

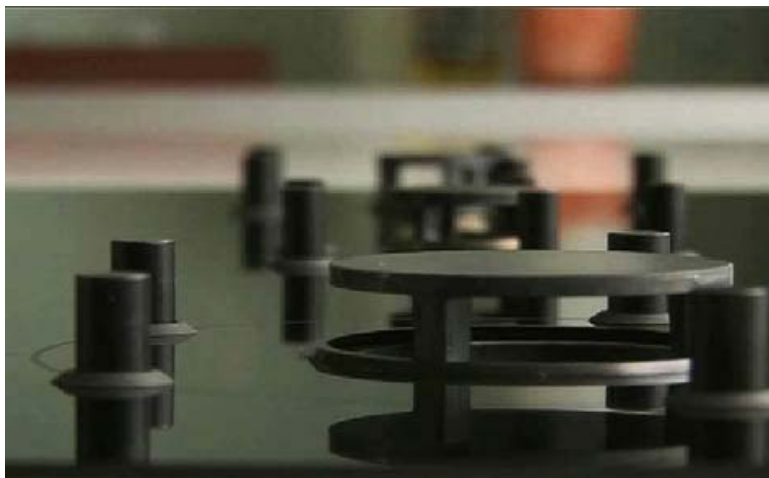
BUSI525 - Marketing Fundamentals

Assignment 1 – SWOT Analysis

Fisher & Paykel – Project Luna

Jorit Nuehs

Date: 21.02.2007



1. Agenda

- 1. Agenda I
- 2. Introduction 1
 - 1.1. Fisher & Paykel – an overview 1
- 3. SWOT Analysis..... 3
 - 1.2. Strength 3
 - 1.3. Weakness 5
 - 1.4. Opportunity 7
 - 1.5. Threats..... 7
- 4. Summary and Conclusion..... 8
- 5. Appendix A – Interim Report 2006/2007 A
- 6. Appendix B – Stock Exchange Release of 8th Feb 2007 B

2. Introduction

In 2007 Fisher & Paykel is going to launch a new top end product in their gas cook top line, called "Luna". Its main difference to the former products is an entirely new burner system which is called "gas-on-glass". As you can see on the pictures on the front page it is a burner system which is embedded in the glass and only emerges out of the glass if it is used.

The launch of the new Luna cook top is another step in the general strategy of Fisher & Paykel, started two year ago, to transform the brand from a mainstream white ware to an international top end manufacturer.

The main goal of this essay is to show the actual market position and performance of Fisher & Paykel and in the next step to discuss the impact of the new product Luna to the whole company. Therefore as a first step I will draw a broader picture of the company Fisher & Paykel in the following part and thereby I will focus solely on the Fisher & Paykel Appliances Group. In chapter three I will then do a so called SWOT-Analysis (Strength, Weakness, Opportunity and Threat). The last part of this essay will be chapter four with a summary and conclusion what will be most important for Fisher & Paykel for the launch of project Luna.

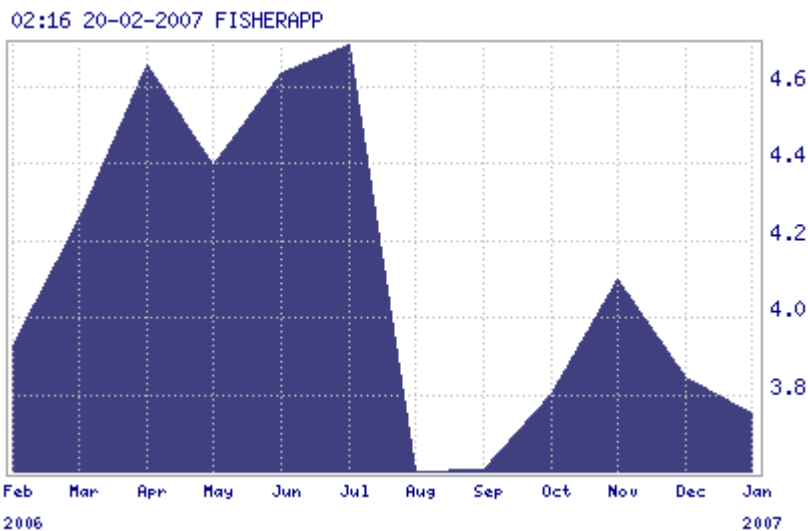
1.1. Fisher & Paykel – an overview

As Fisher & Paykel stated in their interim annual report 2006/2007 (see Appendix A) the operating profit has increased nearly 20% in the first half of the fiscal year ending 30th September 2006. The increase of profit could be realised despite a strong NZ \$, constantly high material prices and a softening demand in the US market. An interim Dividend of 9 Cent per share is paid to the shareholder just as it was in the previous year. In June 2006 the Italian company Elba, the European cookware business of De'Longhi, was acquired to achieve strategic growth in Europe. The US business seems to slow down but as a crucial market to Fisher & Paykel there will be more effort to establish the company. One step to achieve this was the deportation of two manufacturing lines from Auckland to Clyde, Ohio.

The annual interim report at all sounds very promising and prosperous but in the last year Fisher & Paykel seems to have suffered essential problems. There were a few consecutive press releases that the sales targets and company revenues can't be achieved and the most recent press release from the 8th February 2007 draws a similar picture (see Appendix B).

Sales Revenue Comparison 2006/07 to 2005/06		
April–January		
Market		Percentage
New Zealand	NZD	-2.9%
Australia	AUD	3.3%
USA	USD	2.9%
Singapore	SGD	10.8%
Europe	NZD	565.1%
Rest of World	NZD	189.7%

The sale in the three key markets (New Zealand, Australia and USA) for Fisher & Paykel has developed “significantly softer than expected”. Finally a look at the share price shows that Fisher & Paykel seems to be in serious bad times:



Even the traditionally strong Christmas business just seems to have a temporarily positive effect on the performance.

As we now have a clearer view of the situation of Fisher & Paykel the launch of the new Luna cook top is even more important. If you take into account that the patent for the very successful Dishdraw technology runs out in a couple of years so it can be copied by the competitors the new Luna is kind of doomed to success to steer Fisher & Paykel into safer waters.

