CHAPTER 1 – INTRODUCTION

1.1 OVERVIEW

For many years up to now the Saurashtra paint industry is considered to be the hub for the manufacturers and suppliers of low technological products with wide range of variety including cement paints, distempers and general purpose enamels which are considered as low building properties of protection and coatings for the industries. But if we talk about the current scenario of the targeted industries towards large range of products they have some real high quality products with technological betterment which are focused on the agriculture and industrial use segments to create awareness about the brand of the Paints. The introduction of the foreign collaborators, having different specification of quality and concept of designs in the construction business flow of technological progress being the reason for the increased customer awareness towards new descriptions in the Paints and other materials such as plastics and nonferrous metals with the Limited improvements in the methods of application. This all process is the part of the manufacturing industry which is responsible for the quality upgradation in the methods of application which can be made responsible to create an open field. The technological focus is on the high value specialty products particularly for the small scale industries for home the value of money has become the utmost important as the profit margins has very narrow outline on their businesses.

The developing cities of the Saurashtra region such as Rajkot, Junagadh, Jetpur having higher per capita consumption where the priorities of the company for the preservation of assets in development of specialist products where higher margins can be achieved.

The Saurashtra paint industry is associated with the availability of the raw materials and the flow of goods from the suppliers to the dealers of the market which is marked by the cost as well as demand of the particular products in order to satisfy the needs of the customers. Performance of the products depends on the quality of the raw materials such as resins, all high quality pigments and other additives which gives equivalent formulations to the quality which are not easily available from the nearby market. The capability of the manufacturers depends on the production variations and the ability of creating brand awareness among the customers by various institutional
methods in R and D department having the expertise knowledge of the products specially in the areas of research where technology plays the important role in the development. The expenses for the R and D department is considered to be quiet high as compared to other states as the mindset of the manufacturers generally the localites is to minimise the cost of production and to gain maximum benefit.

The development of the foreign technologies in the process of new products and improvement in the manufacturing process by considering large range of products which are mainly targeting to the localised customers. Also the imports of the special types of raw materials which are high in volumes affects the cost of the finished products which not only improve the quality of the products but also have a longer life in the organised sector which interns affects the overall cost of manufacturing.

1.1.1 Defining Paints
Coating material in the form of liquid or solid when allowed to spread on the surfaces made up from pigments, binders and other drying agents is known as Paints. It is most commonly used to decorate, protect and preserve any surface in order to add functionality to an object.

1.1.2 Functions of paint
The liquid or fluid used for the drying agent in Paints are formed by solid particles or a film like structure when spreaded on the walls of the residence or industries where ever needed.
The main function of the Paints is classified as follows :
To get a protection against the corrosive activities, oxidization and degradation of materials

- **Protection**
  The major function of the Paints that generally people buy it for is to provide a
protection to the material or the surface on which it is been applied and save it from the environmental effects including humidity, solitaires, UV radiations and high temperature as well as rainfall when dried and it is a insulating layer on the walls.

There are different types of protection available with different products but depending on the type of protection there are specific functions of paint including the damage and corrosive additives against high temperatures and fungi sides for maintaining the strength of the structure.

- **Decoration**

The secondary function of the Paints which is usually followed by the people of Saurashtra region is to apply or attractive look to the walls of the residence and premises by covering them with beautiful materials which needs all thanks to the pigments and additives and wide variety of Shades available with most of the companies which enhance decorative effect of the surfaces. Besides decorative function some special types of paints also used at specific application such as for the cleaning of the surfaces nonstick Paints are used, to prevent the growth of the fungus antibacterial Paints are used, to prevent property damages of the Fire antideflegates Paints are used, to absorb unnecessary noise from the environment and provide a isolated atmosphere sound proof Paints are used, similarly dirt repellent Paints, for night vision and signaling luminescent paint are used.

In short the main functions of the paint are as follows :

- To protect the walls of the houses from the Environmental effects search as temperature, moisture, humidity, bacterial and fungus, noise, fire fumes etc
- To provide an attractive look to the surface is dealing with pleasant and colourful appearance
- To prevent the bacterial infections on the wood finishes
- To prevent the corrosion effects on the surface of the metals
- To promote easy cleaning and make the surface smooth
- Special types of effects available for the aesthetic appearance on the walls
- In order to provide a desired resistance against the reflection of light and heat
Changing the properties of the walls prior to the paint like conductivity, hardness and friction.

Similarities of the products providing different Shades and textures at a particular range of colour.

1.1.3 Paints and their history

Going back to the 19th century the first and the earliest paint factory established in the Saurashtra region was in 1972 when Shalimar Paints, established a plant in junagadh with the expansion of paints, colours and varnishes. With the growing expansion of technological advancement and industrialization the introduction of electric power which the support of Railways which kept the confidence of the business alive due to soaring rates of capacity. This does not lead to a stable market which can be expanded for a ready based materials and their availability to the customers. Imports from the neighbour countries were not easily available due to the government policies and environment of War which demerited the market and availability of raw materials. After World War 2 there was a silent prolonged period consisting of dramatic opportunities which can influence the capacity of the manufacturers. With the barriers of imports of raw materials the domestic market became reserve for specific types of paints in the Saurashtra region which exclusively help only the dominant players in the market and does not left any space for the local identities to thrive in the market.

The independent development of the paint industry in Saurashtra region there was a storm of the company named Asian Paints which targeted the fact of a complete roots of Indian company which was started at very small scale in Bhavnagar city but today is recognised beyond the brand largest unit of Saurashtra in which the second largest stands the hold of Goodlass Nerolac but today is considered to be standard benchmark for every competitors who want to survive in the market. Besides Asian Paints there were many companies who set up their factories by having the ownership of their own brand but were way behind in terms of Technology financial background like Asian Paints and other British companies. After the growth of independence period, there was a noticeable demand regarding Paints in the Saurashtra culture as the mindset of the people as cross the limit of not only creating boundaries in walls which can protect them physically, but also the ascent of protecting their houses from the environment were also taken into consideration.
Although Paints were considered to be the luxurious item most of the people wanted to decorate their houses but very few people of higher incomes and status in the society were expected to use the paints. The industrial segment during this time was considered to be the counterpart of the decorative segment in which the traditional uses of paints were only for covering their products not their walls.

During 1990 government drastically increased the duties on the Paints where the miss convenience notion was considered with the in line production and the main aim was to encourage the manufacturers of Saurashtra to focus on in house production and not to buy the foreign raw materials such as pigments and other solvents. Industrial slowdown which registered the growth of 12% during 1992 also did not help the local players for entering into this business. In addition to this the liberalization policies were introduced to make realization that Paints are not necessary a luxury item and duties were reduced from 1993 to 1994.

Demand for the paints in the automobile industries raised from 4 to 6% in which white goods market in Saurashtra help the growth of most of the companies to discover regional opportunities in their areas by providing them opportunities which helped the market to grow.

The improvements in the infrastructure and the growth of rapid industrialization lead to the facilities like transport, communication and energy support during the last decade which flips out the growth of the market by more than 25% of the total gains. In addition to this the liberalization policies of the government also helped to encourage the manufacturer's to develop the technological support for the consumer durable goods in the automobile and industrial sector. These increase the demand for the paints and their functional identities mainly in the decorative and functional coatings which help to transfer the ideas of the people in a broad range of protection and introduction of new technologies.
The history of the Saurashtra paint industry is as old as the people of the Saurashtra region. The Saurashtra paint industry is over 80 years old and the beginning was done in the small city named dhoraji after the second world war when different foreign companies entered the market with the new idea of franchising the Paints products to the local entrepreneurs and set up their manufacturing unit starting from the imported goods and dominating the market initially which the unknown companies like Nerolac known as Goodlass Nerolac, ICI, Johnson and British Paints now known as Berger Paints.

Saurashtra paint market has more potential to grow over other industries in a decade as compared to the developing cities of India. The per capita consumption of paints is 1.5 kg where as in Gujarat it is 2 kg, as in today's time paint is considered to be the luxurious item and people do not prefer it for at least 5 to 7 years. The traditional Paints in Saurashtra has consistently grown over the period of time which results in the finest and various style developed in the culture of the metros specific religious figures also ideologies the occasional events celebrations to be done by painting the walls of the houses such as Diwali, holi or marriage functions in the Saurashtra culture.

**Old buildings needs paint to breathe**

In today's period the best possible way to decorate as well as renovate the old buildings as the way they are built. In certain parts of the Saurashtra region most of the old buildings are decorated with lime washed and lime mortars for the construction of solid walls which are mostly found in the old buildings. The word breathable Paints are used as it allows moisture to affect the walls to be evaporated
to outside and also reduce the effect of condensation to the old buildings. However for the protection against penetration of damp newer techniques are used that can define the walls cavity and also acts as the barrier against damp. This can lead to condensation problems, which tries to seal the weather and also can lead to dampness which affects the traditional structures and also causes damage to the cob and stone walls which causes decay in the structural position.

Paints are mainly used on the wall surfaces in order to protect them from the moisture and pollution and also are an effective measure to decorate the walls. Easily available colourings other than lime wash, skimmed milk, and gelatin soot, blood and the urine of animals where general used as other options. The main advantage of this type of paints was that they were easily available as well as renewable source which does not cause any harmful pollution in the production and also were significantly used in the construction and local traditional paintings. The other benefits of lime wash were also discuss that they had good antibiotic properties and also has positive benefits due to which it was widely used to fight against foot diseases mainly to paint the farm buildings. Going back to the 20th century distemper was also the term widely used with lime wash which was a great deal of evidence which is not only used for the mixing of pigments but also as the house decorative purposes for the preparation of paint on the local sites and also as an interaction scenario for paint recipes for the guest and celebrity events. With the advancement of the technological benefits the development of home decorative has been increased massively mainly for the industrial purposes as the
Paints were the derivatives of the petroleum achieved products. But with the attractiveness comes the disadvantages and with the convenience comes the chemical concept which has been widely spread due to the consistency of colours production from synthetic chemicals which strikes the problems of allergy and asthma. During 1990 in the western part of the Saurashtra region the manufacturers of the synthetic Paints uses solvent for the production which adds fumes to the exhausting atmosphere from vehicles. Nowadays there is availability of natural paints used for the traditional purposes and people are getting aware of the benefits of using natural Paints which not only safe for their family but also apply for reduction of harmful elements in the environment.

**Distemper**

Talking about the very earliest utilization obtained which were destroyed and varnish but others have still survived in today's civilization. One of them is distemper which according to the scenario of the theory of painting ancient Egyptians used them for easel painting and also occasionally for painting their houses and walls for decoration. Talking about the Saurashtra region local authorities have informed the use of this paint since 1970 due to the originality was used just in Italy which later was known as egg based paint.

Defining the water based paint which is also known as calcimine which is a size based paint and white wash also known as distemper. This is generally of water based paint which is made up of pigments which helps to hold up the glue together. Due to this originality the main advantage of distemper is that it helps for the making at very cheap. It does not have any rocket science behind its formula which prefers it
to be the basic form known as soft distemper which results in a soft soluble Paint
made up of whiting, and also water. For giving it the white appearance crushed chalk
is used with matte Finish which gives the characteristics of distemper. It is coloured
with white pigments like the ultramarine colour, also known as sienna, and the glue
is obtained by boiling the skin of the animals particularly rabbit skin obtained from
animal bones which is made from gelatin. For binding the materials other binders
were used such as casein which is a milk protein and also Arabic gum is used. The
combination of these two mixtures is also important to combine them at a particular
ratio because too much whiting will make the paint powder and also too much glue
cracks the paint. For durability of the paint some oils are added like linseed oil.
Distemper in the early age in Saurashtra region especially used for plaster and
ceilings which is good for the moldings as well as cheaper option for painting which
can also be washed off before repainting so that the buildup of paint can be avoided.
If we focus on the control of the glue foreign painting which has been considered as
weak solution to be resized onto new plaster and also to repaint the existing
distemper, then this option is really suitable and affordable for painting.
For lifelong commitment of repainting the walls lime wash, casein paint or natural
emulsion paints can be admired which gives soft chalky appearances which have
similar effects as distemper.

The insights of
painting house walls
The tendency of the people in Saurashtra region leans towards the use of traditional Paints to decorate
the walls but also finds sympathetic to coat the inner walls with emulsions and acrylic paints. Talking about the synthetic Paints which gives immature look to the walls but
also can capture moisture inside it which causes damp problems and so external repairs needs to be carried out in sand and cement texture. Based on the raw
materials for the manufacturing of the emulsion Paints used as a solvent with water
the materials such as chalk and powdered marbles which have extended for
traditional paints such as lime wash and distemper. For the specific function of
distemper the raw materials or ingredients are specifically used production which is
relatively involved for the simple processes. The solid materials that can be
decomposed and also unwanted waste can be biodegradable.
The effective methods and can be used for the production of the complex synthetic
chemicals for the emotions which are used in the manufacturing process which
produces tons of waste and other harmful excessive materials involved in the
complex coagulation which includes detergents, pesticides, preservatives and other toxic materials which are bad for the health of the human beings in spite of labeling them user friendly they leads to migraine problems, allergies as well as asthma. For the use of the conventional paint the manufacturing of the natural emulsion are efficient to contradict the statement of the synthetic Paints which are unlike the appearance of limewash and casein which are also flexible affordable as well as pleasant to breathe.

**Traditional oil paint**

If we look back at the history of our ancestors on how they make protective coatings by inventing and exploiting the natural materials and use them for decorative purposes and paint our houses and woods is remarkable. Different ranges of materials were used for the decorative purpose with the range of complexity in the learning process with surprises the long process of doctors or engineers training. In Saurashtra region traditional wall paint were first introduced in Gondal City near jetpur by the king in 19 century which the account of keeping the royal palaces for fine pigments and oil paint combination which is the evidence to coat the surfaces for longer period of time. Due to the dry temperature in Saurashtra region all oil Paints we are not suitable for painting which absorbs oxygen from the non soluble materials and Elastic solids which includes drying of oil such as soya bean, sunflower oil, walnut and other flexible Paints which have the tendency for shining over period of time turns to yellow over time and also is used to avoid on the walls. Due to this factor there is a thin layer of oil which needs to be hardened by other substances which increases the life of the paint as well as lessons the drying time.
For this reason normally lead is added which increases the viscosity of the paint and also makes the layer thicker than the traditional wall paints. But it also involves white and grey lead which is poisonous to health and also when in held or swallowed. The main advantage of the lead is that it is more effect then the other materials and also gives the colour of its characteristics white or red which changes the colour of the paint and also helps oil paint to dry more quickly than other pigments. There are also other substances which helps to dry the property of the paint but usually lead is used instead of copper rust as well as manganese and other relatives like turpentine which helps for the dilution of the paint and also has other several functions. Glossy oils and resins were also combined to give additional Shine to the walls and also to make oil varnish from the walls.

In the ancient times oil Paints where usually used for the external as well as internal purposes for covering the durability on the wood and brickworks as soon as the constructive materials are built to preserve it and common practices were observed where ever hard paint was needed. With the advantage there is a disadvantage of the traditional oil Paints that does not long last which time and becomes thin unlike modern synthetic gloss Paints which also helps for protecting the layer from the ultraviolet radiations and makes the structure relatively breathable by providing unbreakable structure against cracks and damage.

**Pigments**

If history of the pigments is referred from the pages of the 19th century then their origins were found from the rocks and hills of the earth. In the earliest stage of cave paintings there is not much evidence of lascaux which has their own documentary histories and characteristics lowered from the sketches but also in cosmetics history
where it was possible to recognise the brief information about the thumb nail of the
cave paintings.
Defining the pigment, as the name suggest it gives the colour to any of the material
to which it is applied on the surface of the walls buy thin layer when mixed with
another material such as binders namely oil or casein or lime wash which does not
dissolve in the liquid but it is observed by the material which hair colour. The natural
and organic pigments tends to fade in the sunlight and can be easily available from
the flowers, nuts, seeds, woods or roots of the plant which do not provide durability
but can be used as the temporary pigment solution.
The organic pigments which are commonly used and available from the Earth
consist of clay and silica which is obtained by the nature of the earth such as Yellow
ochre, red ochre and Green Earth which is also known as terra verde which is
coloured by the iron oxide and other minerals which are relatively simple to form the
earth and are processed by soaking or filtering the earth to remove the impurities
and obtained its colours.
The heavy metals also helps to provide bright coloured mineral pigments from the
Earth what are highly toxic and specialized in their form which is originally obtained
from the precious stone in Afghanistan known as letters having ultramarine colour.

**Features of lime wash**
The oldest paint that is available in the history of the humanity the 1000 of years
known as lime wash. During the ancient times of Egypt the people used it widely and
also even today it is been used as the prime need of the people worldwide. But due
to the making of lime wash from linseed oil, animal fat etc. Which is now banned by
the government for the protection of the natural resources due to which the durability
get this paint provide that can be obtained from animal blood another natural
pigments for bringing up the colour.

If we count the benefits of the lime wash for the light surface is areas it is been
considered a long lasting paint with breathable space and can also be considered as renewable source because it is made from the natural resources of the environment. If we compare with the modern synthetic Paints tenderloin was also contains antibacterial and antifungal properties due to the presence of alkaline in it and so it is widely used in the outhouse residence and farm villages. Talking about the heat resistance benefits live boss is also considered to be a fire proof and it has the quality of fighting against high temperature. For example in the 12th century when the king of the themes ordered there workers to renovate all the houses and cover it with white wash and plaster it with lime plaster in order to prevent disaster fire in his Kingdom.

In the Olden Times of India the plastering of lime wash was the common practice for the old buildings in order to prevent them from the environment in which the stones were kept crumbling on one another in order to heel them and later on bricks were introduced. There was also a conflict in the minds of the people with the maids that the lime wash used to absorb by the stones and make it harder which will fill the cracks between the stones and those will not allow water to penetrate inside the room and so also considered as prevention for moisture and heavy rainfall. Wood was considered to be an enemy of lime washes because the tendency of the lime wash was to rub the organic substances against wood. Then in the 17th century the oil Paints and specific egg Paints were introduced letter on in the midst of this era in which lime wash was no more used for the wooden painting and furniture work in India. However there was still many areas of market in India which was treated as the solution for infection and rust in the tables or Woods where other Paints were considered to be expensive lime wash was a blessing for the Painters and households who cannot afford higher spendings on the paints.

Then in the 18th century of modern era of barrier Paints lime wash was considered to be a secondary product and mainly used open the surface is where the sinking works needs to be done and we can the part of making protective layer of plaster on the surface for temporary period. The appearance of the lime wash is natural white and thus it appears to be quite chalky outlook and forms a matrix of crystalline substance of complex materials which has the matt appearance as the basic pattern. For this reason it was used for the internal as well as external applications. Lime wash is considered to be water based Paints and thus it contains some advantages of not being absorbed by the cement materials or plasters on which it is applied such
as non porous surfaces.

The technical process of making lime wash is very easy by adding water to the line putty and then keeping it on the heat of kiln where the limestone is burnt thus the carbon dioxide that is formed on the surface is evaporated in the atmosphere and the remaining part is known as lime wash or quick lime. The original appearance of the quicklime is in the form of lumps and thus water is added in the heat that is generated boils the water and the entire process is known as slacking in which the resultant liquid is kept in the large tanks for few months and is left to get formed into pits. This is known as lime putty which is then combined with the sand to become mortars and plasters for software and breathable liquid when dissolved in water it produces limewash. It looks like thick cream cheese kept in the purest form at continuous level.

As the customers are moving towards the environment friendly Paints lime wash has made the comeback as a welcoming guest because of its appearance and natural qualities at affordable prices.

**Casein - a famous milk paint**

In the modern era of Technology most of us are used to buy readymade Paints which are easily available in the cans of available sizes and just have to go to the shop and collect them with our choices but bringing the memories of the 20th century it was very hard to reconnect different ingredients to make a simple paint including milk, eggs, vinegar, wine the doors when combined to form a particular colour for the Paints and cleaning purpose. But it is out of the surprise to our generation that these Paints lasted for more than 30 years of its preparation and some of them did not perform well in the market and those does not last for even few years. These pains nowadays are considered to be like rubbing leaf on the injury which ne which needs to be operated. The modern generation might not have even heard of this type of paints.

The main function of any paint is to bind different materials like pigments together on the surfaces to provide a sticky medium that needs to be painted and also using a solvent which reduces the thickness of the Paints or binders and allowing it to spread firmly on the walls of the houses to dry on the surface after which the solvent is evaporated. Here the Binder that is used in milk paint is known as casein which is dissolved in the solvent generally water with the use of milk protein. The fat that is present in the milk is used as a traditional recipe for adding curd to the paint and is
added with the alkaline substance which dissolves in the casein, a lime putty which idealize the final result. In today's market of powdered form is available for casein paint in which only water and certain pigments are need to be added and after proper mixing it can be applied to the surfaces by using brush or rollers. Casein Paints has attractive look like chalk finish and also has the biggest advantage of having the property of breathable paints which is ready for covering most of the surfaces and also mix is well with the pigments. For the specific applications like in bathrooms or kitchenwares where the glossy Paints are used it doesn't mix well with the distempers easily because of its characteristics of becoming unusual and moldy in extreme environments and dry atmosphere. Casein Paints is generally mixed with lime wash for external use mainly to strengthen its strength. Unlike lime wash casein Paints can be used for furniture works and wooden applications to polish the surfaces or give it a wax effect with the same time by buffering it and glazing the surface for outer protection. This can also be the affordable and versatile option instead of synthetic Paints but in the same time have shorter life as compared to the modern Paints. The other option for using casein can be instead of view which was idea provided to the world by the Egypt painters and architects.
1.1.4 Current scenario of paint industry in Saurashtra region.
According to the real estate report of cagr the paint industry has drop down from 10 to 20% of the total market of both decorative and industrial sector trade and is expected to be on the slow growth of 5% in the year of 2017.

Future growth of this industry

![Sales Chart]

It is believed that the housing sector is expected to be sluggish as for the growth in the paint industry due to the Rise and fall of the prices of the manufacturers and the retail outlets operates mainly on cash and thus due to demonetization customers drop down is expected to be followed by 20% from the previous year.

Paint industry market evolved over the period of time in Saurashtra
According to the RND research department the organised sector in the Saurashtra paint industry has grown over 80% of the total market share and most of the good strategies have succeeded in computing for the organised players with Marketing strategy and clear focus on the brand. There was an advantage for the new entrance to enter the market with the differential goal of dealing in white payments and to survive against the strong leaders off the market.

1.1.5 Recent Trends of Saurashtra Region
The Saurashtra paint industry is estimated to be 12% of the total Indian market at a growth of 8 to 9% for past few years in which it covers both organised sector as well as an organised sector. The unorganised sector mainly sustain through the distemper segment.

The industry mainly consists of two segments, the decorative segment it consists of the housing sector and the industrial segment consisting of powder coatings and floor coatings. The Other sectors are also related under the automobile range like marine and other construction industries.

Particularly for the Saurashtra region decorative segment is considered to be covering 60% of the total demands where the industrial segment is covers the 30% of the market in which 10% is remaining for the automobile and Marine Engineering. As per the expected growth in the future of next 5 years there will be challenging standards for the paint industry in order to develop and maintain 15% of growth rate per year which is considered to be the concerned ideology in near future.

The current scenario of rising inflation and the changes in the text structure of the government like the introduction of GST and demonetization has influence the declining factor at the annual growth.

The analytical study shows that there has been slow down in the existing contractors and architectures satisfaction level in terms of volume choice and preferences for a for a particular paint brand.
1.1.6 Growth pattern of the paint industry

The major portion of the industry depends on the technological advancement compared to the Global instruments of the world which adopts latest equipments to serve better to their clients. According to the financial report of business Times the consumption of paints in India is accounted to be at growth of 15% by every year at the means of metro cities and top manufacturers which have the higher performance Technology based on the competitive market. With the expansion of the local market and involvement of the small manufacturers to jump into the big game at the expense of profitability the consolidation has played a major role for increasing the market share of most of the suppliers.

The small companies although service on the average products like distemper segments also wants to enter into the niche market providing specialized products with high technological facilities at affordable prices. In order to survive in the harsh competition they need to follow some unorganised planning such as giving credit payment terms, discount offerings on bulk purchase, attractive schemes, etc. by lowering their profit margins to compare with the standardized products of the giant companies and covering the customers going for the costing fundaments.

In the current economic environment of strong taxation the companies need to apply the fundamental of giving cheaper, attractive and high quality products for different applications in order to win the market of Saurashtra and every time coming up with the new schemes and ideas so that the customers are not fed up with the same
thing.
The cultural differences in the Saurashtra region has also lead harsh practices for the companies to meet every demands of the territories for example market of Junagadh leans towards the quality Comforts and are ready to pay higher for better products while that of Surendranagar are always in search of cheaper products of similar characteristics. Meeting the demands of every aspects is quite difficult for any companies and thus focuses on their areas of strength leaving behind the empty space for the localites to capture.

Today’s generation focus on the quality products then the quantity ratio. They believe in the fact of spendings today then savings tomorrow. This has led to the shift of the market to provide better and better quality of higher efficiency, with longer life and a special element of user friendly and for that new innovations are carried out for building opportunities at the expected growth faster than the average market but is again highly fragmented then the usual crowd.

1.2 RESEARCH PROBLEM
In the recent trend of competition there are many brands available paints for the customers to select from but at the same time from the business perspective what brand product should dealer or retailer can perform business in order to gain higher margins. The research problem that has been taken under in this topic is whether it is advisable to go for a business in Paint industry and its related products, whether the rosary picture that has been idealized is true or not, whether there are
opportunities in the paint industry products where the retailer can satisfy his needs. This question needs to be analysed on a statistical platform including the factors of customer preference, brand impact and quality of the product, and if answer is no then on what basis the dealers are surviving in the market for such a long period. The main objective of the research is also to determine the factual results of the paint market in Saurashtra region where the dealers demerit there profit in order to survive in the market. In this study the research problem is divided into two parts, first how the brand criteria affecting the preference of the customers to select appropriate product suitable for their budget which affects the business of the dealers. The second part delivers the statistical analysis based on the purchase and sales figure of the Paints as well as brush which eventually compares the position of both the products in the Saurashtra market which is the level of sales volume and its profit margin.

1.3 RESEARCH OBJECTIVES
The main objective of the research listed as follows

- To study about the preference of retailers and dealers regarding products associated with paint industry in Saurashtra region
- To survey about potential of the market and profitability of paints and of brush on similar basis.
1.4 SCOPE OF RESEARCH

- The main scope of the study is to provide information regarding the business flow of the paint industry products in Saurashtra market.
- It gives the information regarding different terminologies of the paint as well as brush and the business plans of the dealers in day to day basis.
• It also gives idea about get market potential of major players of the paint industry for both paint as well as brush.

• It also gives the information regarding preference of the customers regarding the brand in business but at the same time on awareness regarding the criterias of brush making and so gives the dealers the Monopoly to strike more from the pockets of the customers.

• It also shows the effect of advertisements and marketing influence among the customers for the choices in the market.

1.5 ORGANIZATION

WESTERN PAINTS (Shapar, Gujarat)
1.5.1 - Business plan of company

The primary motive of the Western paints is to provide high quality products and services to the residential, surface preparation, finish painting and refinishing services to the commercial and Household buildings.

- Introduction
- Mission and principles
- Business objectives
- Raw materials
- Foreign investment
- Demand
- Exports
- Type of paints
- Service and description
- Packing
- Distribution network
- Market segmentation
- Growth and market
- Competition
- Marketing strategy
- Key partners
- Conclusions

1.5.2 COMPANY PROFILE

1.5.2.1 - Introduction

It is the duty of the paint industry to operate locally in both the sectors that is organised as well as unorganised. In order to have the complete data regarding the production unit’s n number of working process in the organised sector it is difficult to obtain the data regarding production for a specific aspect. According to the estimate
more than 20 products of paints and varnish are available for operating in the organised sector. These products are separated according to the cost and quality with comparison to the Asian Paints and their products. Many of the dealers in Saurashtra region till today avoid excise duties and other taxes so that the company is in better position to compete in the local market.

The company mainly involves the imported raw materials and then manufactures it in their production units. The difficulties face in the shape of the production is due to scarcity of raw materials, due to the import barriers or customs, variation in demands for certain products due to the production gap.

Initially the company faces many difficulties to start the paint factory which needed excise license and also more than two mixtures. The government policies and other entry barriers were also tolerated for a long period of time due to the period of recession and to fight against the Giants players of Saurashtra market.

1.5.2.2 - Missions and principles

The main focus of the company is for providing high quality of services of product for which actual painting is known. The priority of the company is to become a well-known provider of commercial and custom Paints including the finished services with multiple operating levels and to develop a healthy relationship with the clients for a long-term business goal.

To achieve this mission of the company their products have to succeed at the following criteria

Providing timely based services at a professional level to the clients and to provide unique and practical compete products which are tested by the Laboratories on the basic grounds in order to meet the first responsibility towards the customers and retailers.
To establish a strong financial environment to develop the regional market and distribution network which allows the flow of supply and demand at regular interval of time.

To perform at the expected satisfaction of the customers at the reasonable grounds and attractive product and varieties to meet the professional service which are entitled to the competitive business.

To treat the retailers and partners with fair policies and considering them to be at equal positions as the company.

Bringing value to the operating business and products to compete against the Giants players like Asian Paints and to give better than them.

In order to succeed for achieving this mission the company has to effectively apply the principles of the basic business grounds at the professional level.

1.5.2.3 - Business objectives

The main objective of the company is to work at the professional level for margin at 15% year by year in order to achieve a targeted area of customers by the specific products with compared to other brands.

In order to achieve the maintained objective a conservative approach needs to be applied at every level of managerial expects to develop the brand and faith in the minds of the customers regarding the quality of the products. The company believes that if this objective is kept in mind then there is no need to worry about the financial
data and business model for operating at arise and target towards the growth of the company. Those are conservative ideology kept in mind based on the considerable experience of the professionals blend with the knowledge of the market of the Saurashtra which provides the pool of skill and expertise to thrive in the business.

1.5.2.4 - Raw materials

Any basic paint industry uses about more than 200 different types of raw materials at different grounds for producing various types of paints. Out of these raw materials more than 30% of the basic sources are petroleum based and thus requires to be imported from outside the boundary.

About 50% of other raw materials are collected from different areas of the Saurashtra region which increases the basic prices of the mixtures like pigments, zinc oxide and titanium oxide constituting the major part of the manufacturing of the Paints. Thus the scarcity of the raw materials does not allow the company to maintain the flow of the goods at regular intervals compared to the demand of the markets which affects the overall growth of the company.

Other raw materials such as resins, turpentine, vegetable oils, and other materials are produced locally in the factory and are easily available from the market. The suppliers of the special types of raw materials have increased and so the availability
of this type of raw materials has sufficient market making it available to the manufacturers at their convenient place. For example the production of marine blue used as a solvent and protecting substance in making of the Paints is produced in large quantity and thus is exported to every parts of the country.

This also discourages the imports of various raw materials as the increase in the knowledge of the manufacturers for the production of such type of materials in which internet also plays a major role for their ignorance. As mentioned earlier more than 30% of the raw materials are petroleum based so as the prices of The crude goes higher, the rates of the raw materials also increases which simultaneously increases the price of the Paints. But with the decrease in price of the same materials, the company gets benefit by allowing bulk imports plus increasing the profit margin of similar products. Furthermore the development of the technology in the chemical industry background have also Limited imports and supply of raw materials. The government also encourages the local companies to increase the in-house production for the paint industry by giving relaxation in the loan criteria another policy light manufacturing of titanium dioxide and lithopone have increased in Saurashtra region for last 5 years.

1.5.2.5 Foreign investment
The concept of collaboration for the leading paints in the manufacturing unit and the term of sponsorship for operating with the local entrepreneurs has given tough competition to the individual manufacturers.
The paint manufacturing companies are jumping towards the foreign enterprises and offering public subscription in the stock market exchange in order to become public limited companies and increase their shares in order to develop a strong financial network which can benefit both the company by decreasing the production cost and also to the clients by investing into the ups and downs of the company at the general levels. As the company grows the interest of the shareholders also increases towards the benefit of the company by looking into the operations of the traders of paints, and for public subscription in the involvement of the foreign investors by establishing their own manufacturing brands.

In some part of the Saurashtra region the paint manufacturing companies have also collaborated with the similar capacity brands for expecting higher level of income at the competitive rate and increasing their distribution network by establishing repo with the customers and giving fight to the Giants players of the industry.

**Demand**

The demand of the paint and varnish depends on the cyclical movement of the market which again depends on the seasonal efforts of the customers and the mindset based on the moment of constructive business, real estate and other sectors. The company works on the formulation of 5 years movement for any customers which describes there estimate of around 20 percentage or more of the total
consumption of the Paints in one month particularly based on the culture of Saurashtra.

The constant changes on the price level of the giant companies like Asian Paints also effects the overall margins for other companies following their ideology to compete in the market. There is constant desire for the change in the government policies and economic structure of the industrial contribution which develops the potential to appear in the form of sizeable brand as the private sector for the commercial as well as industrial Paints. The favourable growth for the demand of the raw materials and their availability in recent years has increased due to the streamline tax structure and valuation of GST which encourages the local companies to get involved in the market of Saurashtra and get maximum benefit of production and distribution.

**Exports**
As per the culture of Saurashtra, export is considered to be highly untouched business in terms of finance, foreign customers, currency differences, government policies for different products and other entry barriers for the paint companies to enter into the export market.

Talking about the exports of the big players includes Paints and varnishes combining of preparation of colours, enamels, paint oils and other pigments which are easily available and can be produced on large scale for successful business operations.
Large numbers of foreign companies have invested into the Saurashtra market which have the tendency of buy cheap and sell cheap.

Taking advantage of this mindset of the people of Saurashtra region the foreign brands have established a successful ratio facing tough competition by communicating the local market and giving them cheaper rate products for different varieties of choices of paints. Large number of exports has been increased in the areas having affordable inputs of resources and at minimum cost of production which prefers to operate at their own factories and provide low cost products in the market. This counters the local companies or manufacturers making it difficult to survive in the market. These companies also depend on the incentives of the government and other benefits for making Exports at the wider ground. Many hurdles like taxation system, constant increase in the price of the raw materials in the international market hinders the benefit of the exports of the local manufacturers.

1.5.3 - **Type of paints**

There are various types of categories of paints as for the purpose of it and the quality and price. For the moment paint serves the different aspects of protecting surfaces from weather, moisture, fungicides, heat and other problems. For every different purpose different Paints are introduced and broadly classified as per the cost affordable to the customers and their needs.

However for general terms paints are mainly classified into three types: - primers,
under coaters and finishing Paints. Such type of paints are covered under exclusive type of water based in materials mainly consisting of distempers and emulsion Paints.

Within this broad categories some of the Paints are considered as under

1) Resisting enamels
This type of paints are made up of pigments and other solvents which helps the surfaces to give resistance to the acidic atmosphere and environmental temperature variations. Generally synthetic resins are used for the preparation of such type of paints.

2) Aluminium Enamels
This type of paints are preferred as the basic pigment made up of lead, zinc oxide which is generally replaced by the aluminium powder for the betterment of environment. The main purpose of such type of paints is to give resistance against moisture and heat. They are made up of various types of media to serve the specific purpose off the walls like heat tested oils, varnishes made up of natural resin or synthetic resins such as cellulose or chlorinated rubber and a mixture of this materials. One thing is considered before the manufacturing of such type of paints is to keep the acidic level as low as possible so as to increase the life of the Paints.

3) Anti corrosive Paints
Such type of paints is mainly used for the Marine purposes like the application at the bottom of the ship which requires quick drying properties and are manufactured by toxic ingredients like mercury oxides. This type of paints are mainly oil bounded and water based Paints in which after the application on the surfaces it has the quality
characteristics of evaporating the water from the surface and is left with a film of bitumen and pigments.

4) Bituminous Paints
This type of paints is mainly used for the conceal purposes and to hide the cracks on the walls by mixing pigment oils of dark shades with the basic ingredients.

5) Fire retardant paints
This type of paints is mainly used to cover the exposed surfaces of woods and to protect them from the higher temperatures and intensity of fire for not quickly spreading at a limited extent. Manufacturing of such Paints the thickness of coatings is kept higher in order to protect against resistance of heat.

6) Fungicidal paint
Such type of paints are made up of toxic agents and incorporated materials to resist the growth of the fungus and bacterial substances giving it smelly atmosphere on the walls.

7) Heat resisting Paints
This type of paints are made to give protection against the surfaces which faces tremendous amount of Fahrenheit around 300 degree and are made by using pigments having stabilized properties synthetic oils and resins to face against climate change.

8) Hydrated Paints
This Paints are mainly used on the damp surfaces which are on constant of coatings and variations in temperature. They are they are made up of primers and finish coatings which are used against the adherent properties off the walls which are responsible for creating damp or cracks.

9) Luminous Paints
This type of paints are generally used for creating designs and attractive looks on the walls for decorative purposes which are made up of phosphorescent and fluorescent.
10) Machine Paints
This type of paints especially used on the rough items like machines and tools which requires constant painting due to their use and dust particles collected at regular interval of time.

11) Metallic Paints
This type of paints are generally made up of aluminium and bronze which are heat resistant and are usually used for painting hot pipes and radiators. The manufacturing of these Paints uses synthetic oils, varnish, cellulose and synthetic resins. It is generally used as diet background paint for dark bronze or light gold colour.

12) Spray paint
This type of paints are usually made from oils and coatings powder date can be made four applications of short interval of time around half an hour to 2 hours generally used for the application of spray paint.

13) Wood Paints
As the name suggest this Paints are generally used for furniture applications to give them corrosive strength and for shining effect giving life to the woods surfaces.

14) Paint removers :- this product is usually applied on the surfaces 2soft and the Paints or varnish so that it can be easily removed with the help of a knife or other tools which mainly includes alkaline or spirituous remover.

1.5.3.1 - Services
The term service refers to the comprehensive office of the company for both decorative sector as well as industrial sector.
This service includes following description :-

- Price list at regular intervals
- Fine detailing
- Explanatory work
- Deciding the needs of customers
- Training for special designs of paints
- Accounting for the wall painting

1.5.3.2 - Packing
As per the Saurashtra market there are generally four types of packing style followed

- Quarter packing for 0.9 litres
- Gallon packing for 4.0 litres
- Bucket packing for 16.56 litres
- Contract packing for 20.0 litres

1.5.3.3 - Distribution network
The place where products are made available for the customers and company activities is known as distribution or placement.
The marketing channels have been used for this purpose in which the final goods are made available in the placement process to the end customers. This place is also considered to be the independent organisation which is involved in the process making of a product and services that are available for the use of the business as well as the consumption point for the customers.
The distribution network is divided for every region and territories for the Regional Sales Manager allocated for that particular area.
The supply chain network is carried out in such a manner that one region cannot be made available as the source of providing goods to another region or territory. Distribution network is supplied in such a manner that every customer should get the benefit of trying all different types of products of his choice and the delivery should be made possible for approving the dealers of the company. There are different types of modes used by the dealers of the Saurashtra region from transporting goods from the one end that is the source to the customers. One is distribution vehicles in which the employee of the company carries the goods on his vehicle and delivers it to the retail outlet which is covered in his area. The other mode is road transportation in which the customer is available in different cities or at far point from the company outlets, due to which transportation companies to that particular cities are used for delivering the goods.

1.5.3.4 - Growth and market
The current trend of the market of the Saurashtra region has adversely affect the market factors which have been simultaneously increasing with the income and budgets of the people targeting the metro cities and real estate projects to meet with the demand for conventional and distributive services. The commercial customers have been increasing the per capital income gradually with the potential of 8 to 10%
every year in order to meet the luxury of life and also for decorative purposes.

Market and clients
The main focus of the company is to develop long-term business with the clients by providing quality products in the market which can be compatible to the other giant companies at the competitive rates. For achieving this they have to ensure the ongoing requirements of the customers which changes with the climate and every time something new is expected in order to survive in the market. The industrial sector is generally covered by the estate buildings, private businesses, residential complex, school buildings and other construction for retail and manufacturing businesses.

In order to be the first priority of the customers a company needs to choose the clients or distributors who can operate at for reasonable area of services, basically to manage the cost profit margins, for a higher distribution network in the Saurashtra market.

1.5.3.5 - Competition in the market
The local traders of the paint industry are in constant environment of competition with the Rivals of their strength as well as the giant companies involving different ideologies and strength having tremendous distribution Network and financial backup and have to follow their pricing and schemes in order to survive in the market. The top players are considered to be the king of the competition where they have done deciding factor of turning the mindsets of the customers, by involving economic down strings and creating positive competitive environment by constantly moderating the brand and quality of the products which others have to follow in order to satisfy their
Changing the competitive position of the businesses also changes the chances of other manufacturers to grow at the competitive strength by maintaining the level of performance at a market based informative sales and by developing ongoing geographic considerations regarding cost of manufacturing to the cost of sales from the point of origin to the point of supply.

The range of the competition in the Saurashtra market depends on the efforts of the companies by understanding the needs of the customers at different points of time where sometimes the profit margins needs to be kept aside while focusing on making impact among the other brands. This can be achieved by constant focus on the movement of the market and making the flow of the goods at smooth run for determining the commercial work in training development for the Painters to understand trend of the market.

1.5.3.6 - Marketing strategy

In today's period the priority of the customers is the foremost thing for any of the business to focus on. There are approximately 10 to 15 competitors at every different
product at every different retailer which gives choice is to the customers but with that it gives tough competition for the companies to keep up. So the first and foremost goal of the company is to understand the basic requirement of the customers and secondly marketing strategy forms and equivalent part for the growth of the company. For Saurashtra region the basic Thumb Rule off the market for any company is to give the best quality possible at the cheapest price affordable, which implies towards the point that customer is the ultimate king of the market.

1.5.4 - SWOT analysis

Strength
The image of the brand and services
Technological backup
R&D department

**Weakness**
The slack in the construction business
Higher working capital needs
Scarcity of raw materials

**Opportunities**
Incentive policies made available by the government
Rise in the income

**Threats**
Other players entering in the market as foreign companies.

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1.5.5 - **Business partners**
Without the support of the operational partners and chain of supporters the company cannot survive on a constant flow of business and to engage in the growth of
liabilities helping for establishing the brand in the saurashtra market. The list that provides the requirement that is engaged for providing a window for the growth of the business is as follows

- Different products of paint and their supply
- Large retail and commercial suppliers
- Financial background
- Business network
- Formation of associations
- Relationship with the customers

**Future Perspective**
The future for the paint industry will always be recognised by the hardship of the company achieving sustainability in the market. The ups and downs are the basic operations that will always remain but in order to expect brighter future and to get maximum advantage in the competitive atmosphere, there will be always constant need of understanding the trend of the market and to provide something new to the customers every time in order to get applause and build a reputation among the other competitors.