

PROMENAID HANDRAIL INC.

Rutherford Consulting
University of Alberta

OUR TEAM

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CHALLENGE

How can PromenAid position itself for growth while maintaining its competitive advantage?

OBJECTIVES

- 1) Differentiate in the marketplace / position themselves in the market
- 2) Effective Channels of Distribution
- 3) Managing Growth
- 4) Value innovation

What market segment(s) should the company pursue?

RECOMMENDATION

Pick a specific marketing segment to pursue to enable the company to make decisions that will position them properly in the industry, allow them to make distribution decisions, and manage growth effectively.

ANALYSIS

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MARKET SEGMENTS

Commercial (general)

- Hotels, restaurants, shopping malls
- Everyone uses

Commercial (specialty)

- Drs. Offices
- Medical uses

Residential (General)

- Homeowners renovating and decorating
- Generally need a handrail
 - May not be concerned with safety or mobility, aesthetics

Residential (Specialty)

- Elderly and/or reduced mobility
- Concerned with safety

CURRENT SALES STRATEGY

Target Market: Residential specialty segment

Target Customer: Senior who lives in multi-story home

Sell product to customer using brick and mortar retailers and Amazon

COMPETITIVE ADVANTAGE

PromenAid has a product which is:

- Strong
- Easy and quick to install
- Affordable
- Aesthetically pleasing
- Code compliant

Compared to competitors:

- Weak
- Difficult to Install
- Costly
- Outdated design
- Non-compliant

ANALYSIS

Product

- Differentiated product

Price

- \$54 - \$206 = traditional
- \$52 - \$192 = modern

People

- Target Audience: Residential Speciality – Seniors and Impaired mobility

Promotion

- Little/no promotion (hard to explain product)

Place

- Online (Amazon)
- Brick and Motor (Medical equipment)

ANALYSIS

Strengths

- Diversified board members
- Hired staff with need skillsets
- Product differentiated

Weaknesses

- Cash flow
- Smaller budget
- Small team

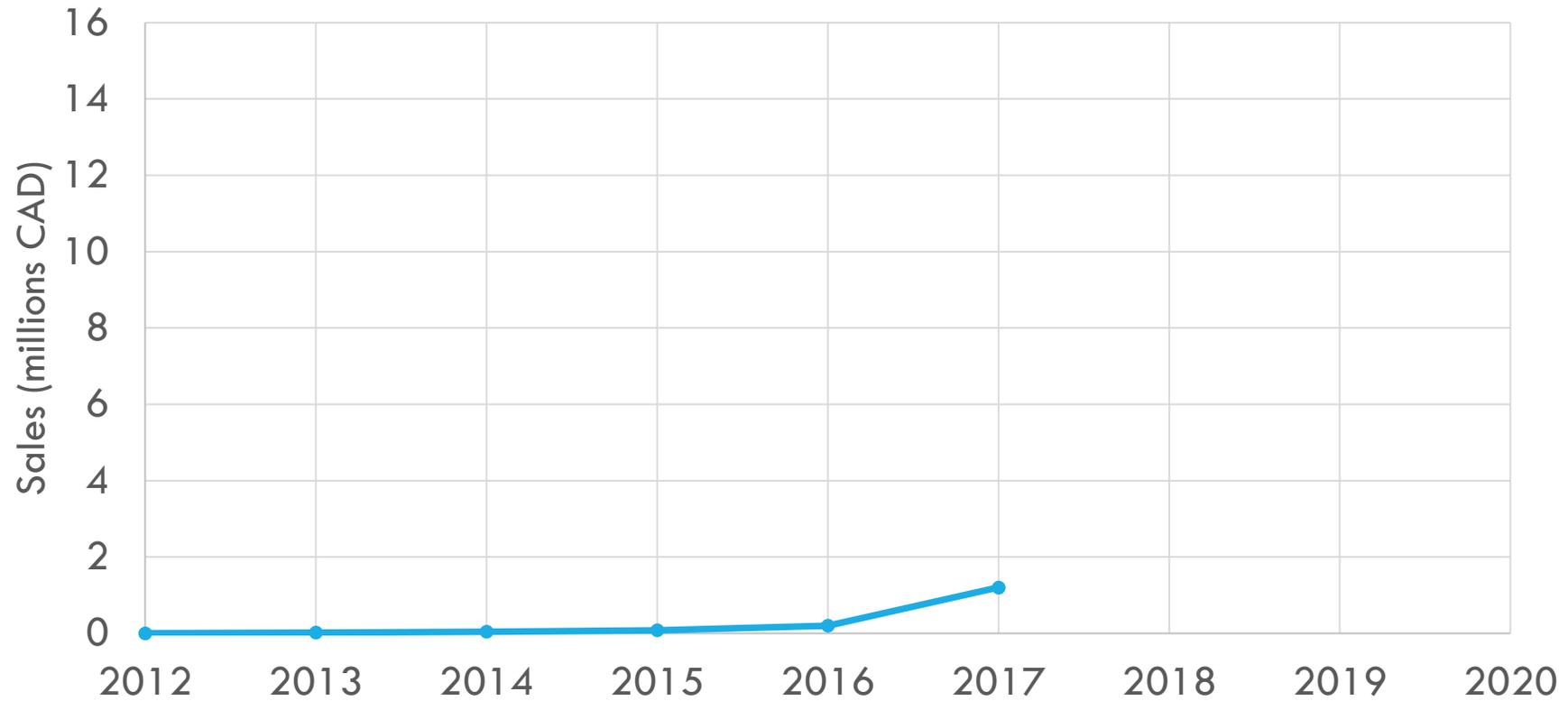
Opportunities

- Many markets to serve or target
- Various market channel options

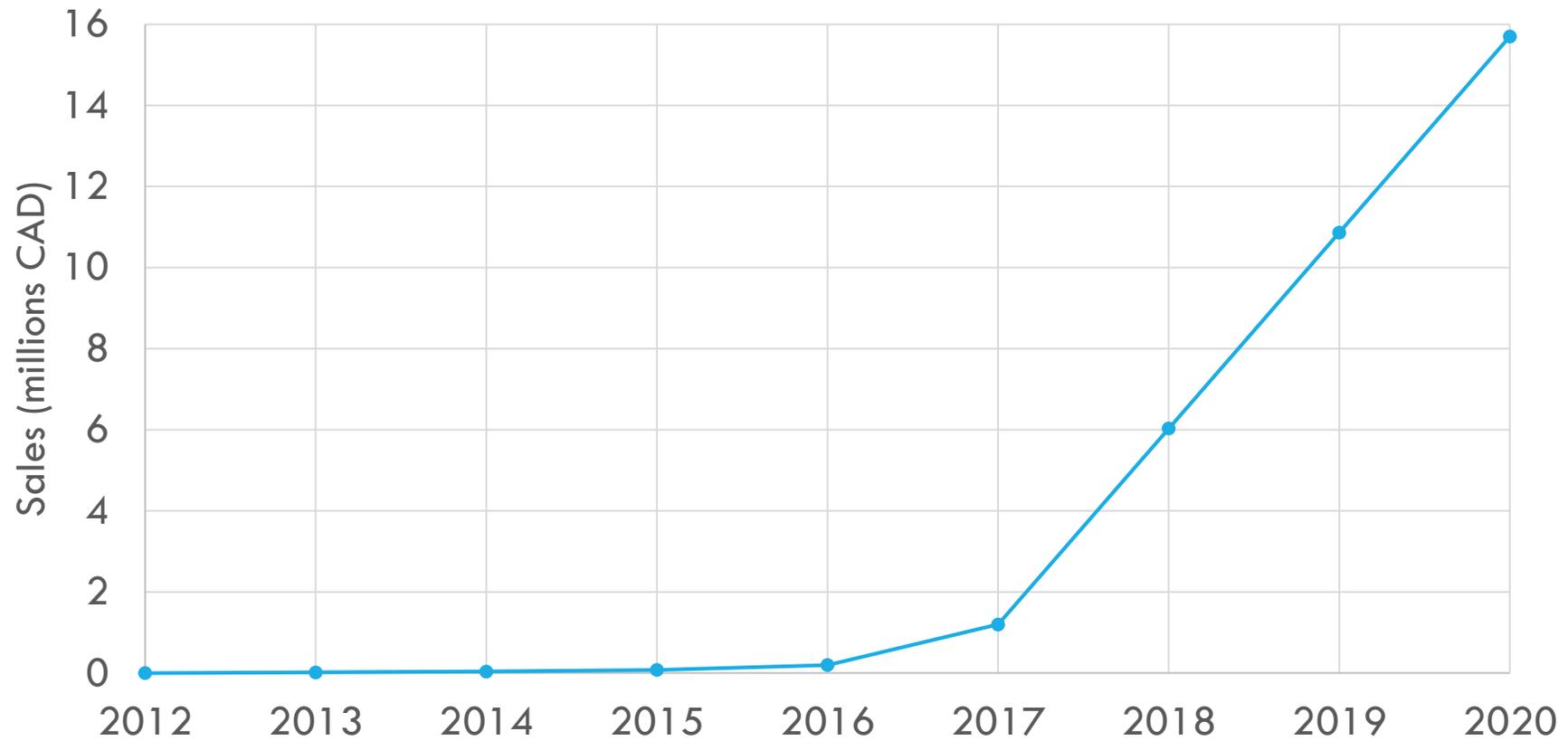
Threats

- It is a product consumers do not know about
- Stigma attached
- Large market – spread too thin

SALES GROWTH



SALES GROWTH



Target Sales of
15.7 million by
2020

Introduction

Analysis

Alternatives

Implementation

Financials

Risks

Conclusion

ALTERNATIVES

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ALTERNATIVES

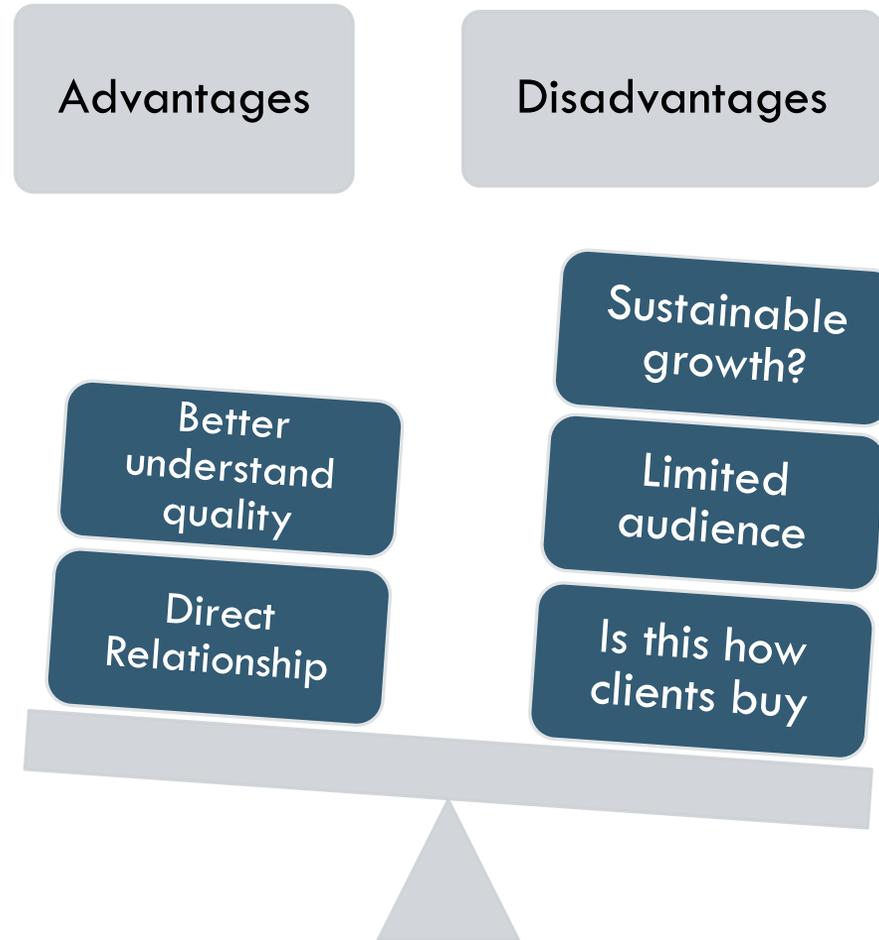
Market to Occupational Therapists

Market to Municipal Governments

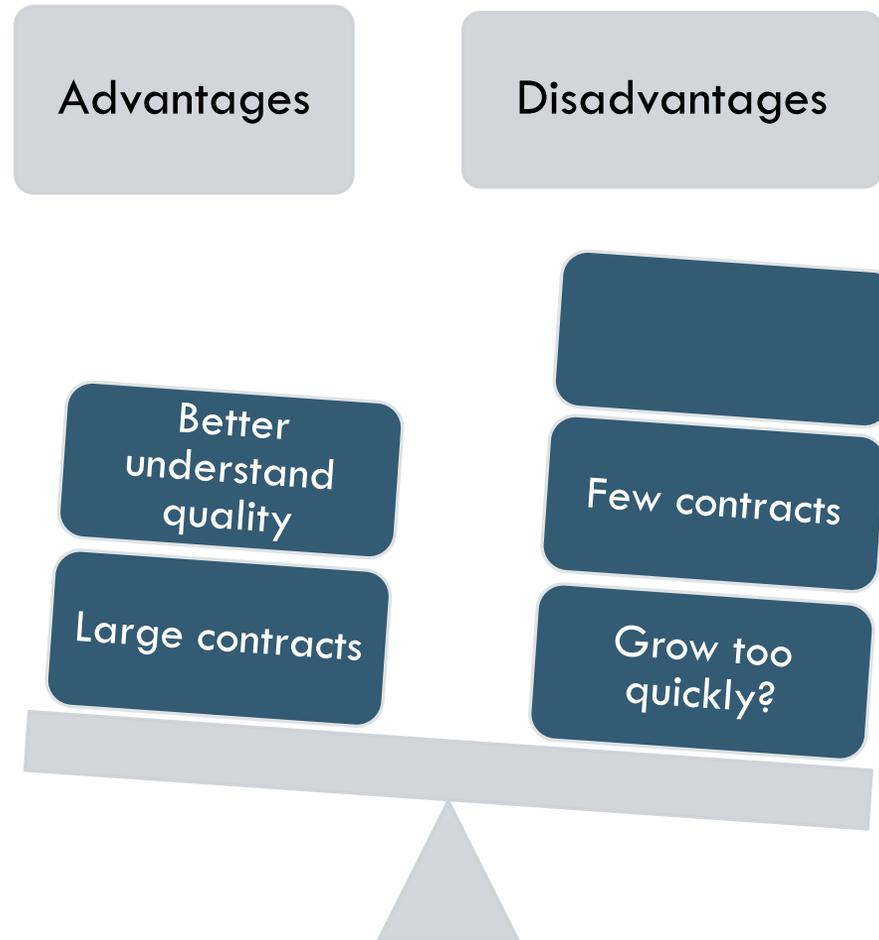
Continue to Focus on Residential

Market to Generation X

MARKET TO OCCUPATIONAL THERAPISTS



MARKET TO MUNICIPAL GOVERNMENTS



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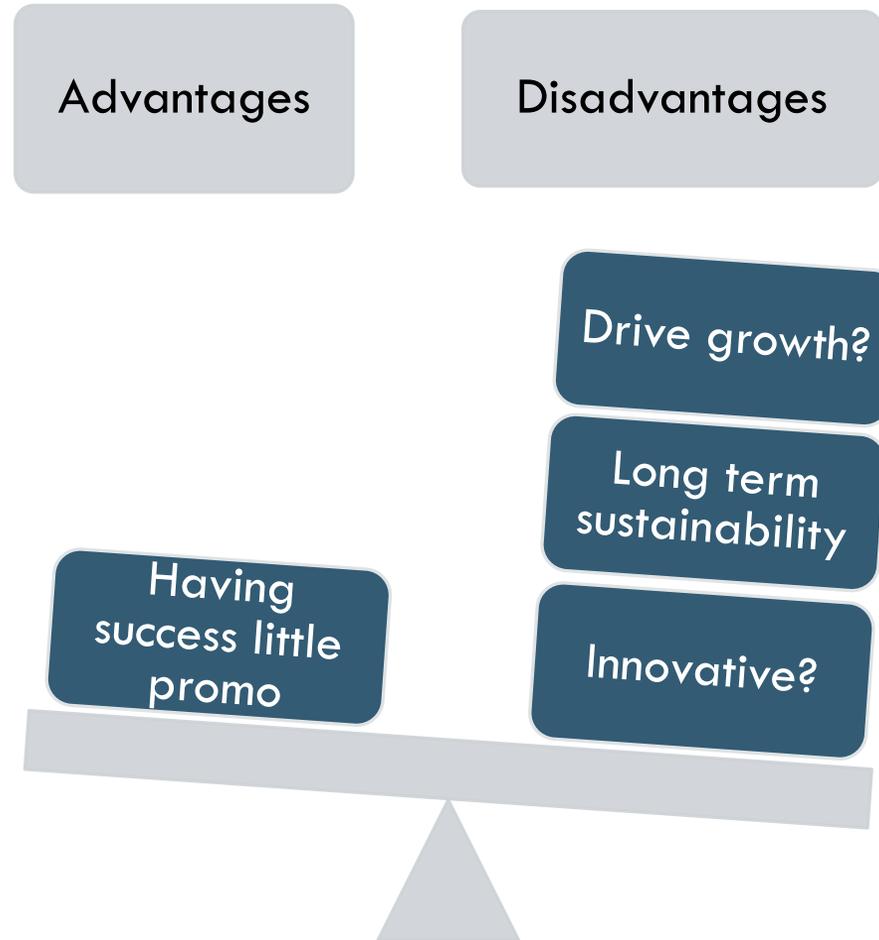
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CONTINUE TO FOCUS ON RESIDENTIAL



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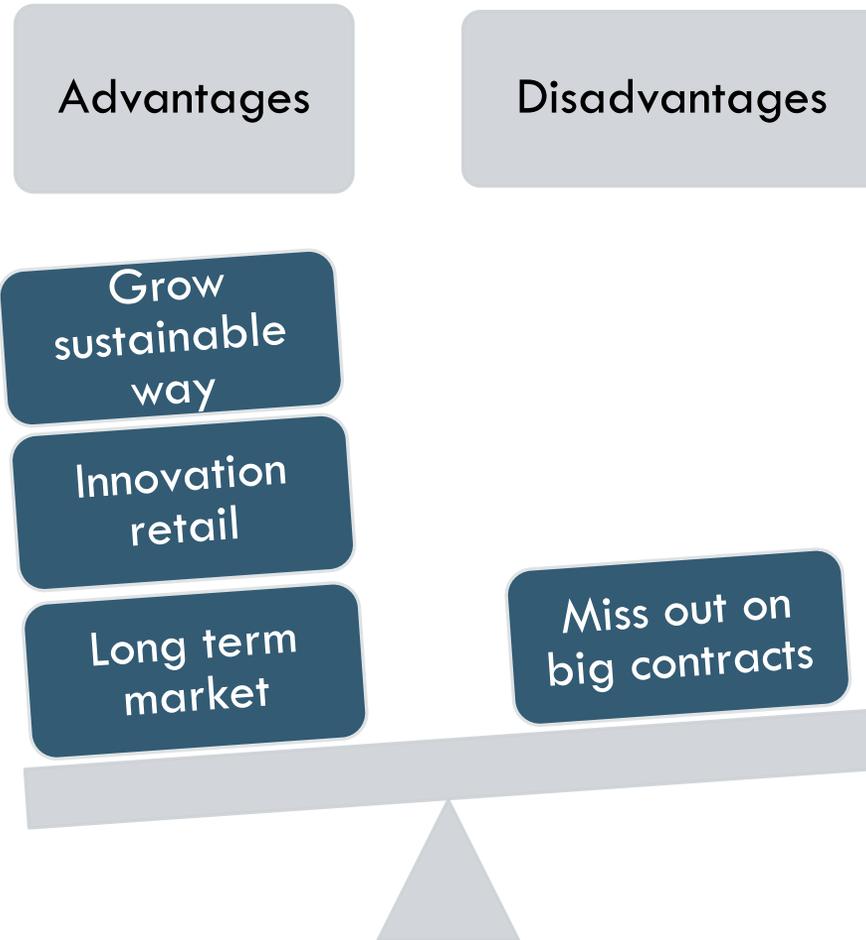
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MARKET TO GENERATION X



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ALTERNATIVES

	Long Term Growth	Size of Potential Market	Differentiation	Culture of innovation	Cost
Market to Occupational Therapists	Red	Red	Green	Yellow	Yellow
Market to Municipal Governments	Green	Green	Green	Yellow	Red
Continue to Focus on Residential	Yellow	Yellow	Yellow	Yellow	Green
Market to Generation X	Green	Green	Yellow	Green	Green

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RECOMMENDATION

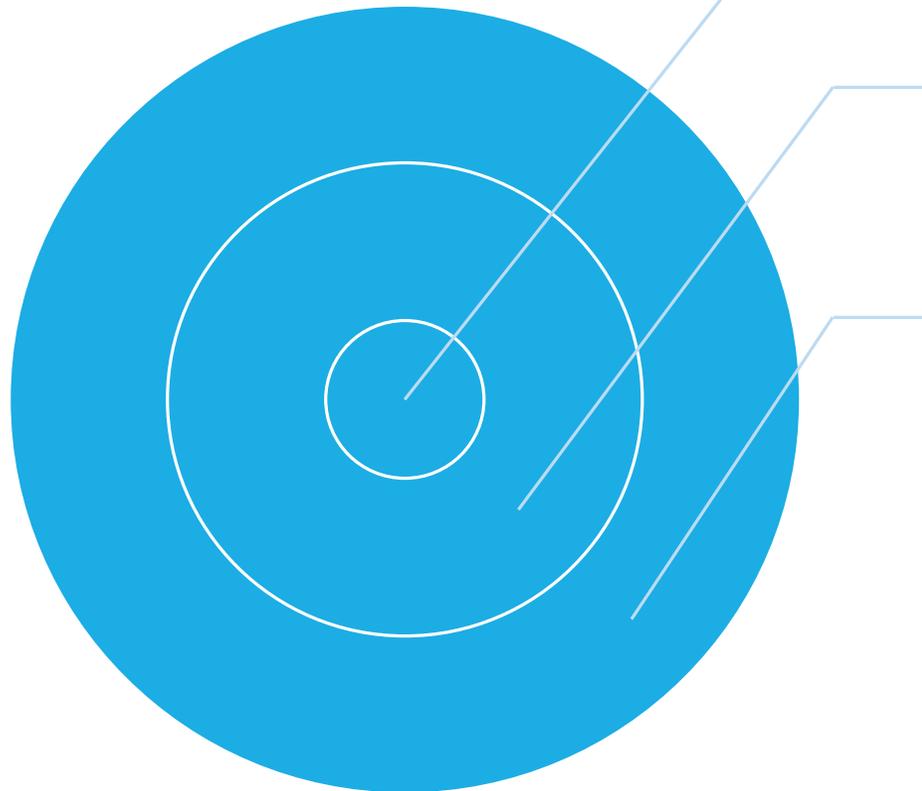
*PromenAid focuses on **generation x** as a marketing segment:*

- Guide how they position their company in the market and*
- What marketing channels they operate their business model through*

IMPLEMENTATION

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MARKET SIZE



30 to 40 year old's with handrail requirement
5.96 million

Generation X 30-40 year old's
29.8 million

North America Private households
149 million

CUSTOMER PERSONA

- ❑ 35 year old male
- ❑ Income - \$150,000
- ❑ New Jersey house
- ❑ Grand Parent and Mother
- ❑ Renovating house

IMPLEMENTATION STRATEGY

How does the target market approach home renovation projects?

IMPLEMENTATION STRATEGY



Need to design a solution that contextualizes these two avenues

IMPLEMENTATION STRATEGY



PHASE 1- IMPROVE ONLINE PRESENCE

Addition of PromenAid Website

- Targeting the DIY'er

Search Engine Optimization

- 'handrail'
- 'stairs'

PHASE 1- WEBSITE

Geared towards
DIYers

- YouTube videos detailing installation

A style guide of
materials

Safety
credentials

Buy

- Links to ecommerce partners

PHASE 2- PROVIDE SAMPLES TO CONTRACTORS

- Work with contractors focusing on renovating older homes
- In and around Montreal and New York
 - Near warehouses
 - Older cities with stairs
- Move products through B2B and push channels

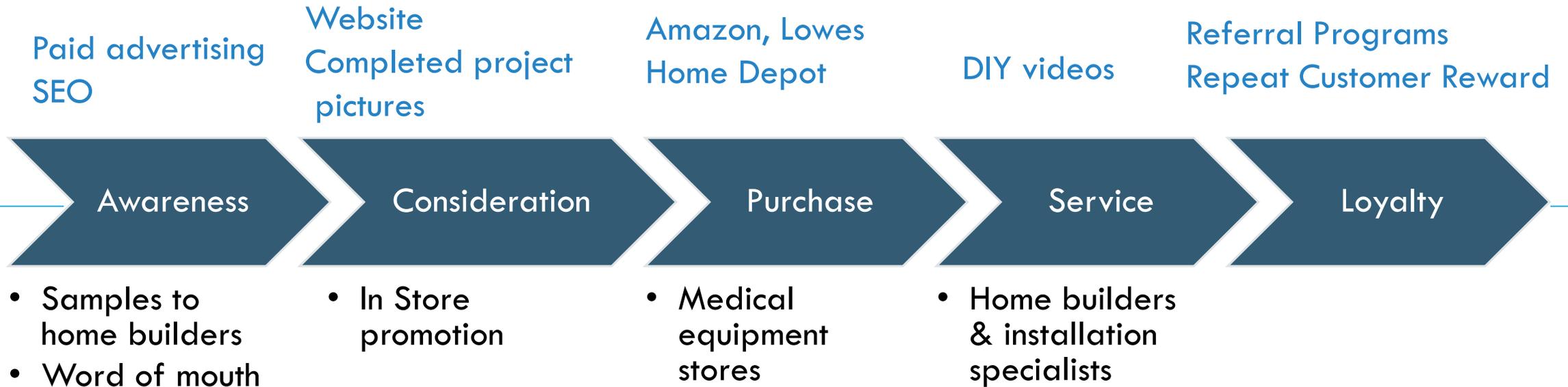
PHASE 3- E-COMMERCE (HARDWARE)

Newly hired e-commerce manager

- Partnerships with e-commerce divisions of hardware stores (Lowe's, Home Depot, Rona)
- Negotiate terms with retailers – repayment structure, credit amount, warehousing, revenue share
- Links on website to suppliers

CUSTOMER EXPERIENCE MAPPING

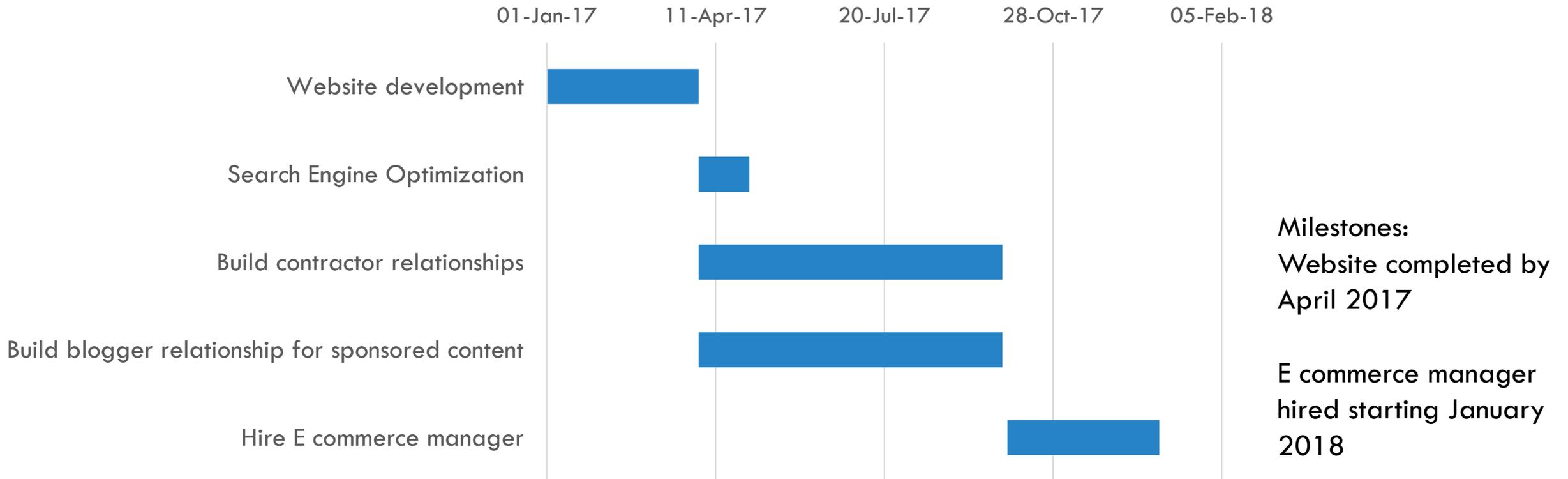
DIGITAL



PHYSICAL



TIMELINE



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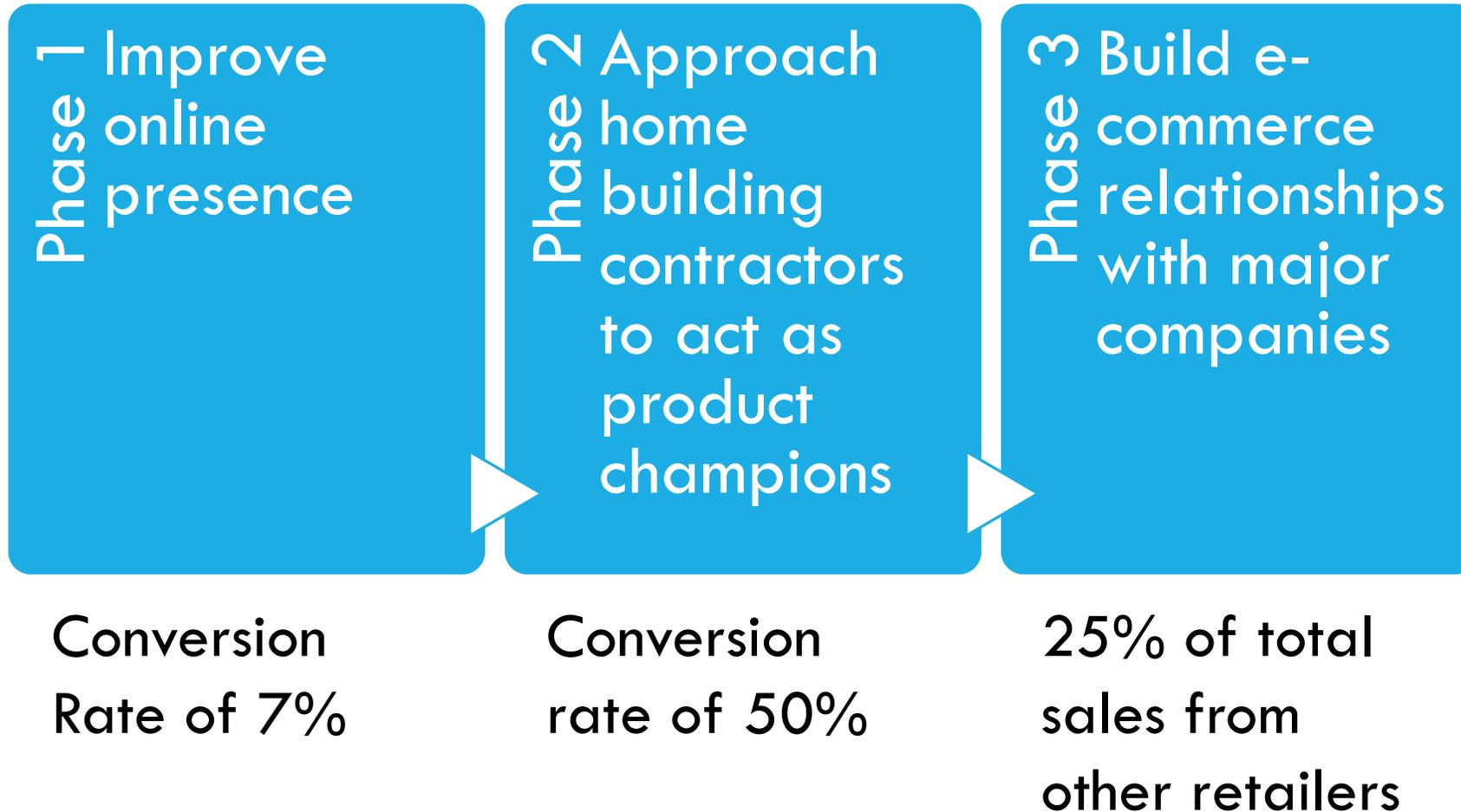
Implementation

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KEY PERFORMANCE INDICATORS



FINANCIALS

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COST ASSUMPTIONS

- Website development outsourced externally
- SEO based on Google Adwords cost per click of \$0.50
- Contractor samples sent out to 50 contractors key cities, ability to outfit ~ 5 homes
- 10 sponsored blogs with samples sent to each
- Average total cost spent per customer is \$440
- 7% of target market complete purchase by 2020

COSTS

In '000s	2017	2018	2019	2020
Website Development Cost	20			
Search Engine Optimization	300	300	300	300
Contractor samples	440			
Sponsored Blogs		100		
Personnel Hire		80	80	80
Total cost	760	480	380	380
Overall cost over 4 years				\$2M

Customer acquisition cost = \$80 CAD

PROFITS

In millions CAD	Sales Projected currently	Sales anticipated with our plan
2016	0.2	0.2
2017	1.2	1.2
2018	6.0	6.7
2019	10.9	12.3
2020	15.7	18.4

RISKS

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RISKS AND MITIGATION

Risks	Mitigation
Competitors Response	Differentiated product, maintain that
Product Identity Across Segments	<ul style="list-style-type: none">• Key message will be important• Our Promotion method
Losing Commercial Speciality Contracts	<ul style="list-style-type: none">• Short-term versus long-term focus• Need more capacity to cater large institutions – achieve that capacity first through recommendation

CONCLUSION

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