



# Revolutionizing Every Mile: A New Era in the Paint Industry



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# Overview:



Industries evolve, markets transform, and the factors of success continuously shift; a phenomenon no less prevalent in the vibrant world of the paint industry. Characterized by color and chemistry, the paint industry has moved beyond merely adorning our physical surroundings; it's a massive global economic force.

In 2022, the worldwide market for paints and coatings stood at a substantial value of **\$164 billion**. It is anticipated to witness a steady rise, escalating from \$171.55 billion in 2023 to a staggering \$241.32 billion by the year 2030.

During the projected period from 2023 to 2032, the paints and coatings market is experiencing a **compound annual growth rate (CAGR) of 8.7%, on a global scale**. With an estimated worth well into the hundreds of billions of dollars, this industry's landscape is painted by powerhouse corporations, local firms, and agile startups alike.

Historically, the industry's growth has followed an interesting trajectory. It commenced as a localized, manual craft, transitioned into a large-scale manufacturing sector during the industrial revolution, and now stands as an industry marked by technology, innovation, and sustainability. The key players, with names both historic and modern, have not only witnessed but also steered these transformations. Their strategies, their product portfolios, and most importantly, their understanding of market dynamics have significantly shaped the industry. However, amidst the myriad aspects that define the paint industry, the last mile often remains unnoticed.

The final stage of the product's journey from the distribution center to the end consumer, has assumed center stage in this business. With growing consumer expectations and the advent of e-commerce, achieving efficiency in this sector is a significant determinant of a company's competitive advantage.

In this e-book, we will explore the nuances of winning the last mile in the paint industry – a discussion not only about the 'last stretch' of the journey, but also about winning the customer, catalyzing growth, and painting a future where efficiency, customer satisfaction, and sustainable practices coexist harmoniously.

# Unpacking the Paint Industry: The Current Market Perspective



In recent years, the global paint industry has undergone significant changes with the Asia Pacific region leading the charge in revenue generation. Notably, this region accounted for the largest market share in 2022, largely due to the surge in construction activities and rising automotive industry demand in emerging economies such as India, China, South Korea, and Southeast Asia. This growth is predicted to continue its upward trajectory, primarily driven by easy access to raw materials and less stringent laws on Volatile Organic Compounds (VOC)\* emissions compared to other regions like Europe and North America.

Europe, however, is not far behind. The continent holds the second-largest market share, accounting for over [28% of the global revenue in 2021](#). The continuous growth in construction activities across the Netherlands, the U.K., Hungary, Germany, Sweden, Poland, and Ireland is projected to further stimulate the demand for paints and coatings in the years ahead.

Additionally, the rise in funding from the European Union (EU), and encouraging policies that include tax breaks, subsidies, and incentives from various European governments, are expected to accelerate the growth of the construction industry and, by extension, the paint market.

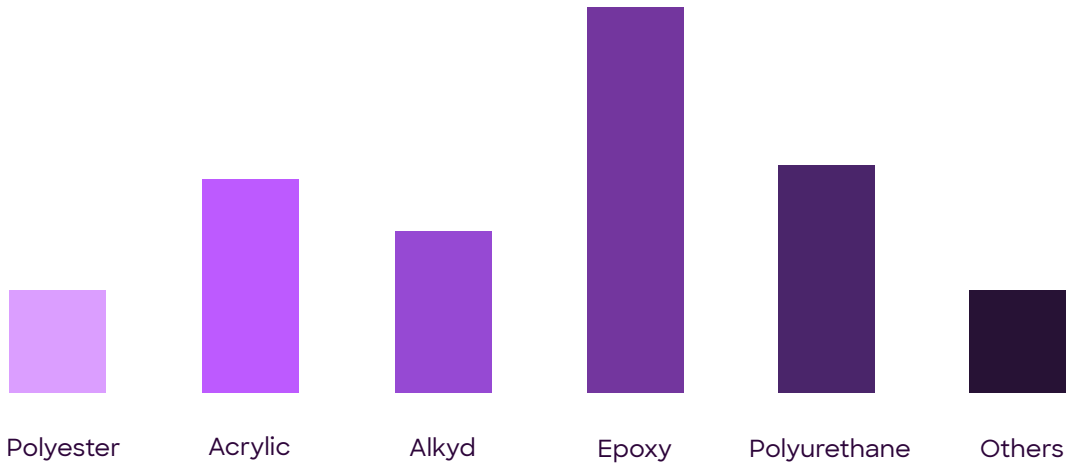
This dynamic industry landscape is marked by intense competition amongst key players who are striving to offer high-performance and cost-effective paint and coating solutions. A company's foothold in the market is gauged by its distribution network, geographical reach, and breadth of its product portfolio. With a focus on consolidating their market presence, industry leaders are primarily investing in expanding their manufacturing and research and development facilities, as well as exploring mergers and acquisitions.

These initiatives aim to address the escalating global demand by developing innovative technologies and products, reducing production costs, enhancing sales and operations planning, and ensuring competitive effectiveness. Moreover, these strategic moves offer the possibility of vertical integration across the value chain, creating more comprehensive solutions for customers.

*\*Volatile Organic Compounds are carbon-based compounds released during volcanic activity, which can include gases, aerosols, and other volatile substances.*

## Paints and coating market 2020 -2027

### MARKET BY TYPE



### KEY POINTERS



Rising demands for paints & coatings in automotive, construction and general industries



High rate of automotive production in the recent past in APAC



High demand from architectural industry

### MARKET SIZE

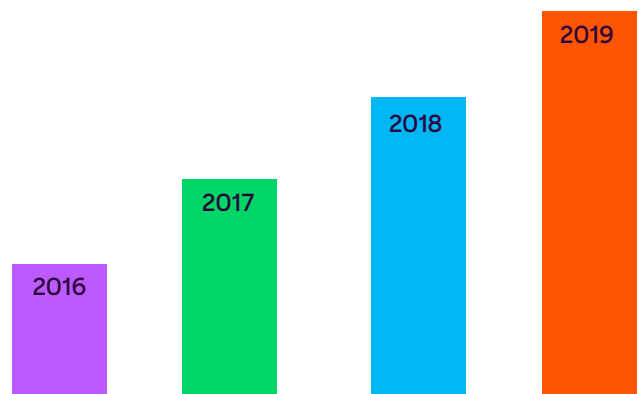


Figure 1. Source: [Predence research](#)

While these efforts are crucial for market competitiveness, they're only part of the equation. Winning in the paint industry means more than just maintaining an extensive portfolio or a robust manufacturing network; it requires companies to ensure successful delivery and customer satisfaction in the last mile.

# The Crucial Role of the Last Mile in the Paint Industry

The last mile delivery, which signifies the critical juncture in a product's journey from the manufacturer to the B2B customer, is where crucial components like customer experience, loyalty, and satisfaction converge.

In the digital age, where e-commerce has redefined traditional norms, the effectiveness of last-mile delivery emerges as a key determinant of success in B2B transactions. A notable **56% of B2B customers, particularly those aged 18-34, view same-day delivery as the standard.** This statistic highlights the growing demand for quick commerce and urgency in delivery within the B2B sector.

**96% of customers consider “fast delivery” to mean same-day delivery**

**56% online consumers between the age of 18-34 years expect to have same day delivery. whereas 61% consumers are willing to pay more for the same day delivery**



Figure 2. Source: [Invesp](#)

Drawing a comparison with same-day delivery's impact in other industries, it becomes evident that efficient last-mile logistics can significantly influence customer experience and cultivate loyalty. Just as 61% of online shoppers are willing to pay more for same-day delivery in other sectors, B2B buyers, too, place high value on delivery speed, tracking abilities, and the flexibility of delivery options.

In the B2B context, according to a study, **80% of B2B buyers expect the same buying experience as B2C customers.** This expectation encompasses not only product quality but also efficient and timely delivery. Hence, optimizing last-mile logistics becomes crucial for paint manufacturers and suppliers to maintain a competitive edge, enhance customer satisfaction, and ultimately improve profit margins.

In the realm of the paint industry, last-mile delivery presents its unique challenges. Paint products aren't typical e-commerce packages—they're sensitive and often hazardous, necessitating special handling and careful transportation. Beyond these physical requirements, there are complexities including inventory management, timely delivery, and maintaining product integrity until it arrives at the customer's doorstep.

Ensuring paint reaches customers in a timely, cost-effective, and safe manner has a direct impact on customer satisfaction, repeat business, and overall profitability. However, the execution is often more difficult than the conception. Numerous obstacles exist, demanding innovative solutions and strategic planning.

Yet, where difficulties arise, so do opportunities. An efficiently managed last mile can become a powerful aspect of a company's value proposition. It empowers businesses to extend their service beyond simple product offerings, thereby fostering customer engagement and creating robust relationships.

The advent of digital technologies adds another dimension to this complex landscape, offering a plethora of opportunities to enhance the last-mile delivery process. Advanced logistics solutions, real-time tracking, and data-driven insights equip companies to streamline their operations, minimize delays, and deliver a seamless customer experience.

## Paint Industry's Unique Challenges



Navigating the intricacies of last-mile logistics in the paint industry presents a unique set of challenges, distinct from many other sectors. These differences stem from the physical nature of the product, the delivery expectations set by customers, and the regulatory landscape in which the industry operates. In this section, we delve into the characteristics that differentiate the paint industry and explore the specific logistical hurdles it faces.

## Stage 1: Order Capture and Assignment

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**Catering to custom orders:** Catering to custom orders: Frequently, paints are mixed to create custom colors upon customer request, both in B2C and B2B settings. This necessitates a more personalized last-mile delivery process, as products cannot always be prepared and shipped in bulk beforehand.

Understanding and meeting varied B2B requirements: B2B customers, like construction companies or commercial property managers, often have very specific paint requirements that may differ significantly from B2C customers. The capacity to comprehend these unique needs, both in terms of product specifications and delivery schedules, further complicates the order capture and assignment process.

## Stage 2: Order Fulfillment

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**Overcoming weight and volume constraints:** Paint products are characterized by their heavy weight and substantial volume, making transportation more complicated and expensive. These factors restrict the quantity a single vehicle can transport in comparison to lighter products.



**Prioritizing handling and packaging:** The transportation of paint products necessitates careful handling. Proper packaging is crucial to prevent leakage or damage that could result in considerable losses and damage to other products being transported.



**Complying with hazardous material regulations:** Certain paints contain Volatile Organic Compounds (VOCs) or other hazardous substances, warranting specialized handling. Transporting such materials is often subject to strict regulations, influencing the cost and methodology of transportation.



**Managing temperature sensitivity:** Paint products can be sensitive to temperature fluctuations. Cold temperatures can freeze the paint, while hot ones can cause spoilage, indicating a potential need for temperature-controlled transportation depending on the climate.





**Navigating regional regulations:** The paint industry is subject to local, regional, or national regulations, particularly when paints are classified as hazardous. Such regulations can shape logistical considerations and inflate costs.



**Meeting high-speed delivery expectations:** In sectors like construction and home renovation, where paint is often one of the last items required, delays can stall entire projects. This heightens the pressure on the last-mile delivery process to be both swift and dependable.



**Contending with shelf life limitations:** Although many paint types possess a considerable shelf life, they inevitably degrade over time and cannot be stored indefinitely, adding temporal pressures to last-mile delivery.

## Stage 3: Enhancing Customer Experience



**Responding to customer expectations:** Both Business-to-consumer (B2C) and Business-to-Business (B2B) distribution in the paint industry must contend with high customer expectations for punctual delivery. Since paint is often a requirement in the final stages of projects, any delay can stall the entire operation, making timeliness a critical factor.



**Balancing high-volume B2B orders with B2C delivery:** Larger B2B orders can exert significant pressure on logistics, especially if they need to be fulfilled simultaneously with B2C orders. Managing resources to deliver both high-volume B2B orders and smaller, but potentially more urgent B2C orders, poses a significant challenge.



**Ensuring consistency across multiple sites:** For B2B customers who operate across multiple locations, ensuring consistency of paint color and quality across all sites is another key challenge. This often necessitates precision in both mixing and delivery stages, which can complicate the last-mile logistics.



**Providing effective communication and support:** B2B customers often require more extensive consultation, after-sales support, and communication than B2C customers. Building these relationships and providing this level of service can also add complexity to the customer experience.

Addressing each of these factors necessitates tailored strategies to navigate last-mile logistics effectively in the paint industry. For example, businesses may need to allocate more resources towards specialized vehicles or storage facilities, or they might need to design intricate planning processes to handle custom orders and ensure prompt delivery. The ability to successfully negotiate these challenges becomes a key differentiator in the industry, contributing significantly to a company's success.

## Navigating the Seasonality: Shaping Demand and Supply

The last mile in the paint industry presents unique challenges and opportunities, owing to the sector's specific product availability and delivery expectations. These are some of the strategic methods to ensure success in this critical juncture, from managing seasonal demand and supply, optimizing distribution networks, to leveraging technological advancements:

**Significance of timely delivery:** The paint industry has unique dynamics wherein brand loyalty often finds itself secondary to the twin concerns of product availability and timely delivery. Customers generally place a higher premium on securing the desired color on time, rather than sticking to a specific brand. This trend underscores the need for effective planning and maintaining a suitable supply in last-mile logistics. Dispatch waves, typically occurring every three to four hours, help to ensure that paint stock aligns with customer requirements. This is an example of quick commerce in action, which demands meticulous planning and execution. If executed successfully, it most likely leads satisfied customers to its reliable service.

**Creation of a strong distribution network:** It is well known that the larger the distribution network, greater the market dominance. The success of a paint business hinges on its ability to deliver the precise product to the customer within the agreed timeframe. However, the nature of the paint industry, where product movement is slower compared to other sectors, may make operating multiple warehouses unfeasible. Thus, strategic warehouse positioning and a solid distribution network become indispensable. Paint businesses must, therefore, invest in optimizing their supply chain operations and developing efficient logistics strategies. Brands that are successful in these areas are often popular and remembered by customers for their timely and complete deliveries. This not only satisfies immediate customer needs but also enhances the brand's reputation, potentially leading to greater customer loyalty and increased market share.

**Balancing demand and supply:** Managing supply in sync with the fluctuating demand is a common challenge in the paint industry. Seasonality, for example, is an important factor influencing paint demand. The industry often experiences a surge in demand during spring and summer, when painting projects are typically undertaken. Paint businesses need to anticipate these demand surges and plan their supply chain operations accordingly. This might involve ramping up production in anticipation of the peak season, increasing storage capacity, or enhancing delivery capabilities to meet the heightened demand.

**Innovations and technological advances:** Another critical factor impacting supply and demand dynamics is the continuous evolution of technology. Innovations in the paint industry, such as the advent of eco-friendly paints and the development of color-matching technologies, are influencing customer preferences and thereby shifting demand. Companies need to stay ahead of these trends and adjust their supply chain strategies accordingly. They need to forecast demand accurately, plan production efficiently, and maintain an agile supply chain that can respond swiftly to changing market dynamics.

## Winning the Last Mile in the Paint Industry With Locus



The paint industry grapples with unique challenges that demand innovative solutions. These obstacles are not only confined to managing the cyclical nature of demand and streamlining the supply chain for diverse products, but also to the expansion of distribution networks and reduction in order-to-delivery time. As these challenges often intersect and

amplify each other, businesses require an integrated and comprehensive solution that can streamline operations while enhancing customer satisfaction. This is where Locus's dispatch management platform steps in, providing a robust and efficient tool to tackle these industry-specific issues head-on.

## Stage 1: Order Capture and Assignment

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**Optimized demand management:** Locus's advanced platform helps businesses intelligently manage the cyclical and unpredictable nature of decorative paint demand. With end-to-end planning and dispatching solutions, Locus leverages automation and rich business insights to accurately predict demand patterns. This ensures adequate supply and facilitates efficient order fulfillment, even when faced with demand volatility and variable volumes. The result is a dramatic reduction in cost overheads and a significant boost to operational productivity, making your business more resilient and adaptive to market trends.



**Enhanced distribution network:** Navigating the complexities of distribution networks can be daunting. However, Locus simplifies this process by providing powerful tracking and tracing systems. These tools offer complete visibility of your distribution network and equip you with valuable insights at a driver/vehicle performance level. You can also customize the dashboard as per your specific business requirements to optimize your outreach strategies to potential retailers. With Locus, you can extend your market dominance by proactively managing your distribution channels and fostering strategic partnerships.

## Stage 2: Order Fulfillment

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**Streamlined supply chain management:** Handling a wide product mix puts immense strain on production, distribution, and administrative processes. Locus's control tower setup is designed to alleviate this strain by providing complete visibility at task, tour/vehicle, and delivery person levels. Proactive insights and alerts enable quick resolution of outliers and anomalies, promoting operational efficiency. This means that even innovative models, such as in-store mixing of a diverse range of products, become simpler and more cost-effective.



**Accelerated order-to-delivery time:** The Locus platform is designed to dramatically cut down your order-to-delivery times, helping you improve cost efficiency and customer satisfaction. It offers real-time updates, predictive alerts, and dynamic adjustments to cater to ad-hoc customer and driver requests. By reducing inventory at the retail store level, Locus helps free up your working capital and ensures faster turnaround times. This agility in operations leads to improved customer stickiness and loyalty.

## Stage 3: Enhancing Customer Experience

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**Proactive disruption anticipation exception resolution:** Locus enables you to stay a step ahead of potential disruptions with its proactive disruption anticipation and exception resolution features. Predictive alerts notify customers about any breaches in commitments, and the dynamic adjustment feature accommodates sudden customer and driver requests. With simple resequencing, you can easily shuffle orders to accommodate unexpected ground realities, ensuring your operations remain smooth and efficient.



**Real-time order status communication:** Locus enhances the customer experience through real-time order status communication, providing white-labeled tracking links with dynamic ETAs and programmatic alerts for transparency. Customers can also share delivery instructions and feedback. Additionally, Locus equips your fleet with a driver companion EPOD app, enabling simplified task lists, customizable proof of delivery, pre-delivery customer instructions, and direct feedback to optimize future deliveries. Integrating these solutions ensures operational excellence, higher customer satisfaction, and a seamless peak season fulfillment experience.

By incorporating these additional features, such as the customer tracking link, a detailed feedback checklist, the control tower for Depot Managers, and the Locus Track & Trace functionality, your paint industry business can further enhance visibility, control, and overall efficiency throughout the supply chain process. The live view exports and compliance checks provided by Locus's platform will help you maintain a high level of service quality and compliance, ultimately leading to greater success and customer loyalty in the competitive paint industry.

# How Locus has impacted businesses

With over 650 million deliveries executed, the Locus Platform has helped brands across industries unlock the true potential of their last-mile logistics by helping them fulfill more orders and scale up sustainably with fewer vehicles. Here's how we've helped the following businesses:



Established in 2001, PT. Tirtakencana Tatawarna, which is a member of the PT Avia Avian Tbk (AVIA), is a company engaged in the sale and distribution of building materials and furniture. Avian Brands is an Indonesian paint giant company that has existed for more than 40 years and is the largest company for waterproofing, wood and metal paint with more than 25% of the domestic market share in terms of sales last year, according to consulting firm Frost & Sullivan. Locus streamlined logistics operations for The Indonesia-based sales and distribution company, PT Tigaraksa Satria, and helped enhance their supply chain efficiency.

## IMPACT :



**100%**  
Digitalization of  
POD process



**90%**  
Distance reduction  
per order/task



**9%**  
of volume utilization  
increase from the 1st  
month of Go-live



**CHALLENGES:**

- Static planning of day-to-day deliveries
- Under-utilization of fleet vehicles
- Inability to tackle multiple on-ground constraints: time slots, route restrictions, etc.
- Lack of on-ground visibility
- High number of delivery reattempts

**THE LOCUS IMPACT: ADDRESSING INDUSTRY CHALLENGES**

- **Static to Dynamic:** With Locus, daily delivery planning becomes dynamic, achieving a 95% SLA from order to delivery.
- **Maximizing Usage:** Locus's optimized route planning tackles under-utilization, boosting fleet efficiency and saving IDR.
- **Overcoming Constraints:** Locus reduces lead time from 1.21 to 0.98 days, deftly navigating on-ground constraints.
- **Increasing Visibility:** Enhanced on-ground visibility with Locus shaves off 30 minutes of daily planning time.
- **Minimizing Reattempts:** Locus's precision reduces delivery reattempts, elevating productivity and customer satisfaction.

The Locus customer experience and dispatch management platform stands as a comprehensive solution to navigate the complexities and challenges of the paint industry. It not only resolves the existing challenges but also paves the way for operational excellence and improved customer experiences. Its robust capabilities are designed to adapt to your business needs, positioning your brand for continued success in the competitive paint industry landscape.

**Want to maximize the quality of your paint delivery service with limited resource constraints?**  
**Book a demo with us today by visiting us at [locus.sh](https://locus.sh), or reach out to us at [contact@locus.sh](mailto:contact@locus.sh).**





Locus is a leading-edge technology company dedicated to solving the most challenging all mile problems in global logistics.

**1020m+**

Total  
deliveries optimized

**12m+ kgs**

Reduction  
in GHG emissions

**\$288m+**

Savings  
in logistics costs

**GROWTH,  
DELIVERED.**

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