Market Opportunity assessment, business value analysis and full technical evaluation of an existing raw material for use in coatings formulations

Enquiry Summary
A very large multinational chemical Company, who are already a well-known raw material supplier to the coatings industry, active in the development, production and sale of various chemicals additives and polymers, sought to identify new opportunities in coatings for an existing product, currently being manufactured and sold into non-coatings applications.

PRA were asked to assess the market size and value potential for this product, as an ingredient in coatings formulations and if warranted to formulate new products based upon it to deliver greater value for the client and the downstream supply chain.

The Company wanted to understand the relative strengths and weaknesses of its offering in new markets against the existing competitive landscape, and the likelihood of market acceptance in each target sector, so that a strong value proposition and market entry strategy could be developed.

Solution
We proposed a two phase framework. Stage 1 focussed on identifying and prioritising opportunities based on a qualitative evaluation of the Company’s products. A target specification with an agreed list of evaluation criteria was developed.

Stage 2 focussed on understanding unique product features, so that new areas of application could be explored. A broad search across multiple industries identified opportunity areas. These were ranked and filtered based on market size, value, fragmentation, accessibility, and other criteria agreed in Stage 1. We provided quantitative data and cost estimates to allow the Company to make an informed choice. We carried out a brainstorming exercise with the Company and suggested an area for product development that would extend the market applicability of the Company’s products in industrial coatings.

Results
Recommendations were provided on the prospects of the Company’s technology in a number of industrial and architectural coatings segments.

Our recommendations have identified those market segments offering the best opportunities and potential.

Based on our estimates of the market characteristics, the Company concluded that some segments initially of interest were not large enough to justify product development.

We developed a detailed model for the client regarding: the sizes of specific coating market sectors, typical formulations used in them, together with estimated raw material costs for current products and products containing the new material. This enabled the Company to model alternative market entry scenarios: by varying the levels of materials added, varying the selling price of the material and adjusting likely market uptake over a 5 year period; thus enabling them to assess fully the market opportunity for their product.

The Company decided to proceed with further development of its products and commissioned us to carry out a detailed technical evaluation programme of their material.

A wide range of independent tests were carried out, in order to assess the performance of the material, in these coatings for critical property requirements.

PRA
Pera Business Park, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0PB, United Kingdom
Phone: +44 (0) 1664 501212  Email: coatings@pra-world.com  www.pra-world.com

The information in this document was correct at time of publication. November 2016

www.pra-world.com