely on Nippon paint products for a long period strength, safety, and better quality production. Bridges, ships, fuel pipes, and chemical tanks, road making, electrical appliances, wooden and steel furniture are some examples where Nippon paint shows its quality and leadership. Nippon paint plastic coating protects exteriors against preserving firebrands such as oil, grease, and alcohol. Nippon Marine paint has ability to protecting super tanks and containers from water.

#### **13. 1. 2 Electrical Appliances Paint**

**Nippon paint has introduced paint for the protection of both home appliances and office equipment against rusting Electrical items like Personal computers and telecommunication are protected by the coating system of Polystylac and supercar F/45.**