

Kone: the monospace launch in germany essay



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Germany and hence important to penetrate market. Aufzugs financial performance is critical to KONE's overall success. 60% of German low-rise residential elevator market was accounted by hydraulic elevators. Hence, Monospace has a significant opportunity in Germany.

Also, the production costs of both were comparable. Success in Germany depends on the increase in the sales and service revenue from Monospace. Even if Monospace loses due to sales in the short run, their overall profit can increase with the accompanied service. Successful launch will help eat out the share of the 'other' service providers as KONE alone knows the know-how of the disc technology lifts. Successful launch will help take in geographical expansion.

Otis and Schindler, the current market leaders could afford to run losses and continue to have higher market share. penetrate the market, KONE might collapse as they already are making no net profit. Germany being the biggest market in Europe and known for its manufacturing and echnical expertise, a failure in the German market could dent the product's technology related value propositions in other European countries.

Process savings are valued differently in different market - high in France and UK, low in Netherland Energy suppliers, an influence group in buying decision values the energy savings by Monospace The construction companies, a prominent member in buying centre didn't find any unique value proposition Limitations of the usage of the product - buildings with penthouses and outdoor installations identified The extra savings from Monospace not passed on to owner/developer Customers wary about he rise

of monopolistic supplier power Customer apprehensions about the viability of new product Huge market , more than all the three markets combined (In terms of units) No significant market leader in Germany Midsize players and Cowboys have a major share Construction boom in Germany has ended abruptly Downward pressure of price 0 Demand for new elevator equipment will decrease by Overcapacity of commercial space Due to the current economic conditions , some of the learning's from other countries cannot be applied in Germany now. Energy savings and process compression savings cannot be included in the value Targeted markets - Low rise (