

A STUDY

ON

MARKET SHARE ANALYSIS OF
BERGER PAINTS BANGLADESH AT
MIRPUR DOHS



BERGER
Trusted Worldwide

INTERNSHIP REPORT

ON

**“Market Share Analysis of Berger Paints BD Ltd. (BPBL)
at Mirpur DOHS”**

<u>Submitted to:</u> Ms. Syeda Sharbanu Shahbazi Senior Lecturer	<u>Submitted by:</u> Imam Shakeer ID- 07104010 Dept: B.B.S. BRAC University
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Date of Submission: 19th September, 2011

Letter of Transmittal

19th September, 2011

To

Ms. Syeda Shaharbanu Shahbazi
Senior Lecturer
BRAC Business School
BRAC University

Subject: Submission of the Internship Report.

Dear Madam,

It is my pleasure to submit the report on my internship program. It was a great opportunity to me to acquire knowledge and experience in respect of the report “Market Share Analysis of Berger Paints BD Ltd. (BPBL) at Mirpur DOHS”.

I have concentrated my best effort to achieve the objectives of the study and hope that my endeavor will serve the purpose. I will be grateful and oblige if you accept my report and evaluate it with your sagacious judgment.

Yours Sincerely,

Imam Shakeer
ID: 07104010
Dept: B.B.S.

.....

ACKNOWLEDGMENT

This report is the outcome of the contributions and sincere cooperation of different persons. For the fear of sounding like a vote of thanks speech, I could not possibly thank all of those marvelous people who have contributed something of them directly or indirectly in preparing this report successfully. They are off course some very special people who cannot go without mention. It gives me immense thank them for their cordial cooperation and encouragement.

First of all, I would like to thanks Almighty Allah and I express heartfelt gratitude to my respected madam Ms. Syeda Shaharbanu Shahbazi (Senior Lecturer)

It will be an honor and I would feel proud to thank the authority of Berger Paints of Bangladesh for allowing me to do internship program in this organization. I have received help and active cooperation from supervisors, executives and officials in every stage.

Specially, I am very much grateful to Mr. Azizul Haque (Regional Sales Manager), Mr. Rajesh Sircar (Area Sales Manager), Mr. Firoz-Al-Mamun (Sales Officer), Mr. Fazlur Rahman Atik (End User Activist), Mr. Hoshne Nur Kawser (End User Activist) for giving me the opportunity and cooperating and helping me in collection of necessary data and in the preparation of this report.

In spite of sincere and denoted efforts, there might be some mistakes in the study report. I take the entire responsibility for such unintended errors and omissions.

Thanking you,

Imam Shakeer

Executive Summary

This report is mainly based on “Market Share Analysis of Berger Paints BD Ltd. (BPBL) at Mirpur DOHS” where Berger Paints is one of the leading paints company in the world. I found that the market share of Berger Paints BD Ltd.(BPBL) at Mirpur DOHS area is increasing day by day. Because of that the real estate development companies and individuals are investing here more compare to the other areas of Dhaka city and for this the rivalry among the paint companies is very much higher in this company. In this report I have mentioned about the brief overview of the company followed by a present picture of the paint industry in Bangladesh and how fast it is growing day by day. There is also a SWOT analysis of BPBL in the company overview part. After that I have declared about my job in the tenure of my internship period in BPBL. In the summary and analysis part it is shown that the Berger paints hold the big portion of the market share in the Mirpur DOHS area. It is also mentioned what kind of pricing strategies they are currently exercising to expand the usage of their products in the region and what kind of counter strategy they should employ to face they should use against their counter parts. From the summary and analysis part it quite easy to see that the Asian paint is the main rival of Berger paint in this region. So from these this findings I have recommended some key points for BPBL which can be very much useful in their near future and at the end I have shown a interview paper which has been used to collect the needed data to compile my summary and analysis and findings portion.

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Introduction

1.1 ORIGIN

An internship is a real life experience in a business organization that required after completion of the academic courses in order to complete the Bachelor of Business Administration Program in BRAC University. An Internship position at Berger Paints Bangladesh Limited was acquired and topic of the report was proposed to the supervisor of my internship course. With her approval and conscience this report was prepared.

1.2 GENERAL OBJECTIVE

The report serves mainly the following purpose:

- To find out the market share of Berger Paints BD Ltd. (BPBL) at Mirpur DOHS area.

1.3 SPECIFIC OBJECTIVES

The specific objectives of this report are as follow:

These are -

- To find out the interior paint share of BPBL at Mirpur DOHS area.
- To find out the exterior paint share of BPBL at Mirpur DOHS area.
- To find out the market share of competitors of BPBL.
- Facilities provided by the company to the end users.
- To find out the individual preference.
- To find out the company preference.

- To find out the strategy of key competitors of BPBL that elements are used to capture the market share of Paint Industry.
- Positive and Negative sides of BPBL at Mirpur DOHS area.
- Positive and Negative sides of Asian Paint at Mirpur DOHS area.

1.4 SCOPE

This intern report is mainly based on the market share of Berger Paints Bangladesh Ltd. in Mirpur DOHS region. The report has also mentioned about the competitors of Berger paints and their position in market in comparison to Berger paints. It is also mentioned about both the preferences of company and end users choice of using paints. This report is mainly based on the answers of the questionnaire survey and some in depth interview.

1.5 METHODOLOGY

1.5.1 Type of Research:

I did this research to gain better understanding of the dimensions of the problems. My study provides information to use in analyzing a situation. Usually exploratory research is conducted with the expectations that subsequent research will be required to provide conclusive evidence. It is serious mistake to rush into detailed surveys before less expensive and more readily available sources of information have been exhausted. I have done this research to help BPBL for better understanding of market condition at Mirpur DOHS.

That's why exploratory research is appropriate for this study.

1.5.2 Sources of data:

In this report all necessary information to prepare are collected from both sources of data. These are:

i. Primary Data

Consist of Information that is collected from the market initially. Primary data is known as raw data.

ii. Secondary Data

This source of data contains all the information and that are already exists somewhere.

1.5.3 Data collection procedure:

1.5.3.1 Primary data: Primary data collection process includes:

- Questionnaire survey.
- Observation.
- In-depth interview.

1.5.3.2 Research Approach:

The primary data has collected through the market survey at the Mirpur DOHS. I have taken probably 8 weeks to complete the survey. The secondary information required for the industry part and organization part was collected from the credentials, unclassified reports, website of Berger Paints Bangladesh Ltd.

This main part of this report has been prepared on the basis of primary data through interview. The interview has been conducted by structured questionnaire survey. The questionnaire was predetermined by my instructor Firoz Al Mamun (Sales Officer, Zone 4). All the questions have been designed to know the market share scenario of products of Berger at Mirpur DOHS.

To collect the primary data through:

- Direct data gather from the projects Engineer, supervisor, owner (Individual Houses) and painter.

1.5.3.3 Secondary data:

The secondary data comes from:

- Website of Berger Paints Bangladesh Ltd.
- The secondary information required for the industry part and organization part was collected from the credentials and unclassified reports.
- Organizational brochures

1.5.4 Research Instrument (Questionnaire):

Questionnaire is very flexible and easy to collect answer than other instrument. So I choose questionnaire as research instrument to collect primary data for the report. All details about questionnaire are given below-

- **No of question:** 13 questions are in the questionnaire.
- **Questionnaire format:** Unstructured.
- **Question type:** Close ended liker scale and open ended..
- **Required time to complete answers of questionnaire:** as much as needed.

1.5.5 Data Collection Process:

The report is prepared on the basis of primary data and secondary data. The secondary data collection sources are given below:

-Organizational brochures

-Web site

This main part of this report has been prepared on the basis of primary data through interview. The interview has been conducted by unstructured questionnaire survey. The questionnaire was predetermined by my instructor Firoz Al Mamun (Sales Officer, Zone 4). All the questions have been designed to know the market scenario of products of Berger at Mirpur DOHS.

To collect the primary data direct data was gather from the projects Engineer, supervisor and owner (Individual Houses).

1.5.6 Data analysis:

The data which I gathered from the primary sources and secondary sources those represented and analyzed by Pie chart. To represent this data I use some software those are MS Word and MS Excel. After analysis I have been able to reach findings.

1.5.7 Sample size of the study:

This is a survey based report so I use a sample size that is 250 (approximately) in numbers. This sample size was determined by the organization and which was selected only based on user of paints.

1.5.8 Study period:

My internship period is 12 weeks and to complete the whole study I used 8 weeks out of these 12 weeks.

1.6 Limitations

The following was the main limitations that were faced while preparing the report:

- I could not cover the whole area because the shortage of time.
- There was some plot in which people were not present at all.
- Some people were not very eager to give us answer of their interview.

Company Analysis

2.1 HISTORY

Berger is one of the oldest names in paint industry, which can be traced back to 1706. Berger Paints is renowned throughout the world.



Initially, Lewis Berger, a German national, founded dye & pigment making business in England. Lewis Berger & Sons Limited grew rapidly with a strong reputation for innovation and entrepreneurship culminating in perfecting the process of making Prussian Blue, a deep blue dye, a color widely used for many European armies' uniform. Production of dyes & pigments evolved into production of paints & coatings, which till today, remains the core business of Berger.

Berger grew rapidly by establishing branches the world over and through merging with other leading paint & coating companies. Today,

- Berger is one of the leading companies in the global paint industry
- Berger offers all kinds of painting solutions in decorative, industrial or marine segment for both decorative and protective purpose

Berger Paints is operating in Bangladesh since 1950s. The major milestones of Berger Paints in Bangladesh are given below.

1950 – Started operation in Bangladesh by importing Paint from Berger UK

1970 - Establishment of Chittagong Factory

- 1980 – Named as Berger Paints (BD) Ltd. from Jenson & Nicholson (J&N)
- 1991 –BMRE in Chittagong Factory
- 1995 – Establishment of Double Tight Can Manufacturing Plant
- 1999 – Establishment of Most Modern State-of-the-Art Paint Production Plant in Dhaka
- 2002 - Construction of own building for the Corporate Office in Dhaka
- 2004 – Establishment of Powder Coating Plant

2.2 BERGER PAINTS BANGLADESH LTD. AT A GLANCE

- Own Corporate Office located in Dhaka
- 2 Factories at Dhaka and Chittagong
- 8 strategically located Sales Offices throughout the whole country. The locations of the Sales Offices are shown in a map attached in the annexure
- A wide distribution channel reaches the whole country with a network of almost 1000 dealers
- Major market share holder.

2.3 VISION AND MISSION OF THE COMPANY

Berger Paints Bangladesh Ltd. (BPBL) operates with a very clear and concrete vision and mission. The vision and mission statement of the company is given below:

2.3.1 Vision

“We shall remain as the benchmark in the Paint industry by:
being an innovative and technology driven Company consistently delivering world-class products ensuring best consumer satisfaction through continuous value added services provided by highly professional and committed team.”

2.3.2 Mission

“We shall increase our turnover by 100% in the next five years.

We shall remain socially committed ethical Company.”

2.4 THE COMPANY PROFILE

- 1. Origin** : United Kingdom
- 2. Registered Office** : 43/3, Chatterwari Road
Chittagong – 4000, Bangladesh.
Email: bergerbd@spnetctg.com
Web: <http://www.bergerbd.com>
- 3. Corporate Headquarter** : Berger House
Plot – 8, Road No.-2
Uttara Sector –3, Uttara Model Town
Email: info@bergerbd.com
Web: <http://www.bergerbd.com>
- 4. Factory** : Dhaka Factory - Nabinagar,
Chittagong Factory – 27 D, FIDC Road,
Kalurghat, Chittagong
- 5. Plant** : 1. Powder coating plant – Nabinagar, Savar
2. Emulsion plant - Nabinagar, Savar,

- 6. Home décors** : 1. Banani, Dhaka,
2. Dhanmodi 27, Dhaka
3. Uttara, Dhaka
E mail: décor@bergerbd.com.
- 7. Sales office** : 1. Dhaka- 272 Tejgaon industrial area, Dhaka-1208
2. Chittagong - 43/3, Chatteswari road
3. Sylhet – H # 32, Block – A, Shahjalal Upashahar
4. Khulna – 2 KDA Approach Road, Sonadanga.
Bogra – 31, Piari Sanker, Katnar Para
6. Comilla – 576, Laksham road
7. Rajshahi – 1458, Ramchandrapur Ghoramara, Boalia
8. Mymensingh
- 8. Subsidiary Company** :Jenson & Nicholson (Bangladesh) Limited
70, East Nasirabad I/A
Baizid Bostami Road.
- 9. Date of Incorporation** : 6thJuly, 1973
- 10. Commercial Production** : 1973
- 11. Business Line** : Manufacturing and Marketing of High Quality Paints
- 12. Nature of Business Activities** : The principal activities of the company
throughout the year continued to be
manufacturing and marketing of liquid and non-liquid paint
& varnishes and coating.

13. Status : Public Limited Company

14. Position in the Industry : 1st

15. Percentage of Market Share 50% (approximately)

16. Special Achievement : ISO 9001: 2000



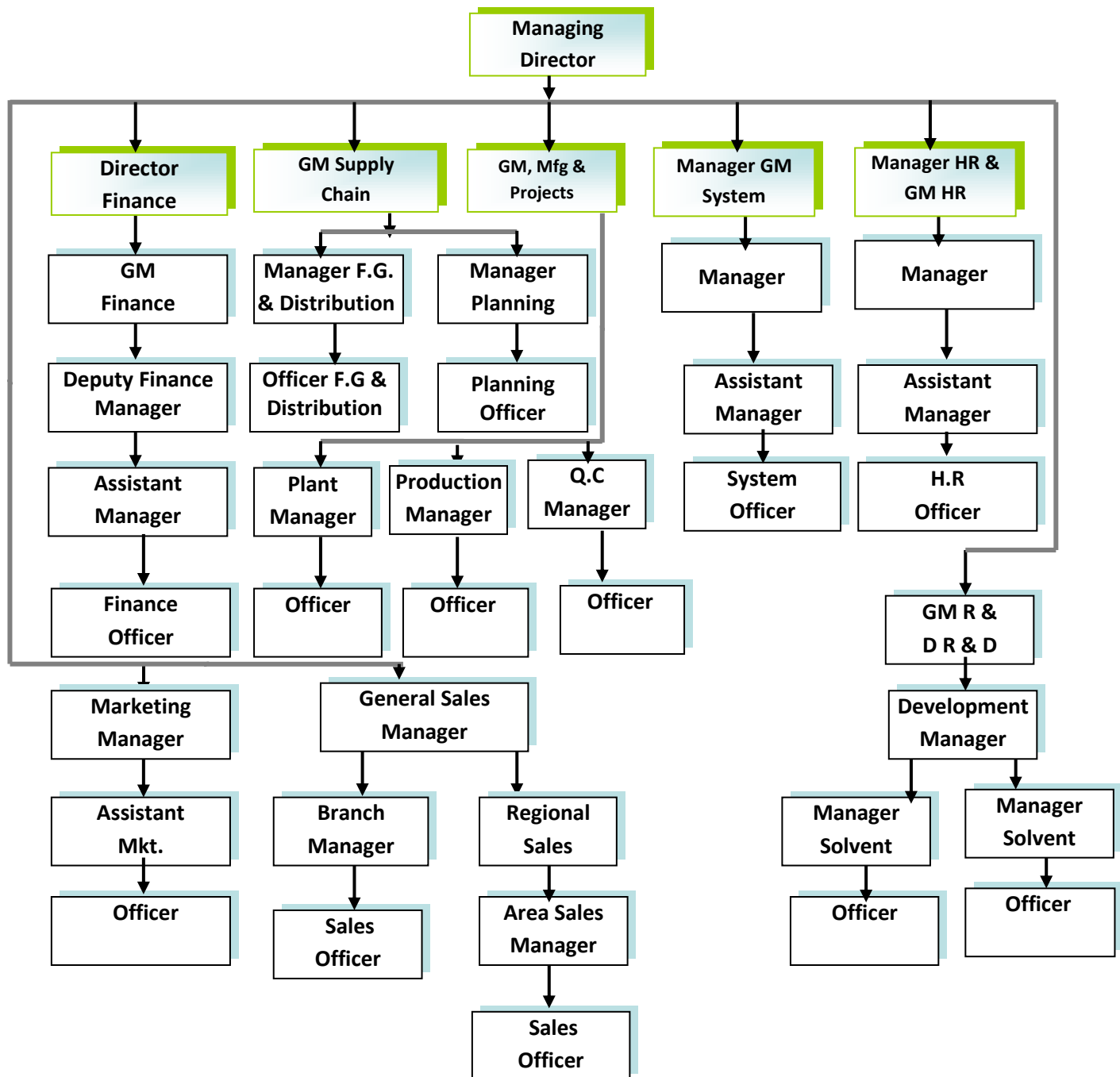
Fig: Network of Berger Paints Bangladesh Limited

2.5 Focus of BPBL

Berger Paints Bangladesh Limited focuses on the following things:

- Commitment to achieve total customer satisfaction.
- Commitment to project the company as an ethical and socially responsible one.
- Commitment to continue as the market leader through consistent sales growth, increasing productivity and developing new products befitting customer needs.
- Ensuring continuous improvement in operations through utilization of highly professionals and dedicated team, proper process management and participation of the stakeholders.
- Setting measurable targets at appropriate stages and continuously monitoring them.

2.6 Organizational Hierarchy



2.7 PRODUCTS OF BERGER PAINTS



Berger Paints (BD) Ltd. offers a complete paint solution through hundreds of products. Only major products are shown here under three broader classifications on the basis of users segments.

2.7.1. DECORATIVE PRODUCTS:

Interior:

- 1. Robbialac Acrylic Distemper (SPD):** A specially formulated acrylic co-polymer emulsion based washable distemper for elegant, smooth, durable, matt finish for interiors.
- 2. Radiance Interior:** A medium category plastic paint. Recently BPBL launch in the market.
- 3. Robbialac Acrylic Plastic Emulsion (APE):** A standard emulsion paint formulated with acrylic.
- 4. Luxury Silk:** A marvel of international emulsion technology, Luxury Silk combines the best of aesthetic appeal with the best of functional properties like.

Exterior:

1. **Durocem Cement Coating:** Durocem is an exceptional formulation based on selected raw materials and specially treated white cement that makes it ideal for both indoor and outdoor applications.
2. **Radiance Exterior:** One type of water based medium category exterior wall finish.
3. **Weather Coat Smooth:** Weather coat is smooth water based super exterior wall finish formulated to give exceptional durability in adverse climatic conditions.
4. **Tartaruga Textured Coating:** This is one of the most famous BERGER formulations in the world. The product is paste like having special aggregate to facilitate drawing desired textured patterns on the surface.
5. **Weather Coat long life:** The highest quality water based exterior wall finish with 7 years warranty.

Others:

1. **Illusion:** Berger illusions is not just a paint... it's a whole new lifestyle for your walls. A range of designer wear for walls with thousands of color options.
2. **Robbialac Super Gloss Synthetic Enamel (RSE):** Robbialac Super Gloss Synthetic Enamel is hardworking, premium quality synthetic enamel formulated to retain its gloss and film integrity in the face of extreme climatic variations.
3. **Jhilik Synthetic Enamel (JSE):** Jhilik Synthetic Enamel is economy synthetic enamel formulated for interior and exterior application to give a glossy durable surface.
4. **Robbialac Aluminium Paint:** Robbialac Aluminium Paint is a superior 2- pack aluminium paint with a brilliant silver-like luster. It is ideal for application on the exteriors of storage tanks for water, petrol, oil.
5. **Robbialac Damp Stop:** This specially formulated two-pack compound is based on selected binder system incorporated with inert pigments' and fillers, which seals the surface by eliminating the permeability of moisture and water that actually cause dampness.

2.8 Sales Department

This department is headed by GM- Mkt., Sales (D) & Distribution who is assisted by GSM (D). 8 strategic depots manage sales activities all over the country. 8 depots are

- Dhaka,
- Chittagong,
- Sylhet,
- Bogra,
- Rajshahi,
- Khulna and
- Comilla.
- Mymansingha

Activities of all eight strategic depots are monitored and controlled by the Sales (D) Office situated in Corporate Office. Time to time sales review meeting with the representatives of all sales depots is conducted to evaluate the current sales position of the Co., discuss the reasons for current success or failure, determine the next action plans to strengthen current position of the Co., kinds of incentives offered to boost up sales and etc.

2.9 Major Functions of Sales Department:

- To prepare National Sales Budget detailing sales value, volume & growth and translates it into monthly and half-yearly budget.
- To express the national sales budget in terms of Sales Area, Zone, Product & Color Shade.
- To develop sales strategies to achieve sales budget.
- To respond to complains of customers efficiently and take necessary action(s) for arriving a favorable solution to the problem.
- To maintain relationship with existing dealers of the Co. and develop new dealers.
- To suggest marketing department to introduce incentive programs to enhance sales volume.
- To scan current market condition including competitors' current and probable future action pattern, customers' preference, dealers' business situation and etc.
- To monitor sales position of the Co. and initiate necessary actions if any deviation exists.
- To arrange sales review meeting timely basis.
- To ensure smooth distribution of paints.
- To train the sales personnel to handle customers efficient

2.10 GLOBAL COVERAGE

Berger Paints has a strong business in 46 countries in the world. In most of the countries this company is leading from the front. But this company is mostly strong in European market.

In many other countries, Berger Paints is doing business under control of other independent owner named as Berger International.

REGIONAL GROUPS: All global markets of Berger Paints are centrally controlled by the mother unit, Berger UK. To control the global market smoothly, nine regional groups has been created. The regional head control the regional group and he report to the mother unit. For all domestic markets, Managing Director is assigned to each market responsible for all activities within his country market, reporting to the regional head. Regional groups are:

- **Europe**
- **North America**
- **South America**
- **Caribbean**
- **Africa**
- **South Asia**
- **East & South-East Asia**
- **Middle East**
- **Oceania**

46 countries are operating their business and leading the global paint market under control of these nine regional groups.

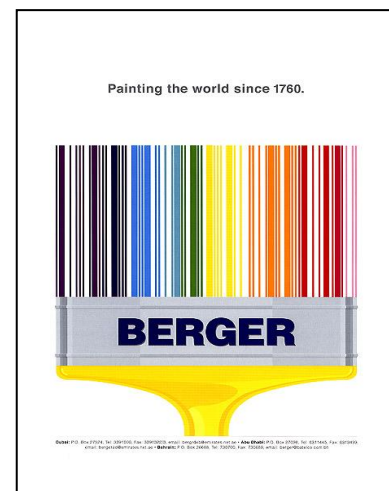
In the next page we will show the logos of Berger Paints in some important global markets



Berger - Bangladesh



Berger - India



Berger - Africa



Berger - UK



Berger - Caribbean

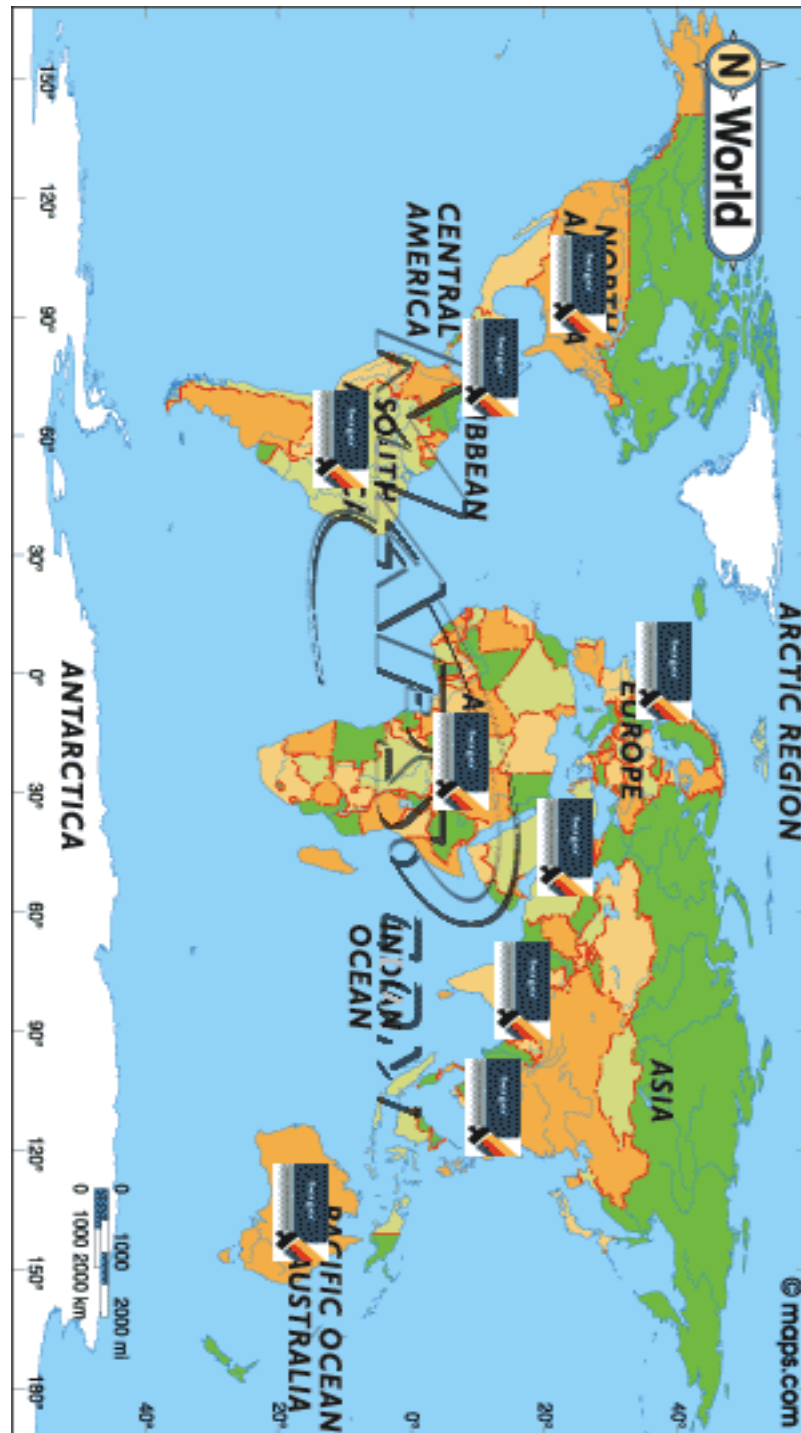


Figure: Head Quarters of Berger Paints Regional Groups.

2.11 SWOT ANALYSIS OF BERGER PAINTS BANGLADESH LTD

Strengths:

- It is the pioneer in this industry and therefore enjoys first mover advantages.
- At the moment they are the market leader as they are paying discount up to 22 % in the different categories of product, Bonus Share to its shareholders, which is more than any other paint company in the country.
- Strong brand name.
- BPBL has very high skilled, energetic, hard working and motivated human resources.
- BPBL believes and practices participative management.
- BPBL is engaged in product diversification, this year they are expanding the illusion product division and also introduced Excellent Home Decoration to their product.
- Favorable access to distribution networks.
- BPBL has a very strong client base among the paint companies; most of which are the giant local and multinational organization such as, British American Tobacco Bangladesh, Asian paint.
- BPBL do not comply undue political influence.

Weaknesses:

- Their lacking of punctuality for delivering products to the dealer.
- Another major weakness of BPBL is lack of marketing activities to the customer.
- High cost for importing raw materials.

Opportunities:

- With growth in our corporate sector, the demand for painting is also growing and consequently, the paint industry.
- By introducing new products such as floor painting, illusion design & automobile paints BPBL can expand its market.

- Arrival of new technologies
- Increasing product line

Threats:

- There is a clear trend of increasing competition in the paint market with the entry of more paint companies
- A new competitor in home market
- The competitors has new, innovative product or service
- Competitors has superior access to price

INDUSTRY ANALYSIS

3.1 Paint industry in Bangladesh

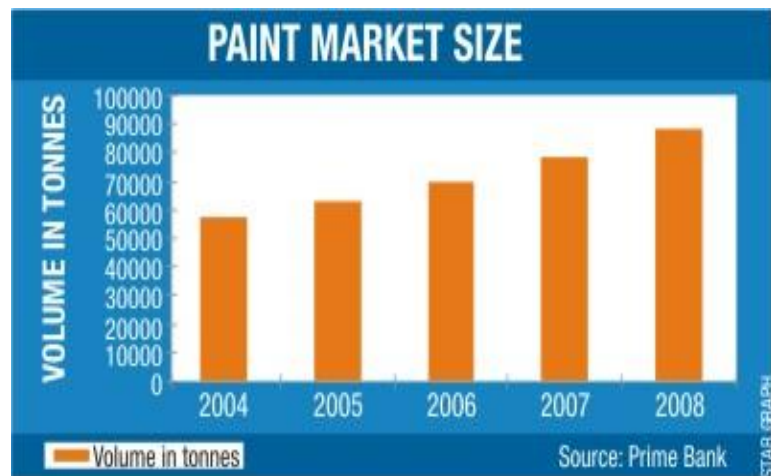
Bangladesh's paint industry has been growing at a double-digit rate for the past several years riding on the increasing demand from the construction sector. A recent study reveals its market size based on demand is estimated at Tk 1,000 crore and domestic production capacity Tk 920 crore. Leading private commercial bank Prime Bank conducted the study. The demand-supply gap, according to the study, is Tk 80 crore. The paint industry in Bangladesh is still growing for which now RAK group a UAE based conglomerate is going to set up a paint factory in Bangladesh.

Only a few players Berger, Asian, Roxy, Pailac, Aqua and Elite etc are operating in the market with over 90 percent market share. The Prime Bank study shows Berger alone holds 48 percent market share, followed by Asian Paints 12 percent, Roxy 10 percent, Pailac and Aqua each 7 percent and Elite Paints 5 percent. Uzala and Navana paints are also in the market. Market leader Berger grew by 25 percent in 2008 and Asian Paints that entered the market in 2002, grew by 50 percent.

Key products that hold the major market shares are: plastic emulsion, distemper, outer coat (weather proof), synthetic enamel etc. Plastic emulsion and distemper are close substitute of each other. Emulsion is basically used in high-end residence all over the country and distempers are economy class products having a demand in semi-urban and rural markets. Weather coat is growing very fast and presently hold 20 percent market share.

Fig: Production volume of paint

(each Year in Bangladesh)



3.2 Contents of Paint

Here are four basic chemicals that are found in all types of paints. These are:

- **Pigments and Fillers** – Pigment is the component of the paint which is responsible for creating color and opacity or hiding power. On the other hand, fillers are used to fill up the gaps of pigments. Fillers are necessary for Matt Finish paints as these reduce the gloss of the paint. But these are not always necessary for the Gloss Finish paints. These are sometimes used in the paints to reduce the costs. As Fillers fill up the gaps of the pigments and extend the performance of the pigments by reducing cost, fillers are also called extenders.
- **Resin or Binder** – Resins are the components which bind the various chemicals of a paint together. Resins also bind the paint with the surface and create a film on the surface. So, resin is responsible for the adhesive power of the paint. For Water-based paints, Emultex is used as binder.
- **Solvent/ Thinner** – Solvent or thinner is the component of the paint which dissolves the resin and makes the paint liquid. It is also used to control viscosity of the paint. Water works as the solvent or thinner for the water-based paints whereas various solvents or thinners do the work for the solvent-based paints.
- **Additives** – These are basically various chemicals used in very small quantity for specific purpose. For example, Dryers (various oxidizing agents) are used to make the paint easy and fast dry one, P reservatives (used only for water-based paints) are used to preserve the paint till use and of the paint, Anti Fungal Solution is used in the exterior paints to protect from fungal attack, De-foamer is used in the water-based paints to protect the creation of foam in the paint. give the paint the desired shelf life, Dispersers are used to faster the dispersion process

3.3 Types of paints

Paint can be divided into various types by considering different aspects.

- ❖ Painting is mainly of three categories:
 1. Decorative (about 84% – 85%)
 2. Industrial
 3. Marine
- ❖ In Decorative sector, the two major classifications are:
 1. Exterior
 2. Interior
- ❖ From the application sequence, paints can be categorized as:
 1. Primer
 2. Under coat
 3. Finish coat
- ❖ Paints can be divided into two categories according to thinner/ solvent usage:
 1. Water-based
 2. Solvent-based

3.4 Parameters to categorize paint

There are seven parameters, using which we can categorize different paints into major categories. These are:

- Whether the paint is Water-based or Solvent-based
- If the paint is Solvent-based, what is the solvent
- Whether the paint is Decorative or Industrial or Marine
- Whether the paint is used as Primer or Undercoat or Finish coat
- Whether the paint gives Matt finish or Gloss Finish
- On what type of surface the paint can be used
- Whether the paint is used in exterior or interior surface

Job Part:

4.1 JOB DESCRIPTION:

My internship program was selected for Berger Paints Bangladesh Ltd. My job positioning was in Sales department. I worked directly under Mr. Firoz-Al-Mamun (Sales Officer). My responsibility was to help him in his office work. My main responsibility of the job was to go to Mirpur DOHS and to conduct the survey through questioning people, the questionnaire which is mentioned in the 'Appendix'. My survey was based on the usage of Berger paints in Mirpur DOHS and this has been conducted by using the questionnaire and own perception. I also attended and helped in organizing different events for painters. In my internship program my main job was to conduct survey and different official activities.

4.2 Job responsibility:

The job responsibility during my internship program is given below:

- Conducting survey in Mirpur DOHS
- Field work in Mirpur DOHS which includes questioning to workers, land owners
- Organizing and attending different events directed towards painters
- Official jobs which includes planning of events, managing different coupons and gifts for dealers and painters

4.3 OBSERVATION:

There is some critics and observation which I noticed through my internship program. If those problems are solved, the internship program can be more effective for students willing to complete their program in Berger paints. They are:

- Interns should be given the opportunity to work more in Sales office rather than field survey
- Giving responsibility to interns for organizing and managing different events helps the interns to grow their managing abilities

Summary of Market Share Analysis

5.1 The reasons to concentrate on Mirpur DOHS as the project for Intern

‘Mirpur DOHS’ is one of the most lucrative and emerging housing estates in the Dhaka city. Most of the land owners of this region are retired Army officers and they are from upper middle class. The reason I am mentioning their standard of living because they have the purchase power to buy any kind of paint, where on the other hand the land owners of the ‘Mirpur Eastern Housing’ region have much limited purchase power, for which they will only go for the economical paints rather than going for the quality ones.

Another reason to choose this particular place, real estate developers are also building apartment and flats along with the land owners. It shows also the collective choice of a real estate development company, what kind of paint they are likely to use, what are the reasons they are using the particular brand. In a word there is a good blend of choices people make to buy paint, which is a positive perspective to analyze the market share of this region.

For the last two years this particular region is changing its face drastically day by day and for this the adjacent areas of this place also taking the same effects. The roads for those area are now getting created and also a fly over is getting created to create an easy link to Mirpur DOHS through Airport road, and according to the cantonment board it will be one of the best planned DOHS ever.

The main reason I have chosen this area for the project because there is a huge competition going on among the paint companies. For which it is very much helpful to determine the original market share analysis.

5.2 Summary of market share analysis:

The reason for choosing Mirpur DOHS for analyzing market share for Berger because Mirpur DOHS is a growing apartment project for Army. To get full insight on Berger’s position in Mirpur DOHS and the level of competition with other competitors, Mirpur DOHS was selected for survey.

Types of house Visited	Num of houses
Number of Full completed house	51
Number of Paint on going house	33
Wall construction, roof construction projects	60
Empty projects	58
Plaster ongoing houses	26
Plaster complete houses	20

Table: the present situation of each plot surveyed in Mirpur DOHS

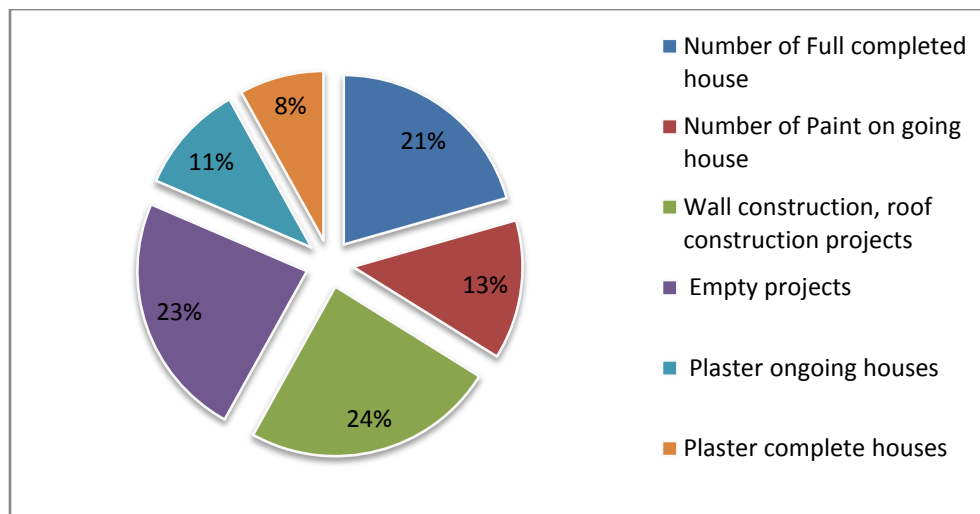


Figure: The pie chart of the present situation of each plot surveyed in Mirpur DOHS

From the table we can see at present only 51 house has been completed out of 248 surveyed plots. In which paint is going on 33 houses, construction is going for 60 houses. Plaster ongoing houses and plaster completed hoses are 26 and 20 respectively. On the other hand out of these 248 plots 58 of them are empty projects. In the table we can observe the percentage of these numbers.

Types of paint use in visited house	Num of houses
Num of Projects used Berger Paint	52
Num of Projects used Elite Paint	6
Num of Projects used Asian Paint	13
Num of Projects used Navana Paint	10
Num of projects used mixed paint	3

Table : The paint used in the projects of the Mirpur DOHS

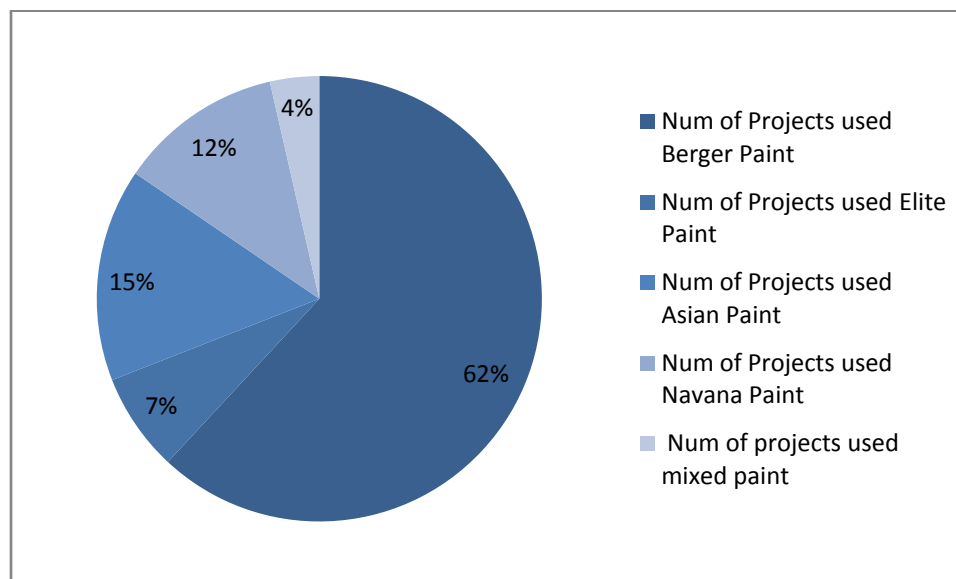


Figure: The pie chart of the paint used in the projects of the Mirpur DOHS

In this table we can see that 84 houses from the possible 248 plots are currently engaged in paint work. In these 84 houses paint has already been completed or the paint work is going on. 52 of these houses are currently using Berger or already used it to paint their house. From this we can easily understand that the Berger hold the bulk part of the market share in the Mirpur DOHS.

Types of projects on the basis of ownership	Num of houses
Developer houses paint ongoing & completed	59
Individual houses paint ongoing & completed	25

Table: The number of projects on the basis of ownership

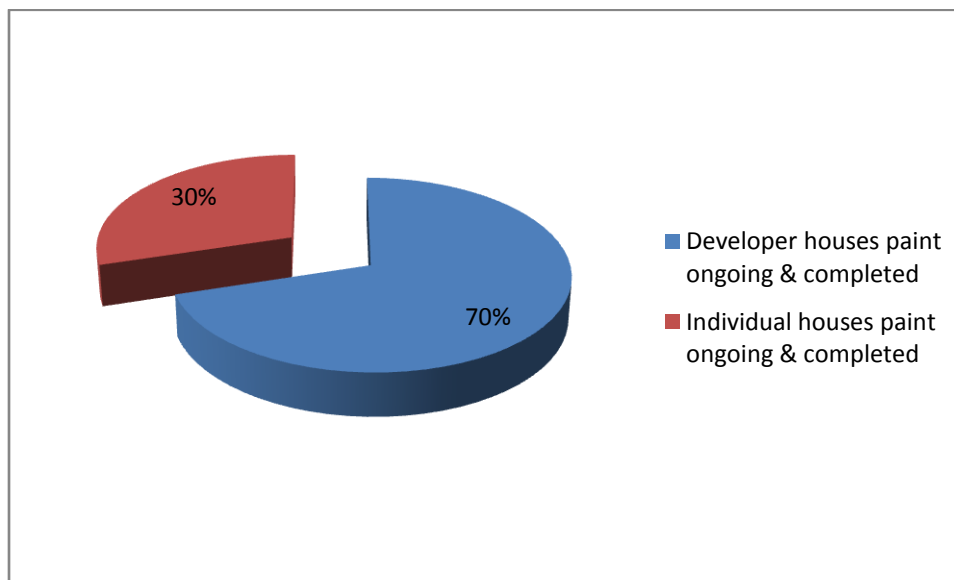


Table: The pie chart of projects on the basis of ownership

In this table and pie chart we can observe that the maximum projects belong to the developers and many of them use Berger for the paint job of their project. Like: Amicus, BOCL etc. on the other hand the individuals use the paints which suits them economically.

5.3 Strategies implemented by Berger Paint:

Berger paints marketing strategies includes both market skimming and penetration in order to capture the market of Mirpur DOHS. The concept of market skimming involves charging a relatively high price for a short time where a new, innovative, or much-improved product is launched onto a market. The concept of market penetration involves the setting of lower, rather than higher prices in order to achieve a large, if not dominant market share. So, in case of Berger the strategies that they use can divide in to two parts according to the skimming and penetration criteria for Mirpur DOHS. The strategies are given below:

5.3.1 Market Skimming:

- Where a highly innovative product is launched, research and development costs are likely to be high, as are the costs of introducing the product to the market via promotion, advertising etc. This strategy was carried out by Berger for the product named “Rust blaster” which is mainly used for decapitating rust from steel. This product is highly innovative and only launched by Berger, so for this reason the charged price is high for huge product promotion and marketing. This strategy is having positive impact on Mirpur DOHS for this product
- By charging high prices initially, a company can build a high-quality image for its product. Charging initial high prices allows the firm the luxury of reducing them when the threat of competition arrives. For providing high quality product Berger charges high price for its products and in Mirpur DOHS plots are owned by Army officers. The army officer’s search for high quality product with good image and the price don’t matter in that case. For Berger products, this strategy is helping them to get more customers on DOHS. This strategy is also helping them to eliminate competition in DOHS because other competitors are also providing good products but in terms of creating image of providing good quality Berger is step ahead

- Where a product is distributed via dealers, the practice of price-skimming is very popular, since high prices for the supplier are translated into high mark-ups for the dealer. Most of the landowners suggest Builders to buy Berger paint from Mirpur dealers. For this reason dealers can get high mark-up price and Berger gets high profit.

5.3.2 Market Penetration:

- Maintain or increase the market share of current products – this can be achieved by a combination of advertising, sales promotion and perhaps more resources dedicated to personal selling. This strategy is implemented in Mirpur DOHS by Berger through providing samples of different colors, advertising through banners and poster and also doing personal selling by using sales force to provide customers more insight on different products.
- Berger also has products with low price criteria. These products are also of high quality and designed to target those customers who are price cautious. Ex: Robbialac Acrylic Distemper (SPD), Robbialac Acrylic Plastic Emulsion (APE), Jhilik Synthetic Enamel (JSE). Berger is also creating awareness among the customers in DOHS that they also have products within low price range with high quality. Many customers are using these Berger products for their houses.
- Increase usage and buying by existing customers – for example by introducing loyalty schemes. Berger is also using this strategy for attracting more customers into their profile. They are offering various loyalty schemes ex: price discount, coupon etc. By this strategy they are keeping good consumer relationship with consumers and also with the dealers by proving discount on bulk purchase, annual prize giving etc.

5.4 Counter Strategies by Berger:

- For increasing sales more than competitors, Berger is providing coupons with every product and the coupons include various prizes.
- Berger organizes different seminar and training campaigns for painter and dealers where they help them to provide proper in-sight for using existing and new paint products. By this campaign Berger is establishing good relationships with dealers and painters and also encourages them to use their products.
- Berger is also following competitive based pricing, if the price of the product of competitors is reduced they also reduce the price as counter strategy.
- Berger is also doing more advertising through print and electronic media than the competitors to create more awareness for target market
- For motivating dealers for suggesting their product to the customers and painters, they are providing different sort of attractive incentives for dealers than its competitors which is really helping them in many ways.

Berger uses personal selling more effectively than its customer for creating more awareness for their product on its quality, price range, variety etc which is helping them to create more customer base.

Findings:

Reasons for Buying Paints from other companies:

- **Lower price preferable:** Suppose if a company use paints of other company they can save Tk. 20000-25000 per project(Consider average project sizes 5 katha & 6 storied building).
- Painters get commission if they influence owner and buy paint of other company.
- Influence of dealer and sub-dealer.
- Personal relationship.

Most common complains against Berger Paint: (Weakness)

- Berger paint is more thinner than two or three years back specially Acrylic Plastic Emulsion (APE).
- Price is not competitive.
- The ‘End Users’ who mainly assist the ‘Sales Officer’ are not very much motivated to their job for which they do not have a high-level productivity.

Marketing Strategy of Asian Paint to capture the Market: (Threats)

- Asian Paint is capturing market by advertising at Hindi channel. Because Bangladeshi people have vast interest to Indian channel.
- Asian Paint is capturing both Indian & Bangladeshi market by advertising at hindi channel. So in one sense, they are minimizing their promotional cost and other sense they are diverting those promotional savings to Dealer, Sub-dealer and Paint contractor as commission to capture market.
- ‘Asian Paint’ & Elite Paint’ is influencing people by offering more discount rate.
- Asian Paint is influencing dealer, sub-dealer and paint contractor of Berger Paint by providing more extra benefits such as commission, gift and party as well as personal relation

Recommendation

From our findings we can say that Asian & Elite Paint is the key competitor of Berger Paint. Strategically Asian Paint is trying to hit Berger Paint and also to get the market position. Generally competitors hit the weak spot of the company.

- ✓ Berger should try to retain its quality of product forever and to improve better than the present. Here we are telling specifically for quality improvement because in our some of data we found complain against Acrylic Plastic Emulsion (APE), this paint look like thin than before and reduced its coverage area.
- ✓ Berger Paint should concentrate on complain against their product and try to understand the perception about general public.
- ✓ In now days, sales force of an organization is a vital part of marketing strategy but in case of Berger paint the a Zone is being maintained and operated by a single Sales Officer (SO) which sometimes can be huge drawback in terms of pressure of work and management and sometimes the “End Users” doesn’t get proper motivation from SO which may lead to work inefficiency. This sort of problems may really lead Berger to face huge problem in their strategy. So the top managers should take some initiatives to motivate their ‘End Users’. So they can be much more efficient and provide a huge contribution on the profits of the Berger Paints.
- ✓ Berger should use competitive pricing for some its products which are competing with Asian and Elite paint products in the market
- ✓ Berger should also counter the strategy of marketing of Asian paints in Hindi channel. They should also provide creative and interesting ad in the Hindi channel for gaining more attention from both Bangladeshi customers and Indian customers. This strategy would be easy for Berger because they already have a good market in India.

Conclusion:

As from the above mentioned study and observation, it can easily be predicted that Berger Paints Bangladesh Limited is clearly a market leader in paint industry and they have expanded their business globally. Berger is a market leader in Bangladesh for its quality and evolving marketing strategy but from the findings of the study it can be clearly stated that there are some weak links in their strategy which may be a reason for their loss in market share. There is another problem findings related to advertising strategy in Mirpur DOHS, where Elite paints and Asian paints are using sample, discount and direct advertising to influence land owners to use their paint. But in case of Berger they are not taking any initiatives to use any sort of marketing in DOHS which may lead them to lose some potential customers. In spite of these problems Berger paints is smartly maintaining its dominance in paint industry but if they able to solve the above mentioned problems they can easily turn into a “Superior Brand” in paint industry and can be more dominant in terms of competing with competitors.

Appendix:

Questionnaire

Name of the project:

Project address:

Road:

House:

Company address:

Road:

House:

Sectot/Block:

Contact person (project):

Name:

Designation:

Phone/Mobile:

Contact person (Office):

Name:

Designation:

Phone/Mobile:

Project Details:

Land Area:

No. of floor:

Date of Handover:

Expected time of painting:

Painting decision has already been made?

- a) Yes b) No

If yes, which brand is selected for painting?

a)Berger b) Asian c)Elite d)Aqua e)Roxy f) Pailac g)others

If the project has already been painted, which brand applied?

a)Berger b) Asian c)Elite d)Aqua e)Roxy f) Pailac g)others

Which type of paint is selected for the Interior/Exterior surface?

Interior surface	Distemper	Plastic	Silk Emusion	Easy Clean	RIN
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Sealer	Yes	No
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Interior Wall Putty	Yes	No
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Exterior Surface	Durocem	W/Coat	W/Coat LL	Tartaruga	REX
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Exterir Sealer	Yes	No
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Exterir Wall Putty	Yes	No
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Metalic Surface	Yes	No
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Who is the main influencer that suggest what brand of paint to use?

- a) Land owner b) Developer company c) Dealer d) Painter e) Others

In case of satisfaction, what are the strengths of the brand of paint that has been used/using?

Quality	Service	Pricing	Discount	Others
Availability	Credit Facility	Brand image	Shade variety	

In case of satisfaction, what are the weaknesses of the brand of paint that has been used/using?

Quality	Service	Pricing	Discount	Others
Availability	Credit Facility	Brand image	Shade variety	

Comments of the interviewee, if any,

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