

Loctite adhesive



**ASSIGN
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Marketing Strategy BUS 37000 Saturday Section Bond-A-Matic Product

Marketing Plan Partha Srinivasan " I pledge my honor that I have not violated the Chicago 6SB Honor Code during the Preparation of this assignment. "

Bond-A-Matic Marketing Plan Executive Summary With the introduction of a unique low-cost adhesive dispensing product named as Bond-A-Matic (BAM), Loctite Inc is seeking to resolve dispensing issues such as clogging in smaller adhesive bottles.

As a leader in development of high-performance adhesives and sealants for industrial and consumer applications, Loctite has a mission to become the premiere worldwide marketer of instant adhesives for industrial use by 1985. By increasing product awareness & brand recognition for Super Bonder, a CA adhesive product line, Loctite has improved sales revenue in 1978 over the previous year's sales. With the idea of complementing Super Bonder, Loctite is hoping to expand adhesive dispensing equipment sales by introducing this new product.

Bond-aMatic will be positioned as the low cost dispensing equipment for Super Bonder adhesive users. Situation Analysis CA sales were increasing at a rate of about 20% annually (twice the total adhesive market growth) and industrial adhesive use is outgrowing consumer market. Also based on a market research survey in 1977, it is found that 60% of purchasers bought less than a pound of CA adhesives while 55% of sales volume accounted for by small firms with fewer than 20 employees. By solving some of the problems (such as clogging) in dispensing adhesives, Loctite can improve its sales of industrial use CA adhesives.

The current situation is further analyzed in detail in terms of consumer behavior, competition, Loctite's core competencies & SWOT analysis for Loctite (see appendix A, C for information). Objectives for Bond-A-Matic Launch The launch of Bond-A-Matic product will be guided by two primary objectives 1) to catalyze Super Bonder sales with the help of complementary dispensing equipment in order to achieve corporate goals 2) To create a market for low cost high precision adhesive equipments by offering attractive price point for small firms.

Plan of Action Product Strategy The main emphasis of Loctite's product strategy is to create a high-quality, anti-clogging low cost product. The low pressure model was originally designed for Super Bonder 420 and 495. However, since this model can also handle Super Bonder 430 and 414 models, we will label the model to handle all 4 Super Bonder products. This could help with getting maximum contribution from the model that has lower material cost (\$75).

For the high pressure model, we can charge it a little higher premium (to breakeven for the additional material cost) and label it as the primary model for Super Bonder 416 but to also work for Super Bonder 430 ; 414 products. Since many users (about 71% purchasers per Exhibit 3) use instant adhesives for only one application, this product labeling strategy should not significantly limit sales for High pressure model. The Gluematic tip is used to bond rough surfaces such as metals ; lastics while the Vari-Drop applicator with needle is used for soft surfaces such as rubber.

So including both Gluematic tip and Vari-Drop applicator in the package
Loctite can also sell the applicators as replacement accessories. Loctite
should include a self-training kit ; user manual along with an attractive
packaging. We will subcontract the parts assembly work to third party to
reduce costs. Since BAM can also be used to dispense a broad range of
adhesives, future product strategy should be to make BAM usable for
dispense all adhesive products (as it's already capable to dispense many
adhesives).