

Dulux®

THE MARKET

The Australian paint market is comprised of industrial, trade and retail segments. Approximately one hundred and twenty million litres are sold in the retail and trade segments alone, but the market is a mature one with annual volume increases of less than 5%.

By any measure, Dulux is the market leader. Paint is sold to a very wide range of customers, from professional applicators to interior designers, furniture makers and specifiers and finally Do It Yourself consumers. It is sold to the retail and trade markets through a variety of distribution points: corporate hardware retailers, independent hardware retailers, mass merchants and company owned and independent paint specialist groups. In these markets, approximately 60% of paint sold is for interior and 40% for exterior application.

The painting season tends to be between September and Easter. This generally coincides with good weather and holidays. Clearly, weather conditions will affect the paint market quite seriously, particularly the demand for exterior paints. The paint market is also affected by trends in housing construction and renovation as well as consumer confidence in the economy.

ACHIEVEMENTS

Dulux has established itself as the clear market leader within the decorative paint market and is a household name in decoration and protection. Brand image consumer research shows that the brand clearly outperforms all major competitors in all categories.

Dulux Australia is renowned for its outstanding customer service and has consistently won Supplier of the Year Awards from its major customers. Dulux was the first brand to introduce and promote sample pots on a national basis. This allowed consumers to trial paint colours on their walls to help visualise the end effect.

Dulux was also the first to introduce electronic colour visualisation for consumers utilising touch screen technology with the launch of its 'Touchcolour' system in the early 1990's. The system allows

consumers to 'picture' what their home might look like utilising various colour schemes of their choice.

HISTORY

Dulux Australia began operations in Sydney in 1918 as the Australian-based manufacturing arm of its British parent company, under the name British Australian Lead Manufacturers (BALM). Three years later, BALM commissioned its first plant in Sydney, a fortuitous move as the 1920s and '30s saw a period of unprecedented growth fuelled by some remarkable product developments.

One such development involved alkyd resin technology, which ultimately led to the development of Dulux Super Enamel - a product which proved so successful that, in 1971, BALM changed its name to Dulux. ICI had bought a controlling interest in BALM in 1946. The 1950s saw the beginning of such convenience features as in-store tinting, introduced with an extremely successful tinter sachet system which later formed the basis of the extensive Decorama system.

In the 1960s, Dulux launched the first water-based paints, Spring and LoGloss, which evolved in the 1970s to become Weathershield and Wash & Wear - still pillars of the Dulux business more than a quarter century later. The 1970s was an exciting decade which saw Dulux move into the new markets of oil coatings and can coatings, as well as establishing the



framework for the Refinish Tinting System. Dulux Research also developed the patented Spindrift technology which is now licensed to paint companies in North and South America, Europe and South Africa.

The 1980s are credited with being the beginning of Dulux Australia's international outlook. They also, however, mark a significant expansion of the company from within. In 1986, the remaining outstanding shares were bought by ICI Australia. This was followed by the acquisition of the Acra-Tex textured coatings business in 1987 and the 1988 purchase of BPA Industries which brought with it the established brands of British Paints and Berger.

The period from 1988 onwards was marked by extensive internal reorganisation to maximise the benefits of the larger commercial base and to meet the goals of customer service and corporate efficiency. Then, in 1993, Dulux acquired Cabot's Timber Finishes, a brand which had developed a number of specialist timber care products for Australia's harsh climatic conditions.

THE PRODUCT

Dulux is manufactured to the highest quality standards. Individual products consistently offer market-leading core category benefits such as washability with Wash and Wear 101 and du-



rability with Weathershield.

Dulux has long been acknowledged as the best paint available in the Australian market. This has been based on Dulux' long history of innovation. With the largest paint research laboratories in Australia, Dulux has not only developed all of the decorative paints which it markets, but it also develops many of the unique polymer latexes that are the basic foundation for the products.

An example of this combination of polymer latex and paint innovation is Dulux Mouldshield. Here, Dulux developed a revolutionary new polymer latex which was very stable with high levels of mould inhibiting zinc oxide. From this base, both interior and exterior quality Mouldshields were developed. Both products are safe and effective against mould.

The principal Dulux manufacturing plant in Brisbane is currently undergoing a \$15 million upgrade to increase capacity, which demonstrates Dulux' confidence in continuing to lead the Australian market.

RECENT DEVELOPMENTS

During the 1990s, Dulux has led the decorative market with the introduction of a host of innovative new products such as Wash and Wear 101, Mouldshield, BreatheEasy and Extreme. In the trade market, the Master Palette colour specification system has significantly widened the range of available colour for architects and interior designers.

Launched in November 1997, Dulux Wash and Wear 101 has established clear leadership in the interior paint segment of the market. Developed by the Dulux Research & Development division in Melbourne, the product exhibits outstanding stain resistance. Supported by the 'I'm Sorry' advertising campaign, the launch proved to be one of the most successful undertaken by Dulux Australia. In-depth understanding of the market, a powerful consumer proposition, a strong communication package and an outstanding, differentiated product resulted in substan-



tially increased market share. More recently, the launch of the Dulux Effects range has also proven to be extremely successful. Tapping into the consumer need for creativity, the Effects range has allowed people to easily transform their homes into showplaces. Products such as Tuscan and Suede Effects are proving especially popular.

In February of 1998, the parent company of Dulux, ICI Australia, was relaunched as Orica. The name change followed the sale of its majority share holding by Imperial Chemical Industries PLC in Britain. Orica is the largest chemical company in the region and employs approximately 10,000 people around the world including the US, Canada, Brazil, Mexico, Chile, Argentina, the UK, Spain and Turkey as well as New Zealand, Fiji, the Philippines, Malaysia, Indonesia, Thailand and of course Australia.

PROMOTION

Over the years, the Dulux brand has been supported very effectively by a variety of mainstream advertising campaigns. The consistent use of television advertising, in particular, is one of the major reasons the brand has established itself as market leader.

The Dulux icon, its Old English sheepdog, has been a constant and highly effective feature of advertising since the 1960s. The dog is so solidly entrenched as a branding device that many people refer to the breed as 'Dulux dogs'. Many different dogs have been used for television commercials, print advertisements, promotional appearances and even a 'have your photo taken with the Dulux Dog' promotion. One reason they all look alike is that they are mostly closely related. All but one of the dogs have been breed champions, and five have won 'Best in Show' prizes. The dogs do the commercials for very simple rewards, like a game of fetch with a tennis ball!

In the 1970s, the tagline 'Worth Doing, Worth Dulux' was first introduced. A number of other slogans were employed in the 1980s and early



1990s, but 'Worth Doing, Worth Dulux' returned in 1995 and has been another consistent feature of the brand's campaigns since then.

The latest advertising campaign, featuring a young couple in the process of renovating a run-down home, is built around the 'worth doing' proposition. The campaign has been extremely successful in communicating the brand values and positioning the brand at its proper quality level. The recent 'Sorry' campaign for Dulux Wash and Wear 101 has also been extremely successful in building brand values by delivering a powerful consumer proposition based around the product's core benefit of washability. An intriguing and highly effective marketing tool for the Dulux brand has been the jelly bean promotion, which has now been run successfully three times in the last eight years.

The annual Dulux Colour Awards have also proved to be an extremely successful promotional vehicle. The Awards are targeted at architects and interior designers and are highly regarded by the specifier community. They have been running for more than 10 years.

BRAND VALUES

Dulux brand values are summed up very clearly in the words 'Worth doing, worth Dulux'. Dulux is committed to delivering high quality innovative products which perform to the high standards expected by its customers. The brand has strong family values and is a respected and trusted icon. This image is reflected in the well-known and much loved 'Dulux Dog'.

THINGS YOU DIDN'T KNOW ABOUT DULUX

- The Dulux dog is such a well-known symbol that many people refer to Old English sheepdogs as 'Dulux dogs'. All of the dogs except the first have been breed champions, and one held the world record for the number of prizes he had won.
- Some Dulux colours are named after people who work at Dulux. Family, friend's and pet's names are also used.
- There are more than 6000 colours in the Dulux colour system but the number of colours the Dulux tinting system can create is almost infinite!
- There are approximately 1200 Jelly Beans in a can of Dulux Jelly Beans.
- Rolf Harris represented the Dulux brand before making his name with another paint brand.

