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CASE 4 – Prime Corporation

Industry Overview

1. **Growth and Demand:** The **CPVC and UPVC** pipes industry in India has experienced substantial growth over the years due to rapid urbanization, increased infrastructure development, and a growing focus on water conservation and efficient sewage systems. The demand for both types of pipes is driven by residential, commercial, industrial, and agricultural sectors.

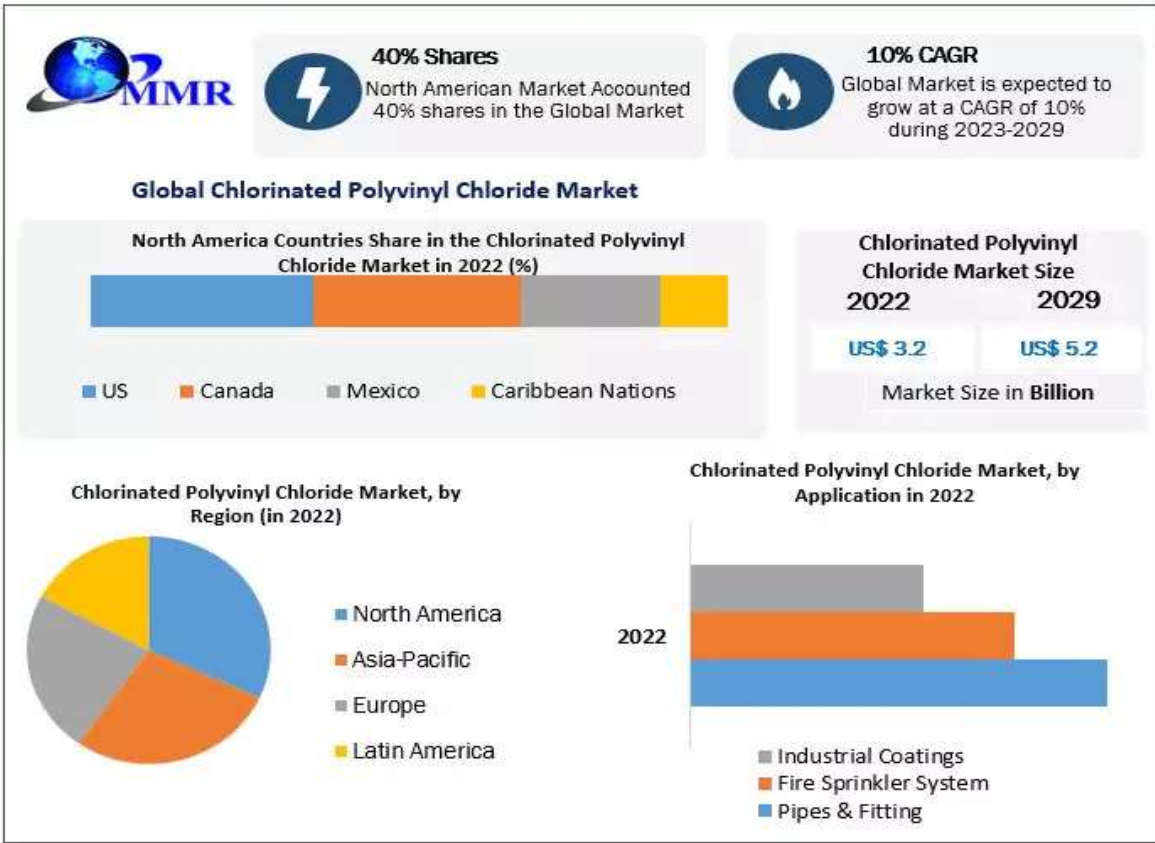
2. **Residential and Commercial Construction:** CPVC and UPVC pipes are commonly used in residential and commercial buildings for water supply, drainage, and sanitation systems. They are preferred due to their corrosion resistance and cost-effectiveness.

3. **Infrastructure and Industrial Applications:** In addition to buildings, these pipes find applications in infrastructure projects such as **water treatment plants, sewage systems**, and industrial processes where chemical resistance and durability are crucial.

4. **Government Initiatives:** Government initiatives like **Swachh Bharat Mission** and **AMRUT** (Atal Mission for Rejuvenation and Transformation) have led to increased investments in water supply and sanitation infrastructure, driving the demand for CPVC and UPVC pipes.

5. **Advantages:**
 - **Corrosion Resistance:** Both CPVC and UPVC pipes offer excellent corrosion resistance, making them ready for transporting various fluids.
 - **Lightweight:** CPVC and UPVC pipes are lightweight and easy to handle, reducing installation time and labour costs.
 - **Cost-Effectiveness:** They are generally more cost-effective than metal alternatives, especially in the long run.
- ➔ **Process of getting into production of CPVC-UPVC market in INDIA**

Demand of CPVC in FY 2021-23



CPVC-UPVC

GOI Pass +
Resin
standards

Production of
Resins

Distribution
Channels

Packaging,
sales and
marketing

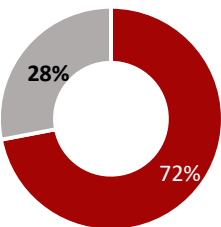
Storage &
Warehouses

Customer
Service

Unplasticized Polyvinyl Chloride (UPVC)

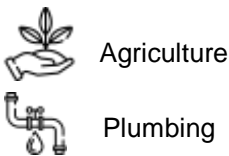
- UPVC pipes find notable usage in the agricultural and plumbing segment for the portable water and sewerage supply.
- The advantage of the uPVC pipes is their **long lifespan** and **affordability**, making them preferable over the Galvanized iron pipes. Consequently, these pipes also find demand in replacing the GI pipes.
- Additionally, their robust demand is also driven by qualities like **resistance to corrosion, abrasion, and chemicals**.
- The UPVC segment is expected to see a healthy offtake driven by the Government’s water supply initiatives and focus on irrigation and agricultural infrastructure development.
- The expected CAGR for the same is **10-11%** over FY20-24.

Industry demand

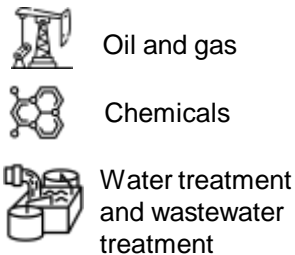


■ uPVC demand
■ Rest

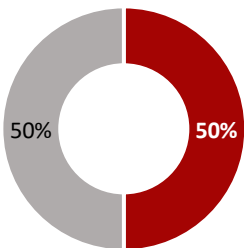
Primary sectors



Allied Sectors



Organised vs Unorganised players



■ Organised players
■ Unorganised players

Projected growth rate

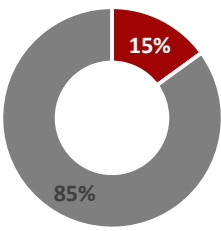


Expected CAGR of 10-11%.

Chlorinated Polyvinyl Chloride (CPVC)

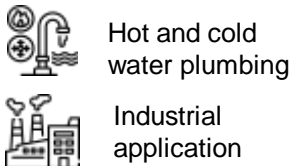
- CPVC pipes have been widely used globally for portable water supply but started gaining rapid growth in the Indian market in the 2000s.
- Because of attributes like **longevity, lead-free composition, extreme temperature tolerance, quick turnaround time, ease of installation, and material efficiency**, they are quickly gaining prominence in hot and cold water portable water distribution.
- They currently cater to **13-15%** of the industry demand. However, the projected growth rate is **approximately 15% by FY2024**.
- CPVC is classified into pipe grade and fittings grade based on applications.
- CPVC is a specialized product with significant raw material imports and technology licensing involving globally renowned players.

Industry demand

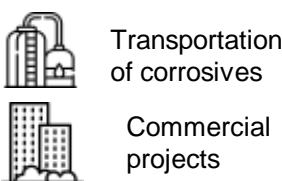


■ CPVC demand
■ Rest

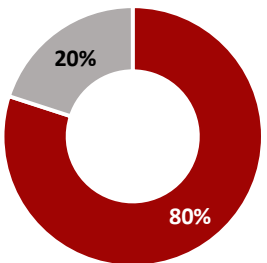
Primary sectors



Allied Sectors



Organised vs Unorganised players



■ Organised players
■ Unorganised players

Projected growth rate



Expected CAGR of 15-18%.

Key Questions to ask Client

Key Questions to ask:

1. How well does Prime Corp's current expertise in PVC resins and compounding additives align with the requirements for CPVC and UPVC pipe manufacturing?
2. What are the specific challenges and opportunities that arise from the cyclical nature of the bulk chemicals industry and threats from Chinese imports?
3. What factors led Prime Corp to identify CPVC and UPVC pipes and fittings as the potential forward integration opportunities?
4. Can you provide insights into the consumer segments within the B2C market that Prime Corp intends to target? What are their preferences and needs?
5. How familiar is Prime Corp with the branding and marketing strategies employed by Ashirwad, Astral, Prince, and Supreme for CPVC and UPVC pipes?
6. What is the company's vision for its brand presence in the CPVC and UPVC pipes market? Are there specific attributes or values they wish to associate with their products?
7. Could you elaborate on any potential innovative features, technological advancements, or quality assurances that Prime Corp is considering to differentiate its products?
8. How adaptable is Prime Corp's existing distribution network and service support infrastructure for the distribution of CPVC and UPVC pipes?
9. What are the company's expectations regarding the regional penetration of its products? Are there specific regions where they anticipate stronger demand?
10. What is the financial readiness of Prime Corp for the development, manufacturing, and marketing of CPVC and UPVC pipes? Are there any projected budgets or resource allocations in place?

Current News about CPVC-UPVC market

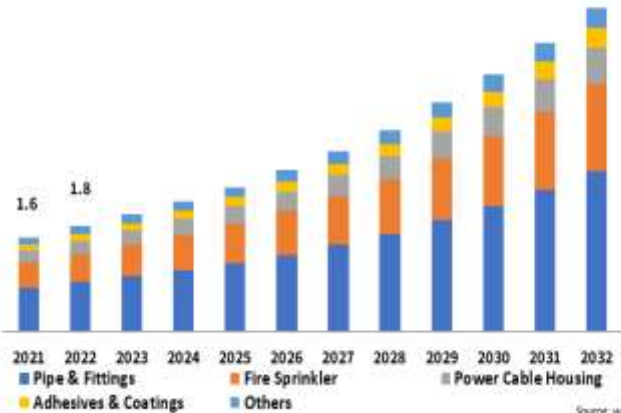
1. Piping companies like Astral Pipes and Prince Pipes are heavily investing in Above-the-Line (ATL) marketing strategies, including celebrity endorsements, TV commercials, and event associations, to increase brand visibility and compete with FMCG and white goods brands.
2. The Corporate Strategy team at Prime Corp is seeking assistance from a Management Consulting firm to formulate a Problem Statement and devise a Market Entry strategy to successfully enter the piping industry, which is characterized by strong marketing efforts and notable brand ambassadors.

Growth drivers for Pipe Industry



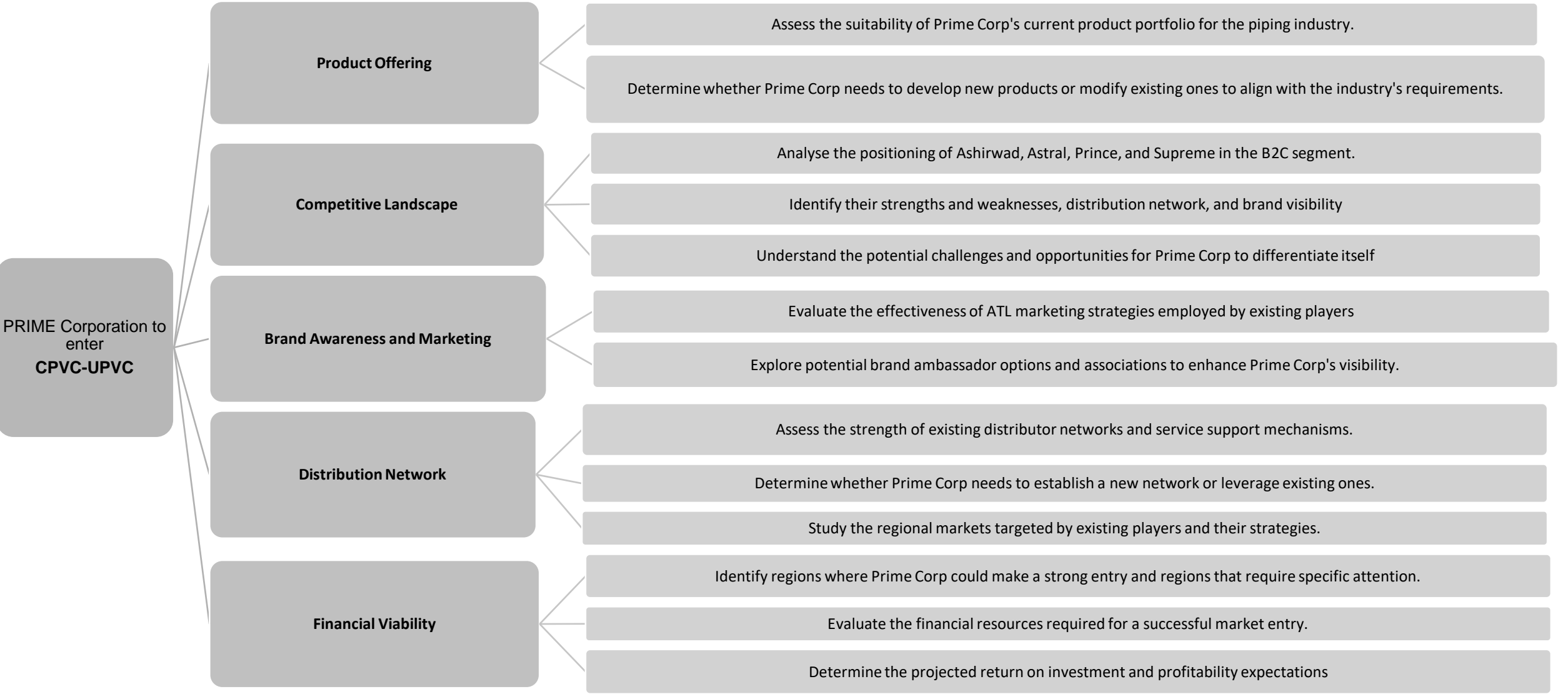
Global CPVC Trends

Global Chlorinated Polyvinyl Chloride (CPVC) Market Size, By Product 2021 - 2032 (USD Billion)



1. The global chlorinated polyvinyl chloride (CPVC) market size is expected to grow from USD 1.8 billion in 2021 to USD 2.9 billion by 2032, at a CAGR of **5.7%**.
2. The pipe & fittings segment is expected to dominate the market throughout the forecast period, then adhesives & coatings segment.
3. The Asia Pacific region is expected to be the largest market for CPVC
4. The growth of the CPVC market is being driven by the increasing demand for CPVC in a variety of applications, such as pipes & fittings, adhesives coatings, fire sprinkler systems,
5. The CPVC market is also being driven by the growing demand for CPVC in the construction, chemical, and electrical & electronics industries.

Issue Tree for Prime Corporation (Backward + Forward integration)



Target Consumers For CPVC-UPVC resins and Pipes in INDIA

1. Residential Homeowners

- **Primary Market:** Residential homeowners represent a significant customer group for both UPVC and CPVC pipes and fittings. These products are commonly used in plumbing systems for water supply /drainage in homes.
- **Preference for Quality:** Homeowners often seek durable, corrosion-resistant, and leak-free solutions for their plumbing needs. UPVC and CPVC pipes' attributes align well with these preferences.

2. Apartment Complexes and Housing Societies

- **Primary Market:** Multi-unit residential complexes, including apartment buildings and housing societies, have a high demand for plumbing systems. UPVC and CPVC pipes are suitable for these applications due to their easy installation and maintenance.
- **Bulk Requirements:** Large projects like these require bulk quantities of pipes UPVC and CPVC pipes are competitive in terms of pricing, especially considering their long-term durability and reduced maintenance costs.

3. Commercial Establishments

- **Primary Market:** Businesses, offices, hotels, restaurants, and other commercial establishments require plumbing systems for various purposes, including water supply, sanitation, and HVAC systems.
- **Quality and Efficiency:** Commercial establishments value pipes and fittings that ensure consistent water supply, efficient drainage & low maintenance.
- **Compliance** with local building codes and regulations is crucial in residential construction. UPVC and CPVC pipes are often approved and meet the necessary standards, ensuring that homeowners can use them without concerns regarding code compliance.

Major Players affecting Pipe and fitting industry in commercial establishments

Architects and Engineers



1. **Primary Market:** Professionals in the architecture and engineering fields play a pivotal role in specifying plumbing materials for construction projects.
2. **Technical Specifications:** Architects and engineers often look for pipes that meet technical standards, durability requirements, and can be seamlessly integrated into the building design.

Educational Institutions and Hospitals



1. **Primary Market:** Schools, colleges, universities, and hospitals have diverse plumbing needs ranging from water supply to waste management.
2. **Quality and Hygiene:** Institutions prioritize pipes that ensure clean and safe water supply while effectively managing waste



Renovation Remodelling Projects

1. **Primary Market:** Homeowners undertaking renovation or remodeling projects may require plumbing system upgrades, presenting an opportunity for UPVC and CPVC pipes.
2. **Ease of Installation:** These customers may appreciate the easy installation and adaptability of these pipes for retrofitting purposes.



Agricultural and Irrigation Sector

1. **Primary Market:** In the case of UPVC pipes, the agricultural and irrigation sector can be a potential market.
2. **Durability and Efficiency:** UPVC pipes can be used for transporting water for irrigation purposes due to their durability, corrosion resistance, and ability to withstand varying weather conditions

Competitive landscape in India

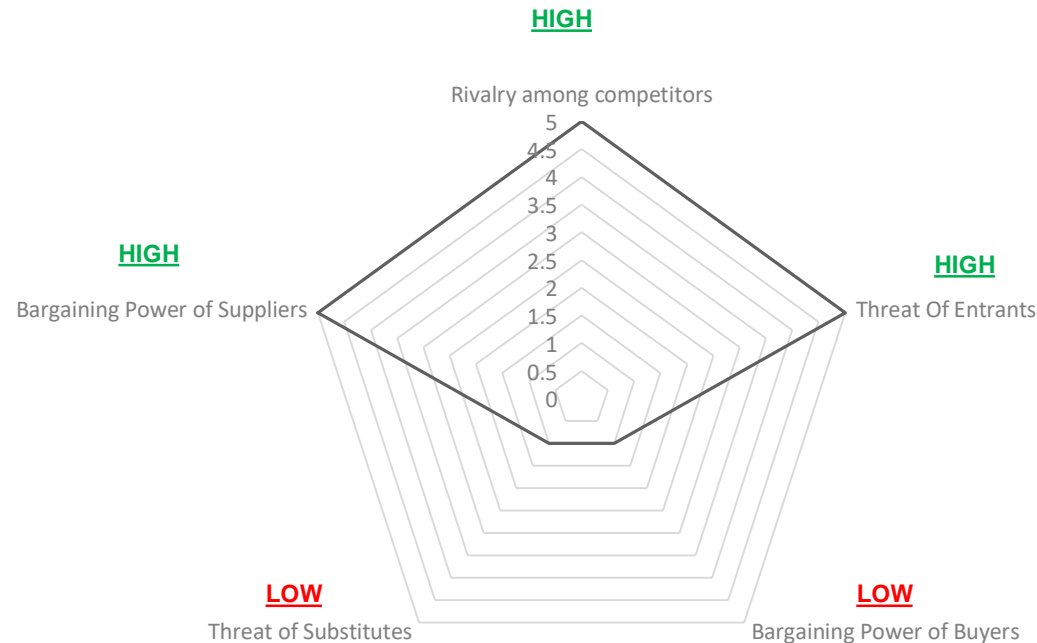
Market Dynamics

- **Demand Growth:** The PVC market in India has been witnessing steady growth due to urbanization, infrastructure development, and increased construction activities.
- **Segmentation:** The PVC market is segmented into rigid and flexible PVC, with applications ranging from pipes and fittings to cables, films, and more.
- **Competitive Intensity:** The presence of established players like Ashirvad, Astral, Prince, and Supreme has led to strong competition, resulting in innovations and customer-centric approaches.
- **Market Penetration:** The market penetration of these companies has extended to both urban and rural areas, catering to diverse customer needs.
- **Technological Advancements:** Companies have invested in technology to improve product quality, efficiency, and sustainability. Innovations like CPVC pipes have transformed the plumbing industry.

Trends and Opportunities

- **Sustainability:** The industry is moving towards more sustainable practices, including recycling and using environmentally friendly materials.
- **Innovation:** Continued emphasis on innovation to develop products that meet evolving customer needs, such as water conservation and energy efficiency.
- **Agricultural Use:** PVC pipes find application in the agricultural sector for irrigation, which presents a growing opportunity.

Porter's 5 Forces for entry





- **High bargaining power of suppliers:** There are a few large suppliers of CPVC and UPVC pipes and fittings, and they have a lot of market power.
- **Low bargaining power of buyers:** There are many buyers of CPVC and UPVC pipes and fittings, but they are not able to negotiate for lower prices. This is because the suppliers have a lot of market power and the buyers are not able to switch to other suppliers easily.
- **High threat of substitutes:** There are many other types of pipes and fittings that can be used in place of CPVC and UPVC pipes. This means that buyers have a lot of choices and they can switch to other products if they are not happy with the prices or the quality of CPVC and UPVC pipes.

Top Industry Players



Competitive landscape in India

Factors Influencing Market				
Brand Presence	Strong	Recognized	Reliable	Renowned
Product Range	Comprehensive	Variety	Range	Extensive
Innovation/Technology	Innovative	Technological	Advanced	Technological
Distribution Network	Strong	Wide Reach	Established	Robust
Marketing Strategy	Effective	Ambassadors	Celebrity Support	Engaged
Reginal presence	Nationwide	Diverse	Multiple regions	Widespread
Industry Associations	Active	Involved	Collaboration	Exhibition presence
Customer support	Strong Support	Engagement	Relationships	Assistance
Market Penetration	Significant	Established	Presence	Key Player
Product Quality	High Standards	Industry standards	Quality Assurance	Standard Maintenance

Market influence → brand strength, product range, technological innovation, distribution network, marketing strategies, industry associations, customer support, market presence, and product quality. **Pipes and Fittings**→ Highly Competitive market (**reference attached in Annexture**)

Internal Problems - Micro

Supply Chain Management: Evaluate the supply chain for PVC pipes production, including the sourcing of raw materials, production processes, and distribution networks. Address any potential bottlenecks or inefficiencies.

Production Capacity: Determine the production capacity required to meet the anticipated demand for UPVC and CPVC pipes. Assess whether Prime Corp's existing facilities can handle the additional production or if expansion is needed

Regulatory Compliance: Investigate the regulatory landscape governing the PVC pipes industry in India. Ensure that Prime Corp's products meet all necessary quality, safety, and environmental standards.

Competitive Pricing: Determine competitive pricing strategies that offer value to customers while ensuring profitability for Prime Corp. Consider the pricing models of existing players in the B2C segment

Product Testing and Quality Assurance: Establish rigorous quality control processes to ensure that the UPVC and CPVC pipes meet or exceed industry standards. Address any concerns related to product durability, leakage, and overall performance.

Technical Expertise and Training: Assess the technical knowledge and expertise within Prime Corp's team to ensure a smooth transition into the PVC pipes industry. Consider providing training for employees if needed

Market Research: Conduct thorough market research to identify specific customer preferences, trends, and emerging needs within the B2C segment. This can help tailor product offerings and marketing strategies accordingly.

External Problems - Macro

Risk Management: Identify potential risks and challenges associated with entering the PVC pipes market, such as changing customer preferences, economic fluctuations, or disruptions in the supply chain. Develop strategies to mitigate these risks

Sustainability Initiatives: Consider incorporating eco-friendly and sustainable practices into the production, packaging, and disposal of PVC pipes to align with growing environmental concerns.

Long-Term Growth Strategy: Outline a roadmap for Prime Corp's growth in the PVC pipes industry beyond the initial market entry. This could include diversification, expansion into new regions, or exploring related product lines

Channel Partnerships: Explore potential collaborations with distributors, retailers, and dealers to effectively reach the target customer segments. Assess the suitability of existing distribution networks or the need for new partnerships.

After-Sales Service: Develop a robust after-sales service strategy to address any potential customer issues, provide technical assistance, and build long-term customer relationships.

Long-Term Growth Strategy: Outline a roadmap for Prime Corp's growth in the PVC pipes industry beyond the initial market entry. This could include diversification, expansion into new regions, or exploring related product lines

Marketing and Branding Strategy: Craft a comprehensive marketing and branding strategy that includes online and offline channels to effectively position Prime Corp's products in the B2C market.

Key Insights

Balanced Demand across Segments: Demand for CPVC is distributed across Metro, Urban, and Rural segments, with Tamil Nadu exhibiting a balanced demand across all three.

Rural Potential: Rural catchment areas, especially in states like Andhra Pradesh, show significant demand, indicating untapped potential.

Metro Demand: Tamil Nadu's metro areas have the highest CPVC demand, followed by those in Andhra Pradesh and Telangana.

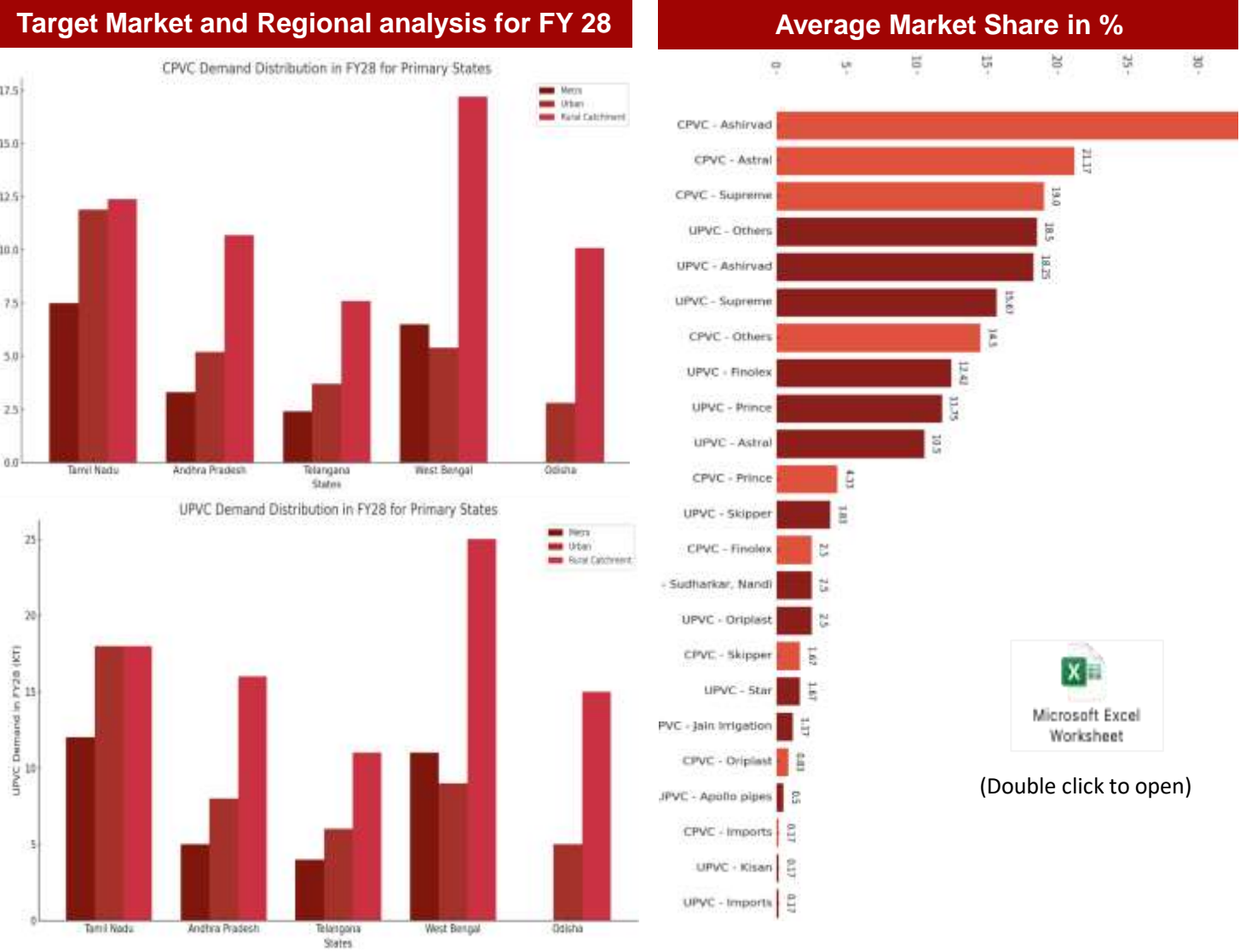
Growing Demand: There is a noticeable overall increase in CPVC demand from FY23 to FY28 across all primary target states

CPVC

Demands target as per market type INR Cr. FY28 (kT)		
Target market	All target market demand	Domestic demand In Cr
Total south	1552.8	2400
Total east and north east	1020	1700
Total	2572.8	4100

UPVC

Demands target as per market type INR cr FY28		
Target market	All target market demand	Domestic demand In Cr
Total south	1444.210526	2800
Total east and north east	1636.111111	3100
Total	3080.321637	5900



Target Market → South and East & North East → (TN, AP, TS, WB and Odisha)

Revenue Estimation

Target Market Demand & Revenue Estimation

CPVC Pipes & Fittings Demand, kiloton (KT)		
Region	FY23	FY28
South	50	100
West	32	61
East & North East	37	70
North and Central	56	107
Total	175	338
Total selected region	87	170

UPVC Pipes & Fittings Demand, kiloton (KT)		
Region	FY23	FY28
South	115	190
West	82	136
East & North East	106	180
North and Central	184	340
Total	487	846
Total selected region	221	370

CPVC Pipes & Fittings Demand, INR Crs	
Region	FY28
South	2400
West	1500
East & North East	1700
North and Central	2600
Total	8200
Total selected region	4100

UPVC Pipes & Fittings Demand, INR Crs	
Region	FY28
South	2800
West	2500
East & North East	3100
North and Central	6000
Total	14400
Total selected region	5900

- To calculate estimated/target market revenue We first calculate Target market from given data We have demand off of both CPVC and UPVC for FY-23 & FY-28. Our target market is South and East & North-east as shown
- From there we **calculate price per KT** for both CPVC and UPVC And multiply them with their respective CAGR to get approximate pipe market in target region (Assuming price per kilo ton for CPVC and UPVC will remain same throughout 5 years – assumptions are mentioned in attached exhibits)
- Calculated estimated revenue targets for both CPVC and UPVC segments by multiplying **target share**(which is taken as an avg. Revenue Target of rival competitors in first five years of entry) to the

CPVC

Year	Total CPVC Market in Cr	Target share %	Estimated Target revenue in Cr
FY23	2097.570	-	-
FY 24	2412.206	4-5%	108.549
FY 25	2774.036	7-9%	221.923
FY 26	3190.142	10-14%	382.817
FY 27	3668.663	14-18%	586.986
FY 28	4218.962	20%	843.792
	CAGR = 15%	Avg % * Total CPVC Market=Estimated Revenue	

UPVC

Year	Total UPVC Market in Cr	Target share %	Estimated Target revenue in Cr
FY23	221.000	-	-
FY 24	243.100	10-14%	29.172
FY 25	267.410	16-18%	45.460
FY 26	294.151	19-22%	61.772
FY 27	323.566	23-27%	80.892
FY 28	355.923	30%	106.777
	CAGR = 10%	Avg % * Total UPVC Market=Estimated Revenue	

Price per KT = $4100/170 = 24.11$ Cr
Assuming price per KT will be constant for 5 years
Target market FY-28 = **843.79 cr**

Price per kT = $5900/370 = 15.94$ Cr
Assuming price per KT will be constant for 5 years
Target market FY-28 = **106.777cr**



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To attain this estimated target revenue **by FY-28** we need to take inform decision regarding distribution model (**Production ,warehousing decisions**)of company and branding strategy for max reach in the target markets to **achieve EBITDA of 17-18%**

Aim : To prepare Distribution model and brand strategy by which EBITDA of 17-18% can be achieved in FY 28, In the target market (South and East & Northeast)

Gross margin = EBITDA + Operational Cost

Operational Cost = Gross margin – targeted EBITDA

Type	Gross margin	Target EBITDA
CPVC	36%	17.50%
UPVC	29%	

(Target EBITDA is taken as avg. of 17%-18% = 17.5%)

Type	Gross margin	Target EBITDA	Operational Cost
CPVC	36%	17.50%	18.50%
UPVC	29%		11.50%

Data is given → (Operation cost as a % of revenue)

Significance → Calculation of Operational Cost

- **Inverse Relationship:** Higher operational costs typically lead to a reduced EBITDA, given constant revenue.
- **Operational Efficiency:** Managing operational costs is crucial to meet the target EBITDA
- **If Operational Cost > 18.5% & 11.5%** for both CPVC and UPVC then company will lose its targeted EBITDA

(P-Model) Use of **Probit Model** to predict the possibility of success in the target markets (South and East & Northeast)

The Probit model provides Prime Corporation with a statistical tool to gauge their probability of success in the target market segments based on multiple influencing factors like demand, capacity and competition


$P(Y=1) = \Phi(\alpha + \beta_1 \times \text{Operational Cost} + \beta_2 \times \text{Capacity})$

Alpha (α) = -1.5

Beta for Operational Cost (β_1) = -0.1

Beta for Capacity (β_2) = 0.05

All the assumptions about variables and calculations to calculate probability of success using upgraded capacity according to the pipe and fitting industry is shown in Word Document aside (Double click to open)



CPVC

- α (Attractiveness) = 50% (moderate market allure)
- β (Ability to Compete) = 44% (Slightly below attractiveness due to the inherent challenges of a newcomer- according to fitting industry’s avg.)
- Hence $P \approx 0.56$ or **56% of** capturing 10% share
- This means we **expect a chance of 56%** to capture

UPVC

- α (Attractiveness) = 55% (A slightly larger market segment than CPVC)
- β (Ability to Compete) = 45% (Similar challenges as with CPVC, but a slightly better market)
- Hence $P \approx 0.60$ or **60%**
- This means we **expect** Prime Corporation to capture assumed market share with 60% of the probability

P-Model has provided a foundation indicated potential success inn target markets, using this along with demand distribution company can **strategically placed their warehouses** , guess its size to reduce operational cost to achieve target With the help of demand, target market, market share and capacity we will strategically decide the place for Prime Corporation to build number of **various locations** to build the strong **supply chain and distribution network**

Based on the P-Model → Location of Warehouse and Its expected share capacity according to new capacities ,projected demand and success probabilities in the target market

OPTION 1 → Building warehouses in Every target state

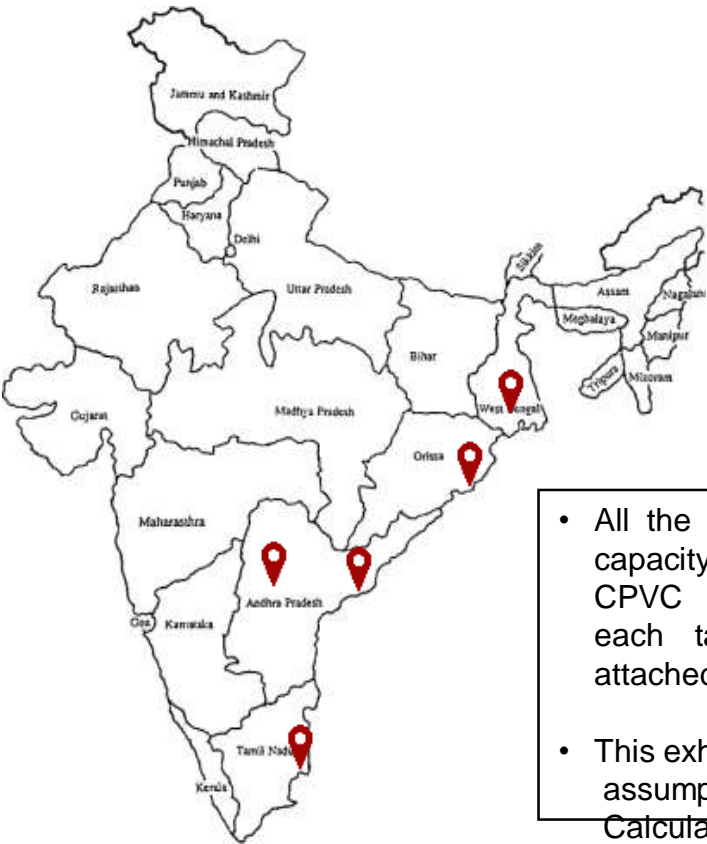
- For warehouse distribution we chose the top places from which connectivity is high those places are Chennai, Vizag, Hyderabad ,Kolkata and Bhubaneswar catering to demand of each state
- For Warehouse Distribution→
Expected Share: Success rate (0.56) × CPVC demand + (0.60) ×

UPCV demand
(Combine CPVC+UPVC demand)

State	Production (KT)
Tamil Nadu (TN)	1650
Andhra Pradesh (AP)	1000
Telangana	1150
West Bengal (WB)	850
Odisha	350

City	Assumed % wise allocation to cater
Chennai	Expected to cater to Tamil Nadu and 70% of Andhra Pradesh
Vizag	Expected to cater to 30% of Andhra Pradesh
Hyderabad	Expected to cater to Telangana
Kolkata	Expected to cater to West Bengal
Bhubaneswar	Expected to cater to Odisha

City	Demand (KT)	CPVC Expected Share (KT)	UPVC Expected Share (KT)	Total Expected Share (KT)
Chennai	2350	1316	1410	2726
Vizag	300	168	180	348
Hyderabad	1150	644	690	1334
Kolkata	850	476	510	986
Bhubaneswar	350	196	210	406



City	Demand (KT)
Chennai	2350
Vizag	300
Hyderabad	1150
Kolkata	850
Bhubaneswar	350

- All the calculations of expected share capacity, Demand and calculation of CPVC and UPVC market share for each target city is shown in the attached exhibit here
- This exhibit contains all the assumptions taken for the Calculation of the share



Problems with Option 1→ Introduction to better Option 2

It is very **difficult for new entrant** like Prime Corporation to setup warehouses in all the target state due to various reasons like **financial feasibility, operational feasibility, land acquisition, infrastructure limitations** and various Aspects like **Regulatory Hurdles, Climate and Environmental factors**. Hence we proposed **Option-2** Which only have **3 warehouses** to cater the need of all target market

OPTION 2→ Building 3 warehouses to cater target

To chose the optimal location we use **the excel solver model**, first

Table shows the **average distance between two states** , and after using solver function the diagonal entries in the

table provide optimal solution **4. Build warehouse**

Distance	AP	TN	Telangana	Odisha	WB
AP	0	700	400	800	1400
TN	700	0	1000	1500	2000
Telangana	400	1000	0	850	1500
Odisha	800	1500	850	0	650
WB	1400	2000	1500	650	0

	AP	TN	Telangana	Odisha	WB
AP	1	0	0	0	0
TN	0	1	0	0	0
Telangana	1	0	0	0	0
Odisha	0	0	0	1	0
WB	0	0	0	0	1

The **diagonal entries in blue** shows the **optimal location** to set the warehouse for distribution purpose, we assumed **3 cities** for this purpose, these cities will fulfil the demand of all

the target market, and these cities will **cater to Multiple states** in various Capacities, regarding Serving capacity All the Assumptions and excel calculations

has been attached in the exhibit aside.

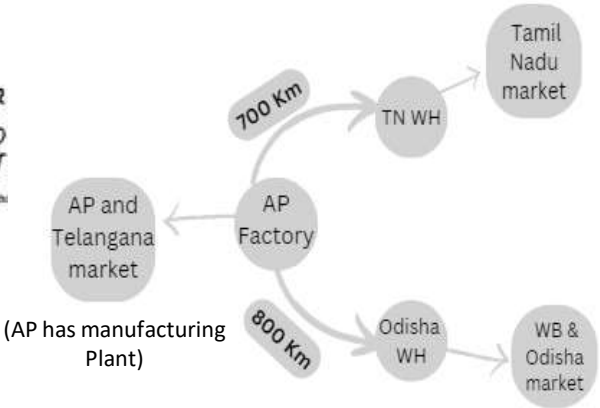


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Distribution Model Diagram



Target market	Demand	Combine Expected Share (KT)
Chennai	TN + 0.7AP	2726
Bhuwaneshwar	WB + Odisha	1682
Hyderabad	TL + 0.3AP	1392

Benefits of Lower numbers of initial

- Optimized Inventory Levels:** Reduced holding costs and diversified risk against demand fluctuations
- Strategic Location Benefits:** Efficiency from the hub-and-spoke model and transportation economies
- Reduced Infrastructure & Maintenance Costs:** Savings from fewer property and maintenance expenses
- Improved Negotiation Power:** Better rates with service providers/distributors due to higher

3 Phase Distribution Model

Establishing Presence & Initial Expansion with 3PL

Phase1 : Year (1-2)

- **Chennai Warehouse (Tamil Nadu & Andhra Pradesh):**
 - Partner with a prominent 3PL provider with established networks to leverage their expertise and infrastructure.
 - Use Chennai as a distribution point, supplemented by the 3PL's distribution centers as needed.
 - Capacity: Demand of TN + 70% of Demand of AP.
- **Hyderabad Warehouse (Telangana & Part of Andhra)**
 - Collaborate with a 3PL that has a strong presence in Telangana and the neighboring regions of Andhra
 - Capacity: Demand of Telangana + 30% of Demand of AP.
- **Operational Efficiency with 3PL:**
 - Negotiate with 3PL partners for competitive rates based on volume.
 - Aim to maintain or even reduce the previous operational costs:
 - CPVC: Below 18.5% | UPVC: Below 11.5%.
- **Market Penetration:**
 - Leverage 3PL's local expertise and networks for better market insights and penetration strategies.
 - Target : 8-10% of the combined market in these regions.

Market Consolidation & Expansion with 3PL

Phase 2: Year (2-3)

- **Odisha Warehouse (West Bengal & Odisha):**
 - Engage with a 3PL known for its strength in the East Indian markets.
 - Capacity: Combined Demand of WB and Odisha.
- **Chennai & Hyderabad Warehouses with 3PL:**
 - Deepen collaborations with existing 3PL partners for further efficiencies and cost savings.
 - Focus on JIT (Just-In-Time) deliveries and other strategies to reduce costs and improve delivery times
- **Market Share Target with 3PL Assistance:**
 - With the added benefit of 3PL networks, aim for an additional 12-15% of the market, making it a total of 20-25% in the combined regions
- **Tapping Local Market:**
 - Focus on saturating the local market where brand recognition is highest and logistics costs are lowest.
 - Participate in local trade shows, events, and advertising campaigns to increase brand visibility.

Deep Market Penetration with Advanced Logistics and Technology

Phase 3: Year (3-5)

- **All Warehouses with 3PL:**
 - Evaluate the performance of 3PL partners and renegotiate terms or even switch partners based on performance metrics.
 - Introduce AI-driven demand forecasting in collaboration with 3PL to optimize inventory levels and reduce lead times
- **Expand Product Line:**
 - Based on market feedback, collaborate with 3PL for effective distribution of new products or variations
- **Operational Excellence with 3PL:**
 - Continuously improve operational costs by leveraging 3PL's best practices, technologies, and networks.
- **Market Share Target:**
 - Maintain the aggressive target: by the end of Year 5, aim to capture a total market share of 30-35% in the combined target regions

- With the **integration of third-party logistics** in the distribution model, Prime Corporation can tap into the existing networks, expertise, and infrastructure of these 3PL providers.
- This collaboration will potentially lead to quicker market penetration, **reduced operational costs, and more efficient distribution**. Regular assessments of 3PL performance and market dynamics will be crucial for the model's success and third party logistic support like this will increase the likelihood of Prime Corporation to **penetrate market effectively**

Brand Positioning & Differentiation

As a new entrant company should not /will not target either premium or mass market, they should aim for a **"value-driven"** positioning. This positioning focuses on offering high-quality products at competitive prices, ensuring good value for money

Key Messaging for Brand Positioning:

Reliability: Highlight the durability and longevity of the pipes.

Performance: Emphasize superior flow rates, resistance to chemicals, and temperature adaptability.

Value for Money: Present the products as cost-effective solutions without compromising quality to the customers

Differentiation Can be achieved through:

Product Innovation| Customer-Centric Approach|




Strengthening Brand Network

Leveraging third-party logistics (3PL) companies can be transformative for Prime Corporation. Prime Corporation can extend its reach to even the most remote parts of their target markets. This partnership not only brings cost efficiencies by eliminating the need for significant investments in logistics infrastructure but also ensures **flexibility** to scale operations based on demand. Furthermore, with timely and efficient deliveries, customer satisfaction is enhanced, strengthening Prime Corporation's brand image. The data analytics provided by such 3PLs can also offer critical insights, helping shape future strategies and decisions for Prime Corporation.

Strategic Marketing and Advertising for Prime Corporation → For Deep reach

Current Trend : Piping companies like Astral Pipes and Prince Pipes are heavily investing in Above-the-Line (ATL) marketing strategies, including celebrity endorsements, TV commercials, print media and event associations, to increase brand visibility and compete with FMCG and white goods brands in the country.

Top Industry Players and their Marketing and Advertising Approaches

Company	Marketing/Advertising Approaches
<div>Astral Pipes</div> <div></div>	Endorsements: Used Bollywood celebrities like Salman Khan ; Digital Presence: Comprehensive website and active on social media
<div>Supreme Pipes</div> <div></div>	Educational Initiatives: Conduct training sessions and workshops; Product Range Showcasing: Emphasize vast range of products
<div>Finolex Industries</div> <div></div>	TV Campaigns: Notable TV commercials emphasizing durability; CSR Initiatives: Highlight CSR initiatives
<div>Prince Pipes</div> <div></div>	Brand Ambassadors: Engaged Bollywood actor Akshay Kumar ; Innovative Campaigns: Themes of trust and long-lasting relationships

Ambassador Need: Pipes might be a niche and technical product, the right brand ambassador can humanize the brand, making it more relatable to the broader consumer base by **personifying trustworthiness, loyalty, reliability and emotional connection**. Hence a good ambassador will help to boost the sales of the company

ATL marketing and advertising strategy for prime	
Marketing Strategy	Key Tactics
Television Commercials (TVC)	Narrative: Focus on USPs like durability, ease of installation; Celebrities: Use endorsements; Regional Appeal: Tailor TVCs for local languages and sensibilities
Radio Campaigns	Spotlights: Use 30-second spots during peak hours; Jingles: Create catchy jingles; Testimonials: Share real-life stories
Print Media	Newspaper Ads: Use full-page or half-page ads in leading dailies; Magazines: Target industry-specific magazines; Localized Content: Tailor content to local audience
Outdoor Advertising	Billboards: Place in high-traffic areas; Transit Advertising: Use bus stops, metro stations, railways
Cinema Advertising	Pre-Movie Ads: Use engaging commercials before movies
Strategic Partnerships	Events: Sponsor events, trade shows, conferences; Collaborations: Partner with real estate developers or construction companies
Digital Integration	QR Codes: Integrate in print ads; Social Media Teasers: Tease content before major launches

Need Of Marketing campaign and Advertising

Brand Visibility and Trust: For a new entrant in the pipe manufacturing industry in India, advertising campaigns are pivotal to introduce the brand to the market, differentiate it from well established competitors in India

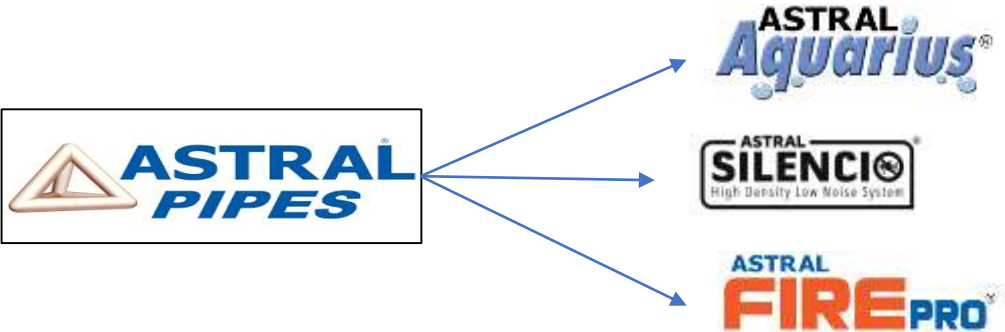
Driving Initial Momentum: Effective advertising ensures that the brand message reaches the target audience, stimulates interest, drives initial sales, and establishes strategic market positioning for competitive edge

Marketing Campaign:- "Bharat-Flow: Piping India's Progress"		
Phases	Themes	Key Tactics
Phase 1: Introduction & Awareness	Theme: Made in India, Made for India	<ul style="list-style-type: none">TVC: Showcase manufacturing with visuals of Indian landmarks.Print Media: Ads with landmarks and tagline.Digital: Videos emphasizing 'Made in India'.
↓		
Phase 2: Trust & Reliability	Theme: India's Pride, Every Home's Trust	<ul style="list-style-type: none">TVC: Testimonials from customers with visuals of Indian festivals.Radio: User narratives with patriotic music.Outdoor: Billboards with Indian personalities.
↓		
Phase 3: Growth & Expansion	Theme: Building India's Tomorrow	<ul style="list-style-type: none">TVC: Showcase modern infrastructure contrasted with history.Print Media: Blend of modern and traditional designs.Digital: Content on growth story and interactive patriotic content.

For **Prime Corporation** to sustain and adapt its **marketing campaign in tune with industry needs**, it's crucial to frequently analyse market trends and consumer behaviour. Embracing technological advancements, keeping an eye on **competitors' strategies**, and ensuring **flexibility in execution** are paramount. **Regular feedback** mechanisms and performance metric reviews, combined with continuous innovation, will ensure the campaign's **relevance and effectiveness**.

Product Line Expansion	
Expansion Category	Details
Diversified Pipe Range	<ul style="list-style-type: none">Offer pipes in various sizes, thicknesses, and colours for both residential and commercial needs.Includes large diameter pipes for industrial use and aesthetically pleasing ones for home interiors.
Specialized Pipes	<ul style="list-style-type: none">Pipes tailored for specific purposes:<ul style="list-style-type: none">- Rainwater harvesting- Sewage and drainage systems- High-pressure applications- Agricultural purposes (e.g., drip irrigation)
Innovative Features	<ul style="list-style-type: none">Introduce pipes with:<ul style="list-style-type: none">- Anti-bacterial properties- UV resistance- Anti-corrosive properties
Complementary Accessories	<ul style="list-style-type: none">Extend range to include:<ul style="list-style-type: none">- Pipe fittings and joints- Valves, faucets, and taps- Sealants, adhesives, and other essentials

Examples of successful product extension in the pipe



Product Portfolio Diversification		
Diversification Strategy	Benefits	Example for Prime Corporation
New Product Categories	<ul style="list-style-type: none">Venturing into new product categories can open up multiple revenue streams and address varied customer needs, making the company a one-stop solution.	<ul style="list-style-type: none">Expand into adhesive solutions, introducing a line of premium sealants or glues specifically formulated for their pipe range.
New Industries	<ul style="list-style-type: none">Tapping into new industries can spread the risk and reduce dependency on a single market segment. It also showcases the company's adaptability and innovation.	<ul style="list-style-type: none">Provide specialized piping solutions for agriculture (drip irrigation systems) or cater to the infrastructure sector with pipes designed for larger projects like sewage systems, industrial plumbing, or rainwater harvesting.
Complementary Products or Services	<ul style="list-style-type: none">Offering complementary products or services can enhance customer loyalty, as they can source multiple solutions from a single brand.	<ul style="list-style-type: none">Introduce installation services, maintenance packages, or plumbing consultancy for larger projects, providing an end-to-end solution for customers.

- In essence, diversification for Prime Corporation would not just be about **spreading risk**, but also about tapping into **new growth avenues, reinforcing its brand**, and positioning itself as a holistic solution provider in the piping and fitting industry in target market
- Product Expansion & Diversification will help company **to maintain sustained advantage**

3 Phase Branding Model

Establishing Brand Identity

Phase1 : Year (1-2)

- **Visual Identity:**
 - Design a distinctive logo, typography, and color palette that reflects Prime Corporation's values & industry positioning.
 - The visual identity should resonate with the quality and reliability synonymous with established brands like Supreme and Astral.
- **Brand Messaging:**
 - Develop a strong value proposition highlighting the quality, durability, and innovative features of the products.
 - Promote the brand's commitment to sustainability, given the growing eco-friendly practices.
- **Local Market Activities:**
 - Engage in local trade shows, workshops, and events.
 - Collaborate with local influencers or industry experts for initial endorsement
- **Digital Presence:**
 - Establish a user-friendly website showcasing products, company values, & testimonials
 - Initiate online advertising campaigns targeting local audiences

Regional Branding & Brand Awareness

Phase 2 : Year (2-3)

- **Strategic Partnerships:**
 - Collaborate with distributors and retailers in key target markets.
 - Offer training and promotional materials to partners to ensure consistent brand representation.
- **Advertising & Promotions:**
 - Launch regional TV, radio, and print ad campaigns, use ambassador etc.
 - Look into co-branding opportunities with related industries or products.
- **Online Marketing:**
 - Boost online presence through SEO, content marketing, and targeted ads.
 - Engage audiences on social media platforms through interactive content, customer stories, and product demos.
- **Customer Engagement:**
 - Organize workshops or seminars on plumbing solutions, targeting professionals in the industry.
 - Launch loyalty programs or referral schemes

Product Diversification and Loyalty programmes

Phase 3 : Year (4-5)

- **Product Line Expansion:**
 - Based on feedback and market research, introduce new products or variants.
 - Promote these additions through dedicated campaigns, emphasizing innovation.
- **Loyalty Programs:**
 - Roll out loyalty programs or customer clubs, offering exclusive benefits to members.
 - Organize events→ previews only for loyal customers.
- **Sustainability Initiatives:**
 - Promote eco-friendly practices in manufacturing and distribution.
 - Launch products that highlight sustainable features
- **Competitive Benchmarking:**
 - Regularly assess branding strategies against competitors like Supreme and Astral.
 - Adapt and innovate to stay ahead in the market
- **Feedback & Improvement:**
 - Implement mechanisms to gather customer feedback on product quality and brand perception.
 - Use this feedback to refine branding strategies

Combine GTM Prime Corporation for Distribution & Branding

GTM Strategy Components	Details
Market Analysis & Segmentation	<ul style="list-style-type: none">• Demographic Analysis: Understand the demographic structure of AP, TS, TN, WB, and Odisha. This will include understanding population density, urban vs. rural split, and age demographics.• Segmentation: Segment the market based on needs, buying behaviour, and potential for premium vs. mass products.
Product Positioning	<ul style="list-style-type: none">• Mid-Market Positioning: As Prime Corporation does not want to position itself as neither premium nor mass, it should focus on the mid-market segment. This will appeal to a broad audience while allowing for competitive pricing.
Partnering with 3PLs	<ul style="list-style-type: none">• Regional Partnerships: Collaborate with top 3PL providers in each region. This will ensure localized expertise, reducing lead times to optimize routes• Negotiate Volume Discounts: As Prime Corporation scales, negotiate with 3PLs for volume-based discounts to keep operational costs
Brand Building & Awareness	<ul style="list-style-type: none">• Local Celebrity Endorsements: Collaborate with regional celebrities for brand endorsements. Their appeal can resonate more strongly audience.• Localized Campaigns: Launch campaigns in local languages highlighting Prime Corporation's commitment to quality and reliability. Engage in Local Trade Events and Participate in local trade shows, workshops, and events to showcase products and engage directly with potential buyers.
Digital Engagement	<ul style="list-style-type: none">• Localized Digital Ads: Geotargeted ads to cater to each region specifically. Engage on Social Media Platforms: Regularly post content relevant to the plumbing industry, DIY installation tips, and customer testimonials to engage with the digital audience.
Sales & Distribution	<ul style="list-style-type: none">• Hybrid Sales Model: Incorporate both direct sales (for large contracts) and channel sales (via distributors and retailers). Incentivize Distributors: Offer incentives for distributors who meet or exceed sales targets. This will motivate them to push Prime Corporation products over competitors.
Product Training & Workshops	<ul style="list-style-type: none">• Engage with Plumbers & Contractors: Conduct training sessions to educate them about the unique selling points of Prime Corporation's products. As influencers in the buying process, their recommendation can significantly sway purchase decisions.
Feedback & Continuous Improvement	<ul style="list-style-type: none">• Feedback Mechanisms: Set up both online and offline feedback mechanisms to gather customer reviews and feedback. Regularly Review 3PL Performance: Ensure they are meeting delivery times and maintaining product quality during transit.
Expansion & Diversification	<ul style="list-style-type: none">• Introduce New Products: Based on market feedback, consider introducing complementary products or variations. Geographical Expansion: Once a stronghold is established in the initial states, consider expanding to neighbouring states leveraging the existing 3PL network.
Periodic Review & Pivot	<ul style="list-style-type: none">• Quarterly Reviews: Assess the GTM strategy's effectiveness quarterly to ensure alignment with market dynamics.• Pivot if Necessary: If certain aspects of the strategy are not yielding the desired results, be ready to pivot. This could involve changing 3PL partners, tweaking the marketing strategy, or even reconsidering the product mix.



Financial Recommendations

- **Financial Planning and Forecasting:** Develop a comprehensive financial plan that outlines your revenue targets, cost structures, and funding requirements. Continuously update your forecasts to track progress and make data-driven decisions
- **Working Capital Management:** Efficiently manage your working capital to minimize the need for external financing. This includes managing inventory, accounts receivable, and accounts payable cycles.
- **Pricing Strategy:** Carefully evaluate your pricing strategy to ensure competitiveness while maintaining profitability. Consider offering differentiated products or value-added services to justify premium pricing



Operations & SC Recommendations

- **Supply Chain Optimization:** Streamline your supply chain to reduce lead times and minimize inventory holding costs. Establish strong relationships with suppliers to ensure a steady and cost-effective supply of raw materials
- **Distribution Network:** Develop an efficient distribution network to reach your target markets effectively. Consider partnerships with distributors and wholesalers to expand your reach
- **Quality Assurance:** Maintain strict quality control standards to ensure your CPVC and UPVC pipes meet or exceed industry standards. Consistently delivering high-quality products will help build a strong reputation.



Marketing and Sales Recommendations

- **Brand Building:** Invest in branding efforts to establish a strong brand presence in the CPVC and UPVC pipe market. Create a compelling brand story and communicate it effectively to your target audience
- **Product Innovation:** Continuously innovate and improve your product offerings. Stay updated with industry trends and customer demands to introduce new products or features that can set you apart from competitors..
- **Local Market Activities:**
 - Engage in local trade shows, workshops, and events.
 - Collaborate with local influencers or industry experts for initial endorsement



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Worksheet



Microsoft Word
Document



Microsoft Excel
Worksheet



Microsoft Word
Document



Microsoft Excel
Worksheet

(Already attached to each side - Double click to open)



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Document

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