

# Sunrise wheelchair case study

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BUSTER**

Our team recommends Chandler to introduce Guardian's new lightweight standard wheelchair. Guardian is not a player in wheelchairs with only a 2% share of the standard wheelchair market and nothing else.

The purpose for Guardian to introduce the lightweight standard wheelchair, with a forecast market growth rate of 15% yearly, is only meant to complement Guardian's existing product to seek for higher growth in its division since the profit margins of its existing product lines are razor thin.

What's more important is that Guardian's new lightweight standard wheelchair is positioned differently from Quickie's, with a distinct design and features at lower prices more towards a low-end market. Although cannibalization may still be a concern, the chances are Guardian will be able to find a niche market for a different target segments differ from Quickie's.

There is a demand and a need for Guardian division to expand product line to grow. Guardian took almost half of the market share of crutches, walkers and other product lines. Although the rest half has been controlled by others, it can be regarded as the potential sale of us, as if we can provide a rival product with even better quality to earn that possible profit.

This new wheelchair is a good tool to complete the product line, and cover the demand of expanding profitability as well. Quickie, rather than worrying about cannibalized by Guardian's chair, should put more efforts on building its competitive advantages to differentiate itself from its major competitor Invacare, not Guardian. Invacare's wheelchair model has beat Quickie's. Quickie is kind of an unhealthy divergence within Sunrise's product line, which is losing competition power.

Introducing Guardian's chair will help Sunrises fight against its main competitors, Everest & Jennings International and Invacare. They were competing by cutting down price since 1990.

By making few changes of Guardian's standard product, the new chair would carry a wholesale price 10% below Invacare's lightweight standard model. If Quickie continues to lose competitiveness, adding Guardian's new wheelchair can be a backup and beneficial for the whole company.