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# “A CONSUMER BUYING BEHAVIOUR TOWARDS PAINTS WITH REFERENCE TO ASIAN PAINTS”

**Prachi Singh**

BBA, School of Business, Galgotias University

### ABSTRACT :

Before, consumers considered paints to be an unimportant aspect while constructing or restoring a home. Painting was never seen as equally important when making decisions concerning building a house, but as the competition level has increased with a developing infrastructure, consumers have begun realizing that it is important to pick the best of paints. People now place great weight on making their homes aesthetically pleasing. Initially, the decision to purchase paints was left by the contractors or a construction company; however, now, slowly, the end-user is also getting influenced. With government assistance, the building and infrastructure sector is expected to witness a meteoric rise with good opportunities for growth over the next five years. The study considers different paint brands with concentration with regard to consumer preferences, their needs and wants, and influences on their choice while purchasing paint. This study further supports the fact that Asian Paint is the largest and most reliable paint brand in India. The principle aim of the study is to analyze how, based on consumer preferences, a company should lay emphasis on its efforts and strategize its future course. The study also points out how marketing strategy exercises and branding activities affect the consumer's decision to purchase paints.

### INTRODUCTION

Consumer Behavior lays emphasis on the buying patterns and the consumer activities related to purchase, use, and disposal of goods and services for individuals, groups, or organizations.

Consumer Behavior lays emphasis on the buying patterns and the consumer activities related to purchase, use, and disposal of goods and services for individuals, groups, or organizations. The term indicates how ideas, feelings, and emotions of an individual influence the purchase of things. Depending on how much the customer is involved in his/her decision-making, the buying behavior changes. The amount of risk a consumer assigns to any buying also influences consumer behavior: the riskier the purchase, the larger the great number of people who must participate in making the purchase decision. How individuals and groups express their feelings in buying patterns is what makes or breaks the marketing success of a company. With the customer being the very basis of every enterprise, it is imperative to understand and study him/her and his/her buying patterns.

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The buying behavior of a consumer includes the psychological, social, and physical actions of a potential buyer while learning about, evaluating, purchasing, using, and promoting goods and services to friends. The buyer's habits are one aspect among many that must be studied to achieve a finer understanding of consumer markets. This is specifically

### INDIAN PAINT INDUSTRY



**The Indian Paint Industry** The history of the Indian paint industry runs almost parallel to that of the Indian people. Some of the earliest known examples of Indian art are cave paintings dating back to 10,000 BC. The history of painting on the Indian subcontinent developed and increased over time, culminating in a fully grown and sophisticated style combining the culture and beliefs of the region with those of religion. Indian paintings are known for their vibrancy and distinctive symbolism, wherein special symbolism is used so that religious figures can be instantly recognized.

Because of India's strong economic growth, the paint industry registered double-digit growth over recent years; hence, India is the fastest growing paint market of Asia Pacific. Consumers in India use a pitiful 2 kilograms of paint per capita per annum despite India's fast growth. Increased government spending on infrastructure is expected to further strengthen the demand for paints under both industrial and decorative categories, setting the stage for future growth of the Indian paint industry. More than 65% of the paint industries are organized. Whereas the unorganized sector is highly fragmented with over 2,000 participants, the organized sector presents a textbook case of an oligopoly, with substantial barriers to entry and the "top-5" firms commanding most of the market.

The unorganized sector controls approximately 35% of the paint industry, with the organized sector taking up the rest.

### Segmentation of Paint Industry



**DECORATIVE:** The main categories of decorative paints are exterior and interior wall paints, wood finishes, enamel, and auxiliary products like primers, putties, and so forth. Over 77.3% of India's paint business is made up of decorative paints. Asian Paints is the market leader in this sector. Demand for decorative paints is driven by architectural, exhibition, and household painting applications. The festive season, which runs from September to December, has a higher demand than other times of the year. This category has a greater profit margin and is more price sensitive than the industrial sector. **INDUSTRIAL:** The three main areas of the industrial sector are protective coatings, powder coatings, and automotive coatings. Kansai Nerolac is the market leader in this sector. Two industries that use industrial paints are consumer durables and automobile engineering. Consumer durables and automotive engineering are two businesses that use industrial paints. Compared to the decorative paints area, the industrial paints industry requires a lot more technology.

## BUSINESS PROFILE

### ASIAN PAINTS



## ASIAN PAINTS BUSINESS PROFILE

Since its humble beginnings in 1942, the company has made significant progress. In order to compete with the largest and most well-known paint companies in the world at the time, which were based in India, four friends formed the business as a partnership. Asian Paints grew into the biggest paint company in India and a major corporate force over the course of 25 years. Since 1967, the company has dominated the global paint market thanks to its

creative thinking and strong customer focus. At the moment, it is twice as big as any other paint company in India. In addition to wall coverings, adhesives, and services, Asian Paints produces a broad variety of paints for both decorative and industrial applications. Within the section on home décor and improvement Additionally, the company sells bathroom and kitchen supplies. The company's product line was also extended to include furnishings, lighting, and furniture. Asian Paints offers a variety of surface sanitisers and disinfectants in the health and hygiene industry. Asian Paints Ltd. is a multinational Indian paint manufacturer with its headquarters located in Mumbai, Maharashtra. The company manufactures, markets, and distributes paints, coatings, and home décor.

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## HISTORY

The past In 1942, APIL was founded as a partnership corporation by Champaklal H. Choksey, Chimanlal Choksi, SC Dani, and A. Vakil. In 1945, it changed its name to Asian Oil and Paint Co Pvt. Ltd. and became a private limited company. The company changed its name to Asian Paints (India) Pvt. Ltd. in 1965. It became a public limited company in 1973. Since its humble beginnings in 1942, the company has made significant progress. It was founded as a partnership venture in India by four friends who were eager to compete with the largest and most well-known paint companies in the world at the time. Asian Paints grew into the biggest paint company in India and a major corporate force over the course of 25 years. The business has taken the lead in paints.

Since 1968 because of its creative approach and excellent client focus. Its scale now exceeds those of all other paint manufacturers in India. Asian Paints produces a range of decorative and industrial paints. In 1957 APIL opened its first plant in Bhandup. Other plants of the company are situated at Ankeleshwar (1981), Patancheru (1985), and Kasan (1990). Restrictions Asian Paints is also rather well-known all over. The company runs in many different nations all around. To best maximize its location strategy, Asian Paints employs a network of five regions: the Caribbean, South Pacific, Middle East, South East Asia, and South Asia. Asian Paints positions itself strongly and has a large distribution network.

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## LOCATIONS

Limitations Asian Paints is also rather well-known all over. The company runs in several nations all around. Asian Paints maximizes its location strategy by means of a network comprising five areas: the Caribbean, South Pacific, Middle East, South East Asia, and South Asia. Asian Paints positions itself strongly and has a broad distribution network. Asian Paints gives dealers open doors and flexible policy to enter the retail sector and handle marketing and distribution all around the nation. Having manufacturing sites all around the world, the company is the biggest paint producer in India.

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## MARKETING STRATEGIES OF ASIAN PAINTS

In all, APIL has 4 manufacturing units of paints. The very old plant is in Bhandup, Mumbai. Other plants of APIL are located in Ankleshwar, Gujarat; Patancheru, Andhra Pradesh; and Kasna, Uttar Pradesh. The Phthalic anhydride plant is located in Ankleshwar, Gujarat. Penta plant (after the merger of PCL) is located in Cuddalore, Tamil Nadu. The mentioned are the installed capacities for each manufacturing unit.

The Asian Paints service and specialization have been carefully selected to maximize market marketing. The company promotes its products using some innovative promotional strategies and taglines directed toward a particular segment of its customer base. It uses these taglines as a magnet for its target customer and call people to contact it immediately. This has resulted in extraordinary sales and customer service for Asian Paints. Apart from this, the company also advertises its products at numerous outlets for the consumer to get familiar with. Ever since, the promotion of the company has been considered utmost important with much focus placed on brand awareness. Several well-known Indian celebrities including Rahul Dravid, Ranbir Kapoor, and Deepika Padukone have enjoyed collaborating with Asian Paints as brand ambassadors.

Asian Paints provides nationwide distribution through a network of 13,000 dealers, in contrast to its rivals who only concentrate on urban regions. The company keeps a wide network of regional offices, company depots, and sales staff to support dealers throughout India. In addition to initiatives to build customer trust, Asian Paints concentrates on its brand strategy and communication. In 2000, Asian Paints engaged Bangalore-based "Momentum" as consultants for a new advertising campaign that sought to improve the company's reputation. By reducing the cost of raw materials, Asian Paints managed to go down the price for its paints and created a totally new way of marketing that touched the consumers' emotions. In this manner, Asian Paints is very efficient in marketing and in coordinating production.

The company's principle of creating solutions that answer the needs of the customer leads to an ever-increasing product range. A great amount of goodwill has entered into Asian Paints. The company is said to have a taste of success and reliability and to be operated professionally.

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## LITERATURE REVIEW

The study undertook an exhaustive review of the literature to get a sense of the research gap and the relevant researchable issues to be studied. Before deciding on the scope of the study, the researcher should assess the related literature study to fully appreciate the problem and research gap. Consumer buying processes give two major perspectives to the decision-making associated with purchasing and the factors influencing the process, according to Rowley (1997). These customer buying processes can be divided into social, cultural, psychological, and personal factors, says the author.

According to polls conducted by the University of Michigan Business School in 2001, customers feel slighted and degraded by banks, hotels, and many establishments. According to subsequent polls, as the firm grows, lesser respect is given to the clients, and the quality itself is diminishing. Not only did this injure customer contentment directly, but it also impacted the profitability and overall performance of the firm under awful consequences. According to Reis II et al. (2003), the basic aspect of serving customers has changed. Anderson et al. (1994) consider that greater customer satisfaction leads to stable profitability, higher willingness among customers to pay premium prices, greater consumer usage, strengthened repurchase intentions is a great

recommender system from other prospective customers, and higher levels of customer loyalty and retention (Formal 1992; Anderson & Sullivan 1993). According to Anurag's (2007) article titled "Consumer Behavior and Buying Decision Making", marketing in India is in an indefinable phase, as is the change in the role of India's consumer in decision-making and how the younger generation of Indians is actually making decisions. The industry witnessed a high growth rate of over 12% between 1992-1996, following an era of slow growth in the late 1980s and early 1990s. Poor growth at 2-4 percent between 1987 and 1992 could largely be attributed to high excise duties and slow industrial growth.

The Industry staged a slow revival after 1992 due to economic betterment and simplification in excise structure. Mishra (2002) maintains that Indian consumers find new answers to issues and go for better value for their money. This situation acts as an incentive for the paint industry to come up with cost-effective, value-added products. A few of the most popular new varieties of paint include water-based enamels, antibacterial paints, and washable, odorless interior paints, introduced by companies to draw in the customer base. In addition to these, even paints bearing long warranty period are available.

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## GAP IN RESEARCH

Consumers' preferences on the choice of paint products had never been researched upon. It is uncertain which factors influence a person to choose to buy paint. It was ambiguous which promotion means influenced a greater number of people. Many previous studies contradicted each other. Some of these studies emphasized consumer priorities as service, brand identity, and other factors.