

Case study of rayovac batteries assignment



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Case Study on Rayovac Rechargeable Batteries Basic information about Batteries * Household battery market are of many kinds ??? AAA, AA, C, D, 9-volt. * Consumers are using it more frequently as many players are coming with the usage of batteries. * Average spenders are spending 25\$ where as heavy users spend around 250\$. * Demands are going up because people are using products which needs high amount of cells battery and the products which are operated by battery. * Demands are increasing for the quality of the product. The sales are been done with few channels namely Mass Merchandisers, Traditional Grocery, Membership Clubs, Hardware/Automotive, Drug & Other store. * Mass Merchandisers was having the highest amount of sales generation with 34%. Information about Rayovac * Rayovac was the third largest battery manufacturer. * Products were sold in over million stores throughout various parts of the world. * The brand name was given in 1930s. * They acquired many companies in many parts of the world to gain the market share. Rayovac net sales came down by 17% in span of two years from 2002. Competition for Rayovac * The retail market was seeing the cut throat competition. * There was competition even for the shelf space. * Rayovac main competitors were Duracell and Energizer. * Despite there deep pockets companies like Panasonic, sony, sanyo, Kodak & many other companies failed in this market. * Lastly these companies tried to sell less on the retail market and started using the batteries for their own use in supplying with the products. Innovation of Rechargeable Batteries Rechargeable batteries were same in shape & size but they can be charged. * It consisted of a very small market (5% in USA and 10% in Canada). * The rechargeable batteries were available for every kind of cell. * Duracell entered into the market with rechargeable batteries for AAA and AA

batteries. * Chargers for the rechargeable batteries were costly. Ravoyac Rechargeable Batteries * Ravoyac entered into the market of rechargeable batteries in 1993. * By 2005 they captured 20 % of the market share of the North America small segment. NiMH technology by Ravoyac improved their batteries power. * Opportunity was very big for the Ravoyac Rechargeable Batteries market. Recommendations to the company * Should it be recommended to Ravoyac for Rechargeable Batteries? * Yes, Ravoyac should enter the Rechargeable segment as soon as possible. * There is quite a huge potential market to be explored. * They should allocate proper amount of budget for advertisement of their batteries. * No substantial player was present in their region and so they can take the usage of the first mover. First mover advantage and with their already well establish brand they can make a mark for themselves into this new segment. * This time as they will invest into the making of the advertisement of the rechargeable battery segment than the investment needed will be very less and a strong brand for couple of years could be easily build by them. * Ravoyac already has penetrated sales teams and relations with the big hyper markets to sell of their product. * They have already an established market and they are in need to just push a product into the market.