

BENEATH THE SURFACE

LUBRIZOL
ENGINEERED
POLYMERS

ADVANCING
MATERIALS.
ELEVATING
PERFORMANCE.

STANDING ON THE PRECIPICE OF PPF MARKET EXPANSION

Since its introduction, paint protection film (PPF) has been considered a premium product targeted to luxury car owners and aficionados. That remains somewhat true today, but global demand for PPF is skyrocketing, and there are compelling reasons to believe PPF is on the verge of a mainstream breakthrough. Rising new car prices, longer automobile lifespans, and accessibility to PPF all point to an evolving market with increasing appeal to the average car owner. For those owners, PPF isn't just a luxury; it's a viable way to protect a significant investment.

WHERE WE STAND

An Industry in the Midst of Explosive Growth

The global PPF market has doubled over the past five years and is estimated at more than \$1 billion with expected growth of at least 10% annually. Increasing adoption globally – including a massive spike in China – is driving that growth and, in the wake of COVID19, leading to some shortages of key raw materials.

It's important to put this growth in the proper context. Premium car owners have been looking for ways to protect their vehicles' paint almost as long as automobiles have existed. It started with wax and evolved to include premium polishes and polymer sealants before ceramic coatings emerged in the early 2000s. Wax remains a popular tool to slow the effects of weathering on a car's paint job, but the protection it provides is limited and temporary. Ceramic coatings were popular for a while but have their own performance limitations.

The history is consistent with other industries – as technology evolves and product performance improves, the market shifts. Now, this long-existing market is shifting en masse toward PPF for a variety of reasons – superior protective properties, aesthetics, durability, lifespan, and accessibility at price points relative to value. The point is this: this isn't a new market reacting to new consumer demands; it's a large, formerly fractured and cautious market coalescing around a solution with widespread appeal.

The early adopters have been the luxury car owners and automobile aficionados, but this ubiquitous acceptance of PPF and multiple external factors suggest early movement toward more mainstream adoption. In fact, it's happening already.

WHERE WE'RE GOING

PPF Moving Beyond the Luxury Set

"Four years ago, when I started working with PPF, my customers were 100% high-end car owners," said Marek Karafiol, co-owner of Detailking Group, a PPF installer in Katowice, Śląskie, Poland. "Now, as many as 20% own what I'd call regular cars, such as Volkswagens and Kias. Four years ago, that would have been unimaginable."

Karafiol said that customer mix is not uncommon in Eastern Europe. There are myriad cultural and economic differences across regions, but Karafiol said the core motivation should be universal: his customers see PPF as a way to protect their investment.

And new car ownership is a significant investment. The [average new car price in 2021](#) is about \$40,000, [up \\$5,500 from just five years ago](#). With that in mind, it should come as no surprise that new car owners are driving those cars longer than they have in the past – an [average of 8.4 years](#) for all vehicles and as long as 11.4 years for the longest-held model, the Toyota Land Cruiser.

THE GLOBAL PPF MARKET IS ESTIMATED AT MORE THAN

\$1B

Acting as the hub of a more integrated, innovation-focused product development process, Lubrizol Engineered Polymers can leverage enhanced, accelerated testing processes and streamlined communication across the value chain to drive customer-focused innovation.

BENEATH THE SURFACE

STANDING ON THE PRECIPICE OF PPF MARKET EXPANSION



THE AVERAGE
PRICE OF A
NEW CAR IN 2021

\$40K

A SHOWROOM-
QUALITY PAINT JOB
CAN COST BETWEEN
\$2.5K AND

\$20K

Whenever those owners sell or trade in their cars, the goal is to recover as much of that original value as possible, and the ability to do so is tied directly to the car's condition. If we use that 8.4-year average and apply it to the average car – let's say a base-level, two-door Honda Accord – we can establish an appraised value based on the condition of the car's paint job. Using the appraisal tool at [Edmunds.com](https://www.edmunds.com), we can see the 2013 Accord in average condition with minor paint damage the only reported defect, has a value of \$7,706. The same car in clean condition is worth \$8,951, and in outstanding condition the value is \$9,574. That's a difference of anywhere from \$1,246 to \$1,869.

Those savings alone can cover the cost of a basic PPF installation, but that's just the beginning of the economic analysis. Over those 8.4 years, owners may choose to address minor paint damage as it happens, and those costs add up as well. Establishing an average cost for such repairs is difficult because the range of repair and quality of work are wide. A cheap paint repair can cost as little as [\\$300-\\$900](#), but about a third of those who opt for the low-cost option say they are unhappy with the results. A mid-range repair runs anywhere from \$1,000-\$3,500, and most consumers who go that route say they are satisfied with the work. On the

high end, a showroom-quality paint job can cost between \$2,500 and \$20,000, and – thankfully – those customers are universally happy with the outcome.

All of those repairs are temporary, as any car owner who pays the bill and ends up behind a dump truck can attest. A single repair may seem like a reasonable financial investment toward maintaining vehicle value. Two such repairs? Three? The math becomes problematic.

Put more directly: When the average cost of a new car is \$40,000, making an up-front investment in PPF that is (1) likely to be recovered when the car is sold, and (2) will prevent repair costs and inconvenience, is an argument that resonates whether you own a Bugatti or a Buick.

"Instead of seeing rock chips, scratches, and degradation over time, they get peace of mind by fossilizing the paint job in perfect condition," said John Lilley, of South Jersey Automotive Coatings in Paulsboro, NJ. "We're seeing large, exponential growth in PPF sales. It's huge."

WHAT'S NEXT

Making the Case to a New Customer

The financial case for PPF is compelling and getting stronger. As volumes increase and manufacturing technologies improve and become more efficient, the price for PPF can be expected to come down. But the case for mainstream adoption of PPF goes beyond economics. PPF adds additional benefits – weatherability, creative aesthetic features such as colors or matte finishes, and reduced time spent on maintenance.

PPF already is an option available with most new car purchases, like leather seats or a sunroof. The time has come to make the case to consumers to consider PPF just as routinely.

Acting as the hub of a more integrated, innovation-focused product development process, Lubrizol leverages consumer and market insights, materials science expertise, accelerated testing processes, and streamlined communication across the value chain to drive new innovations that will continue to expand the PPF market.



TO LEARN MORE visit go.lubrizol.com/beneaththesurface or email ppf@lubrizol.com