



Assessment of Pricing Strategies of Reinforcing Agents in Non-tire Rubber Applications

Client	A leading global specialty chemical company
Industry	Chemicals
Products	Rubber additives (Reinforcing agents)

Background

- The client wanted to understand if premium pricing strategy was possible in an otherwise commoditized mechanical rubber goods industry.

Key Business Questions

- Should the client persist with commodity strategy or pursue differentiation or hybrid strategy; should it aim for best possible price or invest in innovation or technical products or packaging (service package)?
- What value propositions automotive and other industries were looking for?
- Was there any opportunity for premium pricing; if yes, how big was that opportunity / market?
- What were the perspectives of leading mechanical rubber goods manufacturing companies like Continental, Freudenberg, Trelleborg and others on differentiation?

Engagement Scope

<p>1</p> <p>Mechanical Rubber Goods: Product-Application Matrix</p> <ul style="list-style-type: none"> ▪ To develop a comprehensive product-application matrix by thoroughly understanding different mechanical rubber goods and their end-use applications. 	<p>2</p> <p>Market Sizing & Segmentation</p> <ul style="list-style-type: none"> ▪ How big is the global compounded rubber demand for different mechanical rubber goods in various end-use applications? ▪ What is the reinforcing agent demand across different rubber compound formulations? 	<p>3</p> <p>Opportunity Matrix Through Criticality Analysis</p> <ul style="list-style-type: none"> ▪ What is the criticality of different reinforcing agents in various mechanical rubber goods across end-use applications? ▪ To design a opportunity matrix that identify mechanical rubber goods and end-use applications where differentiation is possible based on criticality of reinforcement agents and feedback from direct customers.
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Research Methodology

Secondary Research

- Conducted desk research studying company website, annual reports, press releases, etc.
- Referred paid data sources such as market research reports, association reports, etc.

Primary Research

- 20+** interviews with leading mechanical rubber goods manufacturers and consultation with frontline industry thought leaders

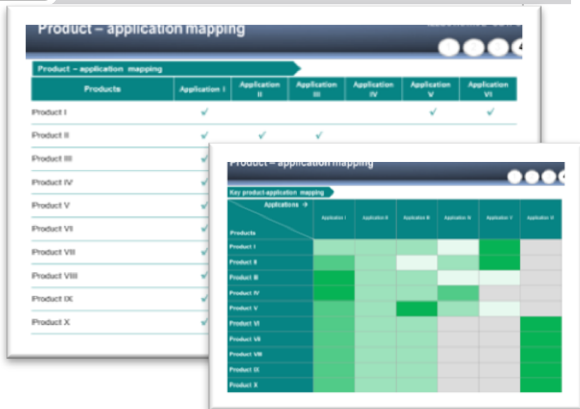
Benefits to Client

- A 'premium pricing' space for niche applications was identified by FutureBridge to the surprise of the client, who hardly expected any opportunities.
- In the course of evaluation, FutureBridge also updated the client's internal market estimates of reinforcing agents, an exercise that went beyond the agreed scope, which was appreciated by the client
- FutureBridge went ahead in providing insights into different rubber formulations that gave a fairly good overview of types of reinforcement agents used in different mechanical rubber goods.

Sample Analysis

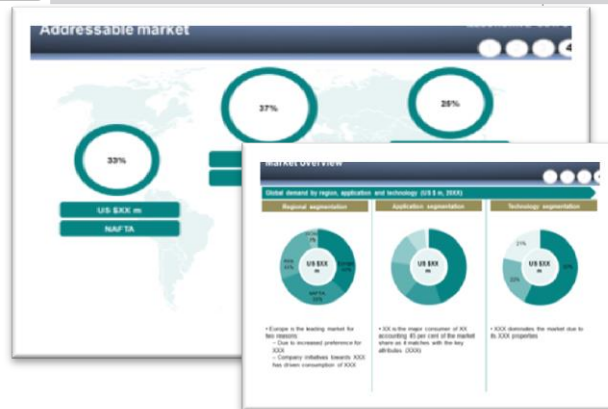
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Mechanical Rubber Goods: Product-Application Matrix



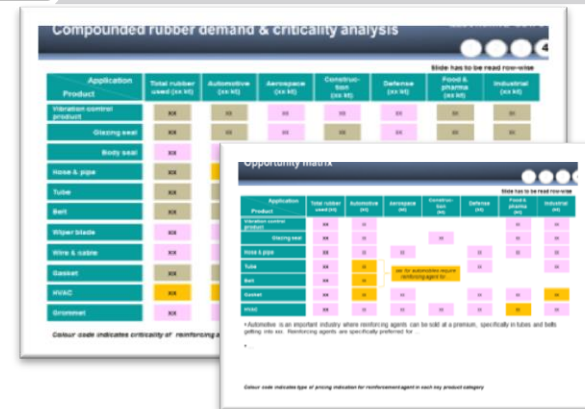
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Market Sizing & Segmentation



3

Opportunity Matrix Through Criticality Analysis



Thank you

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