

Case aironic

Finance



The advantage to Aironic of having a core competency cannot be undisputed according to the information in the case. However, in spite of the strategic advantage over its consumers, Aironic still has certain global strategic challenges in its way that need to be re-thought well.

Beginning with the industry analysis, Aironic is in an industry that is itself in an industry that is poised towards a niche market. Without a regular demand, it is highly unlikely that Aironic relies on the capabilities of its products to generate profits. I have analyzed the situation and believe that marketing is perhaps the most important function in the product chain for the industry firms in order to generate sales. After all, informing the customer that there is a need for their product is the primary aim of the firms. Secondly, Aironic is “the best in the industry” may not be a far-fetched claim but then again the difficulty lies in educating the consumer what the product is all about. For this purpose, it is necessary to market effectively and convey the message across the board. It is important to understand who the consumer for Aironic is: instead of the more profitable hospitals and commercial buildings, Aironic targets the bars, clubs and other enjoyment areas which have enclosed rooms. This presents to Aironic a global challenge since not all Asian countries are open to the concept of bars and clubs and the few that may exist there may have differing priorities with regard to maintaining clean air within the premises.

Aironic's globalization strategies require a great deal of feasibility studies and forecasting before they can be sure of their success in the global market to emulate that in Australia. Focusing on commercial markets is a good idea in the beginning because the different cultures of the target markets may pose

acceptability problems. As described in the case, Asian people have differing priorities and thus it would be advisable for Aironic to carry out research and modify their product according to the results since Asian markets may be hard to please, but they sure are a 2.5 billion plus market.

The most important setback seems to be the cost of patents in each country. Since the patents have to be renewed every seven years and have already cost Aironic \$270,000 up till now, Aironic needs to make a comprehensively accurate strategic plan for globalization. It should narrow down the target market by carrying out feasibility analysis and the recommended frame of action would be to move from Europe to America. This move would ensure that the nearest target market can be tested first and then America, which is a larger market than Europe, can be tapped in comprehensively.

The efforts to develop an e-commerce website are in the right direction – particularly if the need is to expand over other borders and educate consumers about the need for the product. It is the right kind of opportunity Aironic has at hand and should be exploited to the maximum. However, it should be identified as to which countries Aironic will be targeting through this strategy. I believe that the European market would be the most ideal target market through online services due to the fact that they trust internet transactions and generally have more clubs, restaurants and bars which can become an ideal target market for Aironic.