

MARKET POTENTIAL, BRAND HEALTH, AND RETAILER INSIGHTS: THE CASE OF DECORATIVE PAINTS IN KOLKATA

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ABSTRACT

The paint industry in India is broadly divided into two main segments- decorative paints and industrial paints. While decorative paints primarily serve the construction and housing sectors, industrial paints cater to industries such as automobiles, consumer durables, marine vessels and industrial machinery. Decorative paints dominate the market, accounting for nearly 95% of total paint volumes. The organized sector represents about 75% of domestic paint industry by value, reflecting a fairly structured market. This paper aims to analyze the market potential and brand health of decorative paints in Kolkata. It also examines the key factors influencing retailers' stocking decisions. A descriptive research design was adopted with a sample size of 50 retailers selected through convenience sampling over one-year period. Market potential was assessed based on total market size, sales value and sales volume considering both existing and newly established retailers. Brand health was evaluated through three core parameters- product excellence, delivery excellence and service excellence- representing the combined strength of product quality, supply chain efficiency and customer relationship management. The finding highlights that achieving superior brand health requires continuous product improvement, efficient supply chain management and operational innovation to ensure customer service excellence. Retailers prioritize product demand as the most significant factor of stocking decisions, followed by promotional offers and pricing. The study contributes to both academic understanding and managerial practice by offering insights into strategies for expanding market and strengthening brand health of decorative paints.

Keywords: Market Potential, Brand Health, Decorative Paints, Dealer Satisfaction, Market Penetration

INTRODUCTION

The decorative paints industry in India has emerged as one of the most vibrant and competitive sectors within the manufacturing domain, driven by rapid urbanization, infrastructural development, and evolving consumer preferences. With increasing emphasis on aesthetics, durability, and environmental sustainability, the demand for decorative paints has witnessed consistent growth across both urban and semi-urban markets. Among these, Rajarhat and its adjoining areas in Kolkata have become significant growth corridors due to extensive residential and commercial construction activities. In this competitive landscape, understanding the dynamics of market potential and brand health has become crucial for paint manufacturers and marketers. Market potential reflects the overall capacity of a brand to

capture and sustain demand within a specific region, while brand health represents the internal strength of a brand in terms of product quality, delivery efficiency, and customer service excellence. Together, these dimensions determine a brand's ability to achieve long-term success and dealer loyalty. Dealers play a pivotal role in shaping the market performance of decorative paint brands. Their decisions regarding product stocking, promotion, and recommendation directly influence consumer choice and brand visibility. Therefore, assessing dealer perceptions and satisfaction levels provides valuable insights into the operational and strategic effectiveness of paint companies. The interplay between dealer satisfaction, brand health, and market potential forms the foundation of this research. The present study focuses on evaluating the market potential and brand health of four major decorative paint brands—X, Y, Z, and T—in the Rajarhat region. It examines factors such as market penetration, sales performance, and dealer satisfaction to identify the competitive positioning of each brand. Furthermore, the study develops an integrated model that combines market potential and brand health dimensions to assess overall brand performance. By employing both descriptive and advanced statistical techniques, including correlation and multiple regression analysis, this research aims to establish the relationship between brand health parameters and market potential. The findings are expected to provide actionable insights for paint manufacturers to enhance product excellence, delivery systems, and customer service strategies. Ultimately, this study contributes to the growing body of knowledge on brand performance evaluation in the decorative paints industry, offering a localized perspective on how operational excellence and dealer engagement drive market success in emerging urban markets like Rajarhat.

LITERATURE REVIEW

The decorative paint industry has evolved as a dynamic segment within the broader coating market, driven by urbanization, housing development, and consumer preference for aesthetic enhancement. A review of existing literature provides insights into the concepts of market potential, brand health, and dealer behavior, which form the foundation of this study on decorative paints in Rajarhat and surrounding areas of Kolkata. Market potential refers to the total demand that can be generated for a product within a specific market under ideal conditions. According to Keller (2016), market potential is a function of market size, growth rate, and competitive intensity. In the context of decorative paints, market potential is influenced by factors such as construction activity, disposable income, and consumer awareness (Singh & Sharma, 2018). Studies by Choudhury (2019) highlight that the Indian decorative paints market is dominated by a few key players, with regional variations in brand preference and dealer distribution. The research emphasizes that dealer networks play a crucial role in determining market reach and brand visibility. Similarly, Das and Ghosh (2020) found that urban expansion in areas like Rajarhat has significantly increased the demand for decorative paints, creating opportunities for both established and emerging brands. Brand is a multidimensional construct that reflects the overall strength and sustainability of a brand in the marketplace. Keller (2013) defines brand health as the outcome of consistent brand performance, customer satisfaction, and loyalty. It is often measured through parameters such as product quality, service reliability, brand trust. In the paint industry, brand health is closely linked to three operational dimensions.

Product Excellence: Refers to the quality, durability and innovation of paint products. Research by Mehta (2017) indicates that superior product quality enhances brand credibility and repeat purchase. **Delivery Excellence:** Involves the efficiency of logistics and supply chain management. According to Gupta and Jain (2019), timely delivery and inventory management are critical for maintaining dealer satisfaction. **Customer Service Excellence:** Encompasses after sales support, responsiveness, and relationship management. Studies by Roy and Banerjee (2021) show that effective customer service strengthens dealer loyalty and brand advocacy. Dealers act as intermediaries between manufacturers and end consumer. Influencing brand choice and market penetration. Research by Bhattacharya (2018) found that dealers' stocking decisions are influenced by product demand, profit margins, promotional support, and credit facilities. In the decorative paints sector, dealer satisfaction is a key determinant of brand performance. A study by Narayan and Patel (2020) revealed that brands offering consistent supply, attractive incentives, and strong marketing support tend to achieve higher dealer retention. Furthermore, the presence of mono, di, and multi-dealers reflects the competitive structure of the market, where exclusive dealerships indicate brand loyalty, while multi-dealerships suggest diversification to meet varied consumer

preference. Several studies have established a positive correlation between brand health and market potential. According to Aaker (2014), strong brand health enhances market penetration by building trust and preference among both dealers and consumers. Empirical research by Sinha and Dutta (2022) demonstrated that brands with superior product and service quality achieve higher sales growth and market share. In the context of the Indian paints industry, Bose (2022) observed that companies with robust brand health indicators- particularly in delivery and customer service- tend to dominate regional markets. The study concluded that brand health acts as a predictor of market potential, reinforcing the need for continuous improvement in operational and service excellence. The Brand Equity Theory emphasizes that strong brand association and perceived quality contribute to higher market performance. The SERVQUAL Model identifies reliability, responsiveness, and assurance as key dimensions of service quality that influence customer satisfaction and loyalty. By integrating these frameworks, the present study conceptualizes brand health as a composite of product, and service excellence, which collectively determine market potential. While previous studies have explored brand performance and dealer satisfaction in paint industry, limited research has been conducted on the integrated relationship between market potential and brand health in emerging urban markets like Rajarhat. Most existing literature focuses on national level trends, leaving a gap in localized, dealer-based analyses that capture the nuances of regional competition and brand positioning. The review literature establishes that market potential and brand health are interdependent constructs influencing a brand's success in the decorative paints industry. Product quality, delivery efficiency, and customer service are critical determinants of brand health, which in turn drive market penetration and sales performance. However, the specific dynamics of this relationship in the Rajarhat region remain underexplored, justifying the need for the present study. The literature review underscores the importance of integrating brand health assessment with market potential analysis to understand competitive performance in the decorative paints sector. By building upon established theories and addressing identified research gaps, this study contributes to a deeper understanding of how operational excellence and dealer satisfaction shape market outcomes in a rapidly developing urban context.

RESEARCH OBJECTIVE

- To analyse the market potential of decorative paints in the dealer stores of the Rajarhat area with reference to paint dealers.
- To understand the brand health of decorative paints based on product, delivery, and service excellence.
- To identify the factors influencing retailer's stocking decisions for decorative paint brands.

Research Design

A descriptive research design has been adopted for this study. The study employs a convenience sampling method, which is a non-probability sampling technique. The study involves both quantitative and qualitative analysis to derive meaningful insights from the collected data. Respondents were selected based on their availability and approachability of paint dealers in the surveyed market.

Data Collection

Primary data were collected through structured questionnaires and personal interviews with paint dealers. Secondary data obtained from company reports, industry publications, and relevant literature to support the analysis.

Data Analysis Techniques

The data analysis techniques adopted in this study are designed to interpret both quantitative and qualitative information collected from paint dealers in the Rajarhat and surrounding areas of Kolkata. The analysis aims to evaluate market potential, brand health, and the relationship between various influencing factors.

Descriptive Statistical Analysis

Descriptive statistics were used to summarize and present the collected data in a meaningful way as percentage.

Comparative Analysis

Comparative analysis was conducted to evaluate the performance of different paint brands (X, Y, Z and T) across various parameters such as Market penetration; dealer share distribution, sales performance, product delivery and customer service excellence.

Cross-Tabulation Analysis

Cross-tabulation was used to examine the relationship between two or more variables, such as type of dealership and brand penetration, duration of dealership and sales performance, brand health parameters and dealer satisfaction.

Weighted Average Method

To assess the overall brand health, a weighted average method was applied to the three key parameters – product excellence, delivery excellence and customer service excellence. Each parameter was assigned a weight based on its importance, and the composite score was calculated to determine the overall brand health index (BHI).

Correlation Analysis

Correlation analysis was used to measure degree of association between market potential and brand health. This helped in understanding whether higher brand health leads to greater market penetration and sales performance.

Model-Based Evaluation

The Market-Brand Performance Matrix (MBPM) developed in this study was applied to classify brands into four strategic quadrants- Growth Leaders, Brand Builders, Market Expanders and Challengers- based on their market potential and brand health scores.

RESULTS AND DISCUSSION

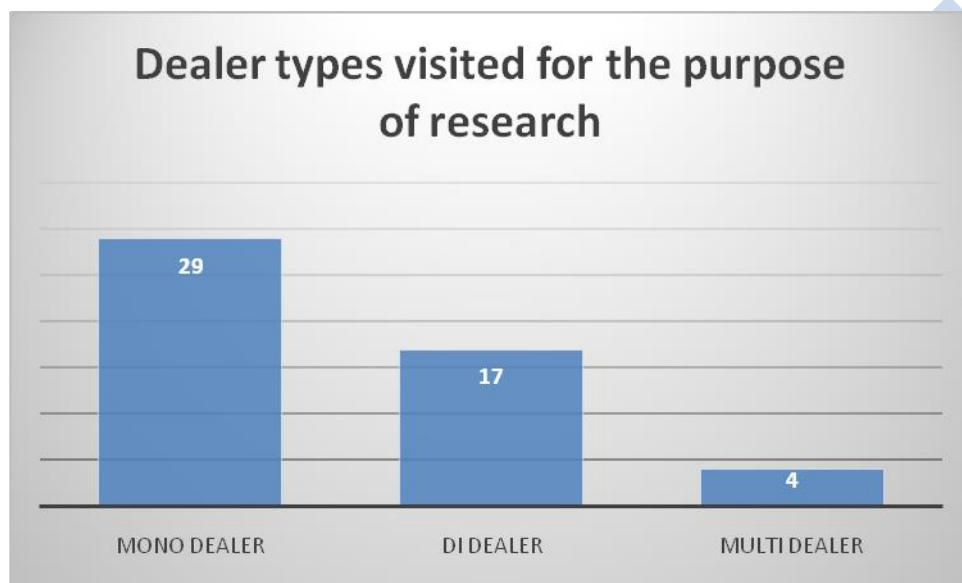


Fig.1

The study covered a total of 50 paint dealers in Rajarhat and surrounding areas of Kolkata. Among them, 29 were mono dealers (58%), 17 were di-dealers (34%), and 4 were multi-dealers (8%). This indicates that the majority of dealers prefer to associate with a single paint brand, possibly due to brand loyalty, exclusive dealership benefits, or limited storage capacity. The presence of di-dealers and multi-dealers, however, reflects a growing trend of diversification among retailers to meet varied customer demands.

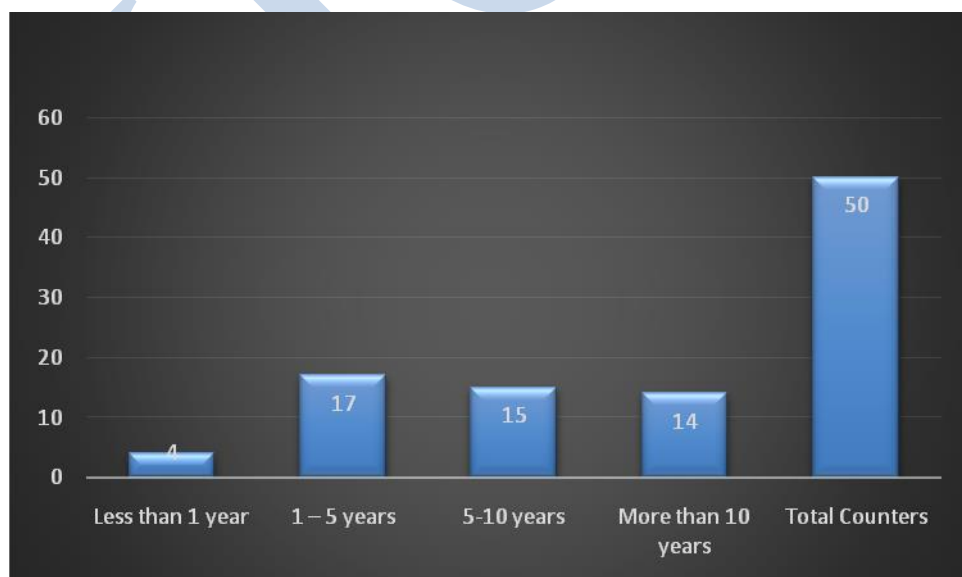


Fig.2

The duration of dealership varied across respondents: 4 dealers (8%) had been in business for less than oneyear, 17 dealers (34%) for 1–5 years, 15 dealers (30%) for 5–10 years, and 14 dealers (28%) for more than 10years. The data reveal that the majority of dealers (34%) have been operating for 1–5 years, indicating arelatively young and expanding market segment. Dealers with less than one year of experience form thesmallest group, suggesting limited new entries in the market.

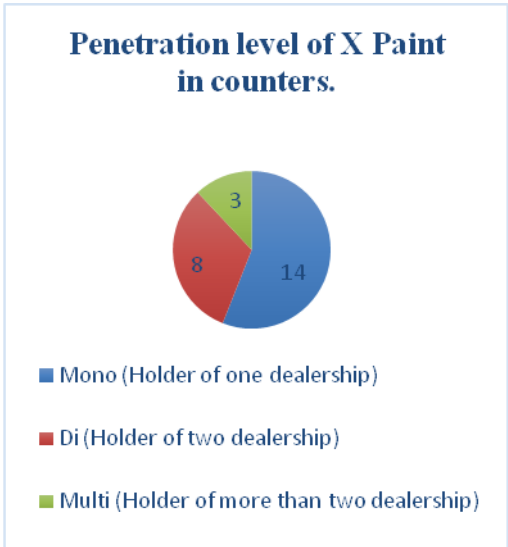


Fig.3

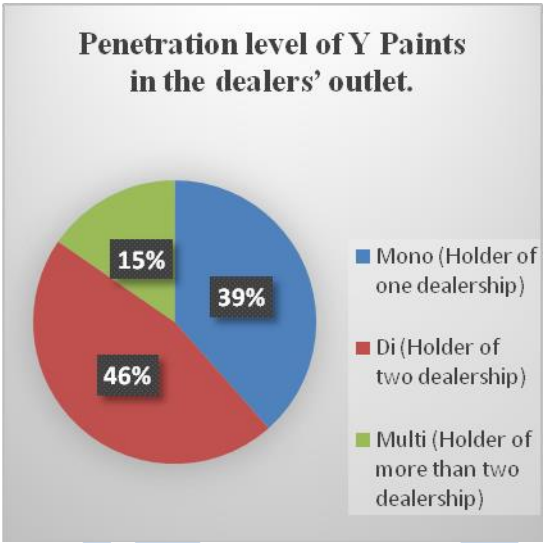


Fig.4



Fig.5

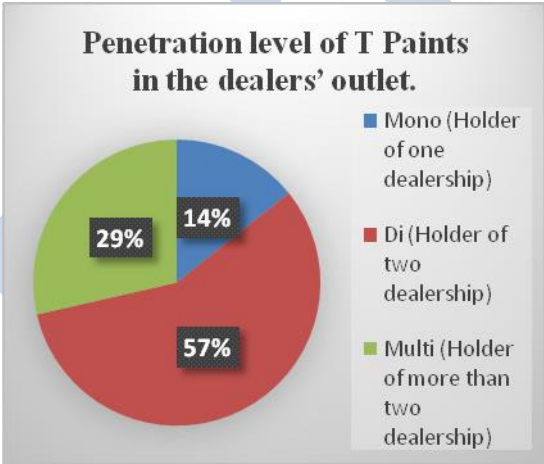


Fig.6

The penetration levels of four major decorative paint brands—X, Y, Z, and T—were analysed across the 50counters. Y Paints demonstrated the highest penetration (52%), marginally surpassing X Paints (50%) by 2%. Z Paintsshowed moderate penetration, while T Paints had the lowest presence in the surveyed area. This indicates thatY and X are the dominant players in the Rajarhat decorative paints market, with Z and T trailing behind.

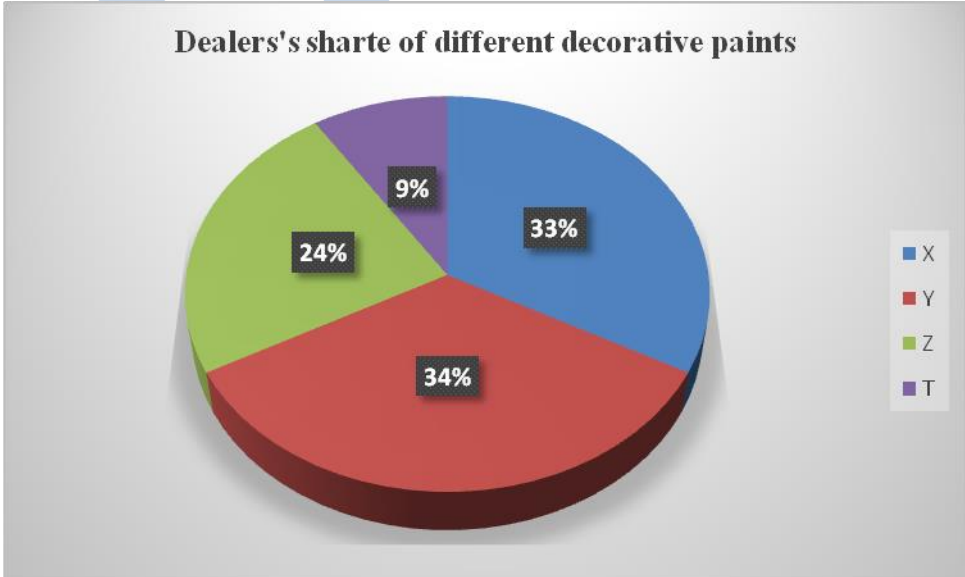


Fig.7

Out of 50 counters, X was available in 25, Y in 26, Z in 18, and T in 7. The corresponding dealer shares were as X: 33%, Y: 34%, Z: 24% and T: 9%. The difference between Y and X's dealer share is minimal (1%), indicating close competition between the two leading brands. Z and T, however, lag significantly behind, suggesting limited market reach and brand visibility.

Sales data revealed that X Paints recorded higher sales in 18 counters (36%), Y in 22 counters (44%), Z in 9 counters (18%), and T in 1 counter (2%). Y Paints outperformed X by 8%, confirming its stronger market position in terms of sales volume. The superior performance of Y may be attributed to better promotional strategies, stronger dealer relationships, or higher consumer preference.

To assess the overall brand health, a weighted average method was applied to the three key parameters- product excellence, delivery excellence, and customer service excellence. Each parameter was assigned a weight based on its importance, and the composite score was calculated to determine the overall brand health index (BHI).

$$[BHI = \frac{(w_1 \times PE) + (w_2 \times DE) + (w_3 \times CSE)}{w_1 + w_2 + w_3}]$$

Where:

PE= Product Excellence,

DE= Delivery Excellence and

CSE= Customer Service Excellence

w_1, w_2, w_3 = Assigned weights for each parameter.

$$[BHI_X = (88 \times 0.40) + (100 \times 0.30) + (84 \times 0.30)]$$

$$[BHI_X = 35.2 + 30 + 25.2]$$

$$[BHI_X = 90.4]$$

$$[BHI_Y = 97.6]$$

$$[BHI_Z = 85.0]$$

$$[BHI_T = 70.0]$$

Y paint leads with the highest BHI (97.6), reflecting strong performance across all brand health parameters. X paint (90.4) shows excellent delivery but slightly lower customer service. Z paint (85.0) maintains moderate brand health. T paint (70.0) requires significant improvement in all areas.

To determine the relationship between Brand Health Parameters- Product Excellence (PE), Delivery Excellence (DE), and Customer Service Excellence (CSE) and Market Potential (MP) using Pearson Correlation Coefficient.

$$[r = \frac{N(\sum XY) - (\sum X)(\sum Y)}{\sqrt{\{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]\}}}]$$

Where:

N= Number of observations (brands=4)

X= Scores of Brand Health Parameter

Y= Scores of Market Potential

Correlation (PE vs MP) = 0.983

Product Excellence (r=0.983)

Delivery Excellence (r=0.978)

Customer Service Excellence (r=0.992)

All correlation coefficients are very high and positive, indicating a strong direct relationship between each brand health parameter and

market potential. CSE shows the strongest influence on market potential, followed by PE and DE. The correlation confirms that improvement in brand health parameter especially customer service significantly enhances market potential in the decorative paint sector.

The model integrates two major dimensions – Market Potential and Brand Health to evaluate the overall performance and competitiveness of decorative paint brands in a defined market.

Market Potential Dimension measures the capacity and growth opportunity of a brand in the market. It is influenced by Market Penetration (MP), Percentage of dealers stocking the brand. Dealer Type Distribution (DTD), Proportion of mono, di-, and multi-dealers. Sales Performance (SP), Number of counters reporting higher sales for the brand. Duration of Dealership (DD), Experience level of dealers handling the brand. Market Potential Index can be expressed as MPI.

[MPI= f(MP, DTD, SP, DD)

Brand Health Indes can be expressed as BHI.

[BHI=f(PE, DE, CSE)

Product Excellence (PE)= Quality, durability, and innovation of paint products. Delivery Excellence (DE)= Efficiency and reliability of supply chain and logistics. Customer Service Excellence (CSE)= Responsiveness, after sales support and relationship management.

The integrated model combines both dimensions to form a Market-Brand Performance Matrix (MBPM), which helps in positioning brands based on their market potential and brand health.

Quadrant	Market Potential	Brand Health	Strategic Implication
I. Growth Leaders	High	High	Strong market presence and brand reputation, maintain leadership through innovation.
II. Brand Builders	Low	High	Strong brand image but market reach, focus on expanding dealer network.
III. Market Expanders	High	Low	Good market coverage but weak brand perception, improve product and service quality.
IV. Challengers	Low	Low	Weak in both dimensions, require strategic overhaul and repositioning.

The model offers a structured approach to evaluate both external (market potential) and internal (brand health) factors influencing the success of decorative paints. By quantifying these dimensions and mapping them within Market-Brand Performance Matrix, companies can make data driven decisions to enhance competitiveness, optimize dealer relationships, and achieve sustainable growth in the decorative paints market.

FINDINGS

The dominance of mono-dealers indicates strong brand loyalty and exclusive dealership arrangements in the Rajarhat market. 34% of dealers have been in business for 1–5 years, 30% for 5–10 years, and 28% for more than 10 years. Only 8% of dealers have been in business for less than one year, showing limited new entries but a stable dealer base. Y Paints has the highest penetration (52%), followed by X Paints (50%), Z Paints (36%), and T Paints (14%). The marginal 2% lead of Y over X indicates intense competition between the two leading brands. Dealer share is highest for Y (34%) and X (33%), followed by Z (24%) and T (9%). The difference between Y and X is minimal, suggesting a near duopoly in the Rajarhat decorative paints market. Y Paints recorded higher sales in 44% of counters, while X Paints achieved 36%Z and T lagged behind with 18% and 2% respectively, indicating limited market traction. Dealers prioritize product demand as the most important factor in stocking decisions, followed by promotional offers and pricing. Efficient delivery and consistent product quality are key determinants of dealer satisfaction. Based on the Market–Brand Performance Matrix:

Y Paints:	Growth	Leader	(High	Market	Potential,	High	Brand	Health)
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X	Paints:	Market	Expander	(High	Market	Potential,	Moderate	Brand	Health)
Z	Paints:	Brand	Builder	(Moderate	Market	Potential,	Moderate	Brand	Health)

T Paints: Challenger (Low Market Potential, Low Brand Health)

RECOMMENDATION

For X Paints, to enhance Product Excellence; invest in R&D is required to improve paint quality, durability, and finish to match or exceed Y Paints. To strengthen Customer Service, Introduction of dealer support programs, faster complaint resolution, and loyalty incentives. Promotional Strategies must be incorporated to Increase visibility through targeted marketing campaigns and dealer-level promotional offers.

For Y Paints, to sustain Leadership, maintain high standards in product and delivery excellence while focusing on continuous innovation. To maintain Customer Relationship Management, company must enhance digital engagement and after-sales support to achieve 100% satisfaction.

For Z Paints, improvement of Market Penetration has to be prioritized to strengthen distribution channels and offer competitive trade margins to attract new dealers. Brand Awareness is also important. Invest in advertising and local promotions to increase brand recall among consumers. Focus has to be given on timely delivery and consistent product availability to build dealer trust. For T Paints, to reposition the Brand; Company must redefine brand identity with improved quality and competitive pricing. Dealer Engagement can be increased by offering attractive incentives and flexible credit terms to encourage stocking. Companies should adopt eco-friendly and technologically advanced paint formulations. Implementation of digital ordering and tracking systems should be done to streamline dealer operations. Training and Development: Conduct regular workshops for dealers to enhance product knowledge and sales techniques.

The study concludes that brand health and market potential are strongly interlinked in the decorative paint industry. Y paints currently lead the Rajarhat market due to superior brand health and consistent dealer satisfaction. However, X paints hold significant potential to close the gap through strategic improvements in product quality and customer service. Strengthening operational efficiency, innovation, and dealer relationships will be crucial for all brands aiming to achieve sustainable growth in the competitive paints market of Kolkata.

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