

Polyurethane Dispersions for the Leather Market

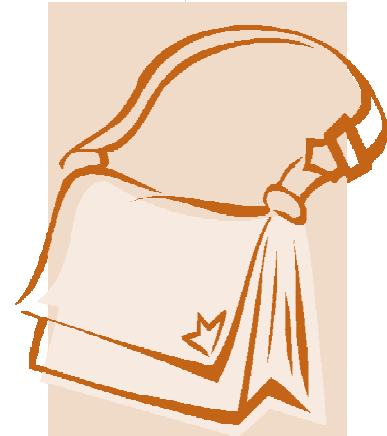
Developing a Market Entry Strategy

A Fortune 50 chemical company developed a family of polyurethane dispersion resins and was preparing for commercial development of a business in the coatings and adhesives markets. Of particular interest was the market for coatings used to finish leather for automotive seating, fashion wear, purses and shoes. The market is well-established yet believed by the client to be attractive, and the client wished to validate their understanding of the opportunity and to develop a high-level assessment of the viability of entering this market.

The project with StrategyMark included:

- Industrial Market Research to determine the market size and growth rate, segmented by end-uses (automotive, fashion, shoes).
- Competitive intelligence of key competitors with estimates of their cost structure and profitability and overall competitive strategy including end-use and geographic focus, cost structure, profitability and product technology.
- Detailed technical interviews of potential customers to determine the strength/weakness of the existing suppliers, switching costs, role of specifications and likelihood to switch.
- Analysis to determine the best segments to target based upon opportunity size, ability to quickly penetrate and lowest competitive barriers

The client successfully entered the leather coatings market by avoiding the markets where entrenched competitors had an advantage and by creating new applications for the technology.



Highlights

Opportunity

A polyurethane resin producer is considering a late entry to the market for leather coatings.

Challenge

The client had little knowledge of the market, especially the competitive arena, market dynamics and industry trends.

Result

The market research and competitive intelligence provided by StrategyMark gave the client insight and confidence to assure successful market entry and to invest further in the technology.