

dretec

COMPANY ANALYSIS

DRETEC CO., LTD.

TECHNOLOGY ENTREPRENEURSHIP (ENT600): CASE STUDY

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EXECUTIVE SUMMARY

Company analysis is done to investigate a company thoroughly. To suit the purpose a company based in Japan namely Dretec Co., Ltd had been chosen to be analyzed. The first part of this analysis outlines the introduction to this analysis and why it was done. This analysis is targeting people who want to keep a healthy lifestyle even though during the pandemic COVID-19 outbreak by using the product by Dretec which is an IH cooker. The product shows many advantages as it provided a lot of function but in this analysis, we can see its weaknesses. The product only has a Japanese manual and the labeling is also in Japanese which is made it difficult for international customers. Furthermore, the price of the product is quite expensive compared to the other brands even though having the same functions. In conclusion, an English manual and labeling are needed for international customers, and visual indicators needed to be added along with the digital indicators so that customers can see well how the product works.

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The National Health and Morbidity Survey (NHMS) 2019 reported that 50.1 percent of adults in Malaysia were either overweight or obese with 30.4 percent were overweight and 19.7 percent obese. Obesity is a multifactorial disease that is caused by imbalanced energy intake and energy expenditure (Berg, 2015)

A study stated that the relationship between eating out and weight gain is significant. The more we eat outside, the more we will carry excess pounds. This is due to the known phenomenon called the "second meal effect" where we will feel hungrier and need to eat after a particularly delicious meal. Besides, if the society we lived in has constantly available food where it is sold in super-large portions, this will be the one that leads to weight gain (Roberts, 2017).

According to the Ministry of Health (MOH), the best way to reduce obesity is to prevent it. This can be done by eating out less frequently and trying cooking by ourselves at home. Most people are scared of cooking cause they are scared their food is a failure but little did they know the food that we create will be highly likely much healthier than processed foods. Furthermore, we can ensure that the food is lower in calories and more nutritious.

Therefore, some companies such as Dretec Co., Ltd invented an IH cooker that can make it easier to do cooking. The IH cooker can set to many functions according to their customers' wants. The IH cooker is also let their customers set the temperature on their own so that the food will not be overcooked and still contains the nutrient needed.

1.2 PROBLEM STATEMENT

Nowadays, most Malaysian are more conscious about what they are eating, especially those who are having an illness. With more advancements in technology, most people are looking forward to how this advancement can help them. Besides, some of them were trying to learn cooking or doing new recipes by following the right intake. We all know that it is not good to eat overheated food because the nutrients might break down. During the pandemic Covid-19 outbreak, most Malaysian stay at home due to the government's order to restrain the virus from spreading. People start to realize about their health matters and start living a healthy life. It is common to use household tools but all these tools might not have a specific design that can satisfy them. It is known that Dretec Co., Ltd is the company that applied technology in most of their products such as the IH cooker that has seven safe designs pan detection function, auto-off function, and adjustable heat in 10 steps. Although this company is one step further, it also has its shortcomings.

For the IH cooker, all the manuals are in Japanese and some of the labels on the product also have Japanese terms. This will make it difficult for their client who are non-Japanese or who cannot speak Japanese. Some of the buttons are small. This is due to the small size of the product which makes sense if the button is small. The price for the product is quite expensive compared to the other brand. There is the same product from other brands which have more function but the price is more cheaper.

In terms of social connections, they attached the link for social media such as Facebook, Twitter, and Instagram to the Japan Official Website. However, it was found that they were not actively available on the Facebook platform where their last post in Dretec Thailand was in Jun 2020 meanwhile, in Dretec Singapore was in February 2020. For the Instagram platform, they were found posting their latest post in October 2021 while the post before was in June 2021. From the observation, the time gap between each post made on social media was quite long and they did not consistently market their products there. They also did not gain a high number of followers where it was found that the followers gained for each of the social media did not reach thousands.

1.3 PURPOSE OF THE STUDY

This study is conducted to gather information regarding the selected company and identify the existing problems in their product, IH Cooker "Piccolino". The product's strengths, weaknesses, opportunities, and threats are also identified in this study. Several ways to solve the identified issues and some improvements can be made to the product chosen will help to understand the opportunity to exploit the market with new advancement product that can help public keep a healthy life in the future.

2.0 COMPANY INFORMATION

2.1 BACKGROUND

Dretec Co., Ltd was founded in Japan (1997). The company's business areas include the wholesale distribution of industrial machinery and equipment. The company was established with the kitchen timers as their main product. At the time of its establishment, kitchen timers for homes were not as popular as they are today. Over time, the company has evolved in development and design capabilities, thus they can make it a product for every home.

The company's vision is to enrich their customers' lives with the best kitchen, lifestyle, and health necessities by empowering them with leading infrastructures in measurement and digital technology and e-commerce, in the smart home environment. While the company's management goal is to contribute to their customers and society by providing better daily necessities and fostering the happiness of all the people who support the company's growth. With the licenses of "Medical device manufacturing industry" and "Type 2 medical device manufacturing and sales industry", the company has released several types of products such as timer, cooking scale, thermo-hygrometer, pedometer, weight scale/body composition meter, electric kettle, induction heating (IH) cooker, sphygmomanometer, body thermometer, and others.

Established in Japan, the company has two branches that are located in Tokyo and Osaka. Their headquarter is located in Kawaguchi City while the Product Management Center is located in Koshigaya City. The company has also successfully expanded its business in international markets such as Hong Kong, as well as Singapore.

2.2 ORGANIZATIONAL STRUCTURE

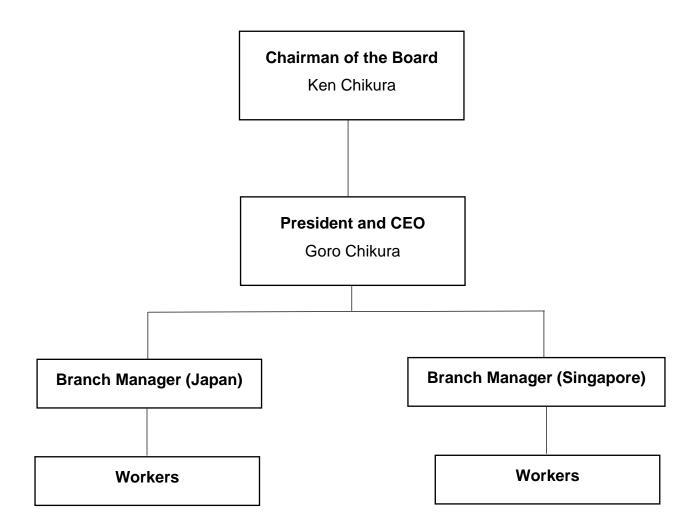


Figure 2.2 Organizational structure of the company

2.3 PRODUCTS/SERVICES

Dretec Co., Ltd produced many products under several categories. There are eight categories of products developed by the company which are kitchen miscellaneous goods, kitchen appliances, license, stationery, healthcare, medical, lifestyle, and disaster prevention.

Table 2.3.1 Products in a different type of category

Category	Items	
	There are four items under this category which are a timer, scale,	
	thermometer, and sanity meter.	
Kitchen Miscellaneous Goods	T-549 Cubic timer Cubic timer Washable waterproof timer Washable waterproof timer Dial Timer 60 minutes Dial Timer 60 minutes Dial Timer 12 minutes	
	T-535 Tonato timer Strauberry Timer Strauberry Timer Strauberry Timer Tomato Timer	
	Figure 2.3.1.1 Products under the kitchen miscellaneous goods	
	The items under this category are kettle, rice cooker, toaster, coffee maker, IH cooker, mixer or blender, and others such as ice cream maker.	
Kitchen Appliances	PO-150 PO-150 PO-158 Electric kettle "Prom" 1.0L Drip kettle "Tipica" o.8L Drip kettle "Tipica" o.8L Stainless kettle "Kerala" o.8L Stainless kettle "Kerala" o.8L Electric kettle 1.0L	
	PO-360 Electric kettle Tarbo" 1.0L Electric kettle Tarbo" 1.0L Electric kettle Turbo" 1.0L Electric kettle LoL Electric kettle "Licorice" 1.0L Electric kettle "Licorice" 1.0L Electric kettle "Tippy"	
	Figure 2.3.1.2 Products under the kitchen appliances	
License	Dretec Co., Ltd is able to get licenses for other famous brands such as Milky and Kellogg's. The company produces a series of products including	

a digital scale, timer, digital thermo-hygrometer, and others with a unique design according to the brand. Waterproof timer with clock Drip proof timer with clock Figure 2.3.1.3 Products under the license category The items under this category are timer and stopwatch. Dretec Co., Ltd provided not only a small timer that is convenient for personal learning but also a small timer. Stationery Figure 2.3.1.4 products under the stationery category This category contains body composition meter, weight scale, pedometer, electric toothbrush, and others such as UV light toothbrush case. Healthcare

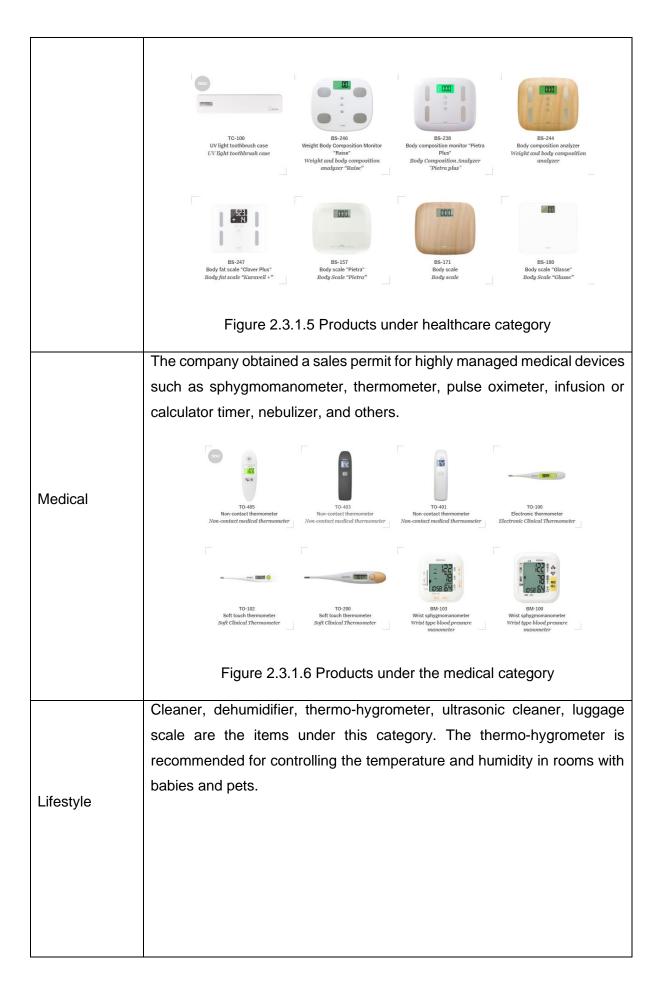




Figure 2.3.1.7 Products under the lifestyle category

This category contains two items which are charging radio light and security alarm. The radio provides accurate information in the event of a disaster is indispensable and also recommended as it can be manually charged even if the batteries run out.

Disaster
Prevention
And Crime
Prevention



Figure 2.3.1.8 Products under disaster prevention and crime prevention category

2.3.2 TIMELINE OF PRODUCT DEVELOPMENT

Table 2.3.2 Timeline of product development

Date	Development
June 1997	Established Dretec Co., Ltd.
February 1998	Timer sales start
August 2002	Sales of cooking scales started
April 2003	Thermo-hygrometer sales start
April 2005	Weight scale sales start
January 2006	Electric kettle sales start
May 2008	Learning timer sales start
March 2013	Blood pressure monitor sales start
November 2019	Licensed product "milky" sales start

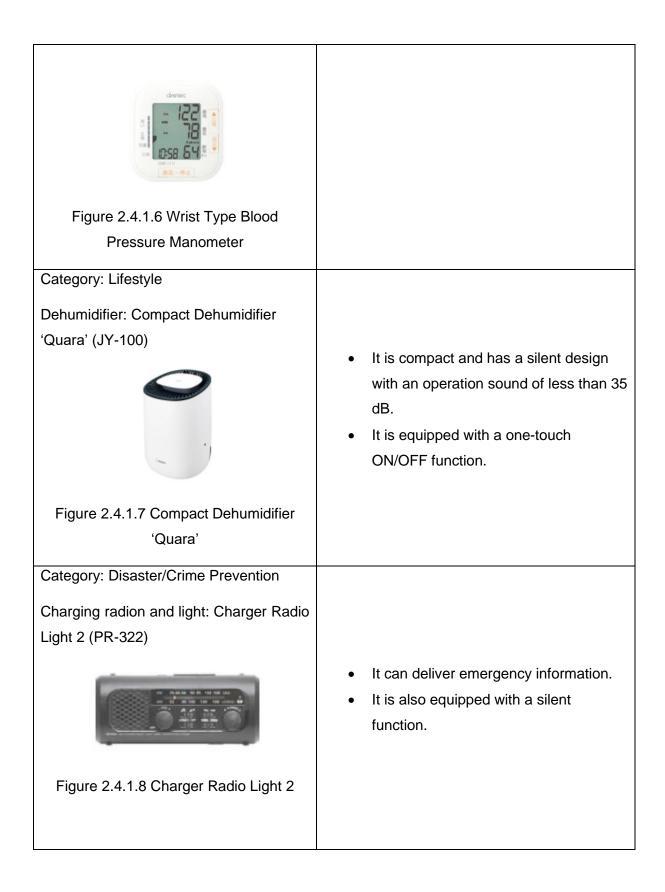
2.4 TECHNOLOGY

Dretec Co Ltd is a company that equipped its products with technologies. With eight different types of product line-up, each of the products are working differently according to its purposes. Below are a few examples of technologies used for every different type of category.

Table 2.4.1 Technology in a different type of category

Category/Example of items	Technologies used
Category: Kitchen Miscellaneous Goods Scale: Digital Rice scoop Scale Figure 2.4.1.1 Digital Rice Scoop Scale	 It can measure the weight, carbohydrate, and calorie content of white rice. It is equipped with an auto-off function to preserve battery life. A lithium battery is used for this item to function.
Category: Kitchen Appliances Induction heating (IH) cooker: IH Cooker "minitura" (DI-217)	 Its diameter is shorter than 500 ml PET bottle. Pan size available from 10 to 14 cm diameter at the bottom. Eight levels of thermal power control. Six safety designs
Figure 2.4.1.2 IH Cooker "minitura" Category: License	The face icon at the display indicates
Kelloggs: Digital Thermometer and Hygrometer (O-251KG)	the risk level of heatstroke and influenza. It can record the minimum and maximum temperature and humidity. It can be placed anywhere with a specification magnetic back, hook for

35.4°C 55% 60° pa-ket this 160° pa-ket actual 120° price	hanging on a wall, and retractable stand.
Figure 2.4.1.3 Digital Thermometer and Hygrometer	
Category: Stationery	
Timer: Time Up 2 (T-580) Figure 2.4.1.4 Time Up 2	 This timer comes with LED light and sound where it can notify the user. It has a count-down function for the day. This timer is also equipped with a key lock function to prevent malfunction.
Category: Healthcare	
Body Composition Meter: Body Composition Analyzer 'Pietra Plus' (BS- 238) Figure 2.4.1.5 Body Composition Analyzer 'Pietra Plus'	 This item was made so that it can measure weight, body fat, water, visceral fat, muscle mass, basal metabolic rate, and bone mass. One item can be used to register up to five different persons. Once someone steps on it, it can discriminate automatically.
Category: Medical Sphygmomanometer: Wrist Type Blood Pressure manometer (BM-103)	 It can detect irregular pulse waves, blood pressure, and body motion. It has a memory function of the previous 60 data. It is also equipped with a time and remaining battery display.



2.5 BUSINESS, MARKETING, OPERATIONAL STRATEGY

2.5.1 BUSINESS STRATEGY

Dretec Co., Ltd. was founded in Japan (1997). The company has two branches that are located in Tokyo and Osaka meanwhile the headquarter is located in Kawaguchi City and the Product Management Center is located in Koshigaya City. The company's management goal is to contribute to the customers and community by providing better daily necessities and to cultivate happiness in their supporters. The company claimed they develop an original product that continues to fulfill the market needs and demands. They also prioritized customers and employees satisfaction to accomplish the company's management goals.

Product development and activities production are conducted at the strongest base from a global perspective. Using the concept of measuring, the company has been aimed to provide convenience in daily life. They have expanded their product range from cooking scales and kitchen timers to various types of scales such as medical devices, body composition meters, and many more.

The company's original target maybe the people who live in Japan, however, they also provide procurement platforms so non-locals can buy their products too and this broadens their reach for perspective customers. Their overseas offices are located in Guanzhou and Dongguan, China. The products can be purchased from their official Japan website, or also can be ordered from Dretec Singapore's website. In 2017, it is mentioned that Dretec started to reach out to customers outside the Japanese market to further implement their business mission and goals in multi-language communities such as Indonesia, Singapore, Malaysia, Thailand, and Vietnam.

Dretec Co., Ltd. takes full responsibility for the quality assurance and safety of its products. Any inquiries regarding the products may be submitted through the company's website and the collected customers' information will not be disclosed to third parties without the customers' consent. Return policy for defective items is applicable if the purchase is made from Dretec Singapore, provided items are returned with the original tag still intact, in good condition, and must be sent back within seven days of receipt or 14 days for customers outside Singapore.

2.5.2 MARKETING STRATEGY

In order to make sure customers can reach out to the product, Dretec used social media to promote their extensive range of products. They have official Facebook, Instagram, Twitter account, and a website which customers can buy their products. The newly launched products are posted and displayed on these platforms. Apart from that, the company was tagged in customers' posts about their purchases, which heightened the exposure of products to other possible new customers.

Furthermore, the company produced lots of cute items. These items may attract some groups of customers who love to collect simple and cute things. For example, in the stationery items, the learning timer is produced in mini size. This could make it easy for students especially to bring it anywhere and use it whenever they want. Besides, the company also produced timers for kitchen miscellaneous goods with a different shape. For a person who loves this kind of thing, that would be the main attractor for them, at the same time, it can boost their energy while doing their works.

2.5.3 OPERATIONAL STRATEGY

Dretec Co., Ltd management goals are to contribute to the customers and society by providing better daily necessities and to foster the happiness of all the people who support their growth.

The management policy of the company are:

- 1. To develop original products that meet market needs.
- 2. Product development and production activities are carried out at the strongest bases from a global perspective.
- 3. Prioritize customer satisfaction and employee satisfaction to achieve our management goals.
- 4. The company will comply with laws and regulations as a member of society.
- 5. Fulfill the quality assurance responsibilities and ensure product safety responsibilities.
- 6. Streamline logistics management and sell through the most advantageous channels.
- 7. Strive to protect the environment and promote the effective use and recycling of resources.

3.0 PRODUCT ANALYSIS

3.1 SWOT

SWOT analysis is a framework for identifying and analyzing the strength, weaknesses, opportunities, and threats for a company or a product. The primary goal of SWOT analysis is to aid organizations in increasing awareness of the factors in making a business decision. This part will discuss the SWOT analysis for the product chosen, IH Cooker "Piccolino"

Table 3.1 SWOT Analysis

STRENGTHS	WEAKNESSES
 Compact IH cooker smaller than A4 size. A slim body can stand vertical and be stored in a small space. There is an operation sound ON/OFF which is switchable. Constant temperature cooking. OPPORTUNITIES	 Some buttons are quite small. The price is quite expensive. Some labels are in Japanese. THREATS
 Safe product. Adjustable heating in 10 steps. Have the potential to be used by people who are concerned with their health. 	 Compete with market products. Pandemic Covid-19 outbreak. Similar products offered by competitors are cheaper.

Strength

IH cooker provided with a size smaller than A4. This is a convenience for people to bring it anywhere and does not take up much space. The flat design can stand up in a gap and store neatly and it can wipe off quickly even if it gets dirty. The product also comes with a constant temperature mode consisting of nine levels which are 60 °C, 65 °C, 70 °C, 75 °C, 80 °C, 85 °C, 90 °C, 95 °C, 100 °C. The product also has a switchable ON/OFF button which can make it easy for customers to use.

Weaknesses

The product gives a lot of unique specifications but the button on the product is small compared to the other product because of its small size. This will cause a problem such as wrong temperature setting especially for the person who has low eyesight and it will lead to dissatisfaction among customers. The labels also can quite be confusing for non-Japanese or for those who did not speak Japanese. Besides, the price is quite expensive due to the many functions of the product.

Opportunities

IH cooker is a safe product because it comes with seven safety designs. The safety design consists of pan detection, pan-less detection, small object detection, overheat prevention, forgetfulness prevention, and high-temperature caution. The product is also equipped with a 10-step heating mode which is Weak is from 100W to 400W, Medium is from 500W to 800W, and Strong is from 900W to 1,000 W. Besides, people who are concerned about their health might be advantageous because they can set the temperature according to themselves.

Threats

There are lots of brands that produced IH cooker and this might be the reason this product will compete with the current market products. It will compete in terms of design and specification such as how the product can vary in making foods or the other brands provide their product with an advanced design. When comparing the price with other brands, the product might be a little pricey due to its unique specification and size. Customers can get the same IH cooker with other brands that offer a cheaper price. Furthermore, a big number of people are losing their job during the pandemic Covid-19 outbreak, so people focus shift to buying essential items.

4.0 FINDINGS AND DISCUSSION

4.1 FINDINGS

First and foremost, the IH cooker has a problem with the labelings. Some labelings are in Japanese which may create a language barrier for non-Japanese. Besides, the manual provided was full of Japanese. Regarding its international availability, non-Japanese customers may need to scan the label to get it translated into their desired language. As the Japanese language is not commonly understood by many, the labelings could potentially isolate this product from international customers.

Secondly, the buttons itself are small. The buttons might be considered readable by some people but this issue most likely will affect people with vision problems whenever they want to press the button. The same goes for the font size where it is quite small and less conspicuous to read.

Moreover, the price is quite expensive compared to others which are up to RM350. Compared to the other product from other brands, the prices range are from RM100 to RM300 which offered the same function or more advances in technology.

4.2 DISCUSSION

As this company's IH cooker has a problem with the labeling, there is still room for improvisation. It is known that Japanese is the official language of Japan and English speakers in Japan is very low, we could expect the workers in the company is the non-English speaker. The company could hire foreign workers to make the labeling in English so that international customers could understand the manual and the labeling on the product. To hire foreign workers might add costs to the company, but with changing in the labeling, could attract others to their products and it is profitable to the company.

The next problem is the price is quite expensive compared to other brands. It is understandable because the product has many functions and the size is also compatible. In order to attract more customers to their product is, the company can make pricing discounts or seasonal discounts to increase sales. This way can get more customers to purchase the IH cooker and can create a steady demand stream of the product.

5.0 RECOMMENDATION AND IMPROVEMENT

Dretec Co., Ltd should consider improvising their design as IH cooker required a large button and labeling. Since Dretec is aiming to expand their business outside Japan, they need to make sure the customers are satisfied with their services. By adding an English manual and label on the product, it will captivate and attract more buyers. Customer satisfaction is vital in determining business performance and progressions. This is because a satisfied customer is the backbone of any profitable business or company as customer satisfaction will lead to repurchasing, customer and brand trust, and positive feedback (Jyoti & Sharma, 2012). However, there are some improvements that can be made to the IH cooker. The company can make the product come with some visual indicators of how high the power is or whether the area around the induction coil is hot. Only digitally viewing how high the temperature is is not enough to make sure the customers to be careful while using the product because visual indicators can attract people more rather than digital indicators.

6.0 CONCLUSION

In conclusion, the SWOT analysis conducted enabled the detection of the strength and weaknesses of the IH cooker. It was found that the size of the IH cooker is compatible which is make it easier for the customers to take it everywhere. The slim body of the product can stand vertical and be stored in a small space which is the product will not take much space. However, every product also has its weaknesses which is with the small size of the IH cooker, it becomes a problem for certain people especially those with low eyesight. The problem existed due to some of the buttons and labeling are too small. Furthermore, more problems arise as the manual for the product and the labeling are fully in Japanese. This can cause international customers to lose their interest in buying the product or make it difficult for them due to the product needing to be translated manually. After comparing the product with other brands, it is found that the price is more expensive and will make customers think twice before buying the product from this company.

Thus, after analyzing the product, there are some improvisations that can be done on the weaknesses which are the need for English manual and label for international customers. Even though English is not Japan's main language, but in order to expand their business, the company set the priority on the wants of the customers. The function of the product could be added by enabling visual indicators along with digital indicators. These indicators can help customers easily to see how high the power is or to see whether the coil is hot or not.

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8.0 APPENDICES

Not available.