

# Soren Chemical: Why is the New Swimming Pool Product Sinking? (Brief Case), Spanish Version



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## Case Analysis

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- Founded in 1942 by Timothy Soren
- Provides industrial strength cleaning solutions, lubricants, fuels and other industrial chemical solutions for water treatment.
- A leading player in the B2B segment with highly successful Kailan MW water clarifier.
- Over 350 products and revenues worth \$350mn
- Minimal presence in the consumer market.
- Since 2002, started investments in developing products targeted specifically for consumer market

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water.  
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## Flocculants

- Chemicals that cause suspended dust particles in the water to combine into insoluble heavier particles.
- These heavy particles can now be easily removed via sedimentation or filtration process.
- Are used extensively as water clarifiers in industrial and commercial markets.

## Major products

### 1) Kailan MW

- Industrial strength water clarifier for large public pools and water parks.
- Could even trap algae and dangerous waterborne pathogens such as E. Coli
- One gallon could treat 500,000 gallons of water.

### 2) Coracle

- Coracle - Commercial market water clarifier for small residential pools
- Launched in September 2006 with a sale target of 100,000 units.

## Problem Statement

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- How to convince the retailer to push Coracle in the market without either becoming unattractive to the consumer or compromising the profit margin?
- To analyze if the pricing of Coracle is providing the channel partners with adequate margins.
- How to create awareness among the masses regarding the benefits of the product?

# POSSIBLE CAUSES OF FAILURE OF CORACLE

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- Soren Chemical launched Coracle only in September 2006, which is the last busy and most suitable month for swimming. The sales team for Coracle did not consider following effects:
  - Inappropriate launch time – Launched at the end of swimming season September giving lesser time to market it
  - Wrong Positioning – benefit of aesthetics and perceived cleanliness were not pitched in – mostly valued by consumers
  - Problems with distributors – Around 70% of respondents complained that Coracle was not provided by the distributors

## Causes Continued...

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Coracle was launched in September 2006.

- Pool season is over till May every year.
- 9 months of sales available to Coracle.
- Targeted sales = 50,000 for the first year
- Targeted sales per month = 5,555 gallons (50,000/9months)
- Sales till February 2007 = 3,725 gallons
- Targeted sales till February 2007 = 33,330 gallons (5,555 \* 6 months)
- Sales Achieved =  $3,725 / 33,330 = 11\%$

# SWOT Analysis

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