

Client Case Insight: Market Entry Assessment for a Plastic Composite Laser-Cutting Device

A leading innovator developed a state-of-the-art laser cutter for the efficient and cost-effective cutting of plastics using a free-form cutting device. The concept had been thought of two years prior to the development of the first prototype. The research organisation intent on launching the device into the local, and thereafter international market, worked closely with a manufacturer to refine the product. It was thought that if ten devices could be sold annually; the division would commercialise and go into full time manufacture for an expanded local and international market.

The manufacturer considered their laser-cutting technology as a driving force behind their new innovation and envisaged a vast array of opportunities for a range of similar laser-cutting products that could be sold into international markets. The company however faced the problem of not having detailed information regarding the market and especially on the pricing of the device.

StratNovation was engaged to quantify the market opportunity and to establish how many devices could be realistically sold over a three-year period. Part of the investigation was to better understand the users needs, their propensity to purchase the device, and also to access the competitive situation on the market.

Using our market opportunity assessment methodology, the potential target market segments were determined that the client envisaged entering. Client needs were researched established as was the potential market demand. The cost of cut-plastic production and the impact the new device would have on these costs was ascertained.

After the research data was analysed and synthesised, across the various respondent groups, it was established from the research outcomes were that the market was found to be extremely limited. Over and above this finding and the price of the device was considered to be beyond the reach of most of the manufacturers who need to cut plastics for the production of a wide variety of products, mainly signage.

The results were objectively communicated to the client and all findings being considered, the client closed down the division and curtailed any further research development work on the device. At the outset of the project StratNovation pointed out the research was to be undertaken extremely objectively and that several scenarios could be expected from the findings of the research. I was emphasised that investing in the research, might well be at a cost in the short-term, but pursuing the development of a product, where there was not market could have been even more costly in the long term. StratNovation was commended on the quality and presentation of the research, that enable the ultimate decision to be made by the client, albeit a disappointing end result for the client and especially the product inventor.

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