

MARKET ENTRY ROADMAP FOR A BUILDING MATERIAL MANUFACTURER



Ipsos Business Consulting

Client: An overseas manufacturer of building material expanding regionally
Industry: Construction
Solution: Go-to-Market, Partner Evaluation

Introduction

A global manufacturing company in Indonesia sought to assess the market opportunity for the Autoclaved Aerated Concrete (AAC) market in Indonesia. The client, while a leading player in its own country, found it challenging to penetrate the Indonesian market. Ipsos Business Consulting worked with client teams to quantify the market potential for the product and to devise a go-to-market strategy including distributor assessment and selection.

About the Client

The client has a diverse product portfolio and is looking to find local partners to supply AAC machinery as well as potentially manufacture AAC products locally in Indonesia. Ipsos Business Consulting is working with the investment and business development team from the client side to develop a go-to-market strategy including distributor assessment.

Business Issue

AAC products are very popular with contractors as they are a cheaper option than traditional bricks. Due to this popularity, the number of local manufacturers has increased significantly. The client approached Ipsos Business Consulting to help them understand the feasibility of setting up a local manufacturing facility and supplying AAC machinery to other potential manufacturers. Given the market opportunity varies across islands, Ipsos Consulting also needed to assist the client to assess and prioritize the local distributor for the prioritized island.

Ipsos Business Consulting Solution

We conducted several stages of analysis to understand the unique characteristics and market nuances in Indonesia, focusing on selected islands.

The first step was to conduct a market dynamics assessment looking at the key drivers and barriers across Construction Industry Segments (Residential, Industrial, and Commercial Projects). The second step was to measure market opportunity in each target market segment. Our team determined fundamental growth drivers, segmented the market based on product type and usage, and identified specific channels and areas with high growth potential. After a comprehensive study comprising in-depth discussions with industry stakeholders including the suppliers and channel market players and competitors, we developed a model to define the market size and forecast along with an addressable market for the client's product in each target city.

The assessment is leading to the prioritization of key islands in Indonesia. For the selected islands, we screened and assessed potential distributors on various parameters including their sales force capability and capacity, financial health, and level of management engagement to support the client's products.

Results

We worked closely with the client to devise a comprehensive go-to-market strategy, which covered the development of different value propositions for the product to suit local needs in the targeted areas. Following the engagement, the client is currently conducting an in-depth feasibility study for the location of its manufacturing plan.