



General Paint Dispensing Industry Background

The total North American architectural paint market is approximately 650 million gallons, with a wholesale value just over \$6.5 Billion. The dominant channel is company-owned stores (53% of total paint gallon sales), where the major paint companies service painting contractors directly. The fastest growing channel is the mass merchant channel, with about 24% of the market by unit volume. Independent paint dealers and smaller hardware stores make up the rest of the market. It should be noted that the growth of the mass merchant channel is largely at the expense of the independent channel, and company store market share has remained relatively flat over the last decade.

As far as equipment installed base is concerned, the following companies are the largest architectural paint companies in North America, with their store numbers. As you will note, the companies without stores of their own are typically major players in the mass market.

Sherwin Williams	2100 stores
ICI	660
Valspar	0
PPG	160
Benjamin Moore	0
Behr - (Home Depot)	0
Duron	248
Kelly/Moore	150

By contrast, Home Depot has about 1500 stores and Lowe's has about 800 stores. However, the new store growth and new equipment sales are much higher in this category, as each company has plans to open over 100 new stores per year over the next few years. Each store requires a tint dispenser and mixing system, which can vary from sophisticated computer-controlled systems, to older-style hand-operated piston pumps and drum shakers. None of these systems are manufactured or designed by the paint companies. Rather, as noted above, there are a select few major players manufacturing these types of tinting and mixing systems.

Existing Technologies:

Dispensers are high-precision pumping systems to add varying amounts of tint to paint. These can range from small, hand-operated pumps that are accurate to no more than .23ml (1/128 oz.) to computer-controlled dispensers that can dispense shots down to .08ml (1/384 oz.). Typical tint dispense volumes are approximately 1 oz. (30 ml) per shot, down to 'adjustment shots' of .08ml, though this varies widely with the type of tint and final color desired.

The most accurate dispensers have only been introduced in the last year and are not widely installed. These claim accuracy to better than 1%, but degrades over time. Each dispenser typically has 9 to 16 colorant canisters, which are filled from cans of colorant. The colorant canister sizes vary widely, from just over a quart, to up to 5 gallons. Some also have attachments to connect directly to the colorant cans. Large-scale dispensers for use by paint manufacturers utilize attachments to tanks or 55 gallon drums.



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Almost all dispensers on the market feature rotary / piston pump designs, though a few gear pumps are on the market. In late 1999, IDEX's Fluid Management division introduced a new ceramic nutating pump which won the European Engineering Award. The major advantages of the ceramic pump are easier maintenance, and a reduction in the frequency of calibration.

Many dispenser systems incorporate mixers as well, which are basically the traditional 'shakers' everyone is familiar with. However, this market is much more fragmented with a number of smaller mixer manufacturers throughout the world.

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