

Aqualisa quartz –
"simply a better
shower"



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CASE STUDY: Aqualisa Quartz – “ Simply a Better Shower”

Introduction

This paper is being written to analyze the company and the product Aqualisa Quartz.

This paper will analyze the current situation and suggest a definite course of action that the company may take. The succeeding paragraphs will feature the case analysis in four parts. The situation analysis, the value proposition to consumers, the value proposition to plumbers and the recommended target market.

Situation

Analysis

Customers

The customers in the plumbing industry who buy showers can be divided into the Value Customers, the Standard Customers and the Premium Customers.

Premium customers typically shop in showrooms. As the name suggests, these set of consumers tend to pay more. They usually take for granted high performance and service. They take the factor of style highly in determining their choice. (Herman, 2003, p. 2)

Standard customers tend to emphasize performance and service. The case has detailed their predisposition to rely on independent plumbers to recommend or select a product for them. (Herman, 2003, p. 2)

Value customers tend to emphasize convenience and price. They also like to avoid solutions that require any excavation and tended to rely as well on independent plumbers to select their product.

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Channel

Aqualisa currently has four channels of distribution to reach its customers. These are through trade shops, showrooms, DIY Sheds, and through the Plumbers.

Trade shops cater primarily to plumbers. Aqualisa currently has a channel of distribution in 40 percent of these shops in the United Kingdom. (Herman, 2003, p. 4)

Showrooms cater to the premium market. Aqualisa currently has a channel of distribution in 25 percent of these shops in the United Kingdom. (Herman, 2003, p. 4)

DIY Sheds cater to the mass market. They cater to the Value products section of Aqualisa through the Gainsborough Brand. These sheds usually offer the electric shower product type because of its easy installation and low price. Not all of Aqualisa's brand are carried in DIY Sheds, instead only the Gainsborough Brand of electric showers are offered in nearly 70 percent of the shops in the United Kingdom. (Herman, 2003, p. 4)

Plumbers are the installers of the products produced by Aqualisa. They have a good hold on the Standard Customers in terms of preference and sales through trade shops. Plumbers undergo several years of training and apprenticeship before they become master plumbers. They favor easy installation and reliable products. Product loyalty is high with master plumbers because they favor familiarity with the product's idiosyncrasies. Faulty installation cost plumbers money therefore good products and familiar products are favored by these plumbers.

Competition

The main competition of Aqualisa is the Triton and Mira Brands. The Gainsborough and Aqualisa brands of the company do well in terms of units sold in the United Kingdom. Currently, both brands occupy the third and fourth rank in the market. The Triton and Mira brands occupy the leadership positions in terms of units sold in the United Kingdom. (Herman, 2003, Exhibit 2)

Company and Market Environment

The Company Aqualisa is a steady leader in plumbing supplies specifically the shower product industry in the United Kingdom. It produces moderate profits and is recognized in the UK as having top quality showers and great service. (Herman, 2003, p. 5) It does not hold the prime leadership position in the Market that is held by Triton and Mira. Currently, it is aiming to launch its newly researched and developed product Quartz.

The UK Market Environment currently features showers that are plagued with problems. While everyone has a bathtub, only about 60 percent of UK homes had showers. (Herman, 2003, p. 1) Consumers know little about the product although most know what they do not like about the product. These characteristics are poor pressure and varying temperatures which top the list. They also dislike stiff valves, leaky seals and worn out showers.

Quartz Value Proposition to Consumers

The Aqualisa Quartz product competes directly with the Aquavalve 609 with a supplemental booster pump.

In comparison to the Aquavalve 609, with or without the supplemental booster pump, the Aqualisa Quartz does not require excavation in order to install. This is a significant difference. Excavation would typically require a 2-day working period. By experience the Aqualisa Quartz only requires a drilling of a hole in order to install. It requires a total of a half-day for installation. This means that a master plumber can even delegate his new apprentices in order to install the product. The lack of excavation facilitates easier installation and easier repair.

With similarity to the Aquavalve 609, both products solve the low pressure problem of most households. Both also solve the fluctuating temperature problem that is seen in most products. However, in terms of the thermostatic control, the new product Quartz features a push button control for temperature (Herman, 2003, p. 8). This significantly increases the style factor of the product and facilitates the reduction in stiff valves and leaky seals.

The Aquavalve 609 is currently a Standard Customer product. It's price range is in the middle of the pack.

Quartz Value Proposition to Plumbers

Plumbers would definitely be better off with the installation of the Quartz Value Product. The results of the field test are very promising. Also, the reduction in installation time is promising as well in terms of convincing plumbers to adopt the products once it has been tested. (Herman, 2003, p. 10)

To capture the plumber's market, Aqualisa should be ready to fund its capture. The plumber's have high product loyalty. It is suggested that Aqualisa offer the price of Quartz to plumbers at a low price but insist to sell it at standard value to customers. This will increase the profits of the Plumbers and extend their income in order to guarantee any product failure. Furthermore, it is suggested that Aqualisa give a guarantee to its master plumbers that it would shoulder or even pay for cost to the plumbers if the product malfunctions. This plumber's-guarantee would aim to swing the product loyalties of the more than 10, 000 master plumbers who are responsible for 54% of the installation in UK homes and almost 48 percent of the consumer's choice in plumbing sales (Herman, 2003, p. 15).

Aqualisa Target Market for Quartz

Consumers

Consumers are a good target for Aqualisa because they are already the end-users of the product. Any cost in advertising would be money spent directly to the end-users who would use and be loyal to the product. This would follow the success of Triton that has brand awareness and current leadership position in the industry.

On the other hand, this market is not a good target because of the following factors. First, the cost of direct marketing would be very high and would eat up a significant portion of the net income of the company. Second, such cost would be hard to sell company wide when the company is doing fairly well (Herman, 2003, p. 12). Third, only 27% of the consumers decide their plumbing choice alone. On the contrary, 48% are affected by the master plumber's choice. (Herman, 2003, Exhibit 4).

DIY Market

The DIY Market is a good target for Quartz because of its easy to install feature. A Master Plumber can even use his apprentices who have little to no experience in installing this type of product.

The main disadvantage of catering to the DIY Market is its hard exit requirement. Once a brand has been labeled as a DIY product it would be hard to associate it as a premium product with good features and high style. Also, it would compete directly with Gainsborough which is the cash-cow of Aqualisa Company.

Developers, Plumbers and Showrooms

The segment of developers, plumbers and showroom would be the writers' recommended segment to be catered to by Aqualisa.

The main disadvantage of catering to developers, plumbers and showrooms would be the higher cost of entry into these markets. Aqualisa currently does not have the correct product positioning to cater to these markets. For developers, they view Aqualisa as a highly priced product (Herman, 2003, p. 11). For plumbers, they view Aqualisa as an electronic product that has bummed out in the past (Herman, 2003, p. 10). This market also has a high level of product loyalty that will be resistant to change. Lastly, showrooms only cater to the premium market and do not cater to a big slice of the pie in sales. This is contrary to CEO Rawlinson's idea of thinking big and having Quartz capture a significant part of the Shower Products Industry Pie.

On the other hand, the main advantage of catering to this segment with this product is to create another strong brand apart from Gainsborough. This is

the proper product to outweigh all the disadvantages in the market chosen. Developers have shown a great preference to styling and standard cost. Plumbers show a great preference to easy installation while showrooms show good sales when dealing with stylish products.

The Quartz product shows all these traits. In marketing to this segment, Aqualisa will create a new reputation in competence with the emerging developer's market. It will control the plumber's choice which is a significant choice in the industry. Also, since showrooms are already showing signs of preference to the brand, it will boost the image of Quartz as a very stylish product.

Action Plan to Preferred Target Market

- 1) Pricing must be made for Standard Customers.

This should be emphasized so as not to compete with the Gainsborough Value Electric Showers which constitute a significant part of sales.

- 2) Guarantee must be afforded to Plumbers

This should be emphasized to capture the Plumber's choice despite high product loyalty. This step has been discussed in the specific suggestions under the value proposition section to Plumbers.

- 3) Phase out Aquavalve and Aquavalve 609

This is the long-term goal of the action plan. The Quartz product line must be the pre-eminent thermostatic mixer shower product of Aqualisa and the Shower Industry. It cannot be marketed together with the Aquavalve line while discrediting the line itself. This would be a bold move but would also

gain credibility with a new market that Aqualisa does not have hold of: namely, the developers and the rest of the plumbers.

Reference List

Herman, Kerry (2003) Aqualisa Quartz: Simply a Better Shower. HarvardBusiness School. Boston, MA: Harvard Business School Publishing.