

## A STUDY ON DEALERS PERCEPTION ABOUT BERGER SILK ILLUSIONS IN KOLKATA

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### ABSTRACT:

Silk Illusions is the most premium luxurious product manufactured by Berger and is targeted towards its high end customers. The project titled "A study on the dealer perception about Berger Silk Illusions in Kolkata" focuses on one of the major stakeholders of the company namely the dealers.

The dealers are typically in contact with a large network of painters, contractors and customers and act as a focal point of information and resources.

The study is aimed at understanding the perception of the dealers about Berger Silk Illusions in Kolkata. The main objective of the study is to analyse the satisfaction level of the dealers and through their reviews and opinions find the areas that require special attention from the company.

A primary research was conducted among a sample of 50 dealers in Kolkata. The primary focus was on the card holders since they have a greater turnover than the others and can provide better insights into the sales of the product. A structured questionnaire was administered to collect the data from the dealers.

The study establishes the fact that though Berger Silk Illusions had the first mover advantage in this product segment, it is lagging behind its main competitor Asian Paints Royale Play as emerged from this study.

Silk Illusion being a premium luxury brand has the potential to become the market leader if due

consideration is given to Product innovation, increasing the availability of décor books and shade cards and advertising.

### KEYWORDS:

Berger Silk Illusion, Card Holding, Dealers, Perception and Kolkata.



### INTRODUCTION:

The unorganised sector controls around 35% of the paint market, with the organised sector accounting for the balance. Top organised players include Asian Paints, Kansai Nerolac, Berger Paints and ICI etc. Demand for paints come from two broad categories:

Decorative: Major segments in decoratives include exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties etc. Decorative paints account for over 70% of the overall paint

market in India. Demand for decorative paints arises from household painting, architectural and other display purposes

Industrial: Three main segments of the industrial sector include automotive coatings, powder coatings and protective coatings. User industries for industrial paints include automobiles engineering and consumer durables. The industrial paints segment is far more technology intensive than the decorative segment.

### **BERGER PAINTS INDIA LIMITED**

The driving forces of Berger Paints - reflect the very spirit of its founder Lewis Berger - who laid the foundations of brand Berger way back in 1760 in the UK. With modest beginnings in India in 1923, today, Berger Paints India Limited is the second largest paint company in the country with a consistent track record of being one of the fastest growing paint company, quarter on quarter, for the past few years. It is headquartered in Kolkata.

The Products include: Interior Wall Coatings, Exterior Wall Coatings, Berger Metal & Wood Paints, Protective Coating, Undercoats, Construction Chemicals, and Express Painting.

Silk Illusions is the most premium luxurious product manufactured by Berger and is targeted towards its high end customers. It was the first range of products in this segment. Berger Silk Illusions brings an array of colours and unique textures to dress the wall of homes. Under designer finishes the silk illusions range includes the following - Silk Illusions Design Metallica, Silk Illusions Metallica, Silk Illusions Non Metallica and Silk Illusions Marble Finish.

### **RESEARCH OBJECTIVE**

The dealers are important stakeholders of any company and are typically in contact with a large network of painters, contractors and customers and act as a hub of information and resources.

### **THE PRIMARY OBJECTIVE OF THIS STUDY IS AIMED AT-**

- \* Understanding the perception of the dealers about Berger Silk Illusions in Kolkata.
- \* The next objective is to measure the satisfaction among the dealers regarding Berger Silk Illusions.

### **LITERATURE REVIEW**

It is interesting to know from review of existing literature that the customers and the channel partners are having a significant role to play in the overall triumph of the paint companies.

Pandey (2009) in his article "Study of Relationship between Brand Perception and Purchase Behavior of Consumer: A Case of Paint Industry" stated that paint companies are gradually reaching the new peaks of success through their work.

The study was to analyse the various factors that influence the customer's intent into purchase decision. While the paint manufacturing companies make all efforts to hold greater market share, it becomes imperative to study the brand perception of consumers and their final purchase decision.

The study revealed that the consumers are important but at the same time surrogate consumers who influence the decision making process of purchase are also important. The paint industry dealers also play a vital role as a channel partner in the success of paint companies.

Gangopadhyay et. al. (2013) in their study provided an understanding of the factors affecting the recommendation of domestic paints with respect to the dealer and interior designer of Berger Paints Ltd., Kolkata (India). There were 12 factors considered which were- variety, durability, quality, promotion and image etc.

Ray & Bhojak (2007) in their study focused on the topics of infrastructure, ever rising middle class population, growth in economic parameters as factors which helped in the growth of decorative as well as industrial paints.

Khan & Musad-al-Shehab (2014) in their internship report on "Factors influencing the customers for not availing illusions from home decor of Berger Paints Bangladesh Ltd" focused mainly on Home Décor. It acts as an intermediary between the company and all its clients. It provides all kinds of colour related solutions to its customers. The unique feature about home decor is that it gives the opportunity to its clients to interact directly with the colour consultants & seek for any colour based advice.

Pandey & Mani (2013) in their article focused mainly on how the success of any company depends on the process of identification of sales influencers and strategy formulation to satisfy them.

## **MATERIALS AND METHODS RESEARCH DESIGN**

In the present study, Cross sectional research design was used and Descriptive Research was conducted to understand the perception towards the product characteristics. This type of research takes the form of closed-ended questions, which limits its ability to provide unique insights. However, used properly it can help an organization better define and measure the significance of something about a group of respondents and the population they represent.

A structured Survey questionnaire was used to obtain information from the respondents. It was primarily dominated by close ended questions. The dealers were interviewed face to face by taking prior appointments for mutual convenience.

## **SAMPLING PLAN**

Sampling Unit- Dealers of Berger Paints under the Gold, Silver and Stallion card club were interviewed.

Sample Size- 50 Dealers

Sampling Procedure- Non probability sampling technique was used and the data were collected by convenience sampling method in Kolkata.

Secondary Data- Information about the dealers was provided by the Berger company officials. Information about Silk Illusions as a product was obtained from the Berger's official website.

## **CARD HOLDING**

50 dealers were visited across various regions in Kolkata. The primary focus was on the card holders since they have a greater turnover than the other dealers and can provide better insights into the sales of the product.

## **THE CARD HOLDING DIVISION IS AS FOLLOWS:**

Gold Card: Minimum annual turnover of 1.5 crore

Silver Card: Minimum annual turnover of 70 lakhs

Stallion Card: Minimum annual turnover of 25 lakhs

From the 50 dealers interviewed, 34% were Gold card holders, 36% Silver card holders and 30% were Stallion. Care was taken that equal numbers of each

holding was interviewed as to get a realistic idea about the perception regarding Silk Illusions.

## **DATA ANALYSIS AND FINDINGS**

Various questions were asked to the dealers regarding their perception about Berger Silk Illusions. These questions were interpreted and have been depicted in the form of graphs and charts.

The answer to the dealer questions were represented graphically and the interpretation for the same had been presented.

## **MULTI BRAND DEALERS**

Among the 50 dealers visited, 90% of them were multi- counters i.e. dealing with other companies other than Berger paints, for example- Asian Paints, Nerolac and more.

The interviews of the multi- counters were enriching as they provided gainful insights as to how Silk Illusions was performing in contrast to its competitors in the same product segment.

## **ASSOCIATION WITH BERGER**

20 dealers were associated with Berger since more than 10 years. 15 were associated between 6 to 10 years and the rest 15 dealers are relatively new with their association ranging from 1 to 5 years.

## **SILK ILLUSION UNABLE TO CASH UPON FIRST MOVER ADVANTAGE**

Silk Illusions was the first to be launched in the category of texture paints by Berger Paints. Since then it faced competition from products like Asian Paints Royale Play, Dulux Velvet Touch and other companies.

Gradually Silk Illusions has been overtaken by Royale Play as the current market leader in this product category. This is simply because of the fact as per the dealer perception of not enough design and lack of innovation.

31 dealers agreed to the fact that Silk Illusions has been incapable of maintaining the first mover advantage. On the other hand 19 dealers felt otherwise.

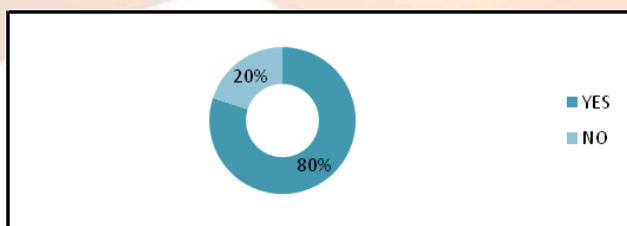


Figure 1. Training To The Painters

Though 80% of the dealers agreed to the fact that adequate training is given to the painters for texture painting, this training is often chaotic and unorganised.

According to the dealers the painters are given training is often not value adding. Asian Paints on the other hand draws up a monthly schedule for the painters to attend the training sessions so as to learn the newly launched designs as fast as possible.

Hence efforts must be taken to make the training sessions more effective and enriching. Also, 20% of the dealers disagreed.

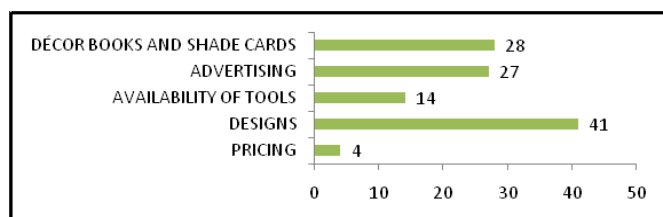


Figure 2. Areas That Require Changes In Silk Illusions The Most

Increase in the number of designs for Silk Illusions is the area that requires the changes the most. Product innovation is the need of the hour and has to be looked into at the earliest. New designs need to be launched and the older or obsolete ones which are not a crowd favourite should be discarded.

The second area that requires attention is the availability of décor books and shade cards. Dealers complained of the fact that if they do not have the required resources then they cannot show anything to the customers which compels them to switch to the other competing companies.

This is followed closely by increase in advertising.

Pricing of Silk Illusions does not require changes according to most dealers.

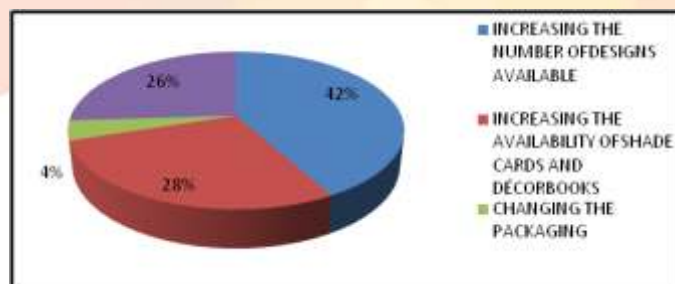


Figure 3. Factors Likely to Increase Sales of Silk Illusions.

From the figure it is evident that 42% of the dealers believe that increasing the number of designs available will surely increase the sales of Silk Illusions.

### QUALITY OF PRODUCT

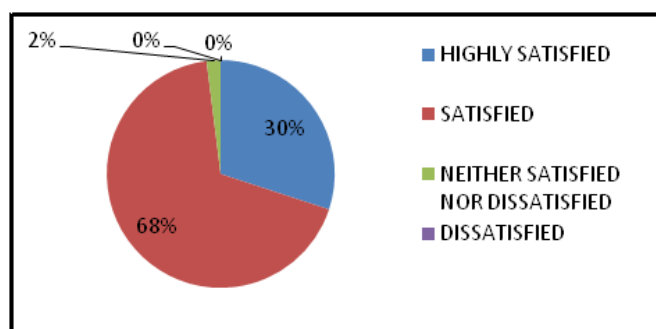


Figure 4. Satisfaction Level of The Dealers

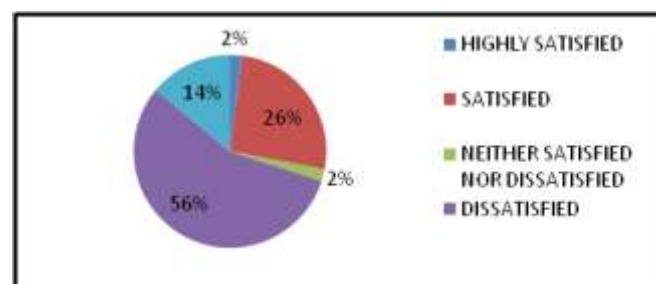


Figure 5. Availability of Designs

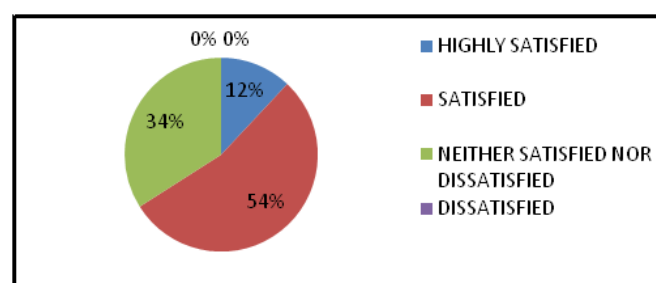


Figure 6. Satisfaction with Respect to Pricing

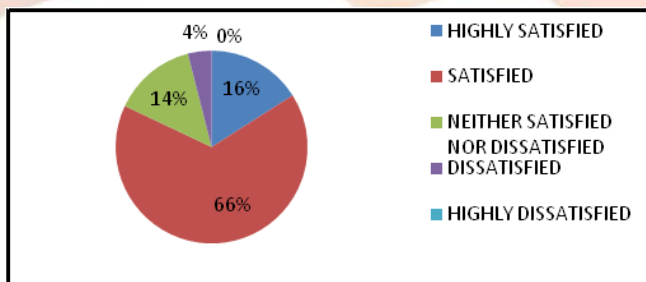


Figure 7. Satisfaction with Respect to Packaging

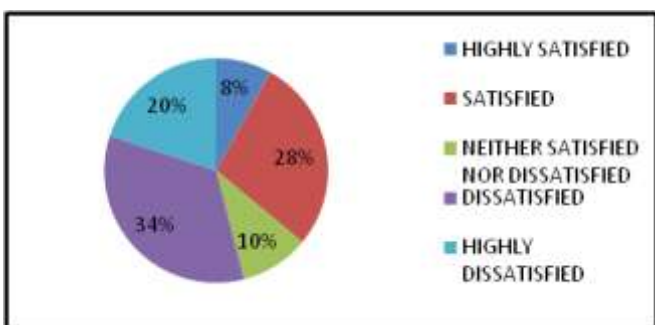


Figure 8. Satisfaction with Respect to Shade Cards

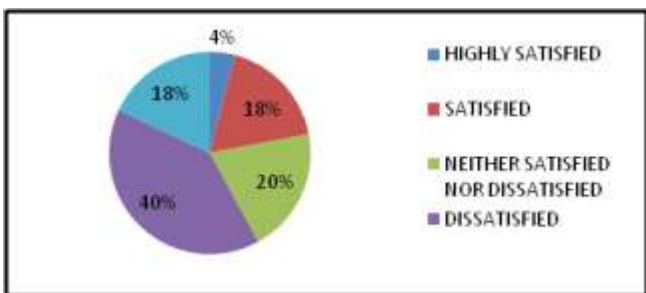


Figure 9. Satisfaction with Respect to Advertising

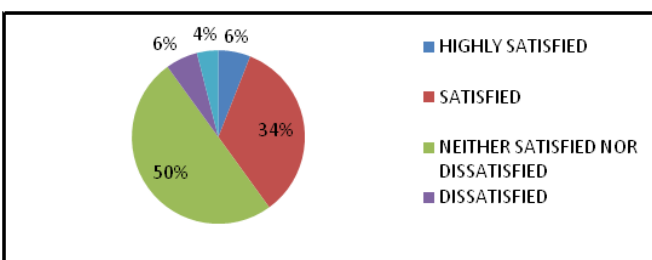


Figure 10. Satisfaction with Respect to Awareness Among Consumer

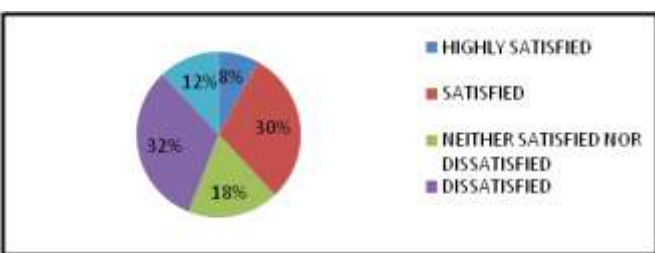


Figure 11. SATISFACTION WITH RESPECT TO AVAILABILITY OF TOOLS

Table 1. Overall Satisfaction level of Dealers about Berger Silk Illusions.

PARAMETERS	LEVEL OF SATISFACTION
Quality	Satisfied
Availability Of Designs	Dissatisfied
Pricing	Satisfied
Packaging	Satisfied
Décor Books And Shade Cards	Dissatisfied
Advertisements	Dissatisfied
Awareness Among Customers	Neither Satisfied Nor Dissatisfied
Availability Of Tools	Highly Subjective- Depends On The Area

**LIMITATIONS & SCOPE FOR FURTHER RESEARCH**

Every research study has its own set of limitations. These are influences that cannot be controlled. They place restrictions on the methodology and conclusions.

**The following have been the limitations to this research study:**

- \* The first limitation to this research was the sample size i.e. 50 dealers. Though Berger has a large number of dealers, visiting all of them in a limited time was difficult. In addition to this the non card holders were not interviewed.
- \* The present study is restricted to dealers of Kolkata only which may be a limitation considering the fact that Berger functions in many more regions of India.

In future the study may be conducted among dealers in other parts of the Country and the relationship between card holding pattern of the dealers and their level of satisfaction may be studied.

**RECOMMENDATIONS**

Based on the responses obtained and interactions with the dealers regarding Berger Silk Illusions, the following recommendations can be given to improve the sale of the product and bring out

a better satisfaction level among the dealers.

**Product Innovation-** Product Innovation is the need of the hour. One of the primary reasons why Silk Illusions is lagging behind its competitors is because it does not have enough designs. Creativity should be the focal point. Various methods can be used to involve the customer also regarding his liking of colour and designs. They should be launched timely and the obsolete ones should be removed. With a greater improvisation on the product offering, the sales of Silk Illusions can be increased.

**Painter Training-** Though training is provided to the trainers, it is often chaotic and unorganized. Proper schedules should be drawn for adequate training and focus should be on their skill enhancement. Efforts should be taken to not only teach the painters the designs but also train them to apply it on the walls with great finesse.

**Availability-** The time gap between the demand and supply of tools, shade cards and décor books should be greatly reduced. Proper monitoring coupled with strict measures will help Silk Illusions as a wholesome product. Care should be taken that if the dealers have nothing to show to the customers in terms of the shade cards and books, the latter will automatically shift to a competing brand. This shall be a loss to the company as a whole. Hence the dealer's requests should be attended to at the earliest.

**Advertising-** This is another factor that requires major attention. Effective advertising of the product should be undertaken to enhance the product and brand value and also to spread awareness among the audience. The brand can use social media, Television commercials and print media to communicate to the users about the product and how it is different from the other competing brands.

## CONCLUSION

Silk Illusion is a premium luxury brand which has the potential to become the market leader. With

efforts into certain areas mentioned above can take this brand to great heights. Dealers have to be satisfied in every aspect as they are important stakeholders of the company.

Despite having the first mover advantage, Silk Illusions has been unable to maintain it mainly due to lack of product innovation. Its main competitor is Asian Paints Royale Play. It is lagging behind Asian Paints in this product segment is because it does not have a large variety of designs and colour combinations.

The product innovation is at a much slower rate than Royale Play.

Advertising is also a major setback for Illusions as there is not enough of it. Where Royale play releases advertisements on a regular basis to be constantly in the minds of the consumers, Silk Illusions does not follow this strategy. Adequate measures should be taken to become the customer's first and only choice.

The areas that require major concern as per the dealer's perspective are listed as follows.

- \* Increasing in the number of designs (product innovation)
- \* Increasing in the availability of décor books and shade cards

## ADVERTISING

Working on the above mentioned areas will definitely boost the sales and image of the brand.

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