



Passport

PAXAN CO IN HOME CARE (IRAN)

Euromonitor International

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PAXAN CO

STRATEGIC DIRECTION

- Paxan is expected to continue to see a strong performance in home care in Iran in the forecast period. The company will continue to benefit from a wide distribution network and product range, alongside its affordable prices and trusted reputation. However, with real disposable income levels set to decline in the forecast period, the company is expected to face stronger competition from economy brands. The company may thus lose share in areas where it does not offer active marketing support or new product development, particularly increasingly commoditised products such as bleach.

KEY FACTS

Summary 1 Paxan Co: Key Facts

Full name of company:	Paxan Co
Address:	18, 29th Alley, Zagross Street, Argentina Square, 15166, Tehran, Iran
Tel:	+98 (21) 8877 1617-8
www:	www.paxanco.com
Activities:	Home care, beauty and personal care and industrial products

Source: Euromonitor International from company reports, company research, trade press, trade sources

COMPANY BACKGROUND

- Paxan is a publicly-owned joint stock company and was established in 1963. The company was listed on the Tehran Stock Exchange in 1994 and its major shareholder is Behshahr Industrial Development Corp.
- The company is mainly active in beauty and personal care and home care, although it also offers industrial products. Within beauty and personal care, it offers bath and shower, oral care and hair care.
- The company has a number of subsidiaries in Iran and abroad, including Goltash, Saina, Paxan Yerevan (Armenia) and Paxan Tashkent (Uzbekistan). Goltash was acquired in 1995 and produces shampoo, toothpaste and liquid soap, with this company being registered on the Tehran Stock Exchange. Saina was established in 2001 and focuses on purchasing raw materials and commercial activities for Paxan.
- The company has strong nationwide distribution across Iran, with a presence in independent small grocers, supermarkets and hypermarkets. The company further extended its distribution reach in rural areas towards the end of the review period, focusing on independent small grocers in these areas.
- The company focused new product development on beauty and personal care towards the end of the review period, launching child-specific toothpaste and bar soaps based on olive oil and pomegranate.

PRODUCTION

- Paxan produces the bulk of its products domestically and also produces packaging in the country. The company produces over 130,000 tonnes of products annually and benefits from ISO 9001 and ISO 9002 certification.
- The company major export destinations are Pakistan and Afghanistan. The company however also exports to a range of countries in the Middle East, Eastern Europe, Africa and Asia.
- The company is the largest producer of toiletries and detergents in Iran. The company uses raw materials certified by leading laboratories such as Dragoco of Germany. This enables it to maintain high standards of quality. The company's packaging is also on a par with international standards.
- The company also operates production facilities in Tashkent in Uzbekistan and in Iravan in Armenia, with these producing products for these countries.

COMPETITIVE POSITIONING

- Paxan became the leading player in overall home care in Iran in 2014, rising from second place and overtaking previous leader Tolypers. The company accounted for 19% value share in overall home care the year. The bulk of the company's sales are derived from laundry detergents, where it led with 24% value share, while the company's strongest share is in toilet care at almost 40%.
- The company gained around a third of a percentage point in value share in overall home care in 2014 over the previous year. This was chiefly due to a strong share gain in laundry detergents, where it gained almost a percentage point. The company benefited from offering affordable prices and trusted quality, which attracted many consumers due to ongoing economic concerns and high inflation.
- The company also benefited from investing in advertising towards the end of the review period, including TV advertising. This primarily focused on the company's laundry detergents and beauty and personal care, with the company's sales in some areas of home care thus seeing considerably less marketing support. The company for example invested little in advertising for its bleach range, thus losing over a percentage point value share in this area to lower-priced competitors in 2014 and dropping to 22% value share.
- The company offers a wide product range across home care, including bleach, dishwashing, laundry care, surface care and toilet care. Laundry care is however its main product area, with the company offering its widest range in this area, including the Sepid 3, Sepid 2, Sepid 1, Barf, Orkid and Sarda brands.

Summary 2 Paxan Co: Competitive Position 2014

Product type	Value share	Rank
Bleach	22.4%	1
Dishwashing	23.4%	1
Laundry Care	20.1%	2
Surface Care	25.1%	1
Toilet Care	39.9%	1

Source: Euromonitor International from company reports, company research, trade press, trade sources, trade interviews

