

# Dulux®

## THE MARKET

Painting and home decorating have become increasingly popular in Australia. Global uncertainty has channeled people's energy into areas where they feel relaxed and comfortable, with a greater sense of control: areas such as the family home. Boosted by the phenomenal success of DIY television shows, people are using colour and effect to express who they are and to transform their homes.

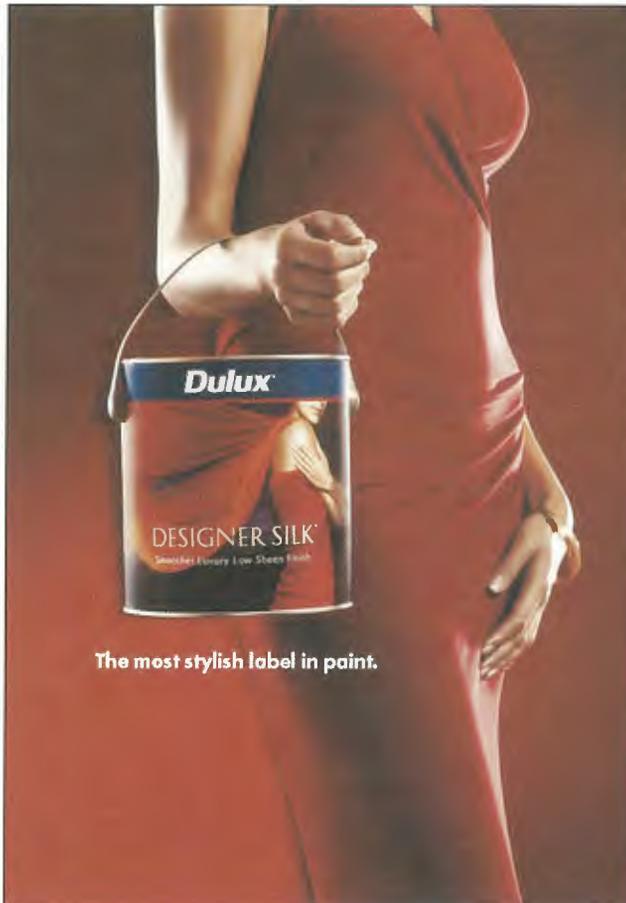
Since 2001, boosted by the introduction of the GST, strong residential construction combined with the emergence of a strong DIY sector has resulted in above average growth in both Retail and Trade markets. The continued increase in DIY consumer confidence and a strong local economy will keep demand growing.

The paint season tends to be between September and Easter to coincide with warmer weather and holidays. Weather conditions have a significant impact on the paint market, 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

When Australians think paint, they think Dulux. The Dulux name is recognised by more than 80 per cent of Australians. Dulux has earned its reputation through its commitment to research and development and its emphasis on high quality products. Dulux employs more than 70 scientists and specialists who work on developing the next generation in surface coatings.

Recent exciting developments in paints include Dulux Mouldshield®, a revolutionary polymer latex



that was able to provide superior performance with high levels of mould-inhibiting zinc oxide, and Dulux Aquanamel, a water-based enamel paint that uses new polymer technology developed by the Dulux R&D team. This technology enabled a significant reduction in the usage of volatile organic compounds.

## HISTORY

Dulux is an entirely Australian-owned and manufactured brand. In July 1997, ICI Australia Limited became an independent company when its British parent divested itself of its majority shareholding interest in its Australian operations. To recognise the new independence the company name, ICI Australia Ltd, was changed to Orica Ltd in February 1998.

Orica is the largest chemical company in the region, employing 10,000 people around the world. Orica manufactures and markets industrial and specialty chemicals, agricultural chemicals and fertilisers, explosives and mining chemicals, plastics and paints. Through its Consumer Products Division, based in Australia, Orica manufactures a comprehensive range of paints and is Australia's

largest manufacturer and supplier of surface coatings. With manufacturing sites and a world-class paint technology centre in Australia (plus sites in New Zealand, Fiji and Papua New Guinea), Dulux is recognised as the cornerstone of Orica's paint business and the number one brand in the industry.

## THE PRODUCT

Over the past 40 years, Dulux has made some of the most significant contributions to the paint industry. For example, in the 1960s Dulux launched the first water-based paints. This new type of paint was much easier to apply than solvent paint and is, in part, credited with the continuing strength of the Do-It-Yourself paint market in Australia.

In the 1970s, Dulux improved its water-based paints to meet consumer demand for durability and stain resistance. This led to the introduction of Weathershield® X10 with its 10-year guarantee and Wash & Wear 101® with its patented stain-resistant properties.

Wash & Wear 101 is regarded as one of the most successful product launches in Australia. In-depth understanding of the market, a strong communication package and an outstanding, differentiated proposition that addressed a key consumer need resulted in substantially increased market share. Wash & Wear 101 also set the standard for all other interior topcoat paints.

Dulux is renowned for its outstanding customer service. This has been recognised within the industry and by customers. In 2003, the Paint Specialist Association of Australia awarded Dulux with the 2003 Best Customer Service Department. In the same year, Dulux was recognised by one of the leading hardware chains in Australia, being



named Mitre 10 National Supplier of the Year.

Dulux offers a comprehensive range of high quality pre-coats, interior topcoats, exterior topcoats and specialty paint products at the premium end of the market.

### RECENT DEVELOPMENTS

Dulux has consistently offered the widest range of colours suitable for both interior and exterior applications. Easy to use colour tools and the outstanding Dulux Customer Service help line have given the consumer confidence when using Dulux products.

Choosing the right colour and deciding on a suitable colour scheme can be one of the most



difficult parts of the painting process. Dulux has a number of excellent tools available for customers to make this choice easier.

The Dulux Colour Consultancy is a service available for clients wishing to have a professional Colour Consultant come into their home and develop a unique colour scheme for their house.

The recent upgrade of the Dulux Mycolour system enables users to input their own digital image and develop new colour schemes with confidence. This system is available on CD ROM and through an Internet site, [www.dulux.com.au](http://www.dulux.com.au).

The use of bold colour, texture and effect continues to grow in Australia. The ongoing strength of Dulux Suede and more recently Dulux Metallic, Glimmer, Pearlustre and Sandswept Effects is evidence of increased consumer confidence and a sense of fun when it comes to decoration.

There is also a strong trend towards creating living spaces outdoors. Outdoor colour finishes such as Dulux Weathershield Garden Shades and

Tuscan Effects are being used on traditional outdoor surfaces but also increasingly on feature walls, garden furniture and pots.

Helping the environment and its customers, Dulux have launched a water-based enamel, Dulux Aquanamel. New polymer technology developed by Dulux Australia R&D delivers unique application and flow out properties that provide the gloss and flow of an enamel with water wash-out, and non yellowing properties much liked in water-based products. Growth of this low VOC product will support safer working conditions for users and see a net decrease in the amount of greenhouse gas emissions from paint.

The difficulty associated with painting ceilings has recently been addressed by Dulux "Never Miss" One Coat Ceiling White. This innovative paint applies pink and dries white enabling users to see where they have been as they are painting so they don't notice (after they've finished) that they missed a spot.

For customers looking for a luxurious finish to their home, Dulux recently launched a new premium paint, Designer Silk™. Designer Silk™ offers customers a smooth luxurious low sheen finish. From the most delicate of whites to the boldest of colours, the Dulux Designer Silk™ range has been designed to reflect a customer's sense of style and taste.

### PROMOTION

As market leader, Dulux always aims to dominate share-of-voice in the paint category. The consistent use of television advertising has contributed to Dulux's sustained share-of-mind.

The recent Perfect Red & Perfect Blue campaigns and the Dulux Nevermiss advertisements reinforced brand dominance in the market place. The strong DIY trend is also reflected in the

immense popularity of home decorating television programs (and their spin-off magazines and web sites). Backyard Blitz, Hot Property and Ground Force have rated among the Top 10 regular programs offered on commercial television stations in 2003.

The Channel 9 series, "The Block" which is a reality TV show about four couples who were each given the task of renovating an apartment in a block of flats, was the highest rating show in Australia in 2003.

In addition, Dulux spends millions of dollars every year providing colour chips and colour cards to consumers via hardware stores and paint specialists. More than two-thirds of paint buyers use colour cards or chips to make their selection. About one-third of DIY painters use sample pots. Dulux was the first brand to introduce and promote sample pots on a national basis.

### BRAND VALUES

Brand tracking consistently confirms that Dulux is

regarded by Australian DIY painters as the most innovative paint company offering a quality range of paints, including the most washable and scrubbable interior paint. Consumers also regard Dulux as the leading brand of paint. The brand has strong family values and is a respected and trusted brand.

In October of 2003, a brand new television campaign designed to build a strong association for the Dulux brand with colour was launched nationally. The new Dulux Colour Perfection campaign is based on the idea of what inspires us to have a favourite colour. The campaign consisted of two advertisements. Both are a celebration of colour and the role it plays in our lives. The public's



**NeverMiss ceiling paint.**  
Goes on pink, dries white.

response to these advertisements was extremely positive with brand awareness jumping to just over 85 per cent.

The recent Dulux Never Miss and Dulux Suede Effects television advertisements are a fun but very effective way of promoting product with the much-loved 'Dulux Dog' taking centre stage. The 'Dulux Dog' is an Old English sheepdog, and has been associated with the brand since the 1960s.

### THINGS YOU DIDN'T KNOW ABOUT DULUX

- The well-known Dulux tagline, Worth doing, Worth Dulux® was first introduced in the 1970s.
- The Old English sheepdog is so solidly entrenched as a branding device that many people refer to the breed as "Dulux dogs". All but one of the dogs featured in the advertising campaigns have been breed champions and five have won a 'Best of Show' prize.
- There are some 1200 jelly beans in a 4-litre can of Dulux Jelly Beans (one of Dulux's very successful promotions).
- In-store colour tinting was introduced in the 1950s.

