



**Developing and implementing promotional strategies**  
**at happilac paints**

**(Subject)Marketing theory and practice(561)**

**Assignment #2**



## INTRODUCTION

Happilac Paints is well known brand manufactured by Karss Paints Industries Millat Road, Faisalabad Pakistan. Karss Paints Industries established since 1978. since establishment, Karss Paints Industries Struggled day and night to gain the trust of the nation and an envious status countrywide. Our decorative as well as industrial products rage won the admiration, applause and confidence of the professionals and prestigious consultants

Our main achievement in terms of quality and innovative products are a direct out come of our commitment to research and development. A team of furnished experienced and devoted engineers deputed to develop products, which are of inter-nation standards and 2nd to non



## LITRATURE REVIEW

### MARKET TRENDS OF PAINTS INDUSTRY IN PAKISTAN

One of the greatest opportunities for paints producer is that now a day's people are very much conscious about the quality of the paints. They are aware of the fact that good quality paint is long lasting for their houses and businesses. Paints producers are also investing heavy in advertisement. As a result customers are getting aware of the importance of paint and their trends are moving from traditional white wash (*KALI*) to quality paints products. As producer companies of paints will more focus on the TQM, it will increase the demand of products. There is also a great opportunity for paint industry; the housing rate in Pakistan is flourishing very rapidly, especially after the Earth Quake in Pakistan. Paint industry can target these customers.

### MARKET GROWTH OF PAINT INDUSTRY

There are huge opportunities for the growth of paint industry in Pakistan. And this industry also has shown very good results in last decades. But due to economical recessions and bad political condition of Pakistan this business has declined by the 10%. But after the creation of new government in 2008, this business has



able to increase its 1% share. Although decorative business increased market share by 1% and industrial sales also increased because of the very significant decline in the size of the decorative market, the overall reduction in sales volume is 4% as compared to the previous year. However gross margin increased by 6% through improvement in product mix and efficiencies in procurement and manufacturing, which coupled with stringent control over fixed costs resulted in an operating profit improvement of 14.4% over last year to Rs. 262.9 million.

The new government has increased the general sales tax from 15% to 16%. This increase can hurt the growth of the paint industry. Recently this industry has increased the 1% share but new government policies can again hurt this industry. The increase in tax, energy crisis in Pakistan and high prices of the decorative paint products are major hurdles in the growth of this industry. But there are still chances to grow. There are almost 54,000,000 potential customers in Pakistan. There are huge opportunities for the paint industry of Pakistan to export the paint products to the Middle East and Afghanistan. If the government gives incentives to the paint industry in export, this can increase its growth; as a result Pakistan will also generate heavy revenues.

Recently new competitors are coming in this industry, which is the sign of the growth of the paint industry. According to industry analysts, this tough competition, high promotion strategies and increasing trend toward the paint industry are the clear chances of high growth in the paint industry.



## **HISTORY OF HAPPILAC PAINTS**

By the words of

### **CEO HAPPILAC PAINTS**

**Karss Paint Industries** started manufacturing of paints in 1978. At first instance it was a small scale paint manufacturing unit. We started the business with an aim to produce the best quality products with economical prices. Quality remains our manifesto and price a challenge to produce the best out of best. Every day price hike in paint raw materials never becomes a stumbling block in our way to compromise over quality. An independent quality control department is working to check the set standards of our products. Not a single batch of any product can be supplied to the market without quality control departments' examination and approval. The continuous improvement in existing products is a responsibility of R & D department. Which is working under the head of an experienced and worthy chemist. A team of young and energetic chemists work hard to redevelop the products which should be more resistant to climate changes and extreme weather conditions. The R & D department enables us to introduce new trends and innovations in shape of texture, Mud finish, Multitile, Italian texture & Pearl Skin to make us exclusive and distinctive among others. I am grateful to the Almighty Allah who has bestowed me with the best professionals and I am thankful to you all who have a great confidence in **Happilac Paints**



**Khawaja Shahid Razzaq**  
**CEO**

## **VISION STATEMENT**

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



## **MISSION STATEMENT**

“We shall increase our turnover by 100% in the next five years.  
We shall remain socially committed ethical Company.”



## **MANAGEMENT**

### **CEO**

Khawaja Shahid Razzak

### **GENERAL MANAGER**

Imran shaheen sheikh

### **REGIONAL SALES MANAGER**

Islamabad

Shahid Toseef

### **Area manager**

Islamabad





Ahmad Ali

## **RESEARCH & DEVELOPMENT**

**The company has chemists, engineers and IT Professionals on its role to improve and develop new products.**

- All the raw material are exhaustiuey checked according to the ISO set standard and procedures.
- During process every product is checked by quality control department.
- As the product is finished, its quality, durability and covering is checked.
- The quality control department keep on researching new products and improving the old ones. Latest IT and other technologies are used in daily.

The progress seen around the world is a direct out come of research and development a different levels in different fields & sectors.The R & d department plays a key role in the progress of any industry or organization. It acts as a life line to any industry. Karss Paint Industries, which owns an eminent brand **HAPPILAC PAINTS**,believesin new trends and developments under the umbrella of R&D. It is floating new ideas, best quality and high performance paints in the market. R&D department is adorned with highly skilled, experienced,and capable chemists on one hand and the modern labs equipped with the state of the art equipment on the other. R&D department has set its standards high to achieve the quality and trendy objectives through the following means:

- Rigorously checking and analyzing raw materials.
- Blind studies, analysis and comparisons of finished products against competitors to achieve an edge over the others.
- Cope with the social responsibilities by developing such products which are environment friendly, as greener and safer PAKISTAN is our dream.
- Customer compliance, safety, best quality and economy are our major concerns and objectives, which we are working hard to meet



R&D department is endeavoring hard to achieve its objectives by employing all means.

## **FIELD AND ACTIVITIES**

### **Marketing**

MY specialization in MBA is marketing so I worked in marketing department, that is the major department of the Happilac paints, here I came to familiar with the paint industry of Pakistan and its applications in the world, I, not only saw the activities of the happilac paints rather I also became familiar with the industry leaders activities and strategies and their network, I here find out the activities that were done and that need to be done in the increasing competition in paint industry.

### **Area of Operation**

Happilac Paints operates in three broad segments of the paint industry.

### **Decorative Paint**

- The objective is to beautify the surfaces with protection from corrosion and erosion
- This business category mainly targets household segment
- Products are being offered to the consumers through a dealer network
- Products fulfill the aesthetic value of the consumers
- Major revenue earning business area of Happilac paints

### **Industrial**

- Tailor made products to cater to the specific needs of customers



- Products give protection to the surfaces in extreme situations like severe hazardous environment, high temperature, movement of heavy materials and machinery etc.
- Direct marketing approach is being used to promote the Industrial Coatings
- Main customer groups: Garments Factories, Chemical Plants, Fertilizer Manufacturing Plants, Consumer Durable Manufacturing Plants etc.

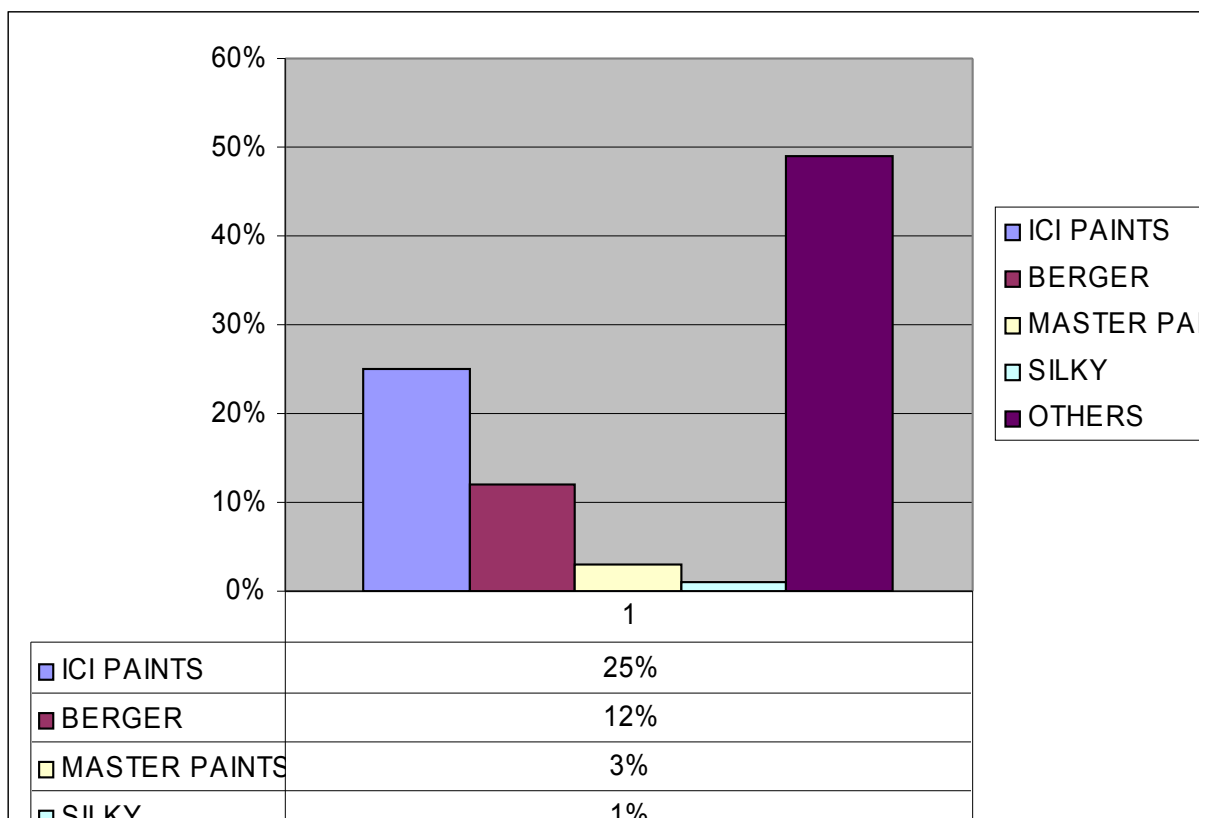
## **Marine**

- Products are being offered mainly through Direct marketing approach.
- Dock Yards, Navy, Passenger Ships are the main user groups.
- Market is mostly concentrated in Karachi and Dubai.





## MARKET SHARE OF DIFFERENT PAINT COMPANIES IN PAKISTAN





## Marketing mix

4ps of marketing

- Product
- Price
- Place
- Promotion
- PRODUCTS

A product mix is being offered by Happilac paints.

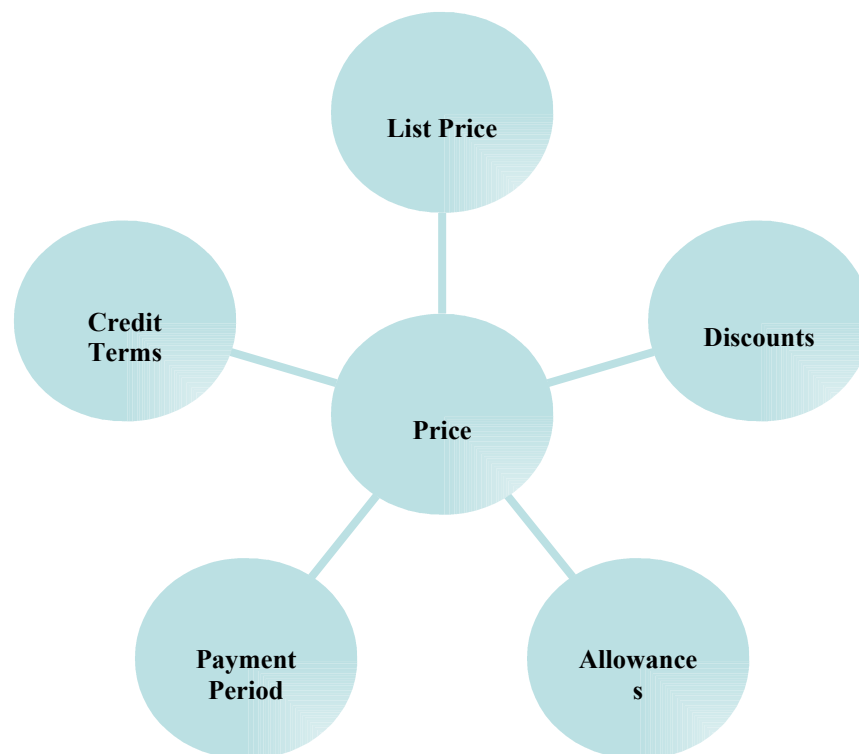
- Happilac Special Plastic Emulsion
- Happilac Wall Emulsion
- Happilac Pearl Skin Top Coat
- Karss Synthetic Clear Varnish
- Happilac Chlorinated Rubber Paint
- Happilac Hammer Finish
- Happilac Black Board Paint



## Price

“Amount of money needed to purchase something”.

### *Elements Of Price*





## **HAPPILAC PAINTS**

is committed to provide high quality broad range of product at reasonable and affordable price for their prestigious customer In this regard Happilac paint is using the strategy of pricing is more for less .Its mean its providing quality product at low price comparatively to their competitors in the market .=

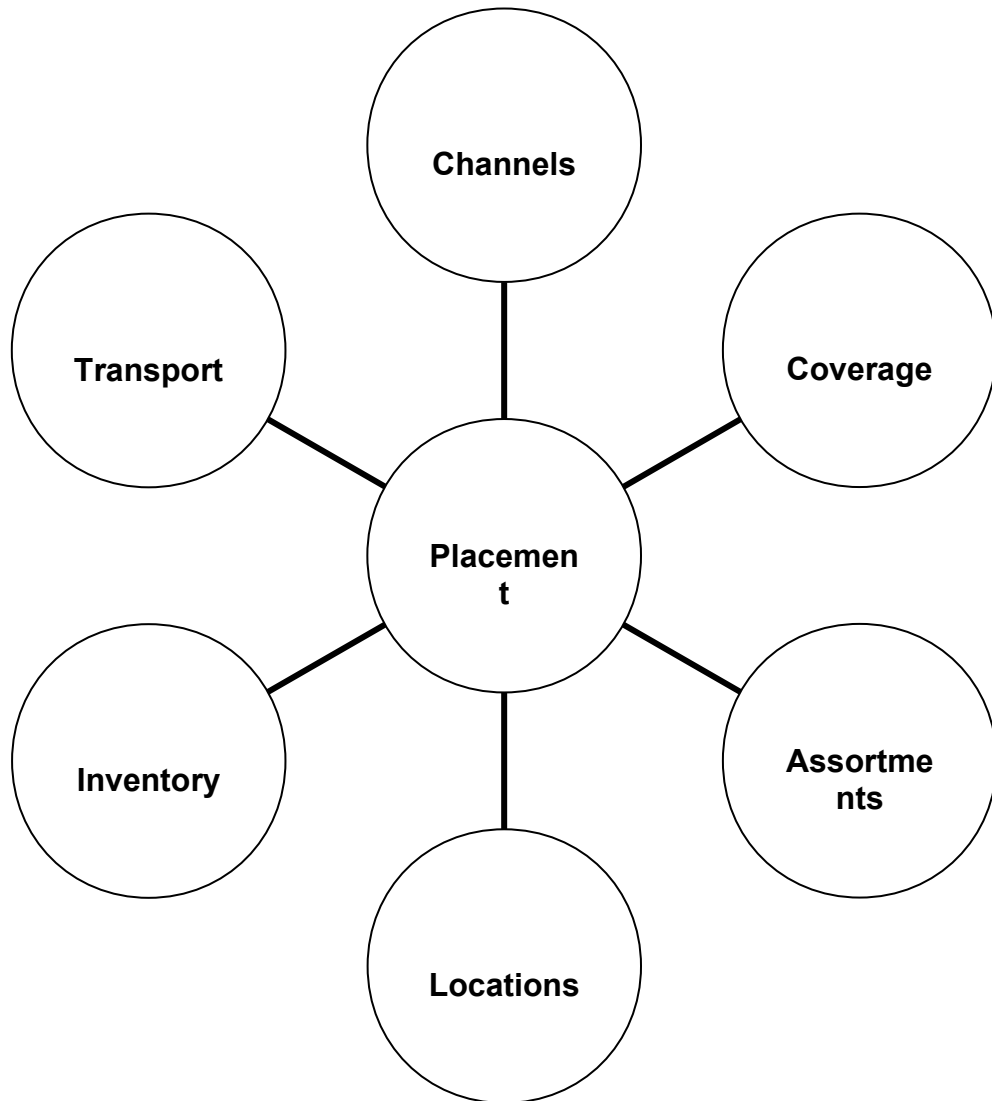
### **Placement**

“Place includes company activities that make the product available to target consumers.”

Placement is the process in which the final good or service is made available to the end customer. The channels used for this purpose are known as “Marketing Channels”. Marketing channels are defined as “set of independent organization involved in the process of making a product or service available for the use or consumption by the consumer or business user”.



## ***Elements Of Placement***







## ***Marketing Systems***

“A distribution channel structure in which products, wholesaler, and retailers act as a unified system. One channel member owns the others, has contracts with them, or has so much power that they all cooperate”.

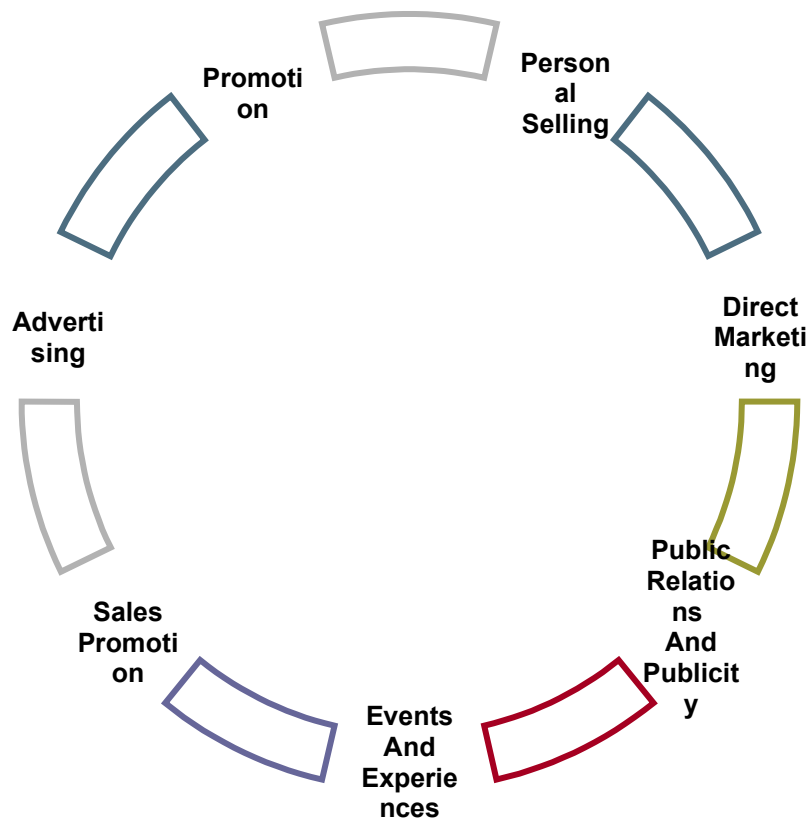
Happilac is also using vertical marketing system in the placement of its products. Here come the old concept of dealership. That means, giving right to a third party to sell the product on their behalf.

## **Promotion**

“Promotion means an activity that communicates the merits of the product and persuades target customers to buy it”. Good Promotion always plays an important role in the success of any product. A good product can be fail if not properly promoted. happilac is taking big steps to promote its product by maintaining good relationship with the community of Pakistan. The basic aim at the behind of these steps is to promote their own product through a moral way.



## ***Elements Of Promotion***



Currently Happilac paint is using only a few tools of promotions to deliver the message to general public and their potential customer.

Advertise their product through news papers TV channels,online channels ,facebook and you tube etc and yellow pages and through holding board in major areas of the country.



### ***Sales Promotion***

“Sales promotion is short term incentives to increase a sale”. Happilac paint plans to use these tools of promotion to attract customers to buy their products. Currently they are not actively engage in any above mention activity for consumers but there are always special incentives for retailers and distributors.

## **DATA COLLECTION METHODS**

### **INTERVIEWS TO MANAGERS AND FIELD STAFF**

### **FIELD VISITS WITH FIELD OFFICERS**

DETAIL IS AS UNDER

**Happilac Paints** is a big name or you may say that a name of quality. ISO is some thing that is minimum quality level for the business to maintain but on the other hand HAPILAC is a big name and itself it is standard. There are some quality persons working for HAPILAC and I am nothing in front of them. But I am really thankful to HAPILAC Decorative Department Head that he gives me opportunity to give some suggestions on the basis of my observations. I am thankful to HAPILAC paints and all the members of HAPILAC Paint Islamabad. I have learnt a lot from every one of them, because everyone is acting as a symbol head for me. That experience that I got from here will help me throughout career and I am really grateful to everyone in HAPILAC Paints Islamabad.

During my survey period there are number of experiences for me, because I have almost experienced every aspect of business in HAPILAC Paint Islamabad.



## Institution & Project team

I would like start with Institution Team, the basic theme is in that institution segment of HAPPILAC Paint business is how to interact with the contractor. These types of deals are not come under the head of everlasting nature, when contract is fulfilled deal is over. So all you need to create the demand for your product. Most of the contractors believe in 'Just in Time', because in the contracts there is no time to wait for supplies and time has a lot of value in the contracts.

## **Dealership Team**

Sales promotion is one of the interesting types of job in HAPPILAC Paint Islamabad; the working of team totally depends on nature of dealers/customers. The nature of dealers means the size of transaction/business he is doing with the company. Also some dealers want to do business with company on credit basis or cash in advance. That's why the different dealers have different problems and sales promoters use different techniques to tackle them. I found most of the dealers are not happy with the system of delivery of paint of company, they argued that the system is so much complex in nature. First of all order is placed, then that should be cleared from the Head Office, then invoices are printed and in the last delivery is made. But according my thinking that is the need of day for the safety of the business.

## **Housing Team**

I have also done some work with the housing team of the HAPPILAC paint Islamabad, but there is only one SP (Sales Promoter) for the housing team, which cannot fulfills the demand of the market. He has to do home to home and convince people. He has to check the problems of customers. At one day he can only visit 10 to 12 house or customer that is not enough for the business need.

IT or Computer Operator



I have also done some work the IT and I have learnt that how feed an order in the system, sales and daily closing of the system.

Working with IT means to improve the effectiveness. In the HAPPILAC Paint Islamabad, all the workers of department depend on one IT person that is responsible to print invoice and customers needed documents, but he is not happy with the connectivity with the Head Office Lahore, because company is using dialup for the connectivity; which is now an obsolete in business sectors.

### **Master Palette**

Master Palette is wonderful or one can say that one of the core competencies of HAPPILAC paints business. In Master Palette there are 6134 colors and customer can select anyone them. I have also learnt Master Palette from order taking, preparation and dispatch. Master Palette must be delivered to customer within 3 hours of order received, but unfortunately sometimes that cannot be fulfilled.

### **Accounts & Ware-house keeping**

Accounts & Ware-house keeping sections of the HAPPILAC paints Islamabad are doing well for the department and the entire job is done by only one person and he is so efficient in his work. I have learnt everything about accounts and warehouse keeping from him. For about one week I worked with him, now I am able to understand every internal work of the department.

### **Other Works**

I was also assigned some different projects form the department Head. Just like store room keeping (Making list of gift and Items available for use) and sorting the caps of Drums and Galloons of Paintex and Maxilite (Dispatch these caps dealers-wise). The learning point in these projects is getting the job done by your subordinates/labor force. That is a totally different experience for me and I have enjoyed my job.

The main I have learned that how make the public relations that's all marketing and sales is all about.



## Enterprise Resource Planning (ERP)

HAPPILAC is one of those companies in Pakistan which are using ERP system. HAPPILAC Paints has its own ERP system from which it become easy for the management to take decisions regard demand and supply. HAPPILAC Paints top management is sitting in Faisalabad making decision about the HAPPILAC Paints Islamabad, this is real use of technology.

## DATA ANALYSIS

- There is a big need to increase the housing team, because of market need and competition between HAPPILAC and competitors. New competitors are penetrating in the market, because last year market analysis shows that market share of HAPPILAC Paints has been reduced .This is alarming sign for HAPPILAC Paints.
- The working of entire department depends on only one person i.e. IT/ Computer operator, but he is not happy with the connectivity of system with the Head Office, because everyone is waiting for invoices to print. Now department is using dialup for connectivity that should convert into DSL connection, which is now a day very much used by big organizations and quiet safer way of communication.
- There should be special Van/Loader for the Master Palette delivery, because HAPPILAC policy is customer satisfaction. And that would be better step towards customer satisfaction.

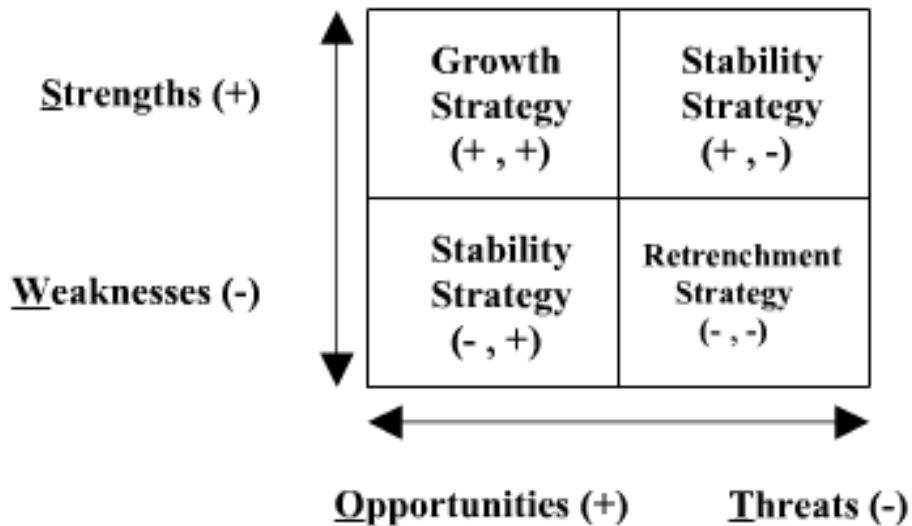


## SWOT Analysis



The overall evaluation of a company's strength, weaknesses, opportunities and threats is called SWOT analysis. It involves monitoring the external and internal marketing environment. External environment includes opportunities and threats, whereas internal environment includes strength and weaknesses. happilac paint is setting up new identity as a result of dynamic changes in paint industry.

The SWOT analysis is an extremely useful tool for understanding and decision-making for all sorts of situations in business and organizations. SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats.



### **Strengths**

- The major strength of Happilac paint is affiliation with latest technology .
- Another strength large amount of colour and latest colour scheme .
- Quality of its product is also major strength because Happilac paint is providing high range of products
- Coverage is in all over the Pakistan ,that is its competitive advantage over locals and some multinational competitors .
- Good image as national brand.
- A large no of dealers in Pakistan every city .
- Less turn over





## **Weaknesses**

- **Promotion** : Promotion is most important tool is order to attract customer to your product but Happilac paint promotion not up to the mark still it not familiar to general public to extent.
- **Organizational structure** is not enough to meet requirements of future competition as it is going to be competed by world class companies .
- **Recruitment of qualified staff** is extinct here .
- **Lower level employes have less chance of growt** that make them less working

## **. Opportunities**

- **Increase Promotion** : Happilac paint has opportunity ti increase its promotion in order to get interact wit people . and to increase their sale volume .It has recently enter the market it should increase their promotion rapidly and should invest on it in order to make their product in the mind of customers when they go for purchase.
- **Increase converge**: Happilac paint can increase its coverage through the country in order make its product available to customers by increasing marketing team members.

## **Threats**

- **Increasing competition** – The competition is increasing in this industry ,many key players and local niches is present in the market and will hard time for them .Happilac paint has to take this factor into account .
- **Political Instability** : It is another major threat for all the industry present in the Pakistani market .now a days political instability in our country as at its peak and this factor will influence all the businesses not Happilac paint is affected by it .



- **Recession in construction sector** is also noticeable.

### ***Conclusion of SWOT ANALYSIS:***

Since Happilac paint has decent strengths and opportunities in the market, its market share is increasing and it is expanding its sales network rapidly, so the situation tells us that Happilac paint is adopting and implementing on Growth Strategy.

## **Conclusion**

From the above all discussion I have found that HAPPILAC Paints has a lot of resources and well equipped. It is true to say that HAPPILAC Paints is always in profit but now the horizons are changing this populated middle class of Pakistan is being targeted by giants in paint industry like ICI, BURGERS and NIPPONs, Happilac can compete the multinational companies and it has started fully applying all of its resources on Quality Practices, Customer Retaining & Satisfaction, Research & Development and Environmental Control, but it needs to show some management commitment to retain its position, because a no of its competitors is penetrating in the market.



## **REFERENCES**

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