

Holistic Study of Asian Paints

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ABSTRACT

This study offers a comprehensive analysis of Asian Paints companies. The company has been able to create a name for itself in the industry through its quality products and services. The aim of this study is to discover and analyze the various aspects of Asian Paints including its business model, organizational structure, financial position, corporate social responsibilities, and future prospects. The report begins with an analysis of some of the paint industry and its major players and how Asian Paints has been able to establish itself in the market. It highlights how the company has been able to capture a large share of the market through its marketing strategies. It describes how the company has been able to deliver quality products and services to its customers. In addition, the report also investigates the organizational structure of Asian Paints and how it promotes a culture of creativity and collaboration.

The study also analyzes the various aspects of the company such as operations, marketing, and human resource management which have helped the company to grow in such a competitive environment. In addition to this, the financial statements of Asian Paints have been thoroughly analyzed and researched and then given the major deviations based on the past two years.

The report also identifies the various projects done by the company under corporate social responsibility (CSR). It also analyzes the future prospects of the company and probable opportunities that the business has to face in the future.

INTRODUCTION

‘Holistic study of Asian Paints’ refers to the study or learning of Asian Paints through every aspect. It is in-depth on all relevant areas of the company. Asian Paints is a leading brand in the paints and coatings industry. The company has its manufacturing plant in various countries across Asia including India, Sri Lanka, and Fiji. It has its headquarters in Mumbai, India. It provides its consumers with a range of colours and designs. The brand is known for providing its customers with quality products and reliable services. Apart from manufacturing paints the company also provides waterproofing solutions and adhesives. Different products of Asian Paints such as Berger Apco and SCIB paints cater to different market segments. The company also provides consultancy services to its users making it a more customer-intensive brand.

The company was able to capture a large market share in India. The company produces paints for both decorative and industrial purposes. High-quality products and services as well as marketing strategies have enabled the company to outperform its competitors and secure a larger market share.

INDUSTRY ANALYSIS



Figure 1. A Poster Image of Asian Paints

Over the years, the paints and coatings business in India has grown and changed significantly. Due to a number of causes, including escalating urbanization, rising disposable incomes, expanding infrastructure development, and an expanding construction sector, the business has been seeing rapid growth. In recent years, the industry has experienced a compound annual growth rate (CAGR) of about 12–15%. There are both domestic and foreign competitors in the fiercely competitive Indian paints & coatings market. Asian Paints, Berger Paints, Kansai Nerolac, AkzoNobel, Pidilite Industries, and Shalimar Paints are a few of the leading companies in this sector. The decorative (home paints) and industrial coatings divisions make up the industry's broad classification.

Decorative Paints:

This category covers both domestic and industrial paints. It makes up a major chunk of the Indian paint market. The market for decorative paints has increased as a result of factors such as increasing disposable incomes, changing lifestyles, and growing urbanization.

Industrial Coatings:

This industry serves a number of sectors, including the automobile, infrastructure, consumer products, and packaging. The expansion of these sectors and the necessity for protective and useful coatings are the driving force for the demand for industrial coatings.

The four largest players in the paints industry and their market shares are given as follows:

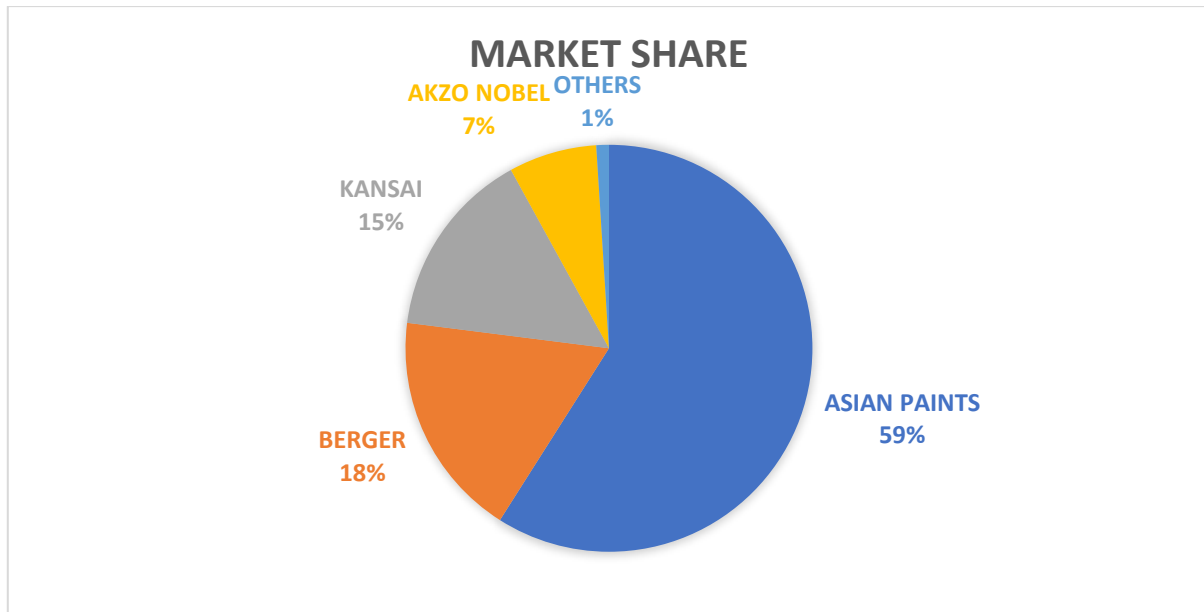


Figure 2. Market share Of Paint companies in Indian Market

MARKET TRENDS

- In India, there is a rising demand for sustainable and eco-friendly paints and coatings. Consumers' growing environmental awareness and government policies supporting sustainable practices are the trends driving this movement. To achieve these standards, paint manufacturers are concentrating on creating low VOC (volatile organic compound) and water-based formulations.
- The market is experiencing technological improvements and new product offers. To develop new coatings with enhanced performance, durability, and aesthetics, businesses are investing in R&D. This includes the creation of nanocoating, smart coatings, and antimicrobial coatings.
- The demand for paints and coatings is being driven by the Indian government's emphasis on infrastructure development, which includes initiatives like Smart Cities, affordable housing, and metro rail networks. Significant growth potential is provided by the building sector's expansion for the industry.

COMPANY ANALYSIS

BUSINESS MODEL

PRODUCTS

- Emulsion paints from Asian Paints have a smooth, long-lasting, washable finish and are water-based. Both residential and business spaces can use these paints on their walls and ceilings.
- A variety of wood finishes are available from Asian Paints, including wood stains, varnishes, and lacquers. By enhancing its inherent beauty and shielding it from moisture, UV rays, and other environmental elements, these solutions help wood retain its charm.
- Asian Paints produces inexpensive distemper paints that are appropriate for interior surfaces. For painting low-traffic areas, these paints are frequently chosen since they create a matte surface.
- A range of texture paints from Asian Paints provide walls depth, personality, and visual intrigue. Customers can create distinctive and personalized creations with these paint's many patterns and textures.

- Asian Paints offers waterproofing options to safeguard surfaces from seepage and water damage. For a variety of uses, including roofs, terraces, and basements, they provide goods including waterproof coatings, sealants, and membranes.
- Asian Paints provides a variety of protective coatings and solutions for industries like automotive, aerospace, marine, and industrial equipment to cater to its industrial clients. These coatings offer high-performance finishes, chemical protection, and corrosion resistance.

SERVICES

Asian Paints Safe Painting Service continues to be the final benchmark for an expert painting ride and offers clients peace of thinking via following safety protocols at each step of the portray process. The provider is now properly unfolding at some point in T1, T2, and T3 cities reaching a multitude of customers. It sees client expectations swiftly evolving in this space and more customers searching for a complete portrait solution from session to final touch of finish, through professional service providers. Keeping this in mind, the company has launched a range of additional choices all through FY 2021-22 to take care of the wants of distinct consumers.

- Wood Solutions Service: End-to-end reply for all wood coatings
- Quick Make-over Service: Service to furnish speedy makeovers to homes
- Designer Wall Service: Offering to revamp dwelling areas with trend dressmaker collections
- Safe Painting Service: Service for architects and interior clothier professionals
- Trusted Contractor Service: Providing reliable, trained, and relied-on applicator

SWOT ANALYSIS

It is an analysis technique that helps companies identify and analyze their strengths, weaknesses, opportunities, and threats also called SWOT. It is important to determine the company's position in the market. With the help of this analysis, companies can easily identify their shortcomings and develop a plan to fix them. When companies recognize opportunities in the market, they can capitalize on them and easily outperform their competitors. It also helps companies identify potential threats in the market. Early detection and analysis of threats can greatly benefit in business growth.

Strengths

- The business can reach customers in urban and rural locations because of its large distribution network. Asian Paints has a competitive advantage over its rivals thanks to its extensive presence.
- Decorative paints, industrial coatings, and automotive coatings are just a few of the many paint products that Asian Paints has to offer. The company's diversification enables it to seize diverse market possibilities.
- For the purpose of creating cutting-edge products and staying ahead of industry trends, Asian Paints makes major investments in research & development efforts. This dedication to R&D guarantees the company's capacity to launch novel, cutting-edge paints.

Weaknesses:

- The profitability of Asian Paints is impacted by changes in the cost of raw materials, particularly derivatives made from crude oil. The margins and profitability of the company may be impacted by these pricing changes.

- Asian Paints is particularly susceptible to changes in the Indian economy and regulatory framework because the Indian market accounts for the majority of its sales. The performance of the corporation could be impacted by a recession in the Indian economy or unfavorable government policies.

Opportunities:

- Due to the rapid urbanization, infrastructure development, and building of homes and businesses in emerging economies, Asian Paints can profit from the rising demand for paints and coatings.
- Consumers are more likely to spend money on interior design and home improvement as disposable income levels grow. By providing high-end and value-added paint products, Asian Paints can take advantage of this trend.
- There is a rising need for eco-friendly and low VOC (volatile organic compound) paints as environmental sustainability becomes more and more of a priority. By increasing the selection of environmentally friendly paints it offers, Asian Paints can take advantage of this potential.

Threats:

- There are both domestic and foreign competitors in the fiercely competitive paint market. Numerous existing and up-and-coming paint firms compete with Asian Paints, which may have an effect on its market share and profitability.
- Asian Paints' operations may be threatened by economic volatility, inflation, and currency depreciation in important markets. Consumer spending declines during recessions may have an impact on the market for paint goods.
- The production costs and profitability of Asian Paints may be impacted by changes in raw material prices, such as those for derivatives of crude oil. To keep its margins intact, the business must properly handle these pricing changes

FINANCIAL ANALYSIS

- Asian Paints reported a profit of Rs 4100 Crores for FY 22-23, compared to Rs 3135 Crores in the previous year.
- In FY 22-23, the company generated revenue of Rs. 29953 Crores.
- Asian Paint's current assets reach Rs 16535 Crores and fixed assets are Rs 6562 Crores in FY 22-23.
- Current assets increased by 1.1%, while fixed assets increased by 1.15%.
- Total assets and liabilities increased from Rs. 22984 Crores in FY 21-22 to Rs. 25789 Crores in FY 22-23.
- Asian Paint's long-term debt increased from Rs. 7571 Crores in FY21-22 to Rs. 7895 Crores in FY 22-23.

ORGANIZATIONAL STRUCTURE

Asian Paints uses information technology for its supply chain management system. This reduces storage costs and facilitates effective inventory management. The products are usually stored during the off-season and supplied during the festive season when the demand for the products is very high.

Asian Paints' operating system features flexible processes, short lead times, and reduced shipping costs. The main raw materials for paint production are titanium oxide and petroleum-based raw materials. HPCL (Hindustan Petroleum Corporation Limited) and BPCL (Bharat Petroleum Corporate Limited) supply

Asian Paints with petroleum-based raw materials, accounting for approximately 40-50% of total raw material consumption.

The average stock of Asian Paints is only 28 days. Finished goods inventory is only 7% of net sales, half that of its competitors. The credit period granted by Asian Paints is 15-21 days for major city dealers and 22-30 days for inland dealers. Asian Paints was able to increase its advertising budget by reducing inventory in a cost-effective manner.

HUMAN RESOURCE ANALYSIS



Asian Paints typically recruit new employees from universities and provide them with proper training before they are accepted into the organization. The company also offers internship opportunities for undergraduate, graduate, and post-graduate students. The internships and training programs offered to both students and staff consist of challenging projects based on real business situations.

Benefits provided by Asian Paints to its employees include medical insurance, transportation, and educational assistance. The company also offers employees the opportunity to work from home. To encourage the recruitment of female employees and single parents, Asian Paints also provides childcare facilities. Additionally, the company provides gyms to encourage employees to exercise and stay fit.

Asian Paints is a great company that encourages its employees to uphold good values and ethics. The company provides its employees with a healthy working environment. Asian Paints evaluates employee performance through timely evaluation policies. The company's compensation and recognition process help employees gain recognition through their work and achievements. This strengthens employee confidence and encourages them to achieve company goals.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is a business model for companies to fulfill their social responsibilities. There are four main types of corporate social responsibility: environmental, ethical, philanthropic, and economic. It not only contributes to the environment and society but also leads to an

improvement in corporate image. It helps create a positive image of the company to the public. Customers' perceptions of the corporation as socially responsible are shaped by this:

- Asian Paints is committed to empowering both individuals and communities through education and skill development. They have started initiatives like the "Asian Paints Har Ghar Kuch Kehta Hai" campaign, which attempts to improve the learning possibilities and provide basic education to poor children.
- Asian Paints is dedicated to sustainability and environmental protection. To lessen their carbon footprint, conserve water, support renewable energy sources, and adopt environmentally friendly industrial practices, they have put in place a number of programs.
- Asian Paints regularly participates in neighborhood improvement initiatives and works with nearby communities. To raise the standard of living in neighboring villages and towns, they have also built community centers and started infrastructure development projects.
- Asian Paints has taken steps to encourage better healthcare and sanitation facilities since they understand how important health and cleanliness are. They have teamed up with NGOs and government agencies to hold health fairs, offer medical assistance, and promote good hygiene in rural regions.
- Asian Paints supports women's empowerment through a number of initiatives. They organize programs aimed at helping women develop their skills, start businesses, and become financially independent so they can support their families and communities.
- Asian Paints has been actively involved in helping affected areas after natural disasters by offering aid and support. They have helped with rebuilding efforts, supplied necessary items, and contributed to relief funds.

Some well-known CSR initiatives started by Asian Paints include

1. GYAAN SHAKTI

Gyaan Shakti is a project launched by Asian Paints to provide primary education to rural students in the country. It is a three-year program that offers a comprehensive education from grade 3 to grade 8. It focuses on providing students with excellent grades in subjects such as Science and English.

2. COLOUR ACADEMY

The color academy contributes to the government's Skill India campaign. It provides beginner to advance level training to painters from how to achieve a wood finish to installing a wallpaper. After this training, these painters are given an opportunity to work with Asian Paints.

3. MOBILE MEDICAL UNITS

Mobile medical units provide medical facilities to those who are old or cannot reach a dispensary on their own. The mobile medical units bring a doctor to the patient whenever the patient requires any medical help. They also offer healthcare to patients at free or discounted rates

CONCLUSION

Asian Paints is a leading brand in the paints and coatings industry. Thanks to its high-quality products and customer-friendly service, the company has managed to capture almost half of the market share. The company offers its customers a wide range of products including industrial coatings, decorative coatings,

waterproofing solutions, and more. Asian Paints uses environmentally friendly raw materials to manufacture its products. Their products have low VOC content, which allows the company to adhere to sustainable practices.

Asian Paints has a strong distribution network capable of serving multiple market segments. Products are readily available for both personal and industrial use. The company owns several brands including Berger Apco, SCIB Paints, and others. The company also offers a free colour-matching service to its customers, which sets it apart from its competitors.

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