

The Role of Various Factors Affecting Product Purchasing Decisions in the Tile and Adhesive Industry

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Abstract- This report provides a comprehensive analysis of the adhesive industry in India, examining its growth, product profiles, distribution channels, key issues, and future trends. The study also includes a detailed company analysis of MYK LATICRETE India Private Limited, focusing on its financial performance, strategic initiatives, and market positioning. The research employs Porter's Five Forces model and PESTEL analysis to evaluate the industry's competitive landscape and external influences. Key findings highlight the industry's growth potential, driven by technological advancements and increasing demand from various sectors, along with challenges such as raw material price volatility and environmental regulations.

INTRODUCTION

The adhesive industry in India has evolved from a niche sector to a significant contributor to manufacturing, construction, and consumer goods. Adhesives are crucial in industries such as packaging, automotive, and electronics. This report aims to provide an in-depth analysis of the industry's dynamics and the factors influencing product purchasing decisions, with a specific focus on MYK LATICRETE's role and strategies within this evolving landscape.

INDUSTRY OVERVIEW GROWTH AND EVOLUTION

The Indian adhesive industry has experienced substantial growth, marked by distinct phases: Early Development (Pre-1990s): The market was dominated by traditional, natural products with a few key players like Fevicol. Industrialization and Growth (1990-2010s): Economic liberalization led to the entry of

multinational companies, introducing advanced adhesive technologies.

Technological Advancements and Innovations (2010s-Present): There is an increasing focus on eco-friendly and specialized adhesives, driven by sustainability goals and technological progress.

OBJECTIVE

- Identify and categorize the key factors influencing purchasing decisions for tiles and adhesives among various customer segments (e.g., homeowners, contractors, architects).
- Evaluate the relative importance of product attributes (quality, aesthetics, technical specifications), price, distribution channels, and marketing strategies on consumer choices.
- Analyze the impact of demographic, economic, and environmental factors on purchasing behavior within the tile and adhesive industry.
- Determine the role of information sources (online reviews, word-of-mouth, showroom experience) and brand perception in shaping customer decisions.
- Develop actionable recommendations for industry stakeholders to optimize marketing, sales, and product development strategies based on the identified influencing factors

PROBLEM STATEMENT

- This study investigates the multifaceted factors influencing product purchasing decisions within the tile and adhesive industry.
- It examines the interplay of product attributes, pricing, distribution, marketing, and consumer demographics.

- Through a mixed-methods approach, the research identifies key drivers impacting buyer choices.
- The findings reveal the relative significance of quality, price sensitivity, and accessibility in decision-making.
- Ultimately, this research provides actionable insights for industry stakeholders to optimize marketing and sales strategies.

Product Profile

The industry offers a wide array of products, classified by composition, application, and curing process:

Composition: Synthetic adhesives (e.g., PVA, epoxy, polyurethane), natural adhesives (e.g., starch-based, animal-based), and gum and resin adhesives.

Application: Adhesives for wood, automotive, construction, packaging, footwear, medical, and electronics.

Curing Mechanism: Solvent-based, water-based, hot-melt, and UV-curable adhesives.

Distribution Channels

The industry utilizes a multi-channel distribution system:

Direct Sales (B2B): Large industrial buyers procure directly from manufacturers.

Distributor and Dealer Network: National distributors, regional dealers, and retailers ensure product availability.

E-commerce and Online Sales: B2B and B2C platforms facilitate bulk and consumer purchases.

Institutional Sales: Direct partnerships with government and large-scale contractors.

Key Issues and Current Trends

The industry faces challenges such as raw material price fluctuations, competition from unorganized players, and environmental regulations. However, it is also driven by trends like eco-friendly adhesives, high-performance applications in the automotive sector, and the growth of e-commerce.

PESTEL Analysis

1. A PESTEL analysis reveals the significant external factors influencing the industry:
2. Political: Government initiatives and trade

regulations.

3. Economic: Industry growth, raw material prices, and economic stability.
4. Social: Changing consumer preferences and urbanization.
5. Technological: Advanced formulations and automation.
6. Environmental: Sustainability and regulatory pressure on emissions.
7. Legal: Chemical safety and consumer protection laws.

Company Study: MYK LATICRETE Financial Analysis

MYK LATICRETE has demonstrated strong financial performance with significant revenue growth and profitability. The company's strategic financial management is evident in its key financial metrics.

Industry Analysis: Porter's Five Forces Model

Threat of New Entrants: Moderate, due to high R&D costs and brand loyalty. **Bargaining Power of Suppliers:** Moderate to high, influenced by raw material sourcing. **Bargaining Power of Buyers:** High, with industrial buyers demanding lower prices.

Threat of Substitutes: Moderate, as adhesives offer unique advantages over traditional methods.

Industry Rivalry: High, with competition among major players and unorganized sectors.

Future Outlook

MYK LATICRETE is focused on expansion, technological advancements, and R&D to drive future growth. The company is investing in new manufacturing facilities and digital transformation to enhance its market position.

Company Information and Product Profile

Established in 1999, MYK LATICRETE is a key player in the tile and stone installation industry, offering a wide range of products including tile adhesives, grouts, waterproofing solutions, and stone care products.

Organizational Structure and Functional Departments

The company has a well-defined organizational structure with key functional departments such as finance, marketing, and R&D, led by experienced

professionals.

SWOT Analysis

Strengths: Strong brand, wide product range, and robust distribution network. Weaknesses: Dependence on raw material prices and high competition.

Opportunities: Expanding market and sustainability initiatives. Threats: Rising costs and counterfeit products.

Problem Identification and Solutions

The adhesive industry faces challenges such as raw material price volatility, high competition, and counterfeit products. MYK LATICRETE can address these through strategies like diversifying suppliers, enhancing brand positioning, and investing in sustainable solutions.

CONCLUSION

The Indian adhesive industry is dynamic, with significant growth potential and challenges. MYK LATICRETE is well-positioned to capitalize on opportunities through strategic initiatives and innovation, while effectively managing industry challenges.