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SOUTHEAST ASIA BUSINESS GROWTH STRATEGY OF GREEN ADDITIVE IN DECORATIVE PAINT MARKET AT ROXY CHEM COMPANY

Rosiana Irta Purnomo[1]*, Yudo Anggoro[2]
[1, 2]School of Business Management, Institut Teknologi Bandung, Bandung, Indonesia
Corresponding E-mail: rosiana_purnomo@sbm-itb.ac.id[1]* , yudo.anggoro@sbm-itb.ac.id[2]

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Abstract

Roxy Chem is a global material science company based in the United States with a diverse product portfolio in the coating market. The global paint market is projected to grow, and Southeast Asia is identified as a key region for growth due to rapid industrialization and urbanization, with an estimated CAGR around 5-7%. The decorative paint market holds the largest share in the global coating market. Aligning with its sustainability goals, Roxy Chem focuses on the decorative paint market, and Southeast Asia is considered as an important region for Roxy Chem's strategy to increase its market shares. In Southeast Asia, Roxy Chem encounters several challenges and issues in expanding its market shares. Primarily, due to the lack of stringent air pollution regulations, aggressive competition and long lead times for product delivery. With the pressure from the CEO and a top-down strategy to grow the market shares, it is necessary to define a comprehensive participation strategy that will enable the company to increase the market share from 5% to 30% by the year of 2030. Formulating an effective strategy to increase market share is crucial for enhancing the success rate following data collection through in-depth interviews for key end users and distributors across Southeast Asia. Initially, understanding internal and external factors that affect decorative paint market in SEA is necessary to identify the opportunities and challenges to grow the market. Once the factors are understood, Roxy Chem can develop their strategy utilizing STP (Segmentation, Targeting, Positioning) framework and the marketing mix 4Ps. Finally, based on the strategies developed, Roxy Chem can outline an implementation plan and conduct opportunity review using the Real, Win, Worth (RWW) framework to surpass the competitors in the market. By executing the participation strategy, Roxy Chem can achieve its growth objectives and improve its profitability in the long run.

Keywords: ***Business Strategy, Decorative Paint, Southeast Asia, Roxy Chem, Green Additive, Sustainability.***

INTRODUCTION

The global coating industry has a projection to significantly grow within the next decade. The global paint and coatings market size was estimated at USD 158.94 billion in 2022, USD 170.73 billion in 2023, and is projected to grow at a CAGR of 7.73% to reach USD 288.41 billion by 2030 (PCI Paint&Coating Industry, 2023). Asia Pacific dominated the paints and coatings market with a market share of 46.39% in 2023 (Fortune Business Insight, 2024). The region's growth is driven by rapid industrialization and urbanization for specific countries like China, India and SEA. In terms of coating applications, architectural/decorative paint could be seen as the dominant application in Asia Pacific.

Figure 1. Paints & Coating Market Forecast
Source: PCI Paint&Coating Industry, 2023

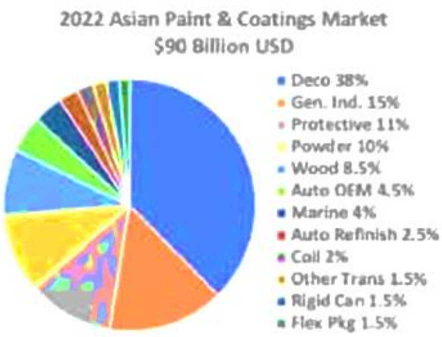

Figure 2. Asian Paint & Coatings Market by Application
Source: PCI Paint&Coating Industry, 2023

Over the next five years, air pollution regulations will drive the innovation in water-based coating industry, with consumer preferences playing a significant role in defining the market trend. In architectural coatings, majority customers demand odor free products with no hazardous materials being used. In general, environmental regulations are becoming more stringent in all regions to limit emissions of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) (S&P Global, 2023). The industry is indeed facing challenges in fluctuating raw material prices and stringent environmental regulations. However, many companies are focusing on developing sustainable solutions to address these issues.

Roxy Chem is a global material science company headquartered in USA with 104 manufacturing sites across 31 countries and 12 innovation centers in 10 countries on four continents. Having a total employee around 37,800 worldwide, Roxy Chem generated 56.9 billion USD net sales in 2022 with total sales presence in 170 countries. By business operations, Roxy Chem divided into 4 regions: North America (NAA), Latin America (LAA), Europe and Middle East (EMEAI), Asia Pacific (APAC). In terms of product offering, Roxy Chem's diverse product portfolio is divided into five Business Units: Packaging and Specialty Plastics, Coating Materials, Consumer Solutions, Polyurethanes, and Industrial Solutions. In this paper, we will focus more on Industrial Solutions.

Industrial solutions have 2 product portfolios: commodity chemicals and specialty chemicals which was segmented into 4 focus market segments: Coating, Cleaning, Pharma, and Lubricant. While commodity chemicals are saturated and rely on price and volume management, specialty chemicals still have room to grow and improve the margin. Roxy Chem company set top-down business strategy to go local and go specialty focusing on specialty chemicals in Coating market as the biggest contributor in revenue and profit margin.

Coating market has various sub-market segments to explore, such as: Decorative Paint/Architectural Coating, Industrial Coating, Emulsion Polymer, etc. The product offering from Roxy Chem is classified as co-solvent which has sustainability value and more inclined to water-based application which is more suited to decorative paint. For this application, Roxy Chem's current market share is 5% in SEA which has more opportunity to grow with the existing sustainability issue. As reference, here is the sales data of Roxy Chem in the past 3 years by volume in MTPA unit:

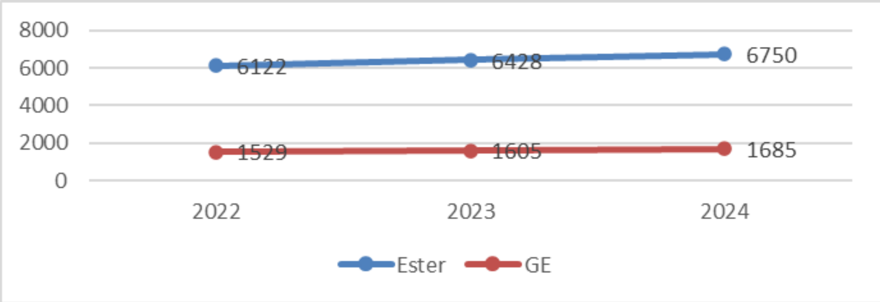

Figure 3. Sales Data of Green Additive by Volume
Source: Author, 2025

Roxy Chem Company has an expansion plan by 20% increase of capacity in USA. This leads the CEO to have business growth direction in coating market by 30% by the year of 2030. The global top-down direction has gone to commercial teams across the regions including sales and marketing team to define the participation strategy in their market and seek growth opportunities. However, sales data in APAC shows stagnant market shares relying on organic growth in the past three years, presenting a significant challenge for achieving these objectives.

LITERATURE REVIEW

Consumer Behavior

Consumer behavior refers to the actions and decision-making processes undertaken by individuals or groups when purchasing and using products or services. It encompasses various factors such as psychological, social, cultural, and personal influences that shape consumer preferences, perceptions, and buying patterns (Rusdian et al., 2024). As the business model is classified as B2B (Business to Business), the customer's behaviors are further influenced by three factors described by Pawlowzki (Pawłowski & Pastuszak, 2017); 1) The use of different sales channels, 2) Creating value in the process of B2B sales, 3) Brand influence on the purchasing decision of B2B customers.

Value Selling

Value-based selling (VBS) has become essential in today's B2B market. Given the intensifying competition, commoditization, and cost pressures across virtually all B2B industries, firms are increasingly moving towards business models and selling approaches that go beyond products and services, and focus on delivering value and business outcomes (Bertini & Koenigsberg, 2020; Keranen et al., 2020). There are three dimensions of value-based selling; 1) Understanding the consumer's business model, 2) Crafting the value proposition, 3) Communicating the value.

Conceptual Framework

Marketing as we all know is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners and society at large. Since the inception of marketing as a separate function of management, it has grown from being an operational function to strategic one (Wani, 2013). To ensure long-term business sustainability, marketing strategy is deemed to be essential framework to achieve company's growth plan. Among various frameworks, Marketing mix (4Ps) from Saif effectively describes the conceptual framework.

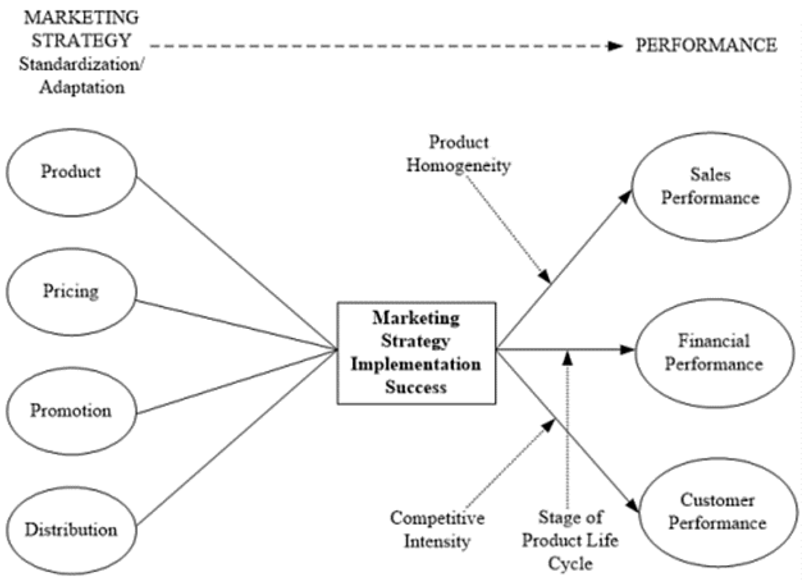

Figure 4. Conceptual Framework

Roxy Chem Company utilizes the marketing mix (4Ps) framework product, price, promotion, and distribution as the basis for its market participation strategy. Evaluating the product is crucial to ensure it meets market needs and to guide future improvements or innovations. Pricing decisions are influenced by competitor actions and market supply-demand conditions, requiring continuous monitoring to maintain profitability. In terms of promotion, identifying the right platforms is essential in the B2B context to effectively attract and engage customers. For distribution, the company must assess the market potential in each Southeast Asian country to determine the most effective business model, whether direct or via distributors. In addition to the 4Ps, Roxy Chem also applies the Real-Win-Worth It (R-W-W) framework as a strategic tool in the early stages of product innovation to evaluate market attractiveness and the viability of new product or service ideas (Wharton Executive Education, 2018).

METHOD

The research design method that would be used for resolving the business issue would be using the workflow below:

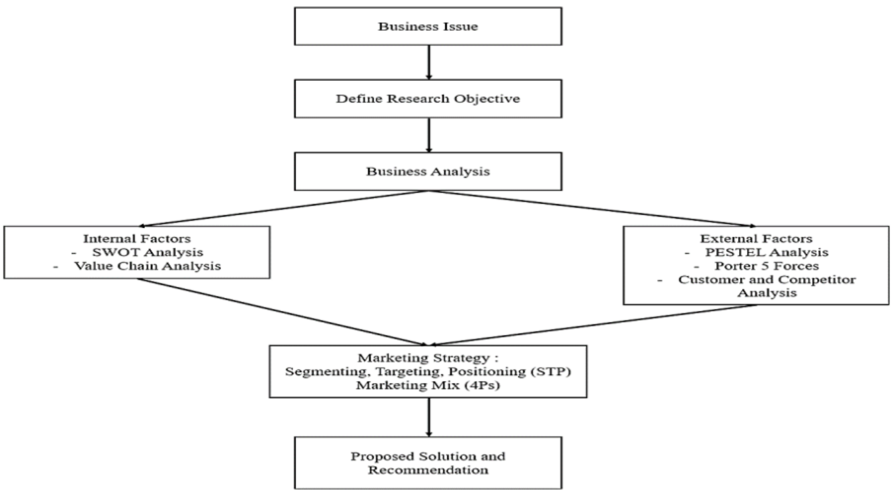

Figure 5. Research Design
Source: Author, 2025

This research adopts a qualitative approach through comprehensive business analysis focusing on both internal and external factors. Internal analysis utilizes SWOT and Value Chain Analysis to identify Roxy Chem Company's strengths, weaknesses, and value-adding activities. Value Chain Analysis, in particular, is used to align in-house data and interview insights, identify strategic priorities, and benchmark against competitors to strengthen market positioning. External analysis incorporates PESTEL, Porter's Five Forces, and customer and competitor analyses to assess the decorative paint market landscape in Southeast Asia. PESTEL provides macro-environmental context, while Porter's Five Forces evaluates industry attractiveness and potential profitability. Customer analysis enables a deeper understanding of buyer behavior, preferences, and satisfaction, supporting the development of a targeted STP (Segmentation, Targeting, Positioning) strategy. Competitor analysis identifies market dynamics, benchmarking Roxy Chem against key players to uncover opportunities for differentiation and competitive advantage.

Primary and secondary data are both employed in this study. Secondary data supports the external analysis and contextual understanding, while primary data collected through in-depth interviews across six Southeast Asian countries (Indonesia, Malaysia, Singapore, Thailand, Vietnam, and the Philippines) offers current and market-specific insights. Interviews were conducted with top-tier direct customers (covering over 50% market share) and distributors, targeting roles in R&D, procurement, business ownership, marketing, and sales. Thematic analysis is used to interpret qualitative data, enabling the identification of patterns, challenges, and opportunities relevant to Roxy Chem's operations. This inductive approach allows for rich, contextualized understanding of stakeholder perspectives, emphasizing field-driven insights over statistical methods. The integrated analysis of internal and external factors informs the development of strategic marketing initiatives to support Roxy Chem Company's goal of increasing market share in the decorative paint industry across Southeast Asia.

RESULTS AND DISCUSSION

There are 50 respondents for the interview session with direct key customers and distributors across Southeast Asia. The result is summarized in the table below.

Table 1. Summary of Interview Results from Key End Users

Customer	Country	Role	Product	Demand (MT) and Price	Area for Improvement (Logistic, product quality, sales, etc)
A	Indonesia	Procurement	Ester (China, US)	7,500 MT, 2 $/kg	Long lead time
		R&D			Formulation issue
B		Procurement	Ester (China, US)	6,300 MT, 2.3 $/kg	Overpriced
		Owner			Overpriced
C		R&D	Ester (China, US)	5,400 MT, 2.2 $/kg	No issue on quality
		Owner			Overpriced
D		Procurement	Ester (China, US)	3,750 MT, 2.35 $/kg	Overpriced
		R&D			Formulation issue
E	Malaysia	Procurement	Ester + (US)	6,500 MT, 2.2 $/kg	Long lead time
		R&D			No issue on quality
F		Procurement	Ester + (US)	6,500 MT, 2.2 $/kg	Long lead time
		R&D			No issue on quality
G	Singapore	Procurement	GE (Europe)	5,000 MT, 3.1 $/kg	Long lead time
		R&D			No issue on quality

Customer	Country	Role	Product	Demand (MT) and Price	Area for Improvement (Logistic, product quality, sales, etc)
H	Philippines	Owner	Ester (US)	7,100 MT, 2.4 $/kg	Overpriced
		Procurement			Overpriced
		R&D			No issue on quality
I		Procurement	Ester (China, US)	6,800 MT, 2.55 $/kg	Rebate agreement
		R&D			Formulation issue
J		Procurement	Ester (China, US)	6,000 MT, 2.55 $/kg	Rebate agreement
		R&D			Formulation issue
K	Thailand	Owner	Ester (US, China)	12,300 MT, 2 $/kg	Overpriced
		R&D			Formulation issue
L		Procurement	Ester (US, China)	10,700 MT, 2.05 $/kg	Long lead time
		R&D			Formulation issue
M		Procurement	Ester (US, China)	7,200 MT, 2.1 $/kg	Long lead time
		R&D			Formulation issue
N	Vietnam	Owner	Ester (US, China)	4,300 MT, 2.2 $/kg	Overpriced
		Procurement			Overpriced
		R&D			Formulation issue
O		Procurement	Ester (US, China)	3,300 MT, 2.25 $/kg	Overpriced
		R&D			Formulation issue
P		Owner	Ester (US, China)	3,200 MT, 2.25 $/kg	Overpriced
		Procurement			Long lead time
Q		Owner	Ester (US, China)	2,400 MT, 2.25 $/kg	Overpriced
		R&D			No issue on quality
R		Procurement	Ester (US, China)	1,800 MT, 2.3 $/kg	Overpriced
		R&D			Formulation issue

Tabel 2. Summary of Interview Results from Distributor

Distributor	Country	Product	Total Customer	Demand (MT)	Price ($/kg)	Area for Improvement
S	Indonesia	Ester	105	17,600	2.2	Price
		GE	11	2,000	2.8	Formulation development
T	Malaysia	Ester	55	4,100	2.3	Price
		GE	23	1,600	3	Formulation development
U	Singapore	Ester	8	400	2.4	Price
		GE	32	1,400	3.2	Formulation development
V	Philippines	Ester	20	4,100	2.7	Price
		GE	9	1,500	3.4	Formulation development
W	Thailand	Ester	30	9,500	2.2	Price
		GE	12	2,800	2,8	Formulation

Distributor	Country	Product	Total Customer	Demand (MT)	Price ($/kg)	Area for Improvement
						development
X	Vietnam	Ester	>500	18,500	2.2	Price
		GE	12	1,000	2.8	Formulation development

Value Chain of Decorative Paint Industry

The value chain of the decorative paint industry in Southeast Asia (SEA) is essential for understanding business operations and guiding strategic decisions, particularly for companies like Roxy Chem. The chain begins with raw material suppliers, who provide crucial chemicals and solvents used in additive manufacturing.

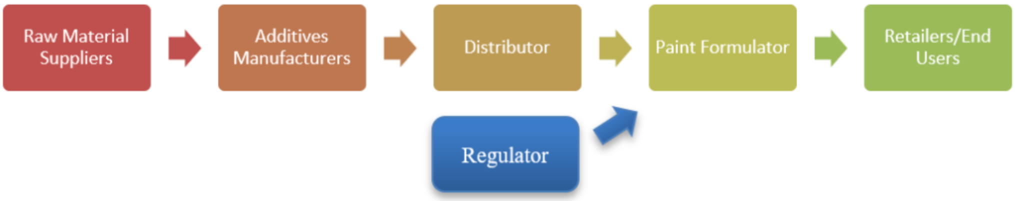

Figure 6. Decorative Paint Industry Value Chain

This segment is largely dominated by multinational firms due to high investment barriers, though some companies, such as Roxy Chem, adopt backward integration by producing raw materials in-house to manage costs. Additive manufacturers, including Roxy Chem, then process these raw materials into functional additives like polymers, surfactants, and coalescing agents, which enhance the performance and durability of paint products. Since most additive manufacturers are located outside SEA, distributors play a vital role as intermediaries, ensuring efficient logistics and delivery to paint formulators. Regulators, primarily government bodies, influence the industry by setting environmental and safety standards, such as limits on Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs). Paint formulators then blend additives with base components to develop paint products that comply with regulations and market demands. Finally, retailers distribute these finished products to end users ranging from homeowners to industrial clients who apply the paints in various applications. Each stage of the value chain contributes to the overall efficiency and quality of the decorative paint industry in the region.

Porter Five Forces

The decorative paint additive industry presents high barriers to entry, with new players facing challenges such as significant capital investment estimated at around USD 700 million along with the need for technical expertise, strong customer relationships, brand recognition, and regulatory compliance. Supplier power is high due to the complex handling and transport requirements of raw materials, which often necessitate backward integration with manufacturers. Buyer power is moderate; while end users in Southeast Asia are increasingly focused on sustainability and low-VOC products, their influence is limited to setting trends and expectations rather than dictating terms. The threat of substitutes is moderate to high, as alternative additives exist, but technical limitations and formulation rework slow adoption despite a growing shift toward sustainable solutions. Industry competition is moderate, with seven major additive suppliers (four multinationals and three local players). Although local competitors offer lower prices, they struggle with supply consistency, giving established companies like Roxy Chem known for high-performance and sustainable products an opportunity to expand market share. Overall, the analysis indicates a promising outlook for Roxy Chem, highlighting opportunities to enhance competitiveness and manage industry risks effectively.

Customer Analysis

The research reveals that the decorative paint additive market in Southeast Asia has a total size of 170 kilometric tons (kMT) per year. This data highlights the scale of opportunity within the region and provides a foundation for further analysis in the Segmentation, Targeting, and Positioning (STP) process. The market volume distribution, along with insights into customer preferences and regional trends, will help identify key markets, prioritize customer segments, and develop tailored strategies to effectively position products in this growing industry.

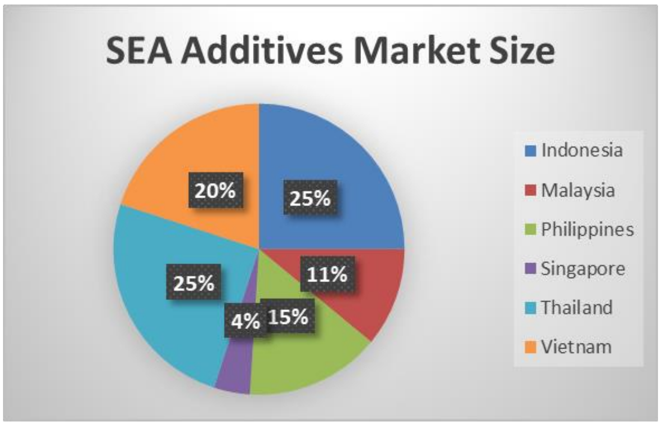

Figure 7. SEA Additives Market Size

Table 3. Total Formulators in SEA

Countries	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Total formulators	120	80	32	41	45	600

Table 4. The Customer's Type in SEA

Factor	IDN	MYS	PH	SGP	TH	VN
MNC Customers	35%	85%	10%	90%	15%	30%
Sustainability Driven	45%	100%	80%	100%	20-30%	35%
Price Sensitivity	High	Medium	Medium	Medium	High	High

Interview data indicates that the largest markets for decorative paint additives in Southeast Asia are Indonesia, Thailand, and Vietnam, driven by their large populations and active construction sectors. However, these countries generally have less stringent air regulations and less advanced formulation development. Indonesia, with 120 formulators and a growing push for green additives, is preparing for future regulatory shifts. Thailand shows a more consolidated market structure, where a few major players dominate, despite similarly lenient regulations. Vietnam, although having the region's highest GDP, has a fragmented market with high price sensitivity and light regulatory pressure. In contrast, Malaysia and Singapore have smaller markets but are hubs for multinational companies and advanced formulation practices. The Philippines presents a medium-sized market with strong sustainability awareness, making it an attractive target for manufacturers of low-VOC additives. These country-specific insights are essential for understanding customer preferences and guiding strategic market segmentation and positioning.

Competitor Analysis

The paint industry in Southeast Asia features a range of competitors including multinationals, regional, and Chinese players. US competitor has similar business model with Roxy Chem Company. They operate globally with multiple offices and strategic partners. In Southeast Asia, they are considered as a market leader and have been in the industry for over 50 years. Major end users shared that US Competitor has a warehouse capacity in SEA to ensure a stable supply and reduce lead time. They sell directly to key end users and utilize distributors for serving small and medium sized customers. In addition, US competitor offers annual contract and rebate agreements to maintain their market shares. Chinese competitors are new entrants in the market, characterized by fragmented players and aggressive approach. There are many traders offer various brands from China due to economic factors such as Anti Dumping Duty from US and sluggish domestic demand in China. They are establishing a presence in Southeast Asia with offices, local sales, logistic, and operations. China implements aggressive pricing strategy and manage to secure 30% of the market shares. In the future, Chinese Competitor is likely to remain a significant player in the industry due to their advantage in free trade agreements and shorter lead time. However, they currently lack the capability to produce a sustainable solution in the market. In terms of company size, Europe competitor is the biggest player in the industry and operates under a similar business model to that of Roxy Chem Company. They have backward integration, multiple factories and offices across the globe. Like US Competitor, they have established a robust brand presence in the market, having operated in Southeast Asia for over 50 years. The Europe competitor has a strong focus in sustainability and value selling. Consequently, they target key end users to sell more specialty products, avoiding participation in the more commoditized segments of the market. Other competitors, from various countries, have unstable market presence and typically follow an opportunistic business model. Due to poor facilities and small company size, they often fail to have a partnership with key end users in the market because of quality issues and non-compliance with market standards.

Table 5. Competitor Analysis in SEA

Who / What		Roxy Chem	US Competitor	China Competitor	Europe Competitor	Others
Product Type	Ester (VOC)	√	√	√		√
	Ester+ (Low VOC)		√	√		√
	GE (non-VOC)	√			√	
SOD		5%	60%	30%	3%	2%
Manufacturing Location		EU/US	US	China	EU	Various
Warehouse		-	Singapore	China	-	-
Shipment Lead Time		14-16 weeks	14- 16 weeks 2-3 weeks (from SGP)	4-6 weeks	12-14 weeks	Depend on location
Technical support		Singapore	China	-	China	-
Direct/ Distributor		Both	Both	Direct	Both	Direct
Rebate Agreement		No	Yes	No	No	No
Payment Terms		Cash in Advance or 30 Days	Cash in Advance or 30 Days	30 or 60 days	Cash in Advance or 30 Days	Cash in Advance

Value Chain Analysis

Based on Arthur's book, Value Chain Analysis would be conducted to review the internal capabilities of Roxy Chem Company. Roxy Chem Company conducts a backward integration operation, with raw materials transferred through the pipeline for production into various finished products through steps like mixing, polymerization, separation, and distillation, helping to optimize logistics and reduce costs. In Operations, the company uses an automated system for smooth production and has a Quality Control team to ensure compliance with specifications and standards, with continuous process improvements seen in goals for plant expansion and optimization. For distribution, Roxy Chem has a US warehouse and global forwarding partner to manage exports, although the 12–14 week lead time to Southeast Asia is a concern, particularly noted by Customer G from Singapore. Distributors/channel partners are essential for indirect sales and ensuring smooth operations. In Sales & Marketing, the commercial team integrates strategy and execution, supports customer relationships through TS&D teams in countries like China, Japan, and Singapore, and collaborates with Legal on sustainability regulations. For Services, Roxy Chem offers after-sales support through TS&D and QC teams and operates regional labs to test product performance parameters. In Procurement, all raw materials are sourced internally, and local tolling opportunities are explored for flexibility. Technological Development focuses on innovation through centralized R&D in the US, driven by global TS&D and marketing input. Human Resources emphasizes cross-functional collaboration, employee engagement, inclusion, and uses Great Place to Work for system improvement. Lastly, the company's Infrastructure includes a global IT system and product management team to support strategic goals in the decorative paint market, aiming to increase market share and competitiveness.

Solution and Proposed Implementation Plan

Based on the research and interview data across SEA, the segmentation of customer is necessary as the initial step in formulating the strategy. This approach will enable each country in Southeast Asia to develop a specific action plan for business growth and resource allocation to serve customers. Customers will be classified into three Tiers: Tier 1, Tier 2 and Tier 3, as defined below: Tier 1 Customers: These are multinational companies (MNCs) that serve as trendsetters in the market. They exhibit advanced formulation capabilities, prioritize sustainability, and have a strong presence in SEA. Their R&D operations are based in Malaysia and Singapore. Overall, they hold 35% market share in SEA. (Total: 3 customers) Tier 2 Customers: This tier comprises local market leaders within SEA who are recognized as fast followers in the industry. They dominate their respective country's markets, collectively holding around 40% market shares in SEA. (Total: 15 customers) Tier 3 Customers: This tier consists of small and medium enterprises that are highly fragmented, with a primary focus on cost-effective raw materials. Tier 3 customers hold 25% shares and majority are served through distributors. (Total: >500 customers) The customer segmentation table shows the characteristics of paint formulators in SEA and summarizes their needs:

Table 6. Customer's Segmentation in SEA

Who / What	Tier 1	Tier 2	Tier 3
Formulators	3	15	>500
Type	MNCs	Local	Local
Ownership	HQ	HQ & Family Owned	Family Owned
R&D Location	SGP & MYS	In their respective country	In their respective country
Total market (%)	35%	40%	25%
Sustainability driven	Yes	50% Yes	No
Innovation	High – ecofriendly technology	Medium	Low
Price vs Value	Value Buyer	Price Buyer	Price Buyer

Roxy Chem Company applies an STP (Segmenting, Targeting, Positioning) strategy to grow its market in Southeast Asia. Customers are segmented into three tiers: Tier 1 (MNCs with 35% market share), Tier 2 (local market leaders with 40%), and Tier 3 (SMEs with 25%). Targeting strategies include offering ester-based products to all tiers and GE products to Tiers 1 and 2 due to their complexity. Tier 1 is the top priority, requiring strategic partnerships and TS&D support from Singapore, while Tier 2 requires price-volume strategies and active engagement. Tier 3 is managed through capable distributors and promotional efforts. For positioning, Roxy Chem aims to double its current 5% market share by targeting sustainability gaps left by competitors, focusing on aggressive pricing, close customer relationships, and possibly establishing a warehouse in Southeast Asia to reduce lead time and support long-term growth.

Based on in-depth interviews and analysis, Roxy Chem's marketing mix strategy to increase market share focuses on the 4Ps.

- Product : The portfolio includes ester-based products, which are commoditized and require price and volume support, and GE products, which are specialty items needing technical formulation support.

- Price : Ester products will follow a competitive pricing strategy aligned with market prices and incentives, while GE products will use a value-based pricing approach with an estimated market price + 20%.
- Place : Roxy Chem will use direct selling and strategic partnerships for Tier 1 and Tier 2 customers, and rely on distributors or channel partners for Tier 3 customers.
- Promotion : Strategies include active engagement by account managers for Tier 1 and 2, technical training for distributors, and annual participation in coating exhibitions.

Justification of Implementation Plan

To justify the solution and proposed implementation plan, the RWW (Real, Win, Worth) framework is applied alongside a business growth projection.

- Real : The decorative paint market size in Southeast Asia is 170,000 MTPA with an estimated CAGR of 5–7%.
- Win : Roxy Chem holds a competitive advantage by offering sustainable solutions to replace ester-based products, supported by strong formulation capabilities, value chain integration, and capable distributors.
- Worth : Roxy Chem aims to achieve double-digit market shares. Sustainable solutions can generate a margin of 1,200 $/MT, while ester-based products yield a minimum of 100 $/MT. Capturing 30% market share could result in a total margin return of USD 78 million.
- Business Growth Projection : The business growth projection assumes 2025 will use FY 2024 data, with the goal of increasing market share by 5% annually. Current market share stands at 8,500 MTPA out of 170,000 MTPA, and revenue calculations are based on the average FY 2024 price.

The implementation plan to achieve the project's objective is as follows:

1. Priority: Increase market share in ester-based products through effective price and volume management for all Southeast Asia customers.
2. Strategy Development: Formulate and introduce GE-based products as a long-term strategy to replace ester-based products in Tier 1 customers.
3. Customer Engagement: Engage with Tier 2 and Tier 3 customers to develop the formulation to expand the market share of sustainable solutions.
4. Localization: Upon regaining market share, localize production in Asia Pacific/Southeast Asia to maximize the return.
5. Innovation: Develop new sustainable products to provide enhanced solutions in the market.

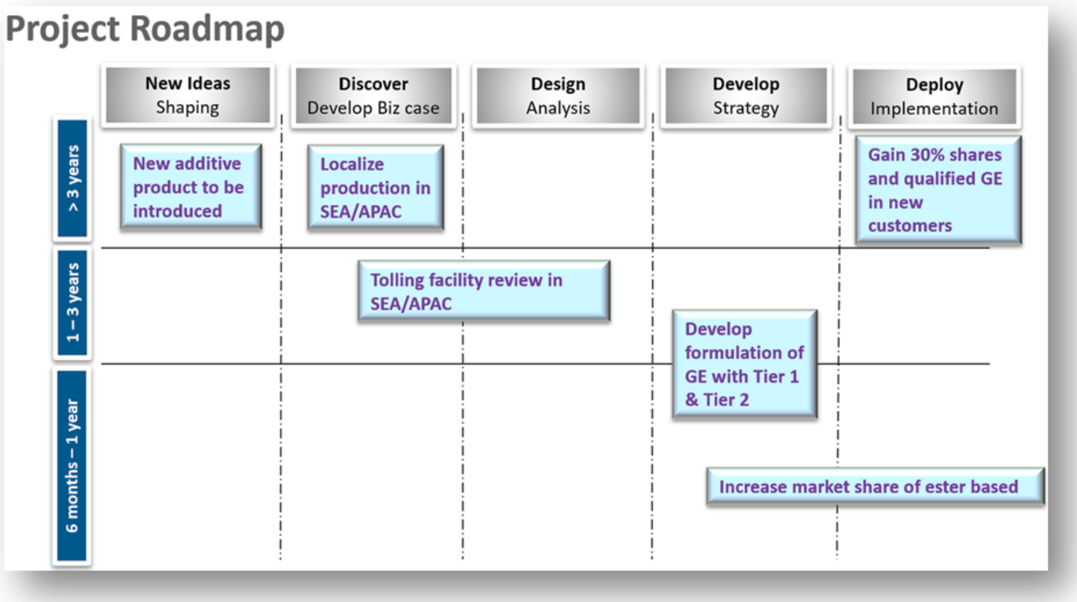

Figure 8. Roxy Chem's Implementation Roadmap

CONCLUSION

This research examines the additive market in Southeast Asia's decorative paint sector to develop strategies for Roxy Chem Company to grow its market share from 5% to 30% by 2030. It assesses internal and external factors, identifying opportunities through marketing tools like STP and the marketing mix. The market size for green additives is approximately 170,000 MTPA, with prices ranging from 2.8 to 3.4 $/kg. Key improvement areas for Roxy Chem include pricing and lead time, with some formulation challenges manageable through technical support. To compete effectively, Roxy Chem should pursue a short-term strategy focused on price and volume management of ester-based products, and a long-term strategy of forming strategic partnerships with Tier 1 customers, supported by TS&D. Successful execution of these strategies will enable Roxy Chem to achieve its goal of 30% market share by 2030.

The author recommends that Roxy Chem Company invest in localization within the Asia Pacific region and focus on new product innovation to strengthen market competitiveness and profitability. The primary gap identified is the long lead time and lack of warehouse capacity in Southeast Asia, which can be temporarily addressed through aggressive pricing strategies. However, for long-term success, establishing a local presence is crucial to improving margins and expanding market share. For future research, the author suggests evaluating localization investments from an asset perspective to guide strategic decisions beyond 2030 for sustained growth in Southeast Asia.

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