

An analytical study on the status of paint industries of Chhattisgarh

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Abstract

Paint industry is not a new industry but its presence can be seen from 1902, when first paint factory Shalimar Paints was started by two British entrepreneurs. Demand of paint in India and in Chhattisgarh has now increased due to increase in consumer spending, increase in government subsidized housing loan, government housing plans like housing for all, development in real estate, infrastructure and automobile. Chhattisgarh is a growing state and the existence of paint industry in Chhattisgarh is even from before the formation of the state. All the paint companies are doing efforts for the growth by focusing on increasing the product portfolios, distribution network of dealers, brand building, skill development of painters and by adopting innovative marketing techniques like digital marketing, media exposure etc.

Keyword :

Paint companies, Chhattisgarh, small paint industries, marketing, Asian Paint, Berger Paints.

Introduction –

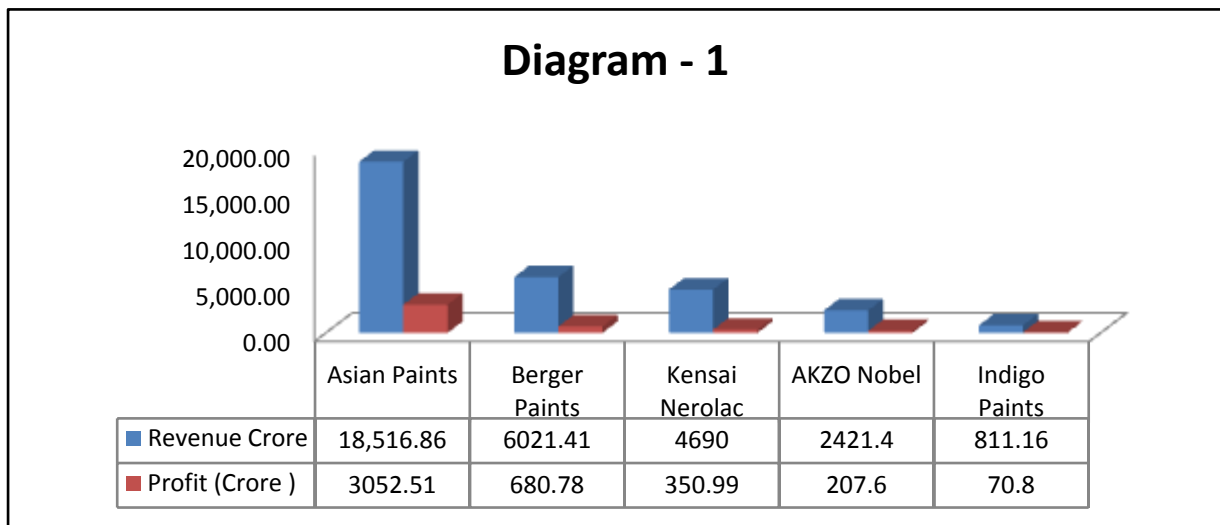
Paint industry is a segment of Indian chemical industry and contributes to 0.4% of GDP that is 1.5-2 times that of GDP growth. Asian paint, Berger Paints, Kansai Nerolac and AKZO Nobel are the major player of organized sector and their market share is around 65% of the industry's value and unorganized sector of paint market accounting for the rest. Paints are classified as decorative and industrial coating. Decorative paints includes exterior paints, interior paints, wood coating for the home users and architectures. Industrial coating includes powder coating, high performance coating, coil coating, marine coating and automotive coating for applying in manufactured good of various industry. Chhattisgarh is a developing state and there is also a development of paint industry too. The existence of paint industry in Chhattisgarh is even before the formation of the state of Chhattisgarh but its demand has increased since 10 to 20 years. Earlier only few large companies such as Asian Paints, Nerolac, Berger companies were selling their paint product in Chhattisgarh but now many large paint companies and small paint companies entered in market. According to business mavericks report of November 17, 2021 the domestic paint industry is estimated at Rs. 50000 crore in which decorative paints accounting for nearly 75% of the market and industrial paints accounts for the remaining 25% of paint market.

Table – 1

Top 5 paint companies revenue & profit for F.Y- 2020

Name of company	Revenue (Crore)	Profit (Crore)
1. Asian Paints	Rs. 18,516.86	Rs. 3052.51
2. Berger Paints	Rs 6021.41	Rs. 680.78
3. Kansai Nerolac	Rs. 4690	Rs. 350.99
4. AKZO Nobel	Rs. 2421.40	Rs. 207.60
5. Indigo Paints	Rs. 811.16	Rs. 70.80

Diagram - 1



Source – Top Paint Companies in India – Business mavericks <http://businessmavericks.org>top-.....>

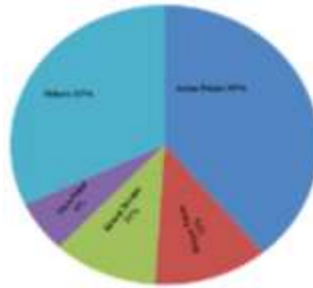
In the F.Y- 2020, Asian paint has highest sale in paints and also highest profit. Asian paint is the market leader since 1967 and it has achieved this position through adopting various marketing tools, increases the distribution network and by making brand awareness of their product. Berger paints is in second position and after it Nerolac is in third position in the paint market because it has the highest sale in the industrial paints segment. Nerolac is the Japan based company and provides best service to many of the leading automobile industry such as Maruti Suzuki, Tata Motors etc. Today paint industry is dominated by various foreign multinational companies who have the good market in industrial and decorative paint.

Table – 2

Market share of paint industry in India in F.Y. 2020, by company

Asian paints	39%
Berger Paints	12%
Kansai Nerolac	11%
Akzo Nobel	6%
Others	32%

Digram - 2



Source : Company, Industry, Nirmal Bang Institutional Equities Research

The above figure shows that nearly 70% of the market is dominated by the 4 players ie. Asian Paints, Berger, Kansai Nerolac and AKZO Nobel and nearly 30% of the paint is sale by the other companies and small paint industries.

A lot of development is taking place in Chhattisgarh, after it became the state. Earlier Chhattisgarh was mainly an agriculture based state but now government has made various industrial policies in every five years for overall development of economy which results in increasing employment, increase in income of people and standard of living. According to Times Of India newspaper based on state's Economic survey report for the year 2020-21, the GSDP at constant price (base year 2011-12) as per advance estimate is expected to grow at 11.45% and reach to Rs. 2,78,49,636 lakh in 2021-22 and the biggest contributor to GSDP has been industrial sector with 15.44%. Besides this growth government has launched various housing schemes like Atal Vihar Yojana, Nava Raipur Atal Nagar Pradhan Mantri/Mukhya Mantri Awas Yojana in urban area for providing shelter to economically weaker section of the society. The government also made schemes for rural people under the Pradhan Mantri Awas Yojana Gramin (PMAY-G) for providing pucca house in place of Katcha house to all houseless householder living in rural areas. Development of industries in Chhattisgarh, increase in per capita income of people, infrastrucal development and various housing schemes of government has increased the demand of both decorative and industrial paint in last few years. These demand of paint is met by some large paint companies with some small paint companies. In Chhattisgarh also most of the sale of paint is made by top paint companies like Asian Paints, Berger and Nerolac and the remaining sale is made by the small paint industries of Chhattisgarh. There are 35 small paint industries which are manufacturing different varieties of paints for meeting the customer needs. Popular Paints, Zarmorphase, Dhani Ram and oil, Sanjay Chemicals are the top small paint industries which are manufacturing paint product in Chhattisgarh and selling this in Chhattisgarh and also is in the areas of M.P. and Orissa. In Chhattisgarh, small paint industries have target market in rural area and small villages where their paint product sale is most. This is because, the people of rural area want to paint their home in every festivals, so they want the paint which

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is of low price. So these industries provide low price paint to the customer. Dealer of paint plays important role in selling their paint product because due to his efforts and faith customer purchase their paint product. These small paint industries makes good relation with dealers for increasing sale by providing various facilities like discount, gift, long credit payment period etc. They are not giving advertisement of their paint product in national T.V. Channels and only advertised through hoarding near the shop of dealer.

Conclusion :

Small paint industries plays important role in the growth of economy and they are dependent on painter, contractor and dealer recommendation for selling their product. The people of the rural area of Chhattisgarh has changed the way of colouring their homes which is from traditional way of using mud to use the different colour distemper and emulsion. Customer is the king of market and the activities of business is done by considering his opinion. These industries also manufacture goods based on customer choice and promoting their product through dealer and painter. Chhattisgarh state is developing state and small paint industry should focus on brand awareness of their product, so that they would be good market in cities also.

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