MARKETING STRATEGIES IN THE GLOBALISED ERA: A STUDY WITH REFERENCE TO ASIAN PAINTS

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Abstract- Asian Paints India Ltd. has was the market leader in the Indian paint industry for over three decades. Since its establishment in 1942, the Indian paint giant has been making considerable efforts towards becoming a global powerhouse's result of a series of acquisitions beginning 2002,the company has made its way into the list of the world's top ten decorative paint companies. As on today AP operates in more than seventeen countries with one billion turnovers. It has twenty-five paint manufacturing facilities in the world, serving consumers in more than 65 counteries. The group also operates around the world through its subsidiaries – Berger International ltd., Apco coatings, SCIB Paints and Taubmans. When the company decided to embark on an expansion plan, key focus area was to empower its 30,000 strong dealers network – its prima facie go to market which led to keep pace with the rapidly evolving consumer demands and rising expectations. The distribution strategy works such that Asian paints supply its product to its dealers. Who in turn sell it to end consumers. To facilitate this process, dealers call Asian paints to place any customer order. Traditionally dealers would call over 150 sales offices of Asian paints in different parts of the country. With a very effective telephonic system for placing order and knowing the status the company is rendering its effective services all over.

Index Terms- Make in India, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Foreign Direct Investment (FDI), India Machine-to-Machine (M2M) Modules, Enterprise Resource Planning(ERP) and Supply Chain Management (SCM), i2 Technologies ,SAP ERP solution, Market share, Internet market

I. INTRODUCTION

Highlight a section that you want to designate with a certain style, and then select the appropriate name on the style menu. The style will adjust your fonts and line spacing. Do not change the font sizes or line spacing to squeeze more text into a limited number of pages. Use italics for emphasis; do not underline. Make in India is a major new national programme of the Government of India designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. The primary objective of this initiative is to attract investments from across the globe and strengthen India's manufacturing sector. It is being led by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India.

The Make in India programme is very important for the economic growth of India as it aims at utilizing the existing Indian talent base, creating additional employment opportunities and empowering secondary and tertiary sector. The programme also aims at improving India's rank on the Ease of Doing Business index by eliminating the unnecessary laws and regulations, making bureaucratic processes easier, making the government more transparent, responsive and accountable. India's consumer confidence continues to be the highest globally and has improved in the second quarter of calendar year 2015 (Q2), riding on a positive economic environment and low inflation. Nielsen's findings reveal that the consumer confidence of urban India increased by one point in the second quarter of 2015 from that in the preceding quarter. Urban India's consumer confidence is 131 in the second quarter of 2015, up three points from 128 in the previous corresponding period.

The current score helps India stay on top of the global consumer confidence index for the quarter and is followed by the Philippines (122) and Indonesia (120). Confidence in India has risen for the seven consecutive quarters. Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable incomes. A recent study by the McKinsey Global Institute (MGI) suggests that if India continues to grow at the current pace, average household incomes will triple over the next two decades, making the country the world's fifth-largest consumer economy by 2025, up from the current 12th position.
According to a report by Boston Consulting Group (BCG) and the Confederation of Indian Industry (CII), India's robust economic growth and rising household incomes would increase consumer spending to US$ 3.6 trillion by 2020. The maximum consumer spending is likely to occur in food, housing, consumer durables, transport, decorative paints and communication sectors. The report further stated that India's share of global consumption would expand more than twice to 5.8 per cent by 2020. India's market is consumer driven, with spending anticipated to more than double by 2025. The Indian consumer segment is broadly segregated into urban and rural markets, and is attracting marketers from across the world.

II. INDIAN MARKET SIZE

The growing purchasing power and rising influence of the social media have enabled Indian consumers to splurge on good things. A study by US-based networking solution giant CISCO, reveals that in India, the second-largest smart phone market globally, the number of smart phones is expected to grow strongly to over 650 million by 2019.According to CISCO's Visual Networking Index (VNI) global mobile data traffic forecast for 2014–19, in India, one of the world's fastest growing Internet market, the number of tablets is estimated to reach more than 18 million by 2019.Rating agency Crisis estimates that online retailing, both direct and through marketplaces, will grow threefold to become a Rs 50,000 crore (US$ 8.06 billion) industry by 2016. Also, the growth in Internet retail is expected to boost off line retail stores

III. INVESTMENTS

Following are some major investments and developments in the Indian consumer market sector.

1. FMCG major Hindustan Unilever (HUL) announced a reorganization of its go-to-market operations from the traditional four sales branches to 14 consumer clusters in order to provide services to diverse consumers across channels and geographies. The company has termed the initiative as "Winning in Many Indias".
2. Hero Group is set to acquire a majority stake in direct-to-home devices manufacturer My box Technologies through its subsidiary Hero Electronics. The deal is the first step by Hero Group, which operates in numerous business verticals, towards entering the consumer electronics market.
3. In a series of strategic buy-outs this year, Snap Deal, which acquired online utility service provider Free charge and financial services portal Rupee Power, has signaled its ambition to build a service platform so as to stand out in an online marketplace, which until now was dominated by an array of products from cameras to apparel and furniture.
4. Chinese technology major Hawaii is entering the consumer broadband networking segment in India, with a range of devices aimed at homes and SOHO customers. With the aim to strengthen its position in the Indian market, online cash back and coupon site CashKaro.com plans to list about 50 global retailers over the next six months, according to one of its founders.
5. Smartphone brand Gionee is entering the urban market in a big way through tie-ups with India's top large format retailers. The company's smart phones will now be available at stores such as Spice, The Mobile Store, Mobility World, Jumbo Electronics, Croma Retail and Planet M retail, expanding its overall footprint to over a thousand retail stores.
6. Asian decorative paint company India's number one largest decorative paint manufacturing with 70% market share and now operating in many countries.

IV. GOVERNMENT INITIATIVES

The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the electronics hardware-manufacturing sector through the automatic route. The government has also enabled 51 per cent FDI in multi-brand retail and 100 per cent in single-brand retail so as to attract more foreign investment into the country.
With the demand for skilled labour growing among Indian industries, the government plans to train 500 million people by 2022 and is also encouraging private players and entrepreneurs to invest in the venture. Many government, corporate and educational organizations are working towards providing training and education to create a skilled workforce.

V. ROAD AHEAD

According to a recently published Techs Research report, "India Food Services Market Forecast & Opportunities, 2020", the food services market in India is expected to expand at a CAGR of over 12 per cent through 2020, primarily driven by increasing disposable income, changing lifestyle, and changing tastes and preferences of consumers. Another major factor propelling the demand for food services in India is the growing youth population, primarily in the country's urban regions. India has a large base of young consumers who form the majority of the workforce and, due to time constraints, barely get time for cooking.
According to the report titled "India Machine-to-Machine (M2M) Modules Market Opportunities & Forecast, 2020", the M2M modules market in India is expected to exceed US$ 4.4 billion by 2020. The market research firm stated that over the last few years, India has become one of the fastest growing markets for M2M modules in Asia-Pacific (APAC).Research firm Nielsen projected that rural India's FMCG market will surpass the US$ 100 billion mark by 2025. Online portals are expected to play a key role for companies trying to enter the hinterlands. The Internet has contributed in a big way, facilitating a cheaper and more convenient means to increase a company's reach.

VI. INDIAN MARKET OF ASIAN PAINTS

The history of APL dates back to 1942,it was started by four entrepreneurs, Champaklal Choksey, Chimanlal Chosi, Suryakant Dani and Arvind Vakil as a partnership firm for manufacturing paints in a garage rented for Rs.75/month. In 1945,the partnership firm was turned into a private limited company named Asian Oil and Paint Co.Pvt.Ltd. In the same year, its turnover touched Rs.0.35 million. In 1940s.it was largely multinational companies such as British paints

and Jenson & Nicholson that dominated the Indian market. In order to increase the revenue, AP concentrated on the smaller towns ignored by multinationals. In 1954,Asian paints asked famous cartoonist Late R.K.Laxman to create a mascot for the company and from his pen was born GATTU – which emerged as one of India most memorable mascot. In the 1950s,paints were sold in bulk and the smallest tin size available was one liter.

However, APs market research found out that in rural India, farmer who wishes to paint the horns of their bullocks preferred to buy paint in small packs. Soon AP came out with 50 ml packs, which became very popular. In 1957,AP achieved a breakthrough when its R & d department developed a process for producing international quality phenolic and maleic acid resins in its simple coal furnace, with hand stirring process. In the same year, AP set up a plant at Bhandup, Mumbai, to cater to the growing demand. Asian paints Limited is highly successful manufacturer of decorative and Industrial paints. As the largest paint company in India and the third largest in Asia. It has achieved enviable growth by building a formidable presence in emerging markets. One of Asian paints most successful initiatives has been in the development of a service brand i.e. ASIAN PAINTS HOM ESOLUTIONS. The colours are the soul of any society as it develops the human life with dignity and respect. The colourful ethics of the life are reflected by the quality of human life. Paints are the basis to fill colours in the human life. The quality of paints impacts the life to give the beauty and imagination to live life of better standards. The paints in the market are used in the houses to give the imagination, beauty and creativity to the life for living with peace and progress. The paints have many uses and they basically form the fabric of creative and innovative life with the colours of many moods and emotions.

VII. CHANGING FOCUS OF ASIAN PAINTS

Asian paints emphasized on technology and marketing in its drive to be one of the top five global decorative paint companies. It implemented Enterprise Resource Planning(ERP) and Supply Chain Management (SCM) solutions for streamlining its processes and supply chain. It implemented i2 Technologies SCM solution along with SAP ERP solution with an investment of Rs.290 million to simplify the processes across its operations. Along with the customer relationship building initiatives, AP also focused on its communication and brand strategy. It realized that communication would help the company to reach out to the customer and create an attractive public image. Indian consumers were not brand conscious with regard to paints, usally the painter purchased paints for consumers according to the allocated budget. In order to change its image, in 2002 AP appointed the Bangalore based ‘’Momentum’’ as consultants for a new advertising strategy for the AP company.

VIII. AP COLOURFUL FUTURE

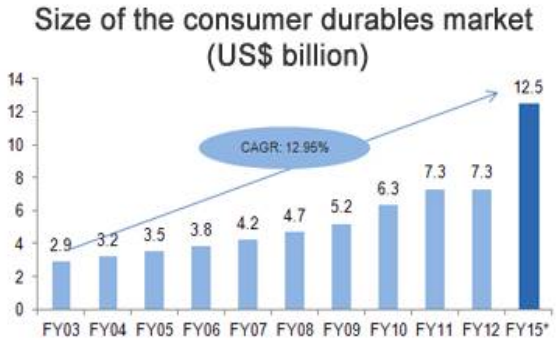
With its rebranding initiatives ,AP is likely to be very successful in increasing customer involvement in the decorative segment. However many analysis are skeptical about the company maintaining high brand. AP has emphasized on technology and marketing in its drive to be one of top five global paint company of India.

CONCLUSION

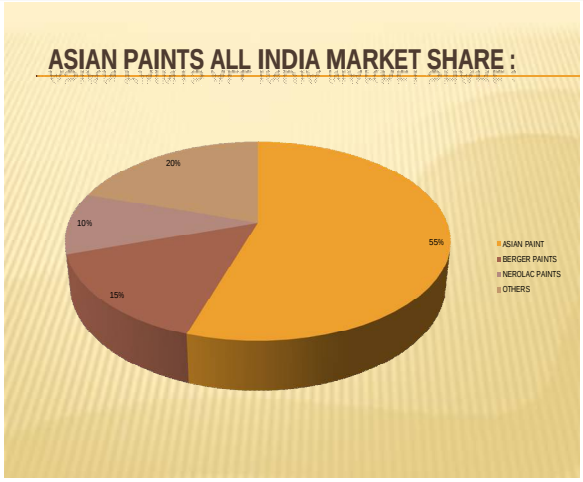
Accolades Earned By Asian Paints on international level Forbes Global magazine USA ranked Asian paints among the 200 best small companies in the world. Asian paints is planning to increase the capacity by setting up a plant at various locations for providing fast and better services to the customers. The paint quality is essential for the better management of the customer satisfaction in any society. The required quality and services enhances the loyalty and repurchase intention of the customers. The company has provided quality product, quality service and innovative courses to attract the customers and manage their customers satisfaction. The impact of globalization has given challenges to the industry with better exposure to the modern trends. The company should give the value to customers by building relationship based on TRUST and FAITH i.e. TQEM. The long term relationship can manage by personalized communication process by better providing honest information through the websites and brochure.

I. FIGURES





Source: Electronic Industries Association of India,
CAGR – Compound Annual Growth Rate, * Estimates



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