



FACILIS PORTABLE AIR-CONDITIONER



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1.0 EXECUTIVE SUMMARY

1.1 Brief Description of the Business and Product Concepts

At this stage, a detail study about Facilis Portable Air conditioner for our new product development was done. It is necessary in order to get detailed information about the product, non-verbal interview and research on the innovation product based and its features, quality, and conveniences. Furthermore, the theory of the new product development was related to our product concept. The details of our product were divided into research and development, product design, features, concept testing, build prototype and test marketing.

In research and development, the details explanation of how the idea generation and market survey was conducted. The idea actually was generated based on the difficulties for the travelers and recreational clubs to carry the portable air conditioner because the limited space in bags and also the structure or shape of the portable air conditioner that too large. It is also influenced by the electricity consumption of the existing product that is overused that affect the electricity cost. Next, the details study based on target market for our product is electrical store and supermarket which is the attractive sport for the people that like to travel and camping. From the idea generation and market survey done, the Consumer Trend Canvas was completed. From that, it shows the summary of the product detail, analysis and also target market on how our product idea was develop. The things that was analyzed is the product design or features. At this part, a sketch of our product design was done based on combination of existing product in market. Concept testing is the further analysis of the product on how target market will accept the innovation product.

1.2 The Target Market and the Projections

Facilis air conditioner can be introduced to few target market such as travelers. Nowadays, due to increase in climate changes, it results in rise of temperature thus making the worlds hotter especially the country that crosses the equator which includes Malaysia. Malaysia reaches at least 37°C at a certain time. Thus, in Malaysia, air conditioner has high demand in sales due to the raises of temperature. Also, people that like to travel would have problem with the hot temperature. The temperature in Malaysia cannot be predicted even at night. Sometimes, at night, the temperature at a certain places was cool, but sometimes a certain places were hotter. When the temperature rises, it will cause the inconvenience for people. Because of the existence portable air conditioner need an electric supply, it cannot provide the cold air outside from home or a place that have electricity. Thus, the Facilis portable air-conditioner will be a solution to these problems by providing a cool air without the need of electricity. So, the existence portable air conditioned can't fulfill their customer needs to get a convenience air conditioner.

1.3 The Competitive Advantages

The main challenge for business strategy is to find a way of achieving a sustainable competitive advantage over the other competing products and firms in a market. A competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. The differentiation and cost leadership strategies seek competitive advantage in a broad range of market or industry segments. By contrast, the differentiation focus and cost focus strategies are adopted in a narrow market or industry. Therefore, as we know that there are many giant companies that monopoly the business of the air conditioner such as Panasonic, Sharp Daikin and many more. There are some strategies in the competitive advantages. First is cost leadership. With this strategy, the objective is to become the lowest-cost producer in the industry. The traditional method to achieve this objective is to produce on a large scale which enables the business to exploit economies of scale. This strategy is usually associated with large-scale businesses offering "standard" products with relatively little differentiation that are readily acceptable to the majority of customers. Occasionally, a low-cost leader will also discount its product to maximise sales, particularly if it has a significant cost advantage over the competition and, in doing so, it can further increase its market share. The company must have some guide such as high capacity utilisation, the use of bargaining power to negotiate the lowest prices for production inputs, Lean production methods, effective use of technology in the production process and also access to the most effective distribution channels.

Secondly is the differentiation focus strategy, a business aims to differentiate within just one or a small number of target market segments. The special customer needs of the segment mean that there are opportunities to provide products that are clearly different from competitors who may be targeting a broader group of customers. The important issue for any business adopting this strategy is to ensure that customers really do have different needs and wants, in other words that there is a valid basis for differentiation and that existing competitor products are not meeting those needs and wants. Differentiation focus is the classic niche marketing strategy. Many small businesses are able to establish themselves in a niche market segment using this strategy, achieving higher prices than un-differentiated products through specialist expertise or other ways to add value for customers. Therefore, for this strategy, Facilis air conditioner must provide the features that the other air conditioner had provided plus with the special characteristics. One of the characteristics that Facilis air conditioner has is use natural cooler (which is ice cubes) and not the CFC gas. As we know that, the CFC gas also can affect the human health. The chlorofluorocarbons enter the body primarily by inhalation of air containing chlorofluorocarbons, but can also enter by