



Marketing of ICI Dulux paints and emulsions

INTRODUCTION AND BRIEF ANALYSIS OF PAINT INDUSTRY

PAINT

A chemical oriented liquid used to protect and decorate different kind of surfaces.

Paint industry can be divided into two sectors.

- Organized sector
- Mushroom sector

ORGANIZED SECTOR

It includes the companies listed in the stock exchange or the firms registered, having planned promotional activities with relatively high prices. They fall under the capacity tax system and distribute in more than one province.

MUSHROOM SECTOR

It includes the unregistered firms, having city based distribution with seasonal brands, having lower prices with no planned promotional activities. They fall under the fixed tax system.

COMPANIES LISTED IN THE STOCK EXCHANGE ARE

- Dulux ICI
- Berger paints Pakistan Limited.
- Buxly paints
- Kausar paints.

Dulux and Berger are the two competitive companies out of these listed companies. This is because these two companies have the higher number of brands which are competitively positioned against one another. Both are dealing in an extensive product range and in each product line they have a number of brands. If we see the product line of decorative paints their number of brands is higher as compared to any other company.

Along with the decorative paints, Berger Robbialac is competing with ICI Dulux in other paints, such as auto paints and special protective paints.

Almost the same promotional tools are being used by both the companies consequently they are giving a tough time to each other, especially in backselling field. They both



have mobile teams focusing directly at the consumers.

ICI DULUX THE MARKET LEADERS

Revenue generation makes ICI Dulux the market leaders of the paints industry. ICI Dulux is the market leader not only with respect to the turnover but also with respect to the number of gallons sold.

ICI Dulux has an edge over Berger with respect to its diversified fields.

ICI is known throughout the world and has a good name in other sectors as well, which gives an advantage to Dulux in paints. ICI has a strong impact on the consumers consequently ICI's weathershield has become a Generic name in Pakistan. Consumers often ask for "Weathershield with lower price, as they are unaware of the fact that weathershield is the name given to the weather protective paints of ICI Dulux exclusively.

Berger Robbialac uses the name of "VIP Weathercoat" for its weather protective paint, but even in this product ICI Dulux is far ahead of Berger.

Mushroom sector is not creating much problems and competition as they adjust their prices after analyzing the prices of the market leaders i.e. ICI Dulux.

As far as the government is concerned ICI Dulux is paying all its taxes properly and so it is not being bothered by the different government policies. The total sales tax levied is about 16.5%. ICI had the policy of deducting this tax before supplying the products to its registered dealers but now they deduct only 15% tax is paid to the government directly by the dealers.

Market share

ICI Dulux being the largest paint manufacturers has the largest holdings. It has almost 70% share in the paint industry in Pakistan. The rest of the 30% of the market share is held by Berger, Buxly and the Mushroom sector.

In the overall, local and multinational paints industry ICI has 40% of share.

TARGET MARKET

ICI Dulux is having a wide range of products that fulfils the needs of all type of customers, yet its main focus is on the upper/elite class and the upper middle class. Comparatively little emphasis is made on the lower middle class. Industrial customers are also included in their target market.

ICI has infact categorised its customers into three categories.

- Category A
- Category B
- Category C



Category A constitutes the elite / higher class and category B constitutes the upper middle class. Both of these categories include the people who can easily afford the paints (highest quality) of ICI Dulux. Therefore these two categories get the most importance. Category C is of the middle-middle and lower-middle class which usually afford the normal/average quality paints of ICI Dulux.

Therefore they define their Target Market according to the class categories and not through territories.

MARKET SEGMENTATION

ICI provide their products only to the dealers (registered) which in turn serve to the various market segments, which are as follows:

- Paints;
- Painting Contractors;
- Architects;
- Construction companies;
- Consumers.

PRODUCT

ICI Dulux a proud organization, dealing in paints has a wide range of quality paints suitable for all sort of surfaces and climates not only for the household customers, but they have also developed brand loyalty among industrial customers.

PRODUCT RANGE

ICI Dulux is producing both “WATER BASED” paints as well as “OIL BASED” paints.

WATER BASED PAINTS

Dulux Pentalite Special Plastic Emulsion

This is premium quality paint and is washable. It is used for masonry surfaces and has a durable, smooth, finish.

Coverage: 11-16m² /ltr/ coat.

Dulux Pentalite Natural Whites

These paints cover with unique fragrances, especially features for the people and customers who are sensitive to the smell of paints. They have nine subtle hues of white.



are washable and have a smooth, durable finish.

Coverage: 11-16 m²/ltr/coat

Dulux Weathershield

It is the weather protective paint used for exteriors which is extremely durable against all extremities of weather. It has been tested and proven for 15 years.

Coverage: 12-13 m² /ltr/coat

Dulux Once

It is a new breakthrough in paint technology as it completes the job in just one coat. This special emulsion saves time has a high coverage and therefore is highly economical.

Coverage: 7-8 m² /ltr/coat

(Only one coat needed)

Paintex Plus Emulsion

This paint is basically for the price sensitive people as they call it "ICI's value for money emulsion paint". It has quite a many beautiful popular shades for wall surfaces and has a smooth finish.

Coverage: 11-16 m² /ltr/coat

Maxilite

It is an economical top quality distemper which is available in 12 trendy shades.

Coverage: 10-12m²/kg/coat

SOLVENT BORNE PAINTS

Dulux Synthetic Enamel

It is ICI's supergloss enamel which is ideal for wood and metal surfaces. It is also available in non-yellowing brilliant white.

Coverage: 13-15m² /ltr/coat

Dulux Pearl Glo

It has a subtle sheen of pearls and is suitable for all surfaces. Its high washability makes it especially ideal for kitchens bathrooms and high traffic areas.

Coverage: 13-15 m²/ltr/coat

Dulux Prime On

It is a superior masonry primer and is available in ideal white tone. It seals up bare wall surfaces and provide a perfect base for emulsion coating.

Coverage: 6-10 m²/ltr/coat

Dulux Red Oxide and Zinc Primer

It is an ideal primer to protect metal surfaces from rust and is used prior to enamel



application.

Coverage: 11-13 m²/ ltr/coat

Dulux Varnish

It is an invisible moisture guard which prevents surfaces from water seepage and hence from mould and fungal attacks. It is ideal as barrier for brick work concrete plastered surfaces unglazed tiles and sand cast surfaces.

Coverage: 4-6 m²/ltr//coat

Dulux Aluminum

It has a brilliant aluminum finish and is capable of resisting high heat. It is used to decorate both metal and wood surfaces.

Coverage: 14-16 m²/ltr/coat

Berger Robbialae a direct competitor of ICI Dulux has positioned its paints against most of paints of Dulux.

DULUX	BERGER
Dulux Plastic Emulsion	VIP Plastic Emulsion
Wealthershield	VIP Weathercoal
Matfinish	VIP All Rounder
Dulux enamel	VIP Super Gloss enamel
Paintex	Eazy clean Emulsion
Primer	VIP Plastron Wall Primer Scaler
Maxilite	S.P.D

Positioning

ICI Dulux paints are positioned as premium high quality paints. They have the slogan. "everything you could imagine"

PRODUCT LIFE CYCLE (PLC)

Most of the products are in maturity stage and just a few are in the growth stage e.g. Dulux Once.

INNOVATION

Dulux is renowned for its superior quality and in Pakistan too, its quality is the best. Continuous product research and development, with input from vast international



laboratory network, backed by consumer research (finding out what customers need and want) keeps them above the competition.

BRANDING

The company's trade name is combined with individual name of the products e.g.

- Dulux Once
- Dulux Synthetic Enamel
- Dulux Pearl Glo
- Dulux Primer On

Dulux Weather shield had become so popular that "Weather shield" has become a generic name for weather protective paints. They also have their special colour and brand codes.

PACKAGING

The paint is available in plastic containers (Dulux Pentalite Special Plastic Emulsion, Weather shield) as well as Tin containers of different sizes.

Almost all the packaging is done at its production site in Lahore.

PRODUCT DESIGN

A change in the product design is the available of perfumed/ fragrance finishes of which has attracted those customers who get irritated by the smell of the paints and solvents e.g. Dulux Pentalite Natural Whites. But there are no continuous changes in the product design.

COLOUR

ICI Dulux offers a wild range of colours as that is the soul of the paint. They have developed beautiful shades and shade cards.

Dulux Master plate plastic Emulsion has 6134 shades and has huge beautiful shades card which is it self very expensive.

QUALITY

ICI Dulux does not compromise on quality. About 995% of its raw material is imported and a strict check on quality is maintained. It is because of its high quality and durability that people buy it even at high prices and it has captured 70% of the market share in Pakistan.

PRICE

PRICING OBJECTIVES

The obvious pricing objectives of ICI Dulux are

- Maximization of Profits
- To achieve the target return and targeted sales
- Maintain the Market share.

PRICING METHOD

The pricing method adopted is profit based. A target about the profit percentage is



decided, after assessing the net cost, profit is added to it to determine the price. Since ICI Dulux are the Market Leaders they can easily manipulate prices. The changes in the prices are decided in the Head quarters and the dealers are informed 15-20 days before the price are actually increased. This strategy has a dual effect, on one hand the price are increased and on the other it helps in blooming sales. It acts as a promotional tool because dealers pick up their stock with no delay and they purchase more than the usual bulk. It is also beneficial for dealers because them they sell their old as well as the new stock on the latest high prices and hence receive a greater profit.

PLACE/DISTRIBUTION

The distribution system of ICI Dulux is Dealer oriented. It has a wide network of distribution throughout Pakistan but all the distribution is done through dealers. ICI Dulux has its own warehouses and godons and from there the products are directly transported to the dealers who ultimately sell them out.

Therefore the “Distribution Channel” of all sort of paints is

Producer Dealer Consumer

DEALERS

ICI Dulux has certain requirements after these requirements are fulfilled a dealer is registered and is legally allowed to start the distribution.

Special accounts with Dealer's Code (DC) are opened in the computer;

A promisory Note is signed;

Dealers have to sign a blank cheque for security;

Dealers have to submit a copy of their Identity Card (ID card) and a few more documents;

After this they are registered as ICI Dealers.

Most of the distribution and trade is done on cash. Lahore and Karachi are advance payment markets where as Multan and a few other small cities have a credit market.

Transportation from Lahore i.e. the production site is done through trucks and railway.

Transportation within the city is done by trucks in large cities and by donkey carts in smaller cities. Even in Multan most of the transportation is carried on the donkey carts.

REGIONS OF SALES DISTRIBUTIONS & SALES OFFICES

OFFICES.

The corporate offices Regional offices and Ware houses ICI in Pakistan are at

Corporate Offices

- Lahore
- Islamabad
- Peshawar
- Hyderabad
- Faisalabad



- Multan

Regional Offices

- Vehari
- Quetta
- Sahiwal
- Gujranwala
- Karachi

Warehouses

- Multan
- Hyderabad
- Islamabad

PROMOTION

As ICI Dulux has a diversified market it has to use a number of promotional Tools.

ADVERTISEMENT

Television Advertisement

It is a very expensive tool of promotion but it is worth it. ICI Dulux though still advertises through Television commercials but it has reduced its intensity. They just use it to create awareness among their target market about a certain product and try to highlight its main selling features.

Now a days the Television commercial of the ICI Dulux plastic emulsion can be watched which emphasizes the 6134 shades it has.

Radio Advertisement

It is a relatively cheaper source of advertisement and due to the channel FM 100, the number of listeners has increased. Therefore Dulux finds it effective to communicate with its customers through radio.

Print Advertisement

A substantial part of Dulux's total promotional expenditure goes under this head. Approximately all the good and standard magazines carry the advertisement of ICI Dulux

Point Of Purchase Advertisement

Many colour cards, brochures and other informative material is available at dealers



shop along with the product itself in attractive cans. The dealers display contest is another kinds of advertisement.

New dealers are registered where intensive contraction is being done.

Out Door Advertisement

In out door advertisement Dulux mostly uses sign boards and they are placed at busy areas where maximum people can see it.

PERSONAL SELLING

Free Dulux Colour Advisory Service

They say “for our valued customers, expert help is available through a creative colour consultancy service provided free of charge. Our colour Advisors would be available to develop innovative colour schemes to bring out the best in your home.”

This is the most important promotional tool and helps to generate maximum demand. TTF (Trained task force) is a trained mobile team which reaches at the place where construction or revocation is being done, just on a single phone call. They sometimes reach at the point of construction or renovation with our being called and give the customers free advice. Another mobile service available is the LCA (Lady colour Advisory Service) where innovative and creative ladies give advice about the colour scheme of the house.

If the customers have any kind of problem or complaint the mobile teams are always there to help them.

SALES PROMOTION

Sales promotion is also a very important promotional tool used by Dulux in which different short term and long term incentive schemes are offered to the dealers.

Sometimes the company provides the dealers with extra discount if they sell upto or more than a target amount preciously decided.

Dealers are sometimes also given small incentives like T-shirt, wall clocks, folders, brochures, pen holders etc in return of the sales promotion.