

# Internship Report

On

**“Consumer Perception and Brand Preference for purchasing paints:  
A Study on RAK Paints”**

**Submitted to,**

**Mr. Mahmudul Haq**

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# LETTER OF TRANSMITTAL

To

Mr. Mahmudul Haq

Associate Professor

BRAC Business School

BRAC University

Subject: Submission of Internship report on “Consumer Perception and Brand Preference for purchasing paints: A Study on RAK Paints”.

Dear Sir,

This is my great pleasure to submit the Internship report of my three months long Internship program at RAK Paints Limited. The title of the report is “Consumer Perception and Brand Preference for purchasing paints: A Study on RAK Paints”. This report has been prepared to fulfill the requirement of my internship program at my assigned organization.

I have put my utmost effort to make this report a successful one. It has been a joyful & enlightening experience for me to work in the organization & prepare this report. However, this has been obviously a great source of learning for me to conduct similar types of studies in the future.

I would like to express my sincere gratitude to you for your kind guidance & suggestions in preparing this report. It would be my immense pleasure if you find this report worthwhile & informative to have an apparent perspective on the issue. I shall be happy to provide any further explanation and query regarding this report or any other relevant matters, if required.

Thanks and Best Regards,

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Md. Abdullah Al Mamun

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## **ACKNOWLEDGEMENT**

First of all, I would like to thank my Advisor Mr. Mahmudul Haq for his help, effort, suggestions and utter co-operation. Without his utmost co-operation it would have been impossible for me to complete the report in due time. I shall remain ever grateful to him for his extraordinary gesture and pure interest in completing my report.

This internship report has been the outcome of three months working experience at RAK Paints Ltd. to do my internship for completing my MBA program. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of the organization for the last few months. I am also grateful for having a chance to meet so many knowledgeable people and professionals who led me through this internship period.

Bearing this in mind, I would like to take this opportunity to express my deepest gratitude and special thanks to the Chief Marketing Officer of RAK Paints Ltd. who in spite of being extraordinarily busy with his duties, took time out to hear, guide and keep me on the correct path and allowing me to carry out my project at their esteemed organization and extended their support to provide me the needed training.

I express my deepest thanks to Quazi Shafayet Hossain, Chief Marketing Officer of RAK Paints Ltd. for taking part in providing useful information and giving necessary advices and guidance and arranging all facilities to pursue the program successfully. I choose this moment to acknowledge his contribution gratefully. I would like to convey my best regards to Mr. Muhammad Khaliduzzaman, Head of HR and Administration, Mr. Mahamudun Nabi, Manager-Sales, Mr. Md. Moshir Rahman, Manager-Sales of RAK Paints Ltd., Mr. Md. Abdul Goni, Asst. Manager-Corporate Sales of RAK Paints Ltd., Mr. Md. Rakibul Islam, Sr. Sales Officer-Corporate of RAK Paints Ltd., Mr. Khaleed-Ul-Haque, Sales-Officer of RAK Paints Ltd. for their careful and precious guidance which were extremely valuable for my study both theoretically and practically.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work with these improvements, in order to attain desired career objectives.

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## EXECUTIVE SUMMARY

As a part of academic requirement and completion of MBA program, I have been assigned to complete internship report on “Consumer Perception and Brand Preference for purchasing paints: A Study on RAK Paints”. Under the guidance of Mr. Mahmudul Haq.

In part one I have discussed about the profile of RAK Paints Limited where I have done my internship. At the initial section in part two, I mentioned the rationale of the report. Also I described about the importance of my report and how the readers will be benefited by this report. This chapter also contains the research questions, based on these questions I designed my questionnaire and conducted my survey. I discussed about the main purpose of this report is to understand the current consumer’s preference and their buying behavior of pints products. Also here I mentioned about my target respondents. This section also gives a discussion about the problems and limitations that I faced during my research.

In section two, I have provided a review on related literature that was collected from books, journal and internet websites. From here readers can get to know other researchers’ findings and studies on paints industries and their suggestions.

In section three I mentioned about the research methodology, that is, the methods that has been used in data collection, sources of data, number and type of respondents, study location. In section four I analyzed the answers from questionnaire survey that I received from the respondents. I showed the results in the bar graphs and pie charts with detail interpretations.

In section four, the data analysis and relevant and meaningful interpretation has been provided. Section five highlights the findings of the study on the basis of data analysis and interpretation. In section six, the concluding remark for the study has been made that summarizes the research questions and the relevant answers. Section seven of this report presents the suggestions based on the findings of the study for improvement or sustainability of the organization and improving its product or service offerings.

Overall it is a very good experience to conduct the research and work with some nice people in the RAK Paints Limited. This research and the working experience will help me in my professional life and in near future.

## **Profile of the Organization:**

RAK Paints Limited is one of the leading companies of RAK Group Bangladesh. It is a joint venture between UAE and Bangladesh.

RAK Paints started its journey in 2011 with the motto of providing high quality products at an economic range to Bangladeshi people. RAK Paints Limited, a name in Bangladesh that carries a „new spectrum of colors“ in the atmosphere with a promise to ensure „bright and elegant living everyday“ of the people of this country. It envisages becoming a world class paint manufacturer and leading the paints industry by establishing itself as a producer with the finest manufacturing practices, through outstanding product quality with diversification in different areas, innovative and eco-friendly approaches in all the functions that are necessary to keep its customers satisfied. It not only intends to establish the largest paints factory in the country with the state of art machineries but also to provide quality branded paints products.

Starting from 2011 to till date, RAK Paints is providing high quality products with an economic price range. Ensuring customer satisfaction by providing quality product is one of the major objectives of RAK Paints. RAK Paints entered into Dhaka Stock Exchange from a Private Limited company into a Public Limited Company 2017. RAK Paints has the largest and eco-friendly production base in the paint industry of Bangladesh with 600 human resources.

RAK Paints vision is to become a world class paint manufacturer and lead industry by establishing ourselves as a producer with the finest manufacturing practices, through outstanding product quality and innovative approaches in all the functions is necessary to keep our customers satisfied.

RAK Paints Limited has its paint manufacturing plant at MadhobpurUpazilla in Hobigonj District, which is approximately 140 kilometers from Dhaka. The plant includes all facilities that are required for any modern paint industry.

RAK Paints Limited produces solvent based and water based paints of premier quality. The primary list of paints to be manufactured is given separately. The Company will also introduce

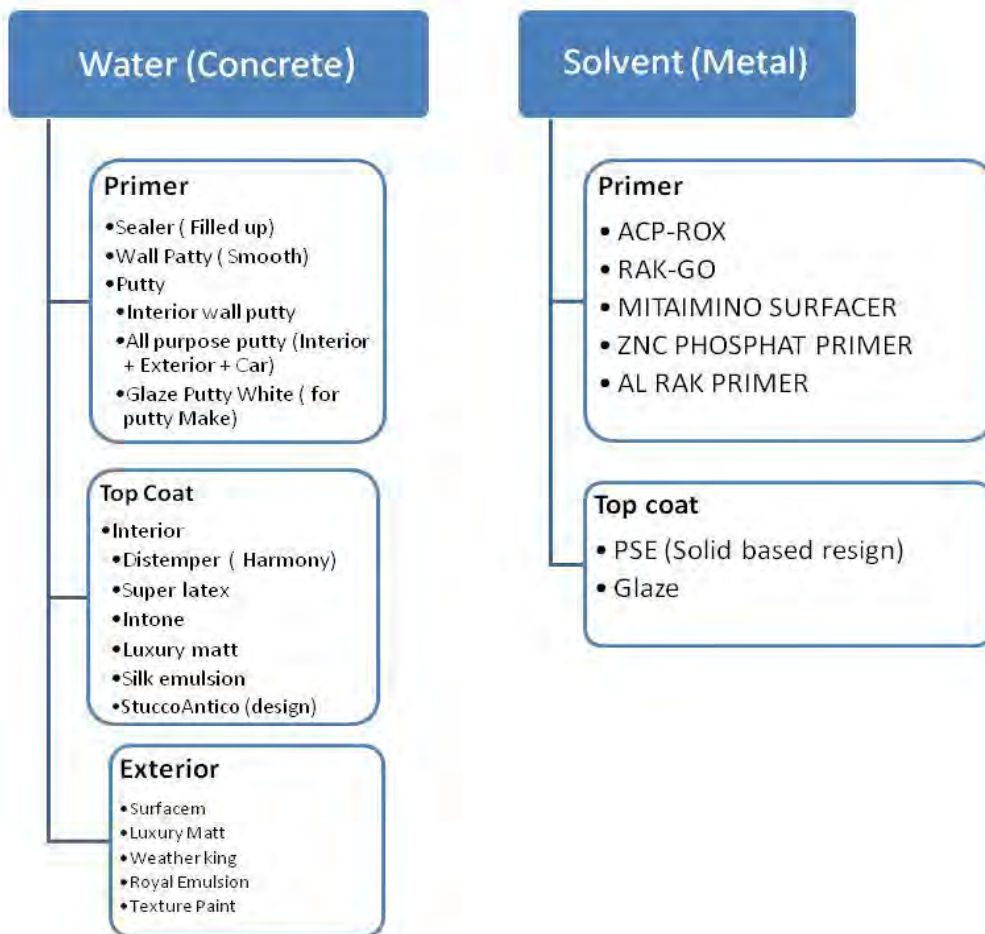


latest Tinting System (generate computerized color shades) in different parts of the country for customer satisfaction.

RAK Paints Limited will mainly focus on producing finest quality products, targeting retail consumers, real estate developers, major institutions, architects, interior designers and who are interested in exotic color combination to enhance the appearance. The company will strive for good governance in every sphere of activities, especially for quality assurance and consistency.

**Product line of RAK Paints:**

# Decorative





Picture: 1- collection of RAK Paints

## **Most Common Products of RAK Paints Used in Bangladesh**

### Interior Paints:

1. RAK Acrylic Distemper (SPD): A specially formulated acrylic co-polymer emulsion based washable distemper for elegant, smooth, durable, matt finish for interiors.
2. RAK Interior: A medium category plastic paint. Recently RAK launch in the market.
3. RAK Acrylic Plastic Emulsion: One kind of standard emulsion paint formulated with acrylic.
4. Elegant Silk Emulsion: A marvel of international emulsion technology, Luxury Silk combines the best of aesthetic appeal with the best of functional properties like.
5. ECO (3 in 1): It is the latest product introduced by RAK. It has low volatile organic compound which confirms the product is environment friendly. The product is also

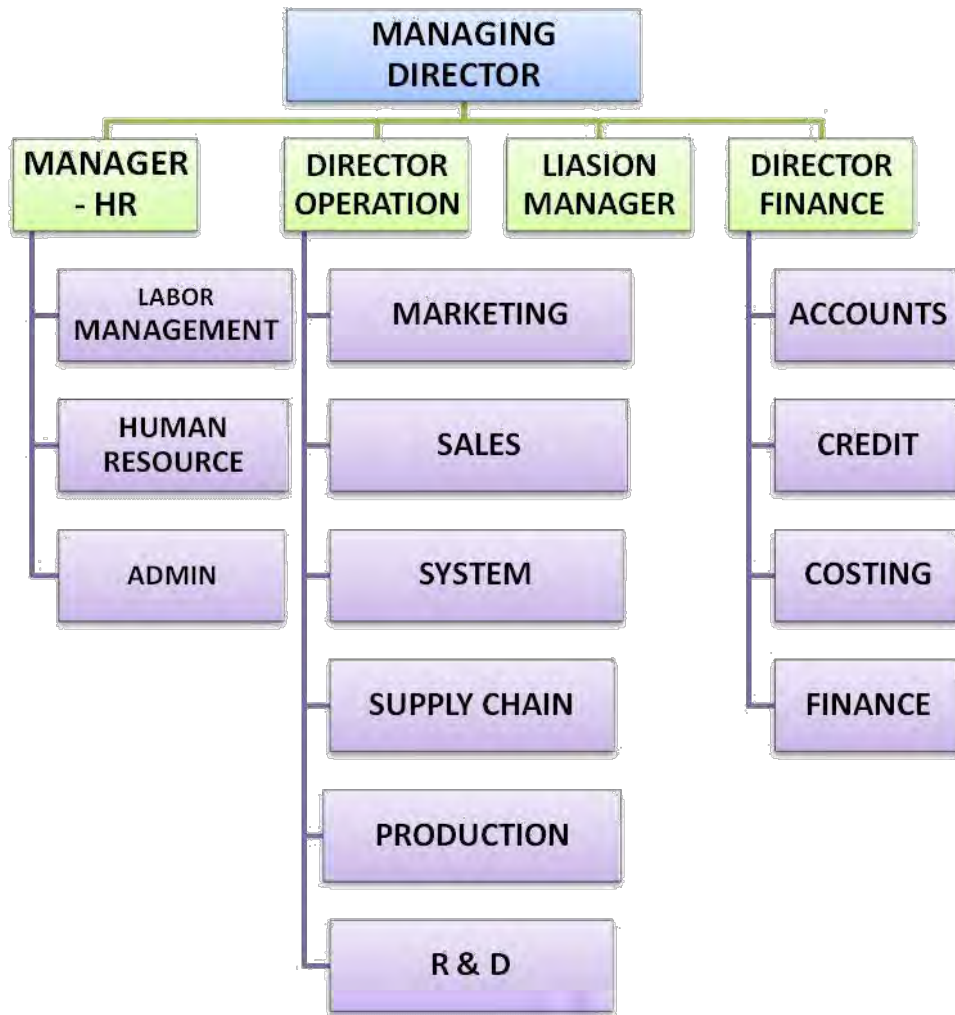
Stain free.

### Exterior Paints:

1. Surfacem Cement Coating: Surfacem 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. Weather King : Weather King is smooth water based super exterior wallfinish formulated to give exceptional durability in adverse climatic conditions.

## Organization Structure

Like any other organization RAK is also headed by a Managing Director. He/ She is directly supported by Chief Operation Officer and General Chief Marketing Officer and two Managers (Manager- HR a Manager Accounts & Finance). By the sufficient support of these four functional head MD is running the organization very effectively.



Two major functional departments are Operation and Finance. Both these important departments are headed by COO. But considering the greater importance and work load another CMO and also two General Sales Managers (Industrial and Decorative) are put under CMO.

On the other hand Manager Finance and Manager Account work under CMO. In addition to that COO also performs the complicated job like Credit and Costing of the company.

Human Resource Department of the company was established in the beginning. Its objective is to develop a well trained and motivated human resources team in a corporate environment which promotes open, honest behavior and stimulates creativity, team work and long term commitment. Administration and Labor management are two core jobs of HR department.

## **Operational Network**

In the present context of our country, probably RAK has one of the most extensive and efficient distribution networks. The largest paint factory with the enriched warehouse is situated in Madhabpur, Hobigonj of RAK. From there, products are supplied to seven sales offices in big cities including Chittagong and Dhaka Sale office. And at the end from both the sales Offices and also from the seven sales depots paints are distributed to the dealers and retailers and in turn reaches to customers. RAK has almost 500 dealers about 100 regular corporate clients around the country.

In some occasion both sales office and depots also sell paints to the end users directly. But at recent time the practices are being discouraged due to the companies arises out of it and also to reduce the work load of those offices and depots. Figure 3 in next page shows the details of distribution network of RAK.

## **Vision**

To become a world class paint manufacture and lead the paint industry by establishing ourselves as a producer with the finest manufacturing practices, though outstanding product quality & innovative approaches; and excel in every work function that is necessary to keep our customers satisfied.

### **Description/nature of the job/s:**

It was a great opportunity for me to work with the sales department of RAK Paints Ltd. Basically I have work here in sales & Business development.

### **Specific responsibilities of the job:**

- Developing relationship with corporate houses to render best services
- Maintaining smooth relationship to turn customers into partners
- Develop a sales strategy to achieve organizational sales goals and revenues
- Co-ordinate sales action plans for individual salespeople
- Monitor the achievement of sales objectives by the sales team
- Conduct market research and competitor and customer analysis
- Analyze data to identify sales opportunities
- Manage the Entire Sales activities in Government Projects
- Improve the Brand Awareness among architects and engineers of PWD, Rajuk& NHL.

### **Different aspects of job performance:**

I whole three months job period I feel to work with a very flexible environment at sales department. I have always tried to keep myself honest and worked hard. In the first month of my joining when I first went market to sales paints I feel it's impossible for me to do the job. But at the moment It is very easy for me. Overall I tried to keep a good performance in my job period.

# INTRODUCTION

## 1.1 Rationale of the study:

This report has been prepared to know the buyer preferences and awareness on paints products in Bangladesh. Since the country presents a growing number of customers with gradual increase in purchasing power, the paints industry has a good business potential here to offer their products and services for the customers paints usage for decorative and protective purpose.

This research report is based on my three months internship experience at RAK paints limited. As a marketing major student, working on a research project plays a vital role in my academic as well as professional career since conducting market research is an integral part of any company's marketing strategy formulation. Hence this experience will help me to develop my research knowledge like questionnaire development, sampling, survey tasks and analyzing the collected information for making a meaningful interpretation for the readers.

Also, university, as a pioneer institution in promoting research activities in order to impart knowledge and promote business development strategies, this report will also provide useful insights to the readers who are willing to develop business and studies on the paints industry. Moreover, the faculty members may utilize the findings from this report to make a relevant business case for the students to study.

This report along with its findings and recommendations is very important not only for RAK Paints Limited but also for other players in this industry to find out the needs and demands of customers and their buying behaviors. From this report, readers can find out in the paint industry how customers think about purchasing and using paints brands and how to motivate them to increase the products' usage.

We all know Dhaka is the fastest developing city in Bangladesh and in this city people's purchasing power is also increasing (BBS 2012). Peoples' lifestyle variations and preferences are also changing. Hence the study highlights the paints users' preferences who are residing in Dhaka city and thus the study may be an informative toolkit for the strategy makers in the paints industry to expand their business in the capital city of the country that is the one of the most densely populated cities in the world.

## **1.2 Statement of the problem:**

This report has been undertaken to study on the buyer behavior in the paints Industry, particularly on the RAK paints. Since along with the protective purpose of the paint products, these are also used by the customers for decorative reasons as well, so understanding the buyers purchase decision making in this regard is essential for the companies to develop their products and thus provide better value to the customers. Based on this discussion, the report highlights the following issues addressed by this study:

- i. What do customers mean by Paints and its quality?
- ii. Which factors customers prefer for choosing paints and how they take the purchase decisions?
- iii. Which Brand they prefer and which brand they use?
- iv. What is the Brand awareness status of customers regarding RAK Paints?

## **1.3 Objectives of the study:**

### **i. Broad/General Objective:**

The main purpose of this report is to understand the current consumer's preference and their attitude for selecting paints products.

### **ii. Specific Objectives:**

- To understand customer's perception about Paints and its quality.
- To find out the factors customers consider for selecting paints and taking purchase decisions.
- To study the brand awareness for RAK Paints and which brands customers prefer and use.

## **1.4 Scope of the Study:**

The study had been conducted in the areas of Mirpur and Uttarathana located in the Dhaka metropolitan city. These locations have been selected for the survey due to the rapid pace of development with newly constructed buildings establishments in these areas. Here I have

selected the land/home owners, painters and architects as the respondents of the survey and among 3 categories (decorative, industrial and marine) of paints products, I selected decorative paints category for my research.

The data collection process of the study was completed with duration of two months by taking the answers of research questions from the home owners“, painters“ and architects“ perception about paints, quality and brand selection.

## **1.5 Limitation of the Study:**

While conducting the research, I faced some limitations which are given below:

- i. Sample size is not large enough to generalize the data in terms of all customers in Dhaka city.
- ii. In this research, customer from the industrial and marine sector has not been considered. Only decorative sector has been taken under consideration for completing the research according to the mentioned topic.
- iii. The respondents were unwilling to give their valuable time for survey for busy work schedule.
- iv. Shortage of time is another critical factor to collect, analyze and summarize the findings of the study properly.
- v. Lack of access to published and reputed journals and other institutional reports are also a major limitation in this study to make a comprehensive literature review on the research topic.
- vi. This research has been designed to get consumer behavior insights keeping the company RAK Paints Limited as a stakeholder in this regard.
- vii. Cost of survey and transportation expenses were one of the major problems during this research.



## **2.1 Paints Products:**

Paint has been in use for time immemorial. The evidence of paints usage can be found in the cave paintings. The Chinese are considered to be the pioneers of manufacturing paints. Now paint is made artificially and is used in many different ways. Paint is a mixture of four elements solvents, binders, pigments and additives. Solvents give the paint a liquid flow while the binder binds it to the surface. Ingredients like Pigments impart color and capacity to the paint and the additives give its special resistance properties (R. Venkatesh, 2016).

## **2.2 Consumer Behavior:**

The topic of consumer behavior is one of the massively studied topics by the researchers and marketers in the past and still being studied. Researchers show different reasons as why consumer behavior has been the topic of many academics and researchers.

Understanding consumer behavior has become a factor that has a direct impact on the overall performance of the businesses (Kotler and Keller, 2012). Due to technological and knowledge up-gradation, today's customers prefer to opt for branded product. This is because of an urge for getting proper value against payments made. Customer's perception is another vital aspect in studying consumer behavior. Customer perception is defined as the way that the customers usually view or feel about certain services and products. Sheth, Newman and Gross (1991) in their study on Indian consumer dynamics, stated that in general, the consumers were indifferent in choosing the brand, since a lot of close substitutes were available in the market.

As per Kotler (2003) satisfaction as a stage of consumer buying behavior, is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. The satisfaction judgment is related to all the experiences made with a certain business concerning its given products, the sales process, and the after- sale service. Whether the customer is satisfied after purchase also depends on the offer's performance in relation to the customer's expectation. Customers form their expectation from past buying experience, friends' and associates' advice, and marketers' and competitors' information and promises.

Dick and Basu (1994) say that loyalty can be examined from the relationship between customer's attitude toward a product, brand, service, supermarket or store, seller and the customer's patronage behavior.

### **2.3 Consumer Perception:**

Aaker (1996) has mentioned in his study that brand of a particular product plays an important role in consumer's perception of a product. It helps in developing a market position, prestige and image of the product and for these reasons the brand constitutes a mechanism of risk reduction. Dunne and Narasimhan (1999) stated that that consumers' perception of the relationship between price and quality is the main factor which influences the brand choice decision between private labels and national brands. Hence, selection of brand is another major component in the literature of consumer behavior.

Customer satisfaction also has an influence in shaping consumer behavior. Gustafsson (2005) define customer satisfaction as "a customer's overall evaluation of the performance of an offering to date". This overall satisfaction has a strong positive effect on customer loyalty intentions includes the market offerings across a wide range of product and service categories. Consumer decision comes after consumer perception. When customers find their preferred factors for choosing the products, they take decision to buy that product.

### **2.4 Brand Preference:**

As Wheeler (2000) explains "Brand is the promise, the big idea, the reputation and expectations that reside in each customer's mind about the product and/or the company. It is a powerful yet intangible asset. Brand is about making an emotional connection. People fall in love with brands. They trust them, develop strong loyalties, buy them, and believe in their "supremacy". Once the importance of brands was realized, many corporations worldwide started to create their brand images.

### **2.5 Consumer Decision Making:**

According to Blackwell et al (2006), the five stages of consumer decision making process are followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation.

Rowley (1997) in his research work had commented that consumer buying process offers two useful perspectives: the decision-making process associated with consumer buying and the factors which affect the buying process. The author further stated that the consumers buying process can be divided into personal, psychological and social and cultural factors. The „social factors“, such as consumer’s small groups, family, reference group, social roles and status can affect consumer responses and influence their buying behavior. „Personal factors“ such as age, lifecycle stage, occupation, education and economic situation, and „Psychological factors“ such as, motivation, perception, learning, beliefs and attitudes and personality, also play major roles in consumer decision-making process.

## **2.6 Literature reviewed on Paints Industry:**

As per J.D. Power and Associates report (2012) on Indian paints industry, it has been identified that a vital contributor to increased satisfaction is customers' experience with paint retailers. More than one-half of the customers who purchased paint received guidance on their painting project from the retailer and more than one-third received color selection advice from them. Interestingly, satisfaction is higher among customers who purchased their paint directly from a manufacturer's specialty store than among those customers who purchased from a home improvement retailer.

According to Mishra (2002), Indian customers look for the fresh solutions to their problems and in addition with better value for the money they spent. This convinces the paint industries to introduce products of some value with the lower cost. Some new types of paints launched by the companies to attract more customers are; washable odorless interior paints, water based enamels, and antibacterial paints. Besides these, companies have even launched paints with long life guarantee.

PreetiKhicha (2008) in her report have mentioned that over the years, the seasonal aspect of painting a home in India changed and homemakers gradually came to associate painting with home décor and interiors. Choosing a paint brand became a high-involvement category, particularly in the decorative segment with the focus on the brand shifting from the builder to the homeowner. As consumers became more involved in the decision making process, the company understood that an online presence may serve as an important tool to get involved with this new audience.

According to the research of RenuRajaram (2012) in India, paints have traditionally been sold in hardware stores. Most paint brands have followed the retail route of multi-brand stores. However, with the growth of the Indian paint industry, and the recognition of individual brands, reputed players have recognized the need for exclusive outlets/showrooms. The success of these outlets lies in the fact that the consumer can save the time taken to choose between brands, and instead focus on product choice without having to worry about quality. Report on Indian Paint Industry (2013) it has revealed that the growth of the domestic paint industry has resulted from the boom in the housing sector and the strong growth in the automobile sector. Around 70 per cent of the domestic paint industry revenues come from the decorative segment, whereas the industrial segment constitutes around 30 per cent. In 2005, the manufacturing sector has shown good activity with new projects in roads, ports and industrial segments.

## **2.7 Research gap identification:**

From the literature review discussed above, it is observed that there is lack of research attention to study the consumer behavior and brand preference in the paints industry. Out of the available literature, majority have analyzed consumer behavior in purchasing paints from the context of other countries where as it is rare in the existing literature to address this topic from the context of Bangladesh. Although we all know the behavior of consumers varies from one country to another, so this study can add value to the existing literature on the specific topic with the theoretical and practitioner implications of this research for the target audience.

Also the study can be beneficial for the companies in the decorative paints industry to understand the needs and perceptions of their customers and provide them better products and value added services. This will result in customer satisfaction and promote the company's goodwill.

### **3.1 Research Design**

This topic of this report was selected as a required study on RAK paints as part of my three months internship program in the company. This research report has been compiled with the help of literature studies, questionnaire interviews with the respondents as well as observations. The interviews and observations to the empirical part of this report were conducted in Dhaka, during the months of March and April 2017. Whereas the observations had been carried out in local neighborhoods, venues and other points of interest and importance related to the research. After completion of data collection, the appropriate statistical techniques have been used like graphical presentations, descriptive statistics for analyzing the data.

**3.2 Sources of Data Collection:** The study has been conducted using two kinds of data.

- i. Primary Data
- ii. Secondary Data

For primary data, I collected the information from personal interviews with the respondents with a questionnaire and for secondary data; related books, reputed journals and relevant reports available in internet etc. have been utilized to develop this report.

### **3.3 Method of collecting data:**

**3.3.1 Study Location:** Selecting a proper location for survey is very important to make the findings of the study beneficial for the readers. I conducted my survey in Mirpur and Uttarathanna in the Dhaka city.

**3.3.2 Target Population:** For this study, the targeted population was Home/Land Owners, Painters and Architects.

**3.3.3 Sampling methodology and Sample Size:** For carrying out this research with one month's data collection period, sample size included 70 respondents who were selected based on Non-probabilistic convenient (or purposive) sampling. The respondents in the study have been categorized in to three groups, which are mentioned below:

Respondent Category	Number of Respondents
Home owner	23
Painter	24
Architect	23

**3.3.4 Sampling Framework:** Out of 70 respondents, the survey included 23 Home Owners, 24 Painters and 23 Architects with equal allocation process.

**3.3.5 Types of Survey:** I collected my information by Personal Interview and semi-structures questionnaire Survey that included questions related to the research questions in this study.

**3.3.6 Statistical Application:** The data collected from the survey will be analyzed by Microsoft excel applications along with descriptive statistics on the respondents' answers from the questionnaire.

**Table 3: Research Methodology at a glance**

Particulars	Research Design
Research approach	Descriptive
Time reference	Cross-sectional
Sources of Data	Primary & Secondary data
Data collection tool	<ul style="list-style-type: none"> <li>• Primary Data: Personal interviews with the paints users</li> <li>• Secondary data: Literature search in peer reviewed Journals, periodic reports and institutional publications</li> </ul>
Data analysis	Descriptive evaluation to accomplish the research objectives

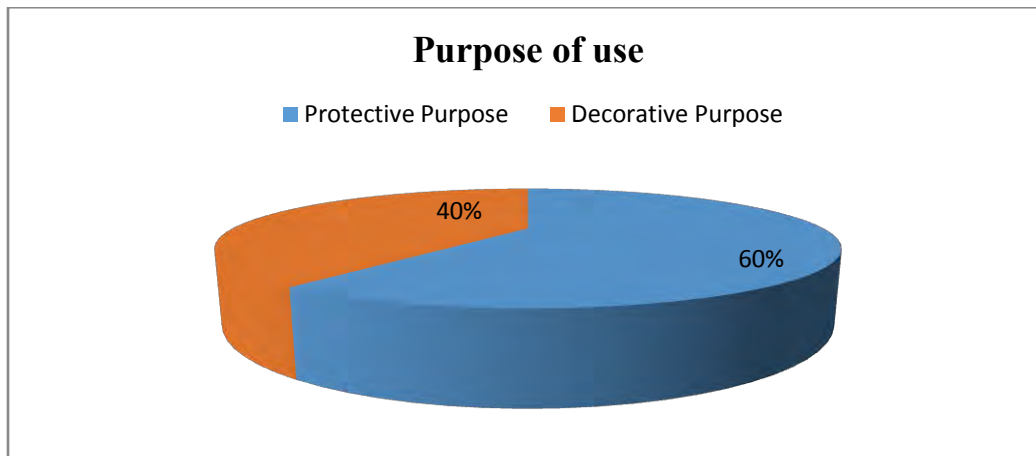
#### 4.1 A person understands by the word of paint:

When asked with the above question, by the word of “paint” people perceives a product which can protect an element from dust and increase its beauty after applying the product.

#### 4.2 The purpose of using paint:

Answer	Respondent Percentage
Protective Purpose	60%
Decorative Purpose	40%

**Interpretation:** Among all the respondents, we can see majority of people using paints for decorative purpose. In addition to this, from the above table, we can see 40% consumers are using paints for decorative purpose and 60% are using for protective purpose. So we can assume that consumers from Bangladesh mainly use paints for protective purpose.



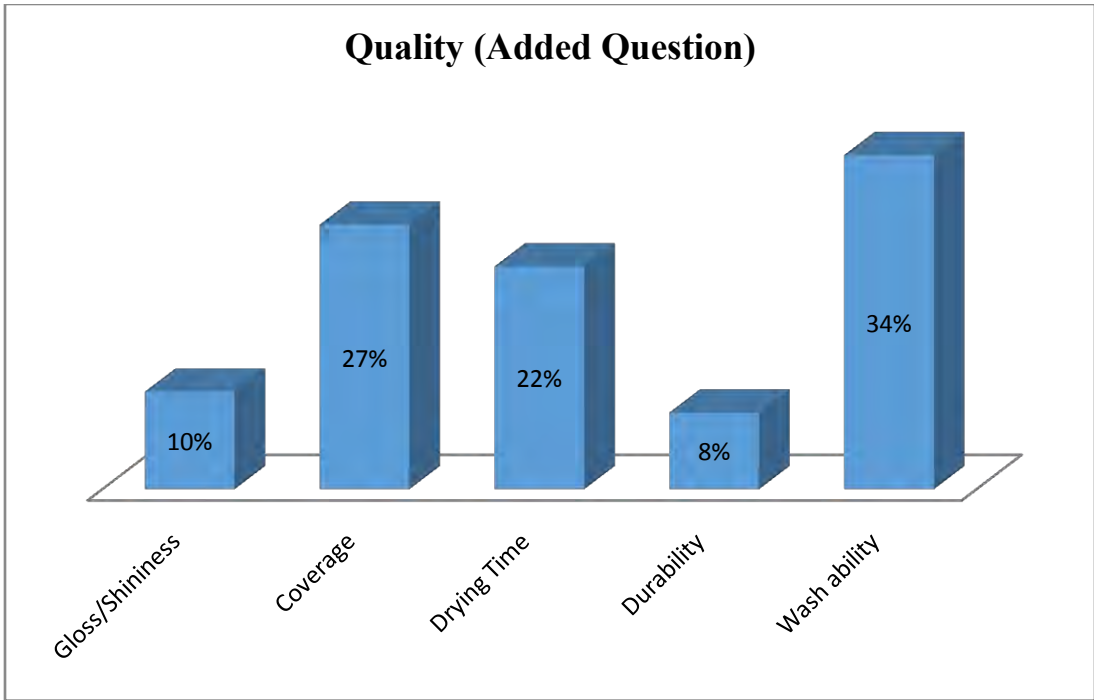
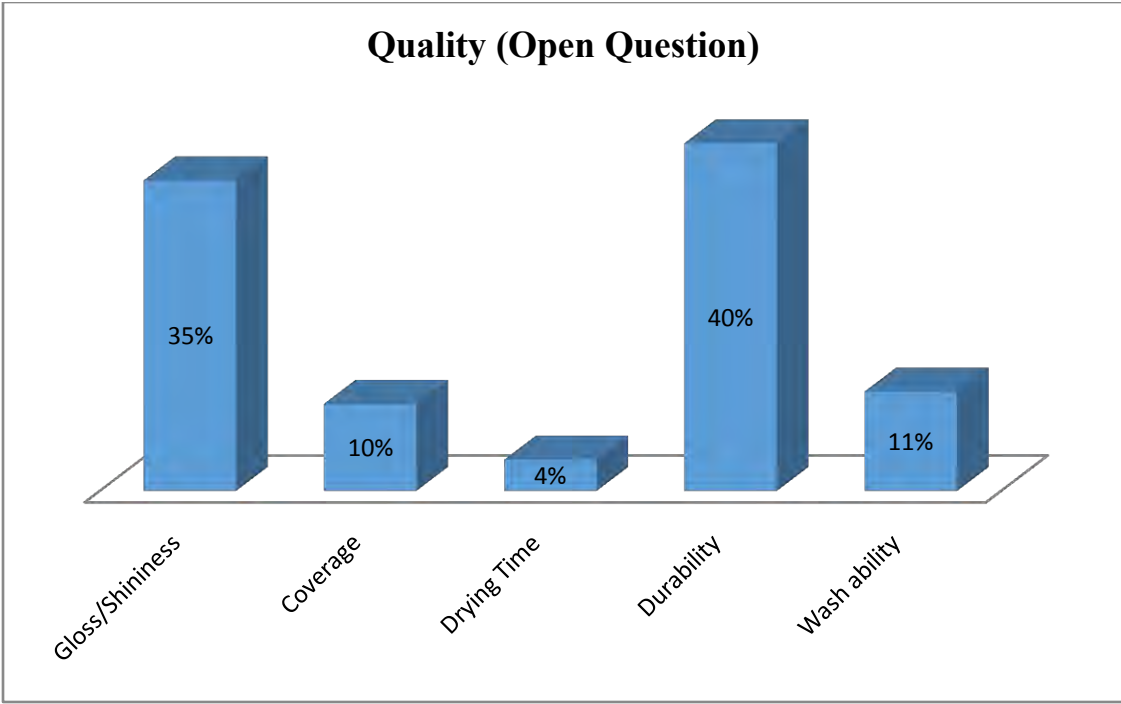
### 4.3 Meaning of decorative paint quality to customers:

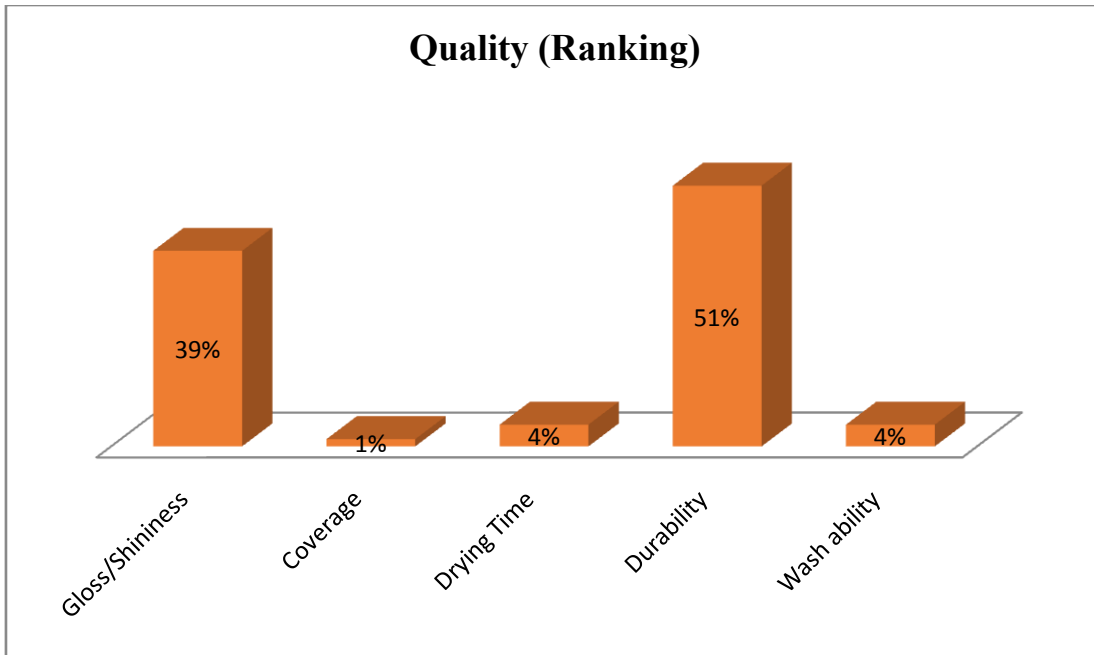
Answer options	Open Percentage	Added Percentage	Ranking Percentage
Gloss/Shininess	35%	10%	39%
Coverage	10%	27%	1%
Drying Time	4%	22%	4%
Durability	40%	8%	51%
Wash ability	11%	34%	4%
Others _____			

**Interpretation:**After asking the meaning of paint quality to the respondents, it has been observed from the survey that, most of the respondents (40%) thinks about durability and then gloss/shiny finish (mentioned by 35% users) as the quality of paints. Few respondents also mentioned about wash ability (11%), coverage (10%) and drying time (4%) as important concerns of paint quality. However, when additional options of paint quality indicators were mentioned to them, then 34% mentioned about wash ability, 27% of the respondents mentioned about the coverage and 22% preferred drying time of the paints.

Then the respondents were asked to rank down these quality elements, here durability came out as the top priority for 51% respondents, 39% selected gloss/shiny finish, 4% said wash ability and drying time as the most important quality concern for them.







**Question for End users/ Home Owner (Q: 4.4-4.8)**

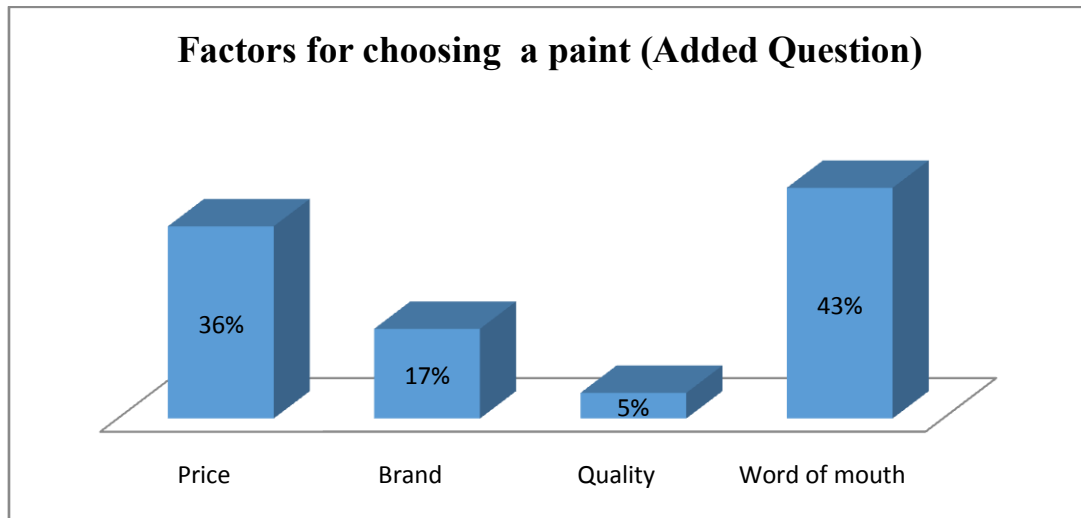
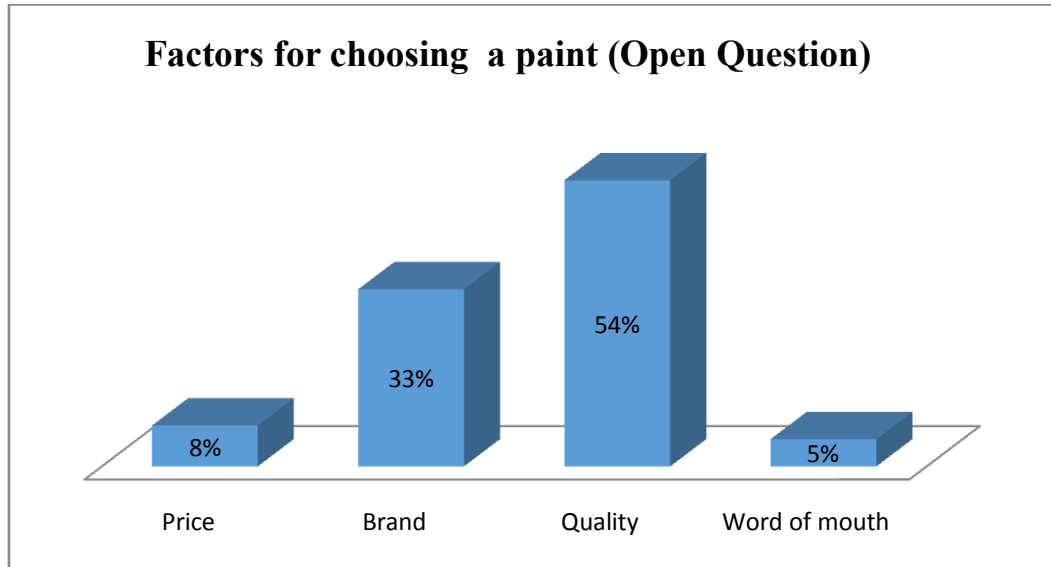
**4.4 Factors during choosing paints for end users/home owners:**

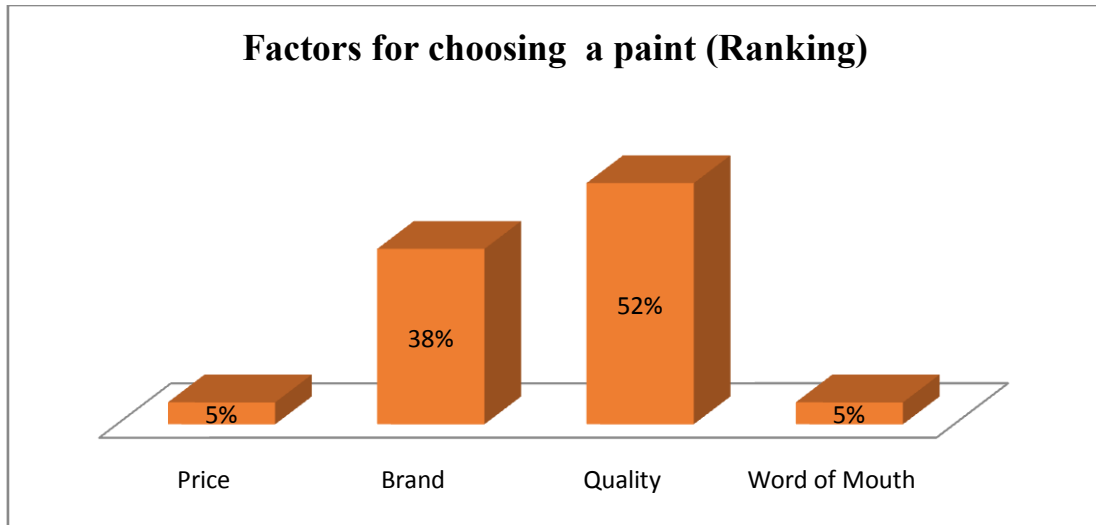
Answer Options	Open Percentage	Added Percentage	Ranking Percentage
Price	8%	36%	5%
Brand	33%	17%	38%
Quality	54%	5%	52%
Word of mouth/Reference	5%	43%	5%
Others _____			

**Interpretation:**

When the home owner respondents were asked with the question about their preference about the factors while choosing paints, majority (54%) of them preferred quality, then 33% respondents preferred Brand image and 8% of them mentioned about price as a factor for selecting the paints. Additionally when the consumers were asked to select other options from the given ones, they mostly preferred word of mouth reference (43%) of the paints. In this regard, price was mentioned by 36% respondents and Brand image was concerned by 17% respondents. In case of ranking the features for selecting paints

products, Quality came as the first priority (preferred by 52% respondents), then comes Brand image (preferred by 38% respondents), and then Price and word of mouth reference were preferred by 5% respondents in both case.

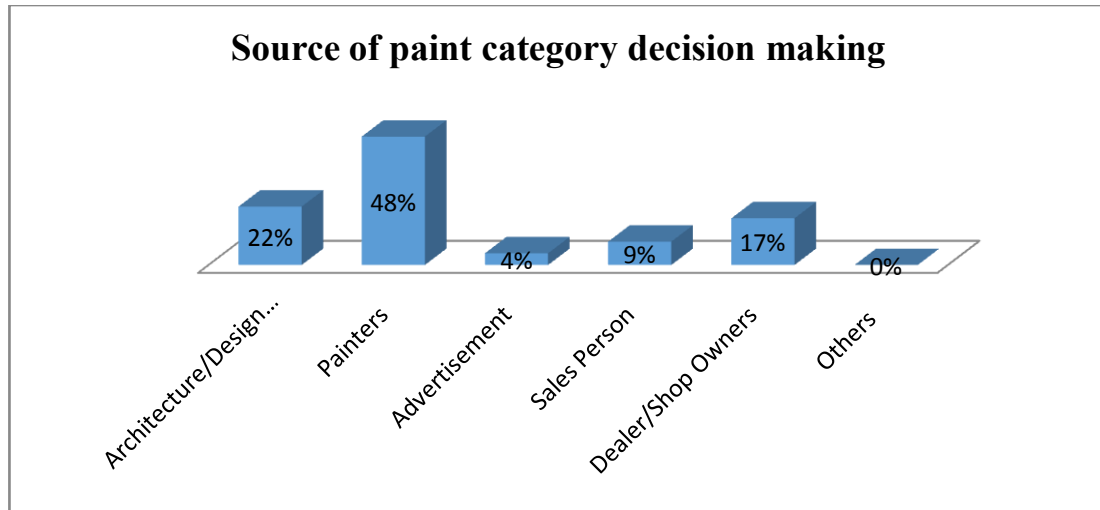




#### 4.5 Source of Paints category decision making:

Answer	Respondent Percentage
Architect/Designer	22%
Painters	48%
Advertisement	4%
Sales Person	9%
Dealers/Shop Owners	17%
Others	0%

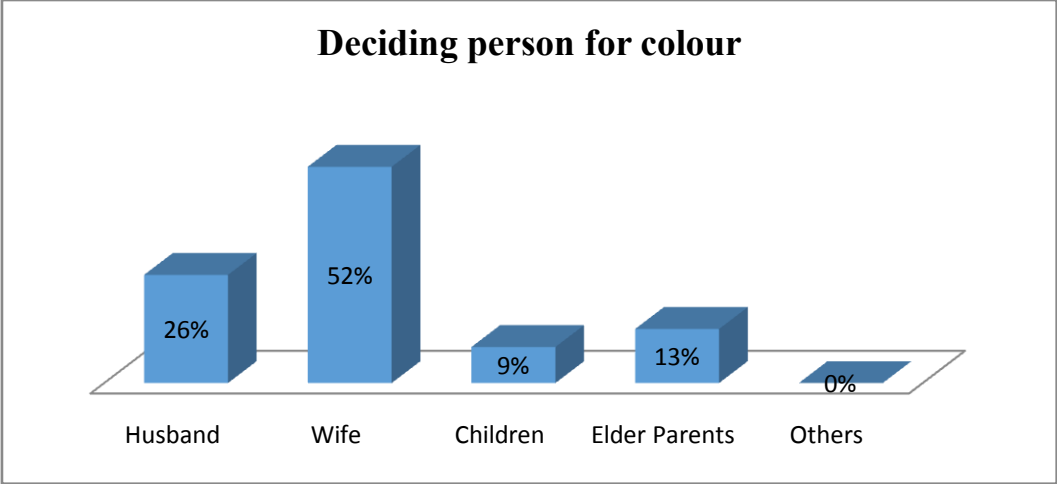
**Interpretation:** Among the end user respondents, we can see most of the customers (48%) depend on painter for selecting the paint categories, then 22% depends on Architect/Designer's opinion and 17% relies on dealers/ shop owners reference. Paint is a chemical product and purchased by household users on very few occasions. Painters are the only group of people who generally work with this type of paint products. So customers depend on the opinions and technical information derived from the painters mostly for selecting the paint categories.



#### 4.6 Paints color deciding person:

Answer	Respondent Percentage
Husband	26%
Wife	52%
Children	9%
Elder Parents	13%
Others	0%

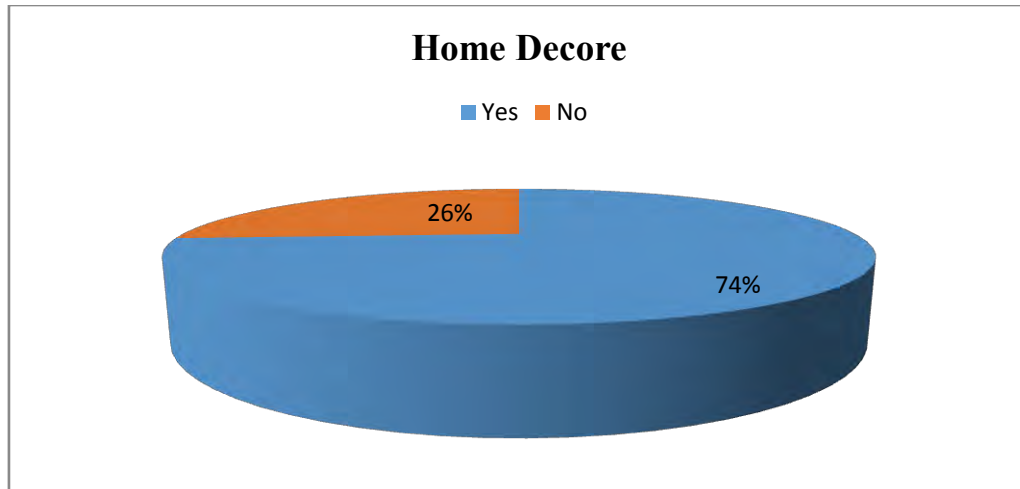
**Interpretation:** According to the home owner respondents, we can see that in most of the cases (52%), wives take the purchase decision during choosing the color of the wall paint at home. Then the husbands (in 26% cases) and older parents (in 13% cases) take the decision in this regard. Also it has been observed that in 9% cases children of the family are also included in paint color selection process, since now paint companies also offering colorful varieties of paints targeting the families with kids.



**4.7 Acceptance of “Home Décor” service:**

Answer	Respondent Percentage
Yes	74%
No	26%

**Interpretation:** From the above mentioned table, we can see that a large majority (74%) of respondents want to try the new service which is called “Home Décor”. Though it will cost higher than the pricings of usual paintings but they will accept this service for better value and updating their living standard.



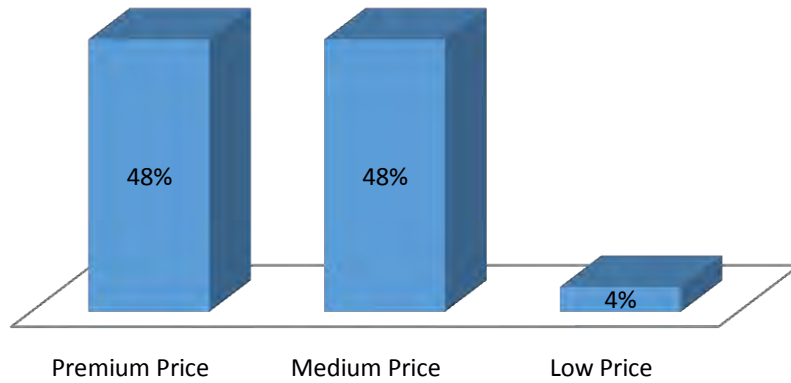
#### 4.8 The amount of budget for buying decorative paint products:

Product Segmentation	Price Segment	Exterior	Interior
Water Based Paint	Premium Price	48%	35%
	Medium Price	48%	65%
	Low Price	4%	0%
Enamel Paint (Solvent/Oil Based)	Premium Price	26%	17%
	Medium Price	74%	74%
	Low Price	0%	9%

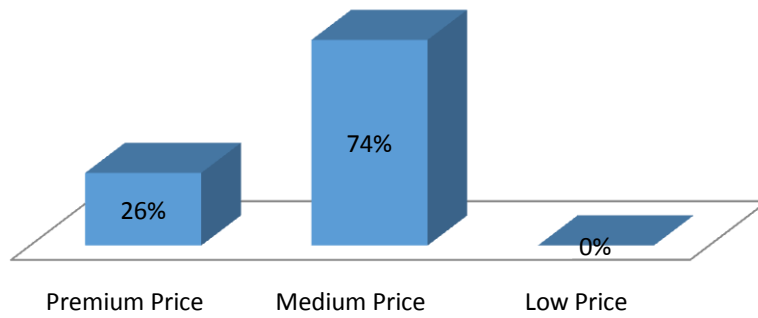
**Interpretation:** From the survey respondents we can observe that 48% of the consumers are willing to spend money for paints at premium price range and 48% consumers preferred medium range priced paints and only 4% spends on low price product for their water based exterior paints.

On the other hand, 35% consumers spend for premium range, 65% for medium range for water based interior paints. For the solvent based paints, 26% consumers prefer premium price, 74% customers mentioned about medium price paints in the enamel exterior paint category. We can also see that for enamel interior paints, 17% respondents spend for premium paints products, 74% for medium ranged paints and 9% are willing to spend for low price paints products.

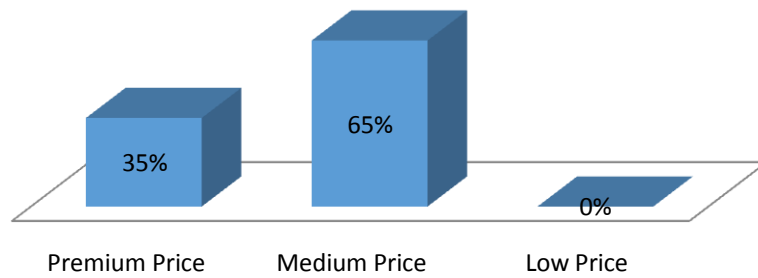
### Water Based Paints (Exterior)



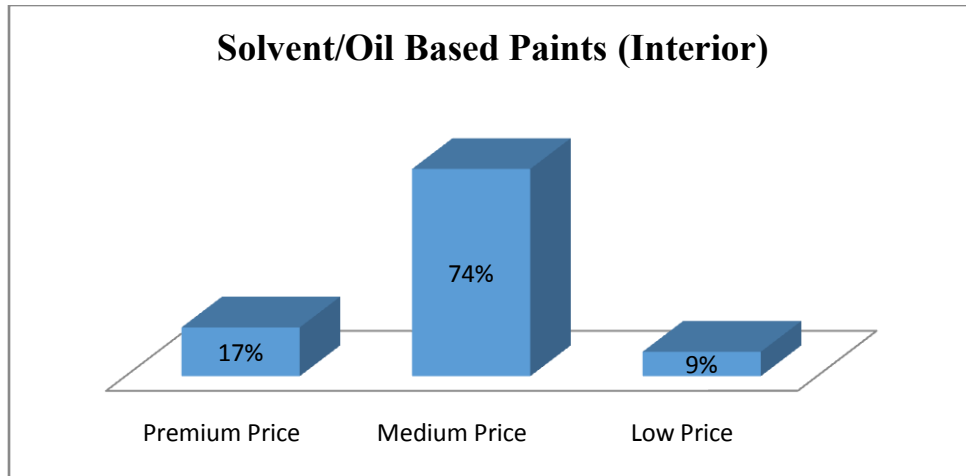
### Solvent/Oil Based Paints (Exterior)



### Water Based Paints (Interior)





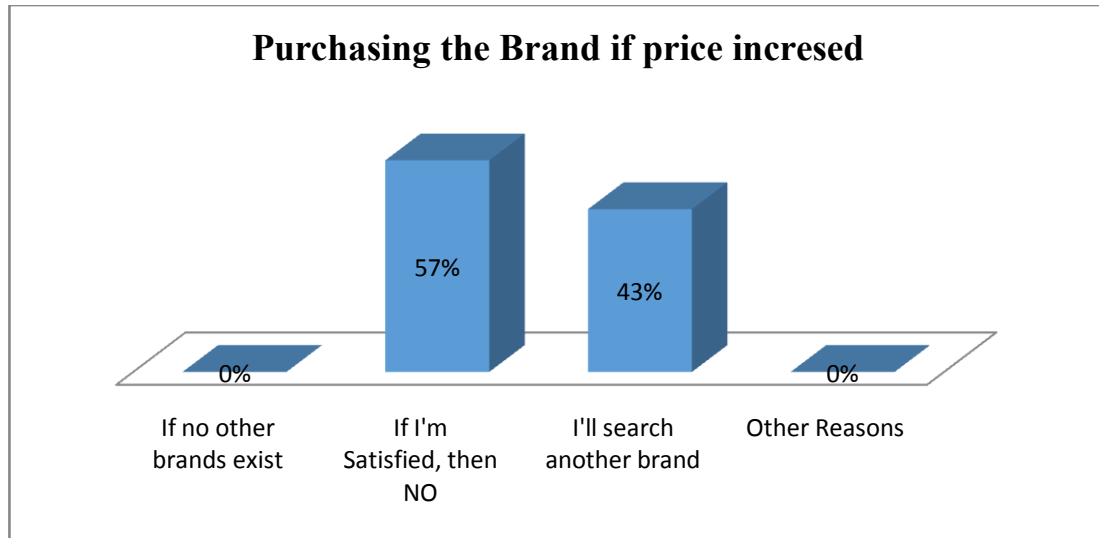


#### 4.9 Purchasing the Brandif price is increased:

Answer	Respondent Percentage
If no other brand exist	0%
If I'm Satisfied, then NO	57%
I'll search another brand	43%
Others reasons	0%

#### Interpretation:

From the survey, it has been noticed that when they are asked regarding the increase of price in their current usage of paint brands, the majority of the respondents mentioned that they will continue to use the brand if they are satisfied with it. In this case, 43% said they search for another brand due to raise in the price level.



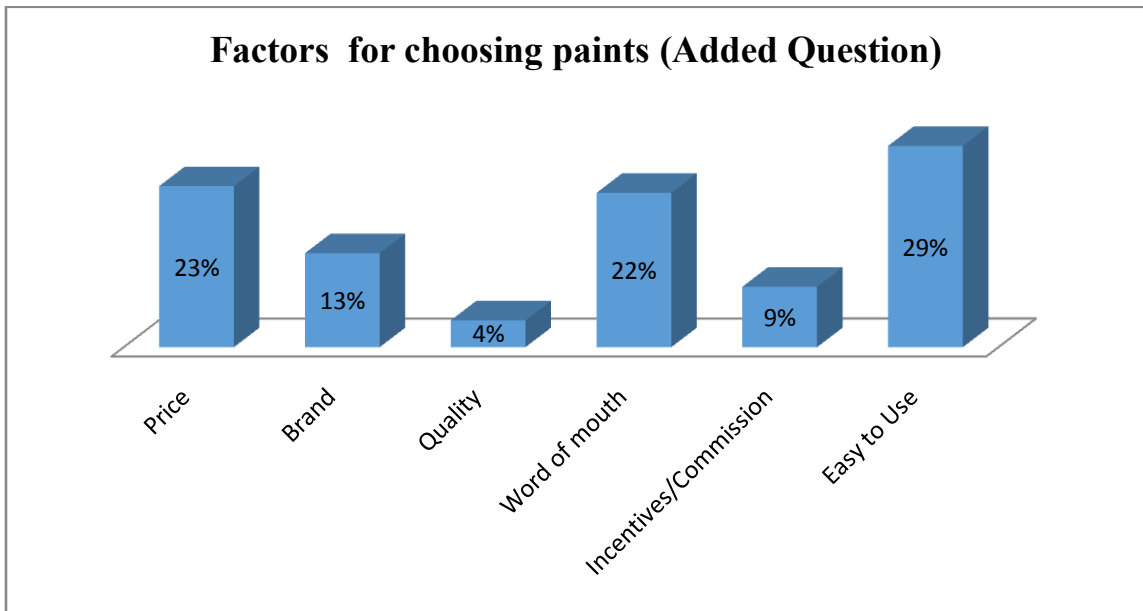
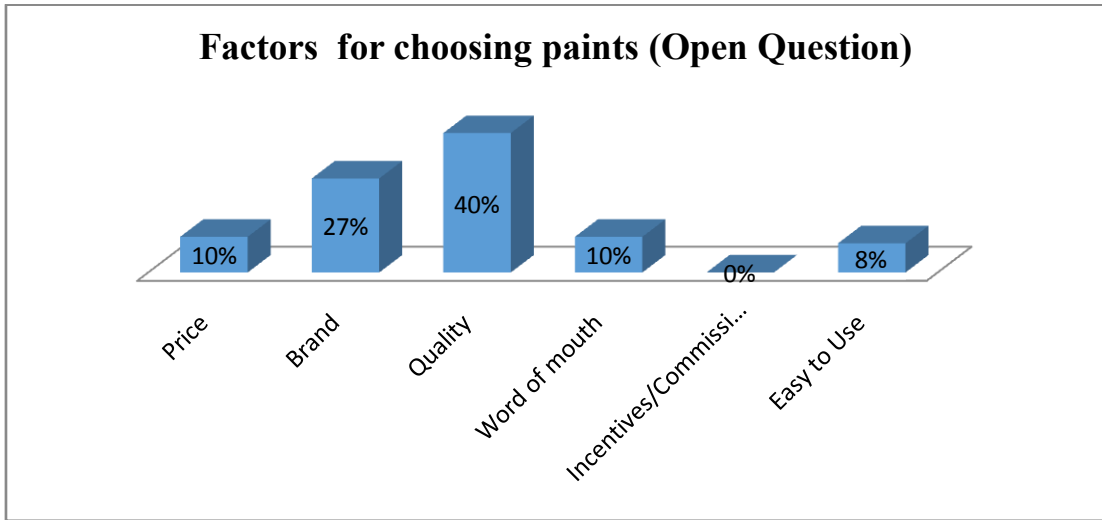
**Question for Painters, Designers and Architects(Q: 4.10)**

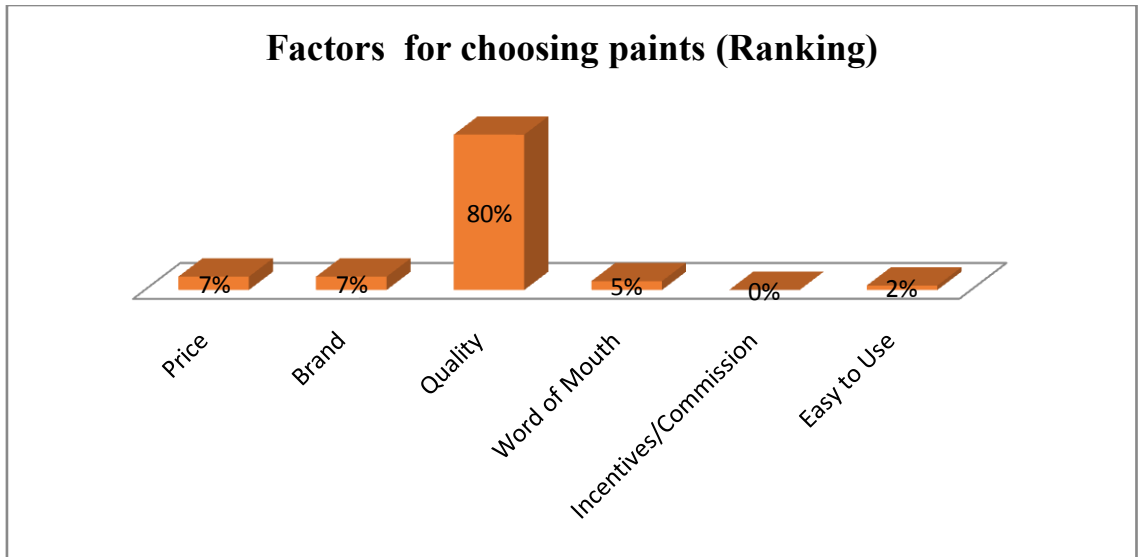
**4.10 Factors during choosing paints for painters, designers & architects:**

	Open Percentage	Added Percentage	Ranking Percentage
<b>Price</b>	10%	23%	7%
<b>Brand</b>	27%	13%	7%
<b>Quality</b>	40%	4%	80%
<b>Word of mouth</b>	10%	22%	5%
<b>Incentives/Commission</b>	0%	9%	0%
<b>Easy to Use</b>	8%	29%	2%
<b>Others _____</b>			

**Interpretation:** After asking the painters and architects about the factors for choosing paints, it was observed that that 40% respondent choose quality and 27% prefers brand. But when they were asked about the other options in selecting paints, they preferred Ease of use (for 29% respondents), price (23%) and word of mouth reference (22%).

From answers of the ranking the factors for choosing paints, it has been noted that,80% preferred quality, 7% mentioned brand and price and 5% said word of mouth as the most important factors for them during choosing paint.





#### 4.11 Brand promotional medium for RAK Paints:

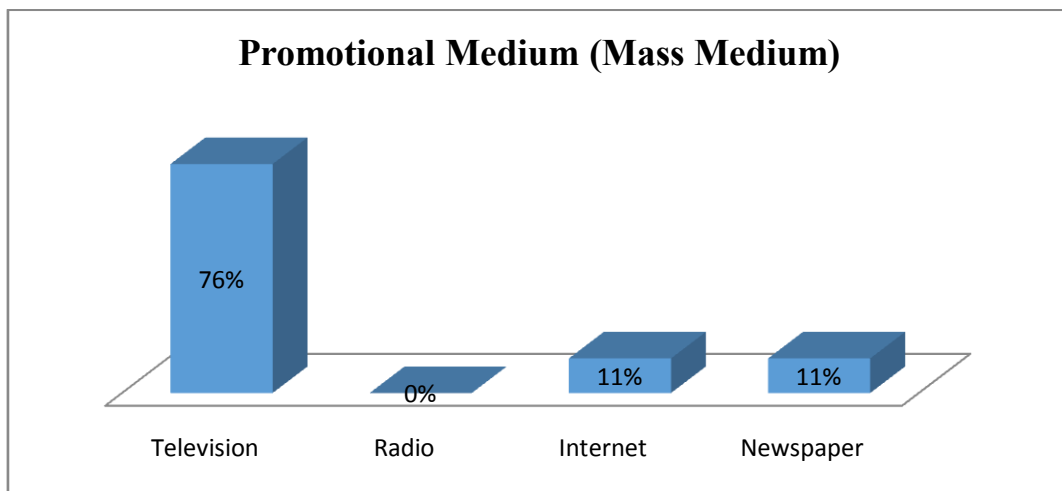
Mass Media	Respondent Percentage
Television	76%
Radio	0%
Internet	11%
Newspaper	11%

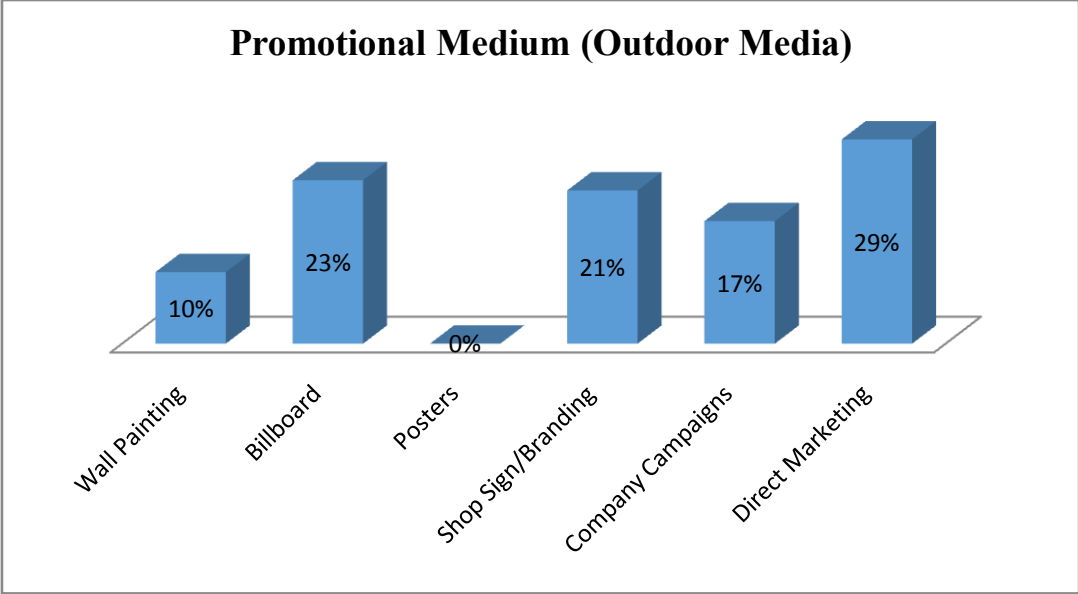
**Interpretation:** From the above table, we observe that, according to the given information on medium of awareness of product/brand of paints through promotional mediums, we can notice that most of the people, 76% get the product information from television media.

Outdoor Media	Respondent Percentage
Wall Painting	10%
Billboard	23%

Posters	0%
Shop Sign/Branding	21%
Company Campaigns	17%
Direct Marketing	29%

**Interpretation:** From the above table on awareness of product/brand of paint through outdoor promotional mediums, we see that most of the people (29%) get the product information from direct marketing activities, 23% mentioned Billboard and 21% said that shop sign branding helps them to get aware on the paints brands.

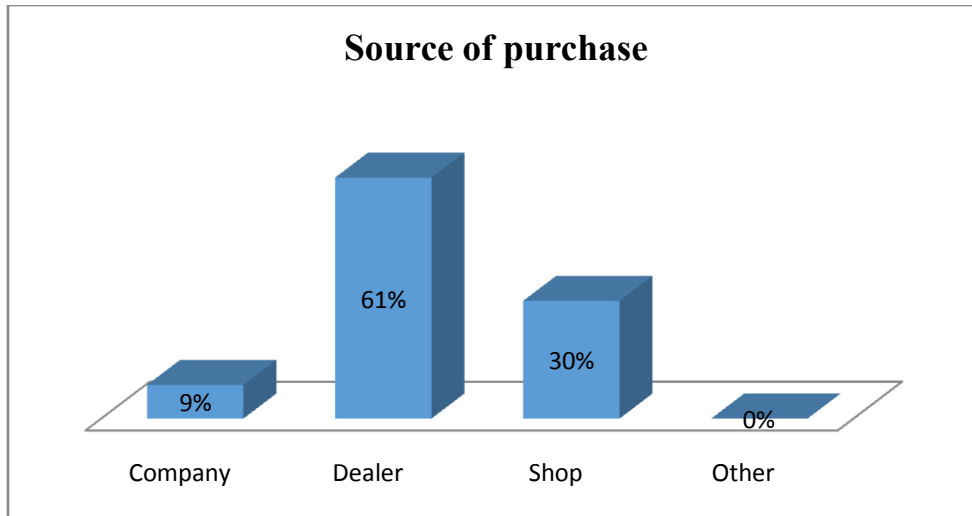




**4.12 Source of purchase:**

Buying Points	Respondent Percentage
Company	9%
Dealer	61%
Shop	30%
Others	0%

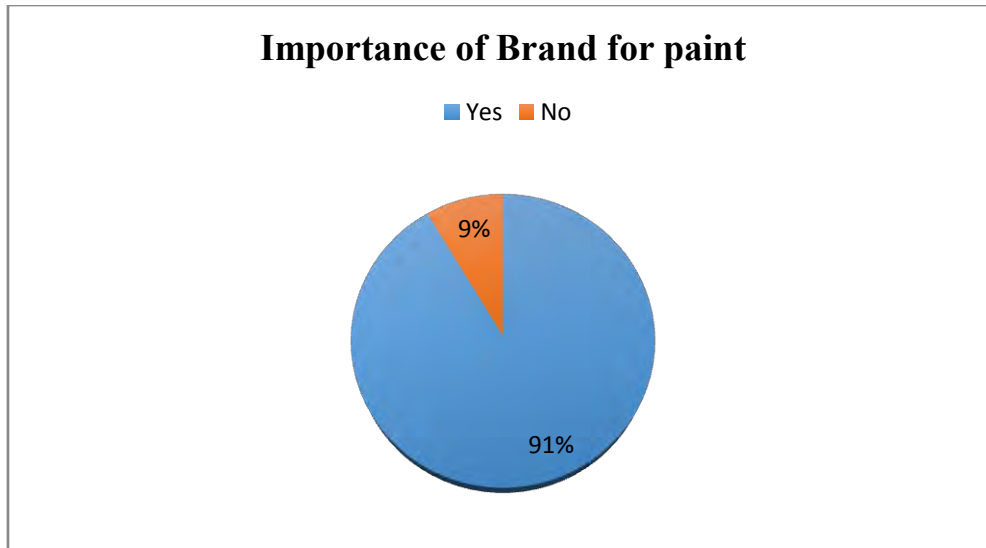
**Interpretation:** We can see from the table on source of purchase, most of the respondents purchase the paints from dealers and 30% of them buy from the shops. However 9% respondents (particularly the architectures/ designers from interior design firms) mentioned that they prefer buying from the company,.



#### **4.13 Importance of brand for paints to customers:**

<b>Answer</b>	<b>Respondent Percentage</b>
Yes	91%
No	9%

**Interpretation:** From the survey, 91% of the respondents think using a brand name for purchasing and using paints is very important for the customers as well as for the company.



#### 4.14 Factors during choosing paints brand:

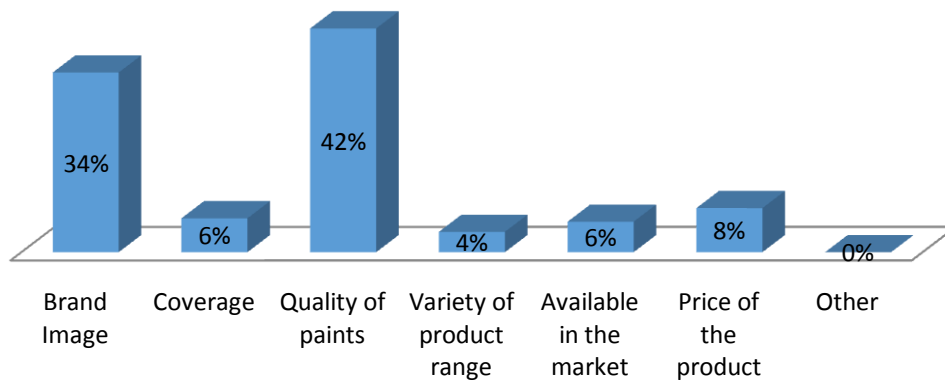
Attributes	Open Percentage	Added Percentage	Ranking Percentage
Company/Brand Image	34%	4%	17%
Coverage	6%	19%	3%
Quality of paint	42%	2%	76%
Variety of product range	4%	30%	0%
Available in the market	6%	28%	3%
Price of the product	8%	18%	1%
Others	0%	0%	0%

**Interpretation:** After asking about the factors during choosing brand, the survey reveals that most of the respondents choose quality (preferred by 42% users) and brand image (preferred by 34% users). However, they were asked about some other qualities which they did not mention initially, 30% respondents mentioned paints variety and 28% preferred availability of the products as factors of selecting paints.

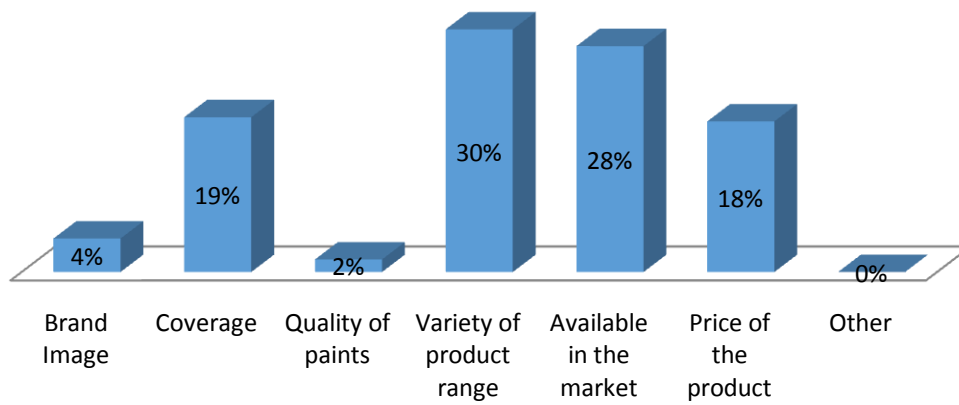
From the question of ranking these factors, result shows that 76% people give priority to quality, 17% selected brand image, 3% availability and coverage as the most important factors for them during choosing brand.



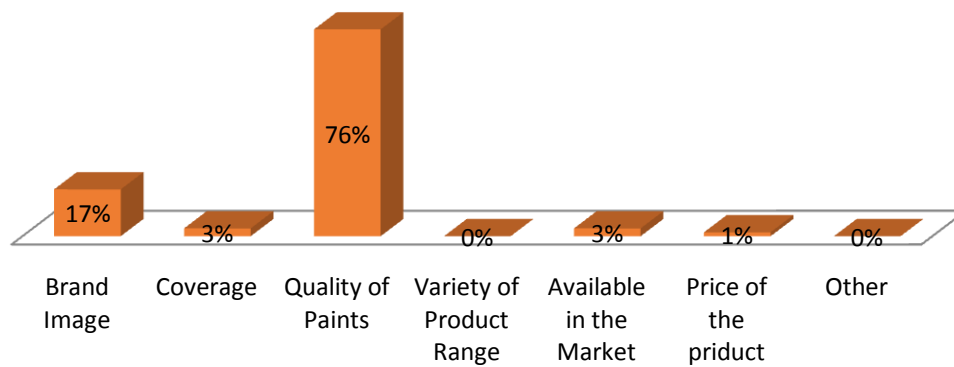
### Factors for choosing brand (Open Question)



### Factors for choosing brand (Added Question)



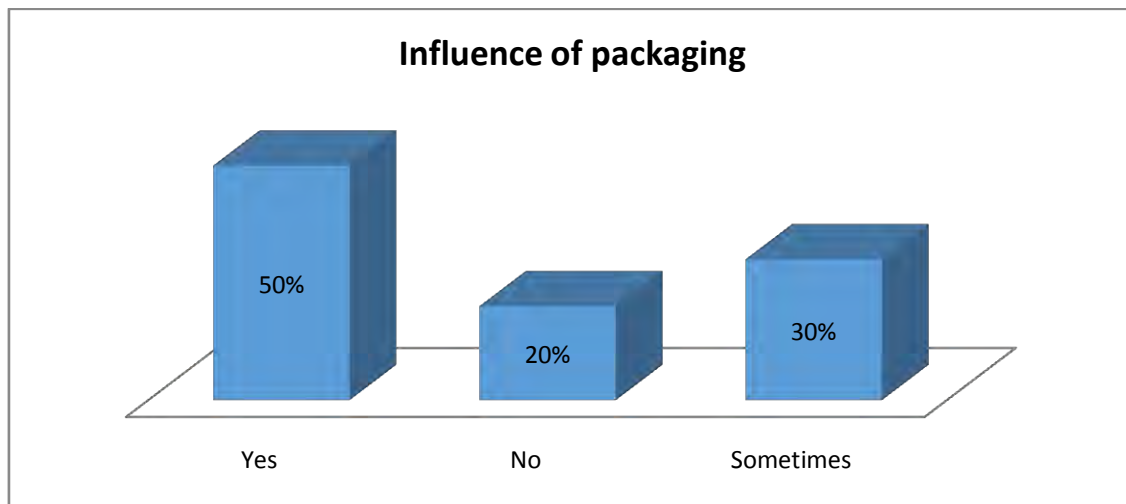
### Factors for choosing a brand (Ranking)



#### 4.15 Influence of packaging:

Answer	Respondent Percentage
Yes	62%
No	19%
Sometimes	19%

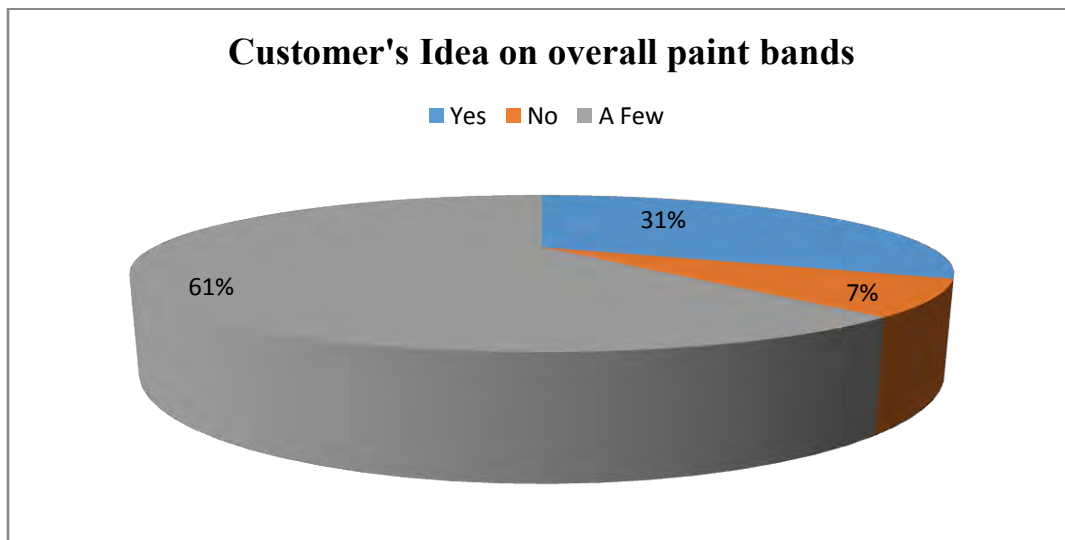
**Interpretation:** From the survey we can see that 62% of the respondents get influenced by the packaging outlook and features during purchasing paints. So giving a good packaging for a paint product is very important to influence the customers buying decision.



#### 4.16 Customer's idea on Bangladeshi paint brands:

Answer	Respondent Percentage
Yes	42%
No	4%
A few	54%

**Interpretation:** From the research we came to know that 42% of the respondents have an idea of brands in the paints industry of Bangladesh. Majority of the respondents (54%) are aware about a few paints brands in the country.



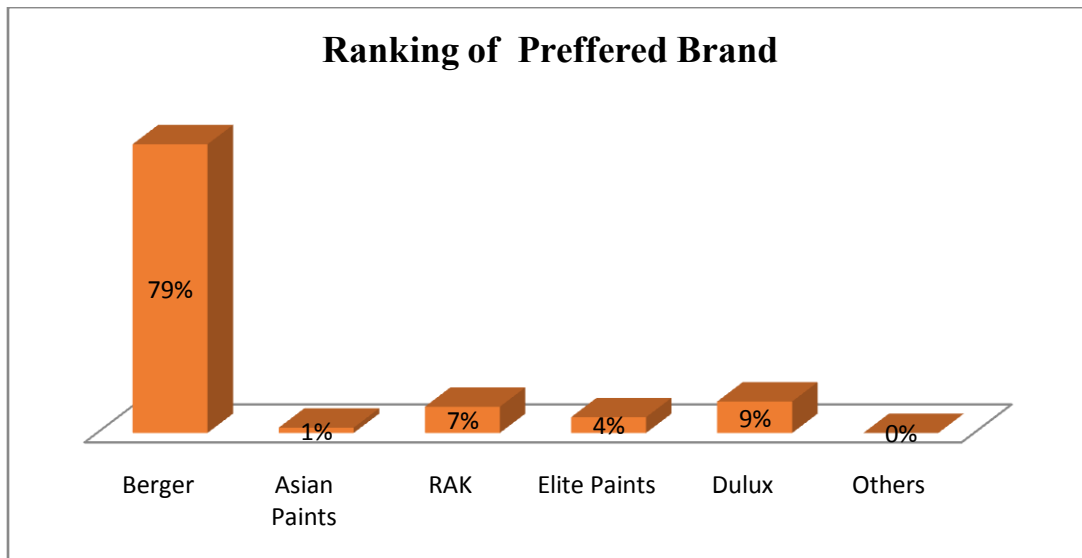
#### 4.17 Customers most preferred brand:

**Interpretation:** For this open ended question, almost every respondent said their preferred paints brand is Berger. Whether they are using this brand or not, Berger is popular as a leading brand in the paints industry. Although, a few respondents also mentioned about Asian Paints, Dulux as their brand of choice.

#### 4.18 Ranking of paint brands of Bangladesh market:

Brand	Rank of Paint Brands
Berger	79%
Asian Paints	1%
RAK	7%
Elite Paints	4%
Dulux	9%
Others	0%

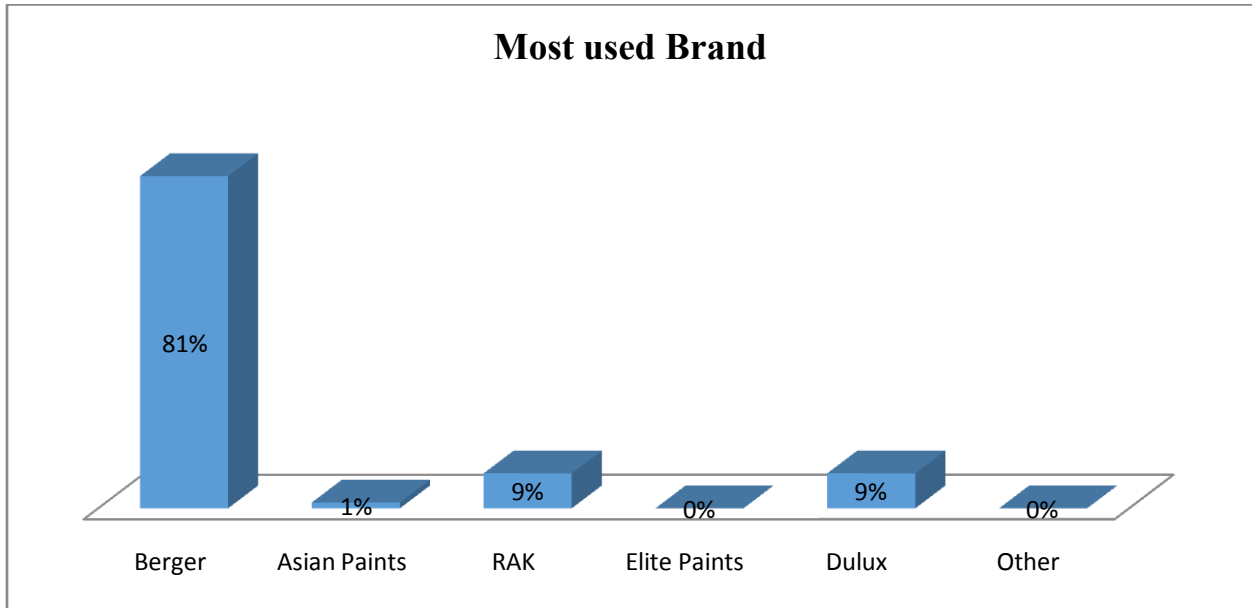
**Interpretation:** From the above mentioned analysis on paint brands ranking, we can observe that, 79% of the respondents rank Berger as number one, 9 % prefers Dulux and 7% prefers RAK paints as their first choice.



#### 4.19 Customer's most used brand:

Brand	Used/Using Brand Percentage
Berger	81%
Asian Paints	1%
RAK	9%
Elite Paints	0%
Dulux	9%
Others	0%

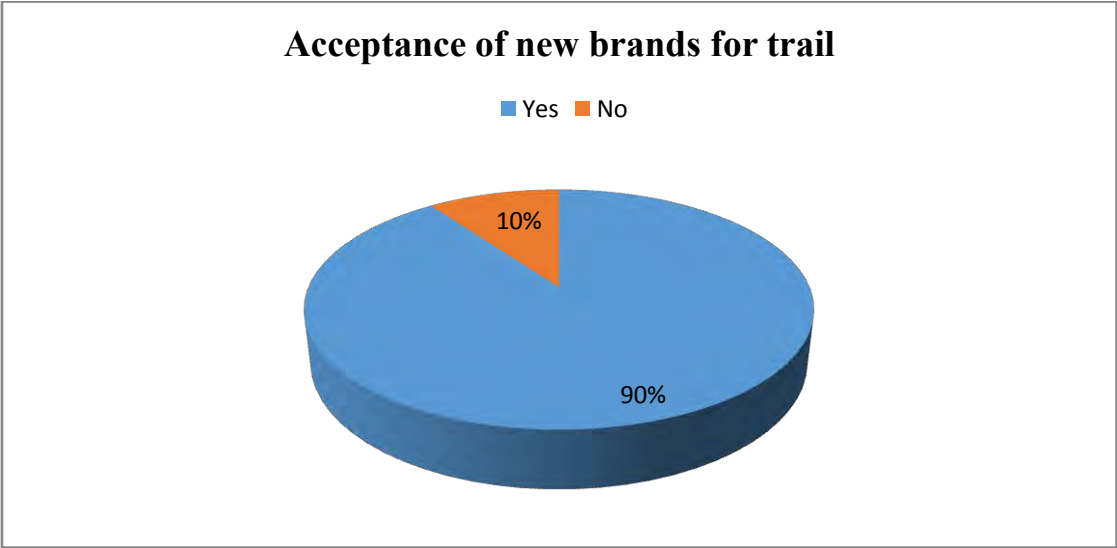
**Interpretation:** Among my respondent we can see most of the people used or using Berger for their painting purpose. Because Berger is the market leader of the Bangladesh paint industries. On the other hand we can see RAK and Dulux both are leading the same share of paints market.



**4.20 Customer acceptance of new brand for trial:**

Answer	Respondent Percentage
Yes	90%
No	10%

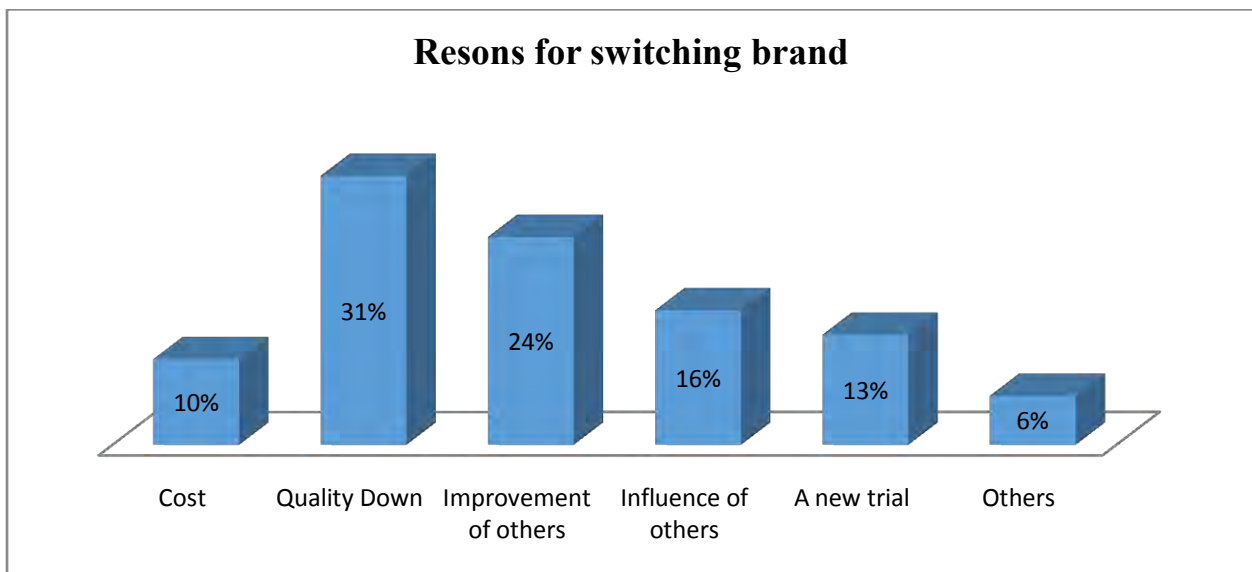
**Interpretation:** Most of the respondent from the survey said that they are willing to try new paints brands for trial purpose. Since variety of color was a preferred feature for some of the respondents in question no. 13, from this context, respondents may think of trying new varieties of paint colors.



#### 4.21 Reasons for switching brands:

Reasons	Respondent Percentage
Cost	10%
Quality Down	31%
Improvement of other brands	24%
Influence of others	16%
A new trial	13%
Others	6%

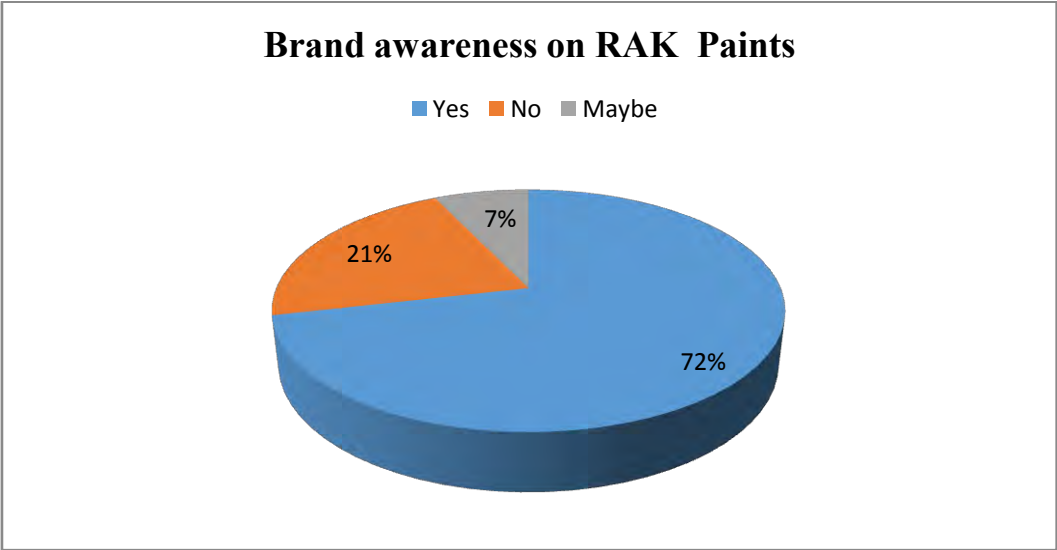
**Interpretation:** There are lots of paint brands available in the market. So the switching probability is high among the customers. The survey reveals that there are some reasons for switching the brands. From the above analysis, we can see that the mostly mentioned reason for brand switching is decrease in quality (31% cases), product improvement in other brands(24% cases) and getting motivated or influenced by others (in 16% cases). Some of them also switch brands for increasing cost and for a new brand trial.



**4.22 Brand Awareness of RAK Paints:**

Answer	Respondent Percentage
Yes	72%
No	21%
Maybe	7%

**Interpretation:** From the survey, we can see that 72% people know the RAK Paints brand which is a positive fact for the company since it is relatively a new comer in the paints industry comparing with the leading brands in the country.

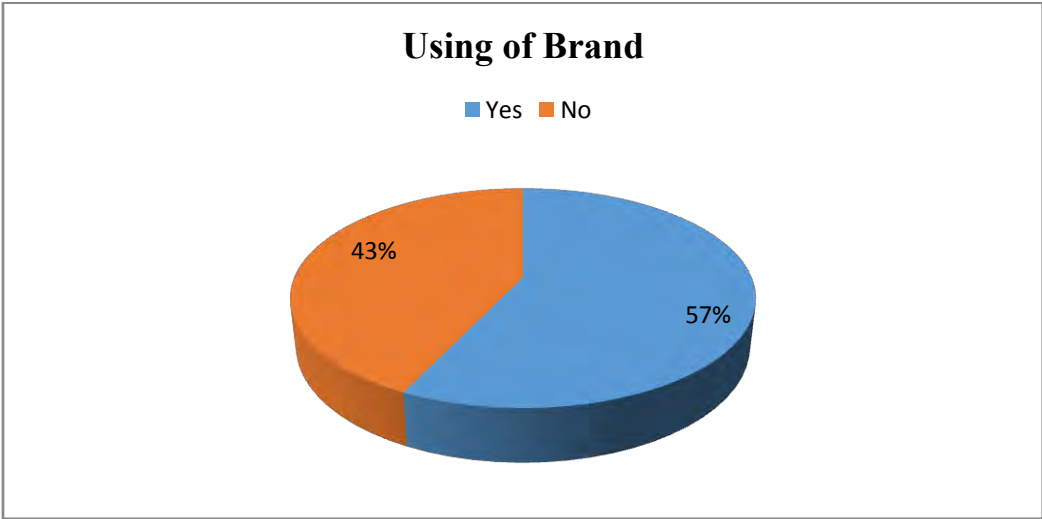




**4.23 Customer’s Usage of RAK Paints:**

Answer	Respondent Percentage
Yes	57%
No	43%

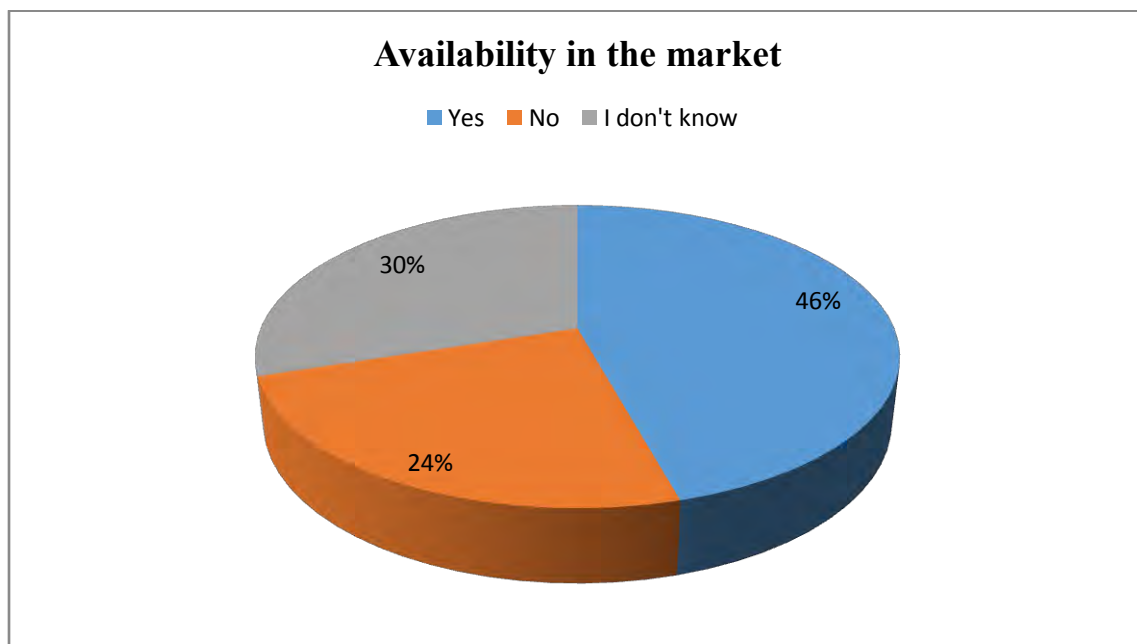
**Interpretation:** From the respondents of the survey, we found that 57% customers used or using the brand RAK Paints. It can be noted here that most of the painters used it for trial purpose to develop an idea about the products of RAK Paints.



#### 4.24 Availability of RAK Paints in the market:

Answer	Respondent Percentage
Yes	46%
No	24%
I don't know	30%

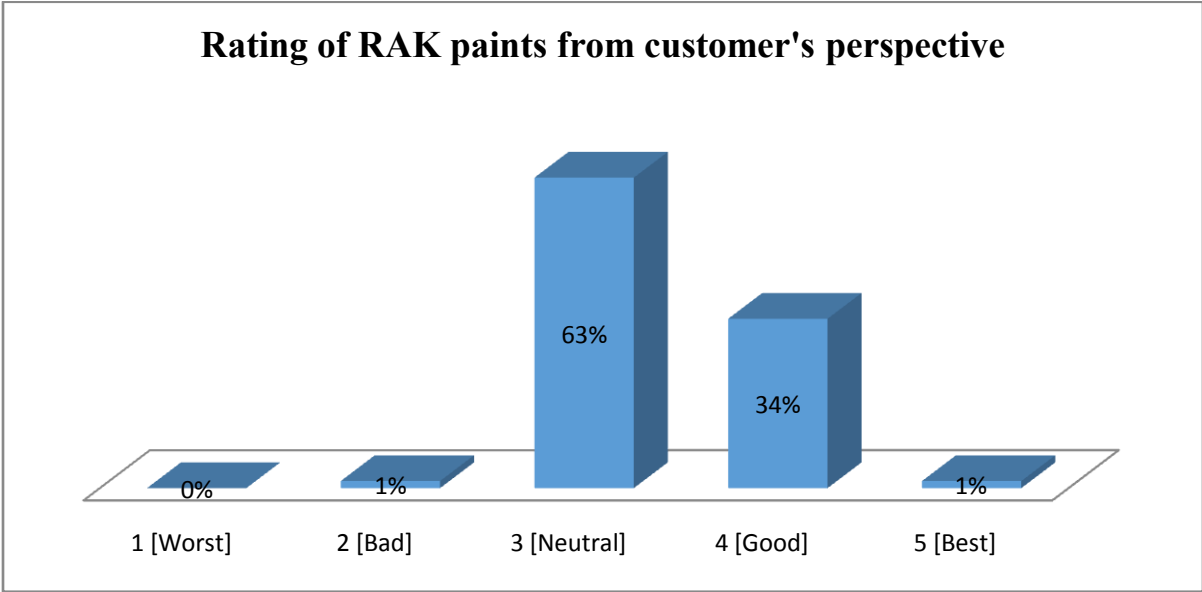
**Interpretation:** According to the respondents, 24% people said RAK Paints is not available in the market and 46% people mentioned about the availability of RAK paints. Rest of people (30%) said that they are not aware about RAK paints availability.



**4.25 Rating of RAK Paints from customer’s perspective:**

Reasons	Respondent Percentage
1 (Worst)	0%
2 (Bad)	1%
3 (Neutral)	63%
4 (Good)	34%
5 (Best)	1%

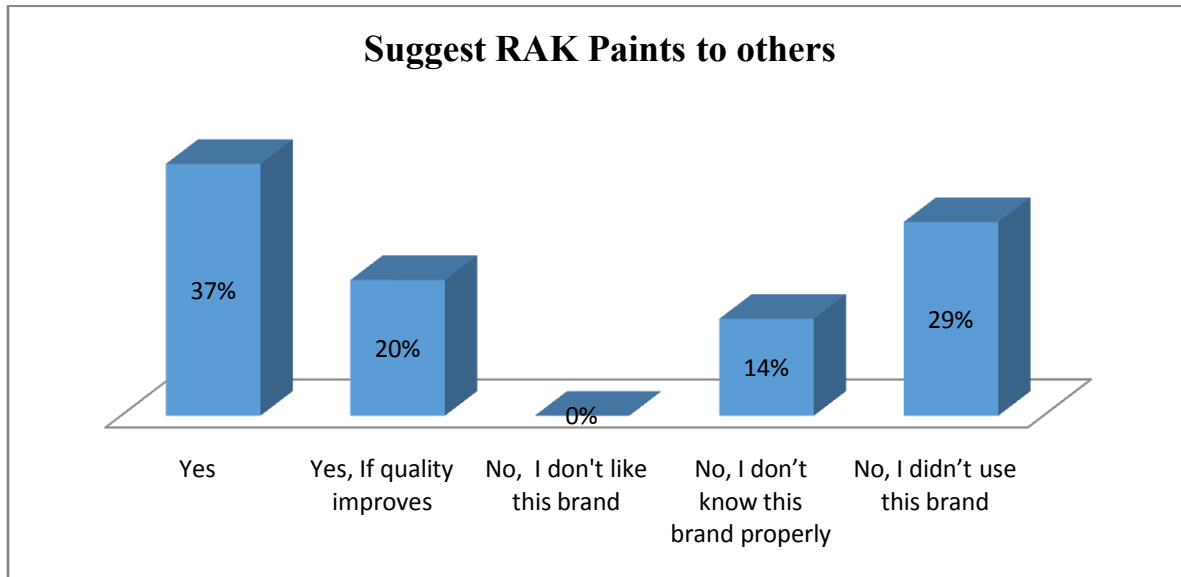
**Interpretation:** Here we observe that, majority of the people rated RAK Paints as 3 (neutral). That means they are rating the brands’ performance as “average” that is neither good nor bad. However, 34% respondents rated this brand as “good”.



#### 4.26 Customer’s willingness for suggesting RAK Paints to others:

Answer	Respondent Percentage
Yes, I will suggest	37%
Yes, if quality improves	20%
No, because I do not like this brand	0%
No, I do not know this brand properly	17%
No, I did not use this brand	29%

**Interpretation:** From the survey result, we observe that, 37% of the respondents said they will suggest others to buy RAK Paints. Also 20% respondent provided their opinion that they will suggest this brand if RAK Paints improves the quality of their paints. But 29% respondent said they will not suggest this brand because they did not use its products.



## **Findings of the Study:**

- From the respondent we can see by the word of paint people understand that product, which can protect an element from dust and increase beauty. Also they mentioned most of the people use paints for protective purpose.
- The study revealed that majority of the people think durability is the most important quality for paint. But except durability they also gave importance on gloss/shiny finish.
- In the paint industry market the end users consider quality and brand as the most preferred factor for choosing paints. In addition to this, they also think about word of mouth reference and price of the products in this regard. But when they were asked to rank the factors for choosing paint, respondents considered gloss/shiny finish and durability as important factors in this case.
- Since the end users are less aware of the usage of painting products category, so they take purchase information and suggestions mostly from painters, then from the architects/designers and dealers.
- During choosing color of the paint by home owners, wife takes decision in most of the cases. Also, the husbands are involved in the purchase decision. The respondents mentioned that they would like to take Home Décor service though it will take extra charge.
- The survey results indicated that respondents are willing to spend premium and medium range budget mostly for exterior water based paints and medium price ranged amount for buying exterior enamel paints. On the other hand they are willing to spend medium range price for water based and enamel paints products in case of both interior and exterior section. Also they said they if they remain satisfied with the existing brand, they will not switch to another brand in case of an increase in price.
- In the paint industry market the painters and architects mostly consider quality than other factors for choosing paint. But they also think about easy to use, word of mouth price as secondary factors for paints selection. When they were asked to rank the factors for choosing paints, quality got highest ranking point from the painters and architects.

- In case of brand awareness on paints products, most of the people get information about the product from television. In addition to this direct marketing, billboard, shop sign branding help people to get aware about paints brands.
- From the question about the importance of brand & a good packaging of paint products, most of the respondents agreed that the brand and packaging for paint products is very important. However when they were asked to rank down the attributes which influence them during choosing a brand, quality got the highest rating from the respondents. Besides quality, there are few more attributes which help the customers to choose a brand. They are brand image, variety of product range, availability in the market and paints coverage.
- When the respondents were asked about the brand awareness of overall paint brands of Bangladesh, it has been found that only painters and architects has the knowledge of overall paint brands and rest of the respondents who were home owners do not have proper brand knowledge in this regard.
- Most of the people choose Berger Paints as their preferred brand and this brand is the mostly used brand. However, the names of Asian Paints, Dulux were also mentioned by some respondents.
- Majority of people said they would like to accept new brands as trial test and the main reasons for switching brand are quality decline of existing brand, product improvement from other brands, influence by word of mouth reference and willingness to try a new brand.
- After asking about the brand awareness of RAK Paints, most of the people said that they know and heard about this brand and most of them are using it. But it is also mentioned by them that RAK Paints is not widely available in the market like their competitor Berger Paints.
- From the respondent, majority of the people rated RAK Paints as 3 (neutral). That means they are rating the brands' performance as average. But most of the painters said that they will suggest RAK Paints to others and architects mentioned to do this if RAK Paints improve their product quality, otherwise they may switch to the other brands. On the other hand, majority of home owners said, they will not suggest this

brand to others because they do not have proper knowledge and did not use this brand earlier.

- At the end of the survey, they suggested RAK Paints to improve the quality of paints, arrange better after sales service and create more brand awareness and promotional activities for the betterment of the company.

## **Conclusion:**

The increasing number of companies in Bangladesh paint market highlights the areas of promising growth potential in the industry. The Bangladesh paint industry has begun to look more like the FMCG industry where branding, distribution strength and innovative use of technology have become decisive aspects of growth against a backdrop of ever changing customer preferences.

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 (RahmanSajjadur, 2010). Market analysts indicated several reasons for the growth, which include growth in real estate sector, gradual increase in awareness of preservation of houses, widening urbanization, availability of house loans and shift from semi-permanent to permanent housing structure, growth in shipbuilding industry and consistent growth of the economy at around 6 percent for the past five years.

RAK Paints Limited, a name in Bangladesh that carries a „new spectrum of colors“ in the atmosphere with a promise to ensure „bright and elegant living everyday“ of the people of this country. It envisions becoming a world class paint manufacturer and leading the paint industry by establishing itself as a producer with the finest manufacturing practices, through outstanding product quality with diversification in different areas, innovative and eco-friendly approaches in all the functions that are necessary to keep its customers satisfied. It not only intends to establish the largest paint factory in the country with the state of art machineries but also to provide quality branded paints products.

Through this internship report prepared during my tenure in RAK paints, I would like to develop an understanding on the buyer behavior in the paints industry. By conducting the survey and completing the study, this report aimed to address the research questions with an analysis based on the primary and secondary data. The study tried to portray some relevant issues for the industry on the nature of buyer behavior, their attitude, preference and brand awareness.

The Paint industry in Bangladesh focuses on product development through regular research & development, ongoing improvement in customer satisfaction level etc. in order to gain and retain market share. The findings of the study will provide valuable insights to the paints manufacturers



and sellers to understand and appreciate the buying behavior of customers, specially the homeowners, painters and architects in their preference, selection and usage of paint products.

In the paints industry, architects and painters also influence the consumer buying behavior and as such companies should formulate policies to motivate these opinion leaders and influencers to suggest this brand to the end users and home owners. From this paper, it can be noted that, studies pertaining to investigate the purchase intention and drivers of brand loyalty can be the other useful research areas to study in the future. Thus this research has policy implications for the companies in this industry in making decision regarding paints product development and required promotional strategies.

## **Suggestions:**

After finding and analysis the results from my respondents, the following issues has been recommended in order to improve the present market condition of RAK Paints and offer better products to the target market:

People use paints for both protective and decorative purpose. But most of them use it for protective purpose. So RAK Paints should focus on the protective category of paints in order to increase market penetration. Since the quality is the highest priority for choosing paint products and people want durable and quality as their primary paint quality concern, So RAK Paints needs to incorporate these attributes in their products for making these more acceptable to the target market.

Home owners mostly prefer brand and quality more than price during buying a paint product because they do not know much about paints internal elements. So RAK Paints needs to improve their quality side by side they need to show by branding activities that, RAK Paints is providing the quality best product. On the other hand painters and architects are more concern about the quality. Except few painters no one concern about incentives. They have chosen the paint quality as their first ranking aspect.

The study reveals that home owners mostly prefer brand and quality more than pricing options during buying a paint product. So RAK Paints needs to improve their branding activities to increase their brand awareness to these customers. On the other hand painters and architects are more concerned about the quality. So based on these matters, the paints ingredients, features and benefits should be more highlighted while promoting the products to them. Also, RAK Paints should promote the brand by increasing their presence in the television media, print media like bill-board and effective direct marketing campaigns.

Home owners are taking suggestions for choosing the paints brands from painters and dealers mostly. So RAK Paints should establish a good rapport and maintain trade promotion activities with the painters & dealers to increase their sales. As well as the company should build affiliations with the architects to influence the homeowners for selecting the brand by suggesting the needed features and strength of the product to them. Since a majority of the home owners said that they will accept Home Décor service though it will take extra charge. So RAK Paints

should think about offering this new service category in the market which will help them to bring new customers in the company.

As most of home owners are using paints within the middle range prices. So RAK Paints needs to focus on targeting middle class customers and gradually they need to promote their premium and luxury products so that they can diversity their target market and get new markets to offer their products. It should also be noted here that RAK Paints should not increase the price of their products to such level which is beyond the customer's expectations. As the survey identifies from most of the respondents that RAK Paints is less available in the market, hence the company needs to increase their distribution network and ensure wider availability and sufficient product supply to match with the market demand.

Berger is the leading paints brand and holding number one position in paints industry. However most of the customers are willing to accept new brands for trial purpose which brings a vital opportunity for the company to increase its presence in the minds of the uses and thus develop its current market share.