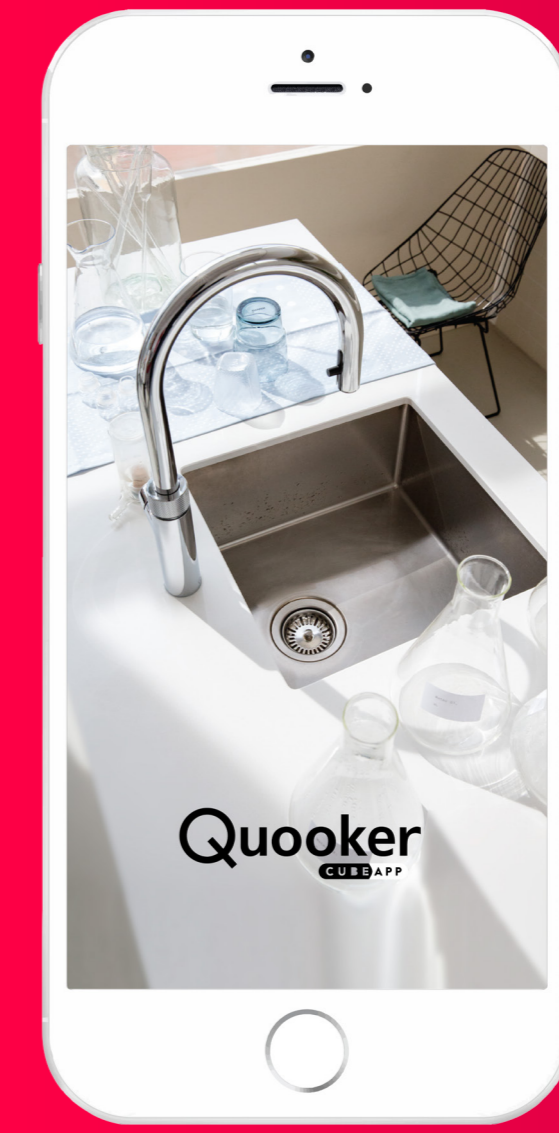


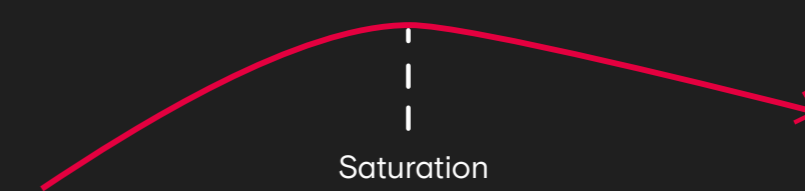
# “An Internet of Things vision for Quooker”



## Problem

Quooker, a Dutch boiling-water tap company, faces two large risks should it follow its current strategy. The **revenue growth** will decline because the market will saturate. Customers who want the tap and are able to afford one will have bought one and it will take around ten years for them to buy a new one due to its long lifespan.

The **brand position** is at risk, because their innovative frontrunner, high quality, and premium brand image will lose its strength year by year. Quooker is catching up with competitors rather than innovating, competitors are closing in on quality and Quooker itself is becoming a less premium brand because in 25% of every new kitchen a Quooker is installed.



## Quooker's SodaService

### IoT

The Internet of Things (IoT) refers to the connection of devices to the Internet and it enables data collection, which caused companies to offer instead of products, digitally connected services and in the future offering a quantifiable **outcome** of the use of the product (**pay-per-use**). The outcome that Quooker offers is **convenience**: always having a diversity of water types **instantly accessible** next to normal tap water. The consumer pays per liter and does not have to pay for the tap, CO2-cylinders and maintenance.

Amount of sparkling water

Days until empty



Stock

Costs

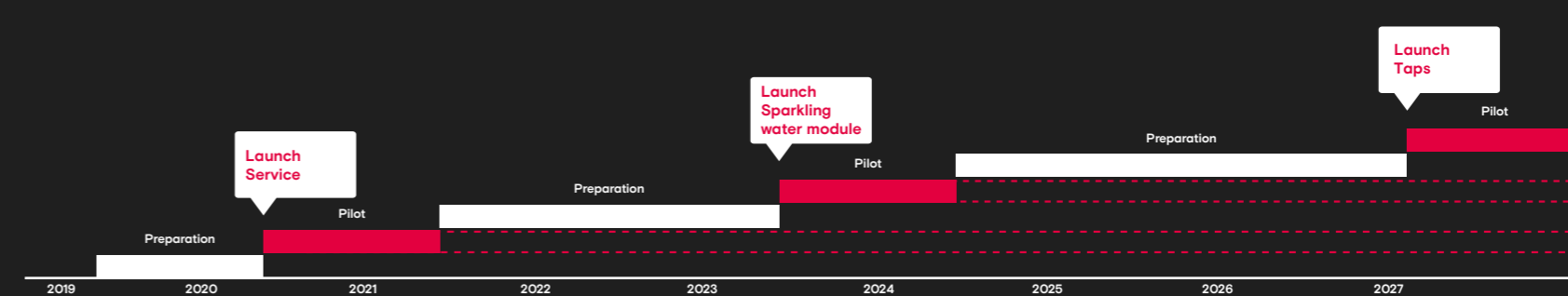
### Solution

A pay-per-use model provides Quooker with **growth after market saturation** for two reasons. First, because it is more affordable and thus the market extends. The model eliminates high-upfront costs and allows a more beneficial pricing (because Quooker is better at maintaining the tap than a consumer). Second, because it provides recurring revenue beyond the market saturation point. The model also strengthens the company's brand position by providing **sustainable competitive advantage** from a circular relationship which provides consumer insights that competitors cannot steal.

If Quooker does not adapt, they may face growth decrease after market saturation, losing its distinctive brand position, not being able to meet the changed consumer demands and being left behind by competitors in the outcome economy.

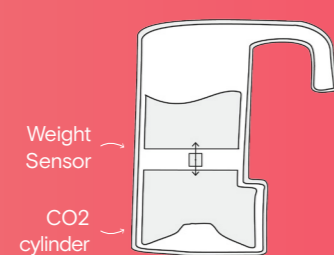
## Implementation

The first step towards a pay-per-use model is to create a digitally connected **service** to set up a first IoT infrastructure and to collect consumption data in order to make the offering of other products as an outcome easier.



### Design

- Measuring CO2 consumption
- Wi-Fi
- Cloud
- Webshop



### Strategy Benefits

- Staying a fast-growing and strong brand
- Being an innovative front-runner in the outcome economy
- Unburden the consumer to increase satisfaction



The **service** designed for the first step is shown below. The app detects when the sparkling water for the tap runs low and automatically orders new CO2-cylinders. By solving the consumer's biggest pain point (the too low convenience in maintaining a sparkling water supply for the too high price of the product) they are willing to **share their data**.

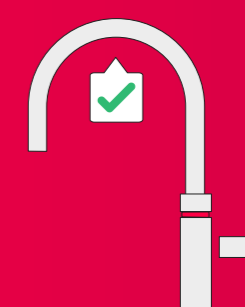


### Direct Benefits:

- Increase customer satisfaction
- More cylinders profit (+85%)
- More innovative brand image

### Fit with Quooker

- More affordable products allow Quooker to sell to price sensitive consumers (e.g. the existing kitchen market)
- Quooker can benefit heavily from its high-quality products because maintaining the tap is less expensive



### More information?

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