

Nippon Paints eyeing smaller towns to grow

Aims 10% market share in decorative paint segment

OUR BUREAU

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Nippon Paints plans to consolidate its position in the South and maintain it in the West and North. It is aiming at a market share of 10 per cent in the decorative paint segment in five years from 3 per cent at present, a senior official of the company said.

Mahesh Anand, President, Decorative Nippon Paint, who was in the city to introduce a new "Customer-centric Select Store" in the Dollar City of Tirupur, said that the company is looking to

strengthen its position by reaching out to people in tier II and III locations.

Admitting that "Nippon Paint" as a brand is yet to make a dent even in the South, he said: "this brand is available in close to 2,000 stores out of the 40,000-odd outlets selling paints across the country. And only 10 per cent of the 2,000 stores are "exclusive Nippon" stores.

Chennai plant

"We have, therefore, decided to strengthen the depot (warehouse) network from 14 at present to 20 by 2018," he said.

Nippon has three plants in India - one each at Chennai (catering the decorative

paint segment), Mumbai (industrial paint manufacturing plant) and Delhi (auto refinish paint segment)

"The Chennai plant has installed capacity of 7,000 kilo-litres per month, but the current utilisation level is only 40 per cent. Demonetisation has impacted the decorative paint sector, as the secondary movement largely happens in cash (from dealer to customer). We witnessed a 4-5 per cent drop in business and it is yet to recover. It could take another two-three months to get into the recovery mode," he said in reply to a query.

According to him, the company has registered an

average annual growth of 15 per cent, higher than the industry average of 10 per cent.

Skill development centre

Nippon Paint has started a skill development centre for painters.

The Centre at Chennai, according to Mahesh Anand, has already trained 100 painters. "We train six people per batch, but not many are keen to undertake this training. Though we give them a stipend, it is not commensurate with their daily earnings.

Further, painters are reluctant to be re-trained. But we impart training in soft skill, technology and other

techniques. We are trying to get the National Skill Development Council certification as well," he added.

The paint major is in the process of setting up skill development centres at Madurai, Tiruchi, Coimbatore and Tirunelveli soon.

"We are also trying to start a Loyalty Program for Painters. There are close to 25 lakh painters in the country. Earlier, when a painter buys a particular brand of paint, he would be given some reward points, which could be redeemed after 4 months. We have digitised the process. Efforts are on to engage the painter community more effectively and efficiently," he said.