

In an era of increasing competition and economic recession, Electra has chosen to focus on a growth strategy; the means: product innovation, investment in customer service, approachable marketing communication and proposed value that includes air conditioners, water purifiers and electrical appliances

Electra was founded in 1945 as an electrical appliance repair shop. At the same time, it began to import electrical appliances of the American company Westinghouse to Israel, including air conditioners. In 1961, the company decided to transition itself from air conditioner importer to manufacturer, and established Israel's first air conditioner manufacturing plant in Holon under the brand name of Electra. In 1973, Electra relocated its factory to the new industrial zone in Rishon le Zion.

In 1991, Electra was acquired by Elco Holdings, owned by Georg Salkind, and began developing overseas through the acquisition of factories and marketing to Europe, South America, Australia, etc.

Today, Electra Consumer Products specializes not only in the manufacturing and marketing of air conditioners but also in retail (through Shekem Electric, Machesney Hashmal, ACE and Auto Depot chains) and marketing of home appliances, cellular phones, water purifiers, etc.

## The Competitive Environment

The competitive environment in which Electra operates has, in the past year, become full of economic, operating and technological challenges due to a gap reduction between Far Eastern manufactures and traditional manufacturers in the sector, the economic recession around the world, including Israel, the social protest, the awareness of Israeli consumers and as a result its preferences – 2012 Israeli consumers want to receive value and to know why they are required to pay a premium for the product.

## The Marketing Challenge

Electra decided to grow in spite of the economic recession and increased competition.

## The Marketing Solutions

Electra's current strategy is based on three main fronts: product quality, customer service and approachable marketing communication. In order to grow, the decision was made to support the strategy in a series of moves in all company divisions.

**Electra Bar.** Electra identified the growth potential

in the Israeli water purifiers market due to increasing environmental awareness, the presence of only one dominant competitor in the category and consumers' desire to have another option.

Therefore, in 2011, the company entered the market by launching an innovative water purifier that incorporates touch screen, heavy metal and lead filter, and a retractable tray that allows water bottles to be filled in a perpendicular position. Electra's entrance into the market provoked tremendous interest, and created another option for consumers, who were 'thirsty' for a change. The penetration was based on a combination of a marketing communication focusing on innovation, consumer value proposition and option of accessibility and exposure to the product so that consumers can try it. For example, Electra bars were placed in all of Aroma coffee shops, Shekem Electric and Machesney Hashmal. The cooperation with Super-Pharm included demonstrations in its drugstores and benefits to LifeStyle club members.

In contrast with its other products sold through marketing retail chains or distributors, Electra water bars are largely sold through a direct sales system set up by the company and In-house service.

The result of the move: successful penetration and capturing a market share while lowering prices for end





[www.electra-ecp.co.il](http://www.electra-ecp.co.il)



consumers by over 35%. Electra bar was voted as “Product of the Year” in 2012.

**Air conditioners.** In 2012, the company launched a range of innovations in the air conditioning sector.

Electra AIR+ – ducted air conditioner with an active air filtration system.

Electra Super Quiet – a series of ducted air conditioners designed for “green” building projects that generate a particularly low level of noise combined with high energy efficiency.

Electra Minimax Plus – a temperature control system for ducted air conditioners that enable temperature control in every room, shutting of the air supply to unpopulated rooms and a savings up to 30% in electrical consumption. In the design field, the company upgraded its Electra Art series – wall mounted air conditioners designed for bedrooms & childrens’ rooms. This year the series includes branded images such as Hello Kitty, Tweety, Bugs Bunny and others.

To increase the level of service and professionalism in the category, the company opened the Electra Air Conditioning College. Electra also provided technical instruction for air conditioner installers at its training center designed to introduce them to new technology in the field.

During the past year, Electra also worked to reinforce and leverage the Israeli identity of the brand by expanding its local product line, improving its manufacturing ability

and by increasing automation in its plant.

**Home Appliances.** This year, Electra launched a new series of refrigerators and washing machines that were particularly designed to adapt to the unique needs of the Israeli family. At the same time, the company expanded its distribution network.

Electra continues to use Chef Moshe Segev as its presenter for electrical appliances.

**Electra House.** The showroom that was established in Herzliya hosts thousands of visitors a year. The 450 square meters facility allows customers to view all products marketed by the company in order to create a strong brand experience. In addition to the style of products in the showroom, Electra is attempting to intensify the customers experience by providing professional consultants at the site, and provides training to various audiences such as architects, interior designers, entrepreneurs, contractors and private customers.

**Maccabi Electra Tel-Aviv.** Electra is continuing to sponsor Israel leading basketball team this year while also sponsoring Olympic windsurfer Lee Korzits.

**Community activity.** Throughout the year, Electra supports the community. It has adopted IDF armored battalion and contributed to the wellbeing of the soldiers, donates to a Naamat kinder garden in Rishon le Zion, and initiated “Hevra Mitgayeset” project – a business entrepreneurial initiative that grants employment preference to reserve duty soldiers.

## Things You Didn't Know About Electra

- Electra Bar’s overall business vision was the brainchild of Electra CEO Yaki Vadmani, during a transatlantic flight
- When the company began operating in the 1950s, company technicians traveled to customers homes by bus. They were later helped with scooters and rickshaws and even Israel’s flagship car at that time, the Sussita.
- The company’s service center incorporates voice identification technology, which alerts the shift manager to a customer’s dissatisfaction during the conversation.



**1945**  
Electra established as an electrical appliance repair store.

**1961**  
The company establishes Israel’s first air conditioner manufacturing plant.

**1991**  
Electra acquired by Elco Holdings, and expands operations outside of Israel.

**2004**  
Electra launches first air conditioner in Israel with “green” gas.

**2010**  
Electra opens central showroom in Herzliya.

**2011**  
Electra Bar launched.

**2012**  
“Green” air conditioners with advanced air filters launched.