

MARKET STUDY ON RUBBER AUTOMOTIVE PRODUCTS IN LATIN AMERICA



Ipsos Business Consulting

Client: A Malaysian Rubber Trade Promotion Agency
Industry: Automotive
Solution: Go-to-Market

Introduction

A Malaysian Rubber Trade Promotion Agency wanted to identify the market potential for rubber automotive parts from Malaysia in Latin America, focusing on Argentina, Brazil, Chile, and Colombia. Ipsos Business Consulting worked with client teams to quantify the market potential for selected rubber automotive products (e.g., weather strips, hoses, transmission belts, rings, seals, and gaskets) which covers Original Equipment Manufacture (OEM) and Replacement Equipment Manufacture (REM), develop a customised value proposition, and formulate a go-to-market strategy to suit the unique characteristics of each target market.

About the Client

The Malaysian Rubber Trade Promotion Agency is an agency that undertakes the market promotion of rubber and rubber products in world markets, particularly in support of small and medium enterprises (SMEs) in Malaysia.

Business Issue

The client was aware that to effectively have their rubber automotive products enter Latin American markets, they first needed to understand the current market size and prospects for growth of each market: production and imports of rubber automotive parts; factors affecting growth, distribution and marketing channels, major importers and distributors of rubber automotive parts, and trade barriers. The client approached Ipsos Business Consulting to help them understand the specific nature of each market and determine the competitiveness of Malaysian rubber automotive parts vis-à-vis local products and the products of other competing countries.

Ipsos Business Consulting Solution

We used a two-stage approach to understand the unique characteristics and market nuances in Argentina, Brazil, Chile, and Colombia and to provide market entry and promotion strategies for each country.

The first step measured market potential in each target market. Our team determined fundamental growth drivers, segmented the market based on product type and usage (OEM and REM), and identified specific countries with high growth potential. After a comprehensive study comprising in-depth discussions with industry stakeholders and channel market players, we developed a model to define the market size for each type of rubber automotive product and an addressable market for the client's products in each target country.

The second step developed understanding of the distribution channels for OEM and REM products. This also included understanding of buying policies and the regulatory environment as well as the import requirements of rubber automotive products from Malaysia in each of the countries in Latin America. We conducted comprehensive in-depth discussions with key supply chain players, trade and regulatory agencies, and industry experts in order to paint a clear picture of the distribution channels scenario as well as the trade and regulatory policies for each of the countries.

Insights gathered from our two-stage approach enabled us to identify market potential for each country and develop market entry and promotion strategies that catered to specific products and market requirements.

Results

We assisted the client to formulate a comprehensive go-to-market strategy, which covered the development of different value propositions for each product type and prioritised distribution channels for each country. Following the engagement, the client successfully established its country-specific market entry and promotion strategies.