

## **Developing a Market Leader Brand in Cable Market of Sri Lanka**

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### ***Synopsis***

Main competitor acquired by the market leader brand and acquired Company developed better than the acquiring company in cable market Sri Lanka. Both companies catered to the same market segments adopting different marketing strategies whilst People development and motivation delivered exceptionally well results for the acquired company. Presently both brands are house hold brands in the minds of consumers and are delivering customer expectations. Further Electrical consultants, Electrical engineers and Electricians are equally recommending both brands for their customers and institutions.

In 1999, ACL Cables was the market leader in the Cable industry in Sri Lanka and the main competitor was Kelani Cables. Both companies were public quoted companies and they supplied 70% of cable requirements in the country. When going through the total share capital of Kelani Cables, 67% of shares were owned by pacific Dunlop Cable Group (PDGC) of companies in Australia, 08% shares were owned by DFCC Bank and 25% of shares have been traded among the share Holders in Sri Lanka. Pacific Dunlop Cable Group decided to discontinue the operation in Sri Lanka and based on the agreement between DFCC and PDGC, 67% shares were acquired by DFCC Bank which was owned by PDGC. The share capital of DFCC bank went up to 75%.

DFCC Bank wanted to sell out total shares and they got two offers, one from ACL cables and another offer from Hatton national Bank jointly with the management of Kelani Cables. After evaluating all the avenues and considering the future of Kelani Cables, finally DFCC decided to sell the total shares to ACL cables. With this decision, the market leader acquired its main competitor in the cable industry in Sri Lanka. DFCC Bank may have considered the future of Kelani Cables as they had 300 workers and the strength of the acquiring company before they took the decision. When acquiring Kelani Cables, turnover ratio was ACL: Kelani, 79%:21% after seventeen years of acquisition the turnover ratio became ACL: Kelani, 50%:50%. It is an important