"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 can afford one will have bought one and will take around two years for them to buy a new one due to their buying patterns.

The brand position is at risk, because their innovative first mover, 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.

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, 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.

IoT
The Internet of Things (IoT) refers to the connection of devices to the Internet and it enables data collection, which allows 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.

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
- Making a fast-growing and strong brand
- Being a premium brand in the outcome economy
- Providing service which helps the consumer to reduce wastage

Direct Benefits
- Increase consumer satisfaction
- More cylinders profit (+65%)
- 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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Quooker's SodaService

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