



Step on a colour

Glitterati Life  
Discover the power  
of metallics

Welcome

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# 1.0 Executive Summary

Asian Paints is India's largest paint company and the third largest in Asia. Their products are distributed through a network of dealership stores, serving a client base of painters and contractors, architects and interior designers.

Asian Paints approached FITCH to help them evolve their image from an industrial paint manufacturer to a consumer brand that people would trust to advise them on their home décor. FITCH worked to design, develop and build two flagship experience stores in Mumbai and New Delhi and to roll out the concept to the top tier dealer stores.

The new stores are an inspirational and educational colour experience offering a highly interactive and personalized colour solution. The scheme adopts an editorial approach presenting products within lifestyle contexts with easy-to-understand choices, recommendations, top tips and latest décor trends. The overall design uses a seamless approach integrating Asian Paints' website, mobile applications, out of store pop-up events, staff training and magazines.

As a result of the new design, Asian Paints have witnessed an increase in sales of specialty paint finishes (including bolder colours) in FY 2012 – 2103. The past 12 months have also seen a sharp increase in demand from dealership trade partners to convert their dealer stores to the new Colourideas format. The number of installations has more than doubled in the past year.

The Colour experience stores have enhanced Asian Paints' reputation in the area of colour and décor and the brand has been given a new lease of life. Best known for their high quality products, Asian Paints are now perceived as India's décor and colour experts.

*"The Colour store experience has fundamentally changed our brand...we are now the colour and décor experts in India."*

Satish Kulkarni  
Asian Paints, General Manager,  
Marketing



Figure 1: Colour experience store (Mumbai) facade

## 2.0 Timeline

This timeline (double page spread) captures the key activities that Asian Paints underwent with FITCH throughout an on-going relationship.





New Colourideas  
dealer store (network  
rollout)



Painter academy



ColourNEXT trends  
launch



Colour quarterly  
magazine



Colour experience  
store (Delhi)



Refreshed  
brand identity



Website



App



Refreshed  
Colourideas dealer  
store



Activities  
(Pop-up/ Roadshows)



2010

2011

2012

2013

## 3.0 Project Overview

### 3.1 Outline of Project Brief

FITCH was invited by Asian Paints to design and build a signature store that supports the following key business and marketing objectives:

- To increase customer engagement in a category that has largely been influenced by channel partners such as architects and interior designers rather than by the end consumer.
- To build a partnership with customers so they can create beautiful homes.
- To provide a complete brand experience for Asian Paint customers whilst demystifying the paint category by providing 'touch and feel' and consultancy based solutions.
- To upgrade the consumer experience to the standards demanded by the Indian paint customer, and to achieve this ahead of other organized retail players or paint companies.
- To form a strong alignment with the best paint retailers countrywide and drive key product and service objectives such as specialty finishes, textures and services.
- To increase the per capita consumption of paint.
- To inspire customers to be confident with colour.
- To position the brand as the 'ultimate home décor and colour experts'.

### 3.2 Description

Asian Paints has a worldwide presence with operations in the South Pacific, Caribbean, Asia and the Middle East.

The company is active in the following categories:

- Architectural Coatings
- Industrial Paints (performance and marine coatings)
- Automotive Paints - through a joint venture

The newly designed concept stores and dealer outlets relate to the Architectural Coatings sector, which includes:

- Interior and Exterior Wall Finishes
- Textures
- Wood Finishes
- Enamels
- Undercoats
- Specific Ancillaries (application rollers etc.)

Over the years, Asian Paints has transformed itself from a manufacturing organisation to a sales and distribution driven company. It has also increased its marketing strength by developing and expanding its portfolio of customer facing services. These include Painting Solutions, Customer Care Support, Colour Selection Services (test your ideas via visuals or sample pots before you paint), Colour Forecasts (ColourNEXT) and web based services.



### 3.3 Overview of the Market

The size of the Indian paint market is estimated at around US\$4.3 billion for FY2011-2012, it is expected to reach US\$8.2 billion by 2016-2017. It is largely dominated by an 'unorganized sector', made up of many independently owned 'mom and pop' stores.

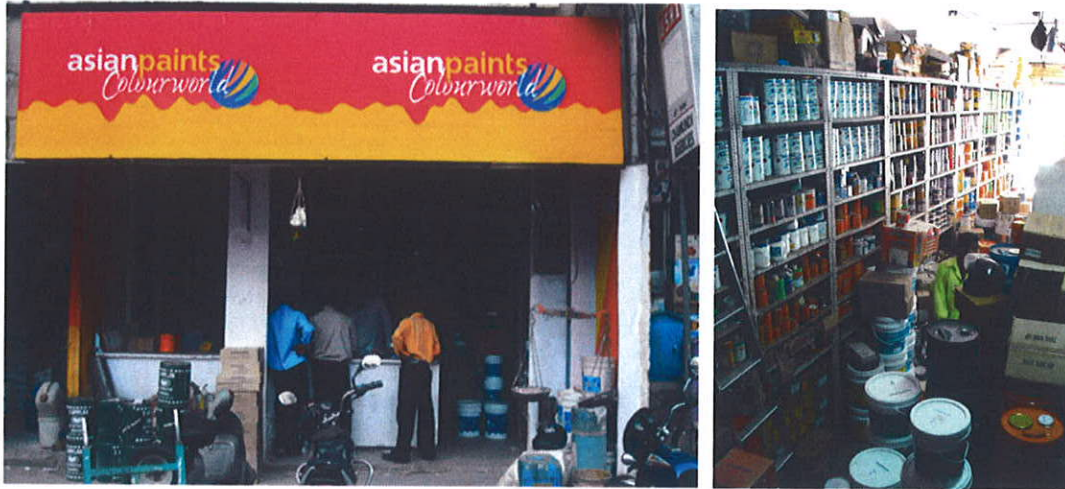


Figure 2 & 3: Old Asian Paints stores showing typical disorganised retailing

While this sector is steadily reducing, there remains a huge opportunity to grow the 'organized retail' sector, which consists of more formalized retail chains typically located in shopping malls. Over recent years, several multinational paint companies have tried to gain a foothold in the 'organized retail' paint manufacturing sector.

Other than Asian Paints, Kansal Nerolac, Akzo Nobel (the maker of Dulux Paints in India) and Shalimar Paints are among the other key players in the Indian paint market. Between FY2012-2013, Kansal Nerolac and Akzo Nobel have started to introduce dealer store formats.

Five years ago in India, the purchase of paint was generally made by painters and decorators rather than by end consumers. A couple or family would typically discuss their paint choices at home with their contractors. The contractors would then proceed - usually alone, or occasionally accompanied by an untrusting customer, - to purchase the paint from the dealer store. These were often dark, cluttered spaces stocking endless tins of paint. The outlets served as delivery points for paint and offered no real customer experience, as they were generally small, family-owned dealerships unable to invest heavily in the store's interior.

Asian Paints has always been viewed as a trusted brand with a good reputation and excellent products. As their products are distributed through a network of dealership stores, they had very little direct contact to their end customers. This meant that they were predominantly seen as an industrial paint manufacturer rather than as a partner giving home décor advice.

Asia Paints recognised the need to change their perception to a more customer-facing, service-orientated brand, in response to the evolving needs of the Indian consumer. Indian consumers are not comfortable applying paint themselves in a country where a hands-on culture is seen as low status and generally avoided. Since labour rates are low, they tend to outsource. This has presented several key challenges to paint companies; to engage customers more actively especially in the larger context of décor; to increase the per capita consumption of paint, which continues to remain low compared to worldwide trends; and to focus on expanding the paint market itself.

### 3.4 Project Launch Date

- Colour experience store in New Delhi: 2012
- Colourideas dealer store: Pilot store in 2009, still on-going
- Colour experience store in Mumbai: 2008

### 3.5 Size of Design Budget

### 3.6 Outline of Design Solution

FITCH has worked with Asian Paints to apply their established 4D process, - Discover, Define, Design and Deliver. They started by researching the market with home visits. They conducted consumer and staff interviews, auditing existing and competitive products and services, and then ran a series of workshops to map the current and future customer journey.

Despite abundant use of colour in Indian culture, FITCH's consumer research showed that paradoxically Indian customers are scared to use colour when it comes to home decorating. FITCH identified that Asian Paints' key challenge was to encourage consumers to be more confident with colour and provide them with a solution that was easy and relevant.

The new flagship store set out to inspire customers to engage in the colour decoration process and to position the Asian Paints brand as the 'ultimate home décor and colour experts.' At about 4,200 sqft (over 2 levels), the Colour experience store at Mumbai was opened in 2008. The second Colour experience store at New Delhi which covers an area at about 2,700 sqft (over 2 levels) was opened in 2012.

The Colour experience store does not sell any paint; instead, they create an inspirational and educational colour experience that offers a highly interactive and personalized colour solution. The scheme adopts an editorial approach presenting products within lifestyle contexts with easy-to-understand choices, recommendations, top tips and latest décor trends.

Customers are taken through a four-part interactive colour journey: Firstly, they step into the 'colour cloud', a dramatic light installation, which helps them switch off their anxiety and relax into the process; then they move through a series of inspirational room-sets, collecting their favourite ideas on an RFID card. Thirdly, their ideas are collated into a personal magazine, which is shared online and printed to take home or to the dealer stores.

Lastly with the help of a colour consultant, customers can visualize their ideas using colour cubes and 3D software in a virtual room, altering views, switching colours, learning how colour can transform their home space, and how it is affected by light.

Having drawn their inspiration from the Colour experience store, they could either proceed to buy their paint from the adjacent newly re-designed dealer outlets or Colourideas dealer stores; or take up Asian Paints Home Solutions service offer which provides them with an all-in-one hassle free service to paint their home.

By proceeding to the dealer stores after visiting the Colour experience store, this helps to address both the needs of contractors as well as providing a more family friendly environment where the wife and primary decision maker, can feel comfortable shopping in a local store. On average, the Colourideas dealer store covers an area of about 400 to 700 sqft.

The overall design uses a seamless approach integrating Asian Paints' website, mobile applications, out of store pop-up events and magazines.



## 4.0 Summary of Results

### 4.1 Increase in Sales

As a result of the new design,

- Asian Paints have witnessed an increase in sales of specialty paint finishes (including bolder colours) in FY2012-2013 compared to the previous year.

### 4.2 Improvement in Staff Morale

There is an uplift of positive emotion engagement and perception by users across all Colour experience stores and Colourideas dealer stores (including consultants, general staff, dealer, contractor). After the launch, Asian Paints received impressive feedback from users of the new stores:

*"We are very proud of our store...after this transformation to a beautiful showroom. And I proudly call all my friends, associates, community people to my shop..."*

*Ashok Ganji, Ganji Venkannah & Sons, Hyderabad  
Dealer*

*"Now I can bring any of my clients or promoters here so that they can see the latest products, so that they can take the decisions immediately!"*

*M.R.Sundar, Premium contractor, Chennai  
Contractor*

The productivity of Colour Consultants has also been on the rise month-on-month.

The Colour Consultants are now delivering an increasing portfolio of services to customers beyond just the traditional Colour Consultation. These include:

- Visualisation including Colour 3D cubes
- Test it at home with sample pots
- Creation of custom themes and combinations for specialty finishes
- Provision of aftercare solutions and finishes maintenance advice

The comprehensive experience gathered through their role as a consultant has also improved job satisfaction and skillset among Asian Paints staff.

### 4.3 Increase in Market Share

As the market leader for decorative paints in India, Asian Paints needed to stay relevant and efficient to maintain its position in India's highly competitive paint industry.

The launch of Colour experience stores and Colourideas dealer stores has contributed significantly to help Asian Paints maintain its position as the market leader since 2008.

### 4.4 Increase in Footfall

Footfall in Colour experience stores has increased tremendously, similarly for Colourideas dealer stores.

### 4.5 Increased Levels of Engagement

The number of colour consultations has been one of the biggest success factors for Asian Paints. Colour consultations are first of its kind for both Asian Paints and its consumers.

Since the initial launch of such services as part of the Colour experience store in 2008, there is an increasing proportion of visitors actually engaging in paint related consultations rather than just browsing.

Since 2009, Asian Paints has also been conducting workshops for guests to the Colour experience stores to inspire them and build colour confidence. They are held in the Colour experience stores and it covers lectures, interactive sessions and hand-on activities. Since then, Asian Paints has received positive response for these workshops.



Figure 4 & 5: Workshop with Asian Paints consultants

### 4.6 Change in Spending Patterns of Target Market

Asian Paints has seen a significant number of consultations converted to sales.

*"A customer came to get his house painted. He came and saw all these things, he was amazed! He said 'you just give me few minutes I will be back'. He has gone home and brought his whole family! His budget somewhere around 10,000, now his budget has gone almost about 60,000 rupees."*

*Ashok Ganji, Ganji Venkannah & Sons, Hyderabad  
Dealer*

*"A lot of the Asian Paints Home Solutions contractors are bringing their customers here and showing to them the finishes that are possible, and a lot of customers who had planned only one wall for the special finish are now doing two walls or one wall in every room or a larger part of the house. That's bringing a lot of happiness to the contractors and consumers."*

*Rajagopal Kumar, Sree Bhagyalakshmi Stores, Chennai  
Dealer*



## 4.7 Improvements in Consumer Attitudes or Behaviour

Customers have been given the confidence to decide the right colour, finish and look for their homes, and to make it a reality. Customers who visit the Colour experience stores are increasingly moving beyond simply selecting a product and purchasing it, and are now getting involved in a larger engagement journey, trying out shades through samplers, using colour visualization software, undergoing colour consultations.

*"The ScreenTest is this small area in which they project how your room can look. We've actually got to see our room after it's being done even before we start thinking how it should be done, so that was brilliant! When we are spending money, we would like to know that yes, we are spending in the right direction, and this gave us immense confidence."*

*Customer at Colour experience store*

Additionally, the increasing number of attendees for Colour experience stores' workshops has also reflected the change in consumer perception towards painting. This would mean that there are more and more India consumers who are more confident in using colour in their homes.

## 4.8 Improved Conversion Rates

Asian Paints has experienced a growing demand from dealer stores to convert to the new Colourideas concept. There is a rapid expansion in the number of Colourideas dealer stores across India.

*"Every inch of my shop was utilised to the maximum expanse. The Colour Consultant made my life very easy, he makes my customers very happy by showing all the tools available in my shop provided by Asian Paints."*

Ashok Ganji, Ganji Venkannah & Sons, Hyderabad  
Dealer

## 4.9 Improved Recruitment

Staff retention rate has been consistent since 2008 to present.

The comprehensive experience gathered through their role as a consultant has also improved job satisfaction and skillset among Asian Paints staff.

## 5.0 Other Influencing Factors

Marketing activities such as promotions, advertising and PR have taken place alongside Asian Paints business growth.

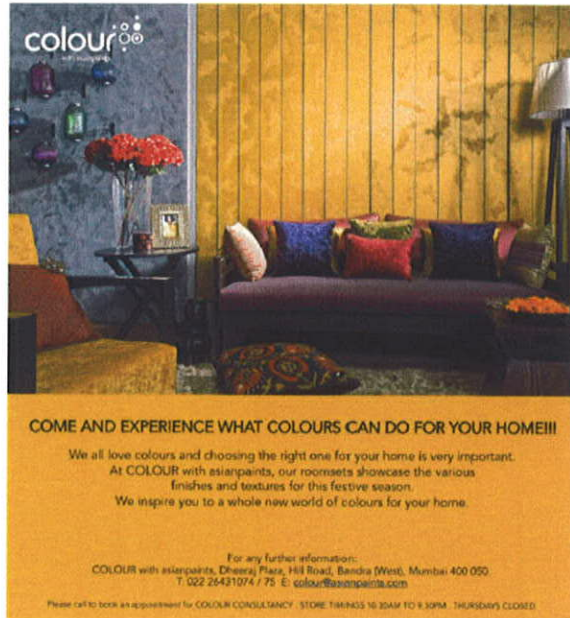


Figure 6: Example of Asian Paints promotional mailer