

In its marketing strategy, Electra has implemented the insights that have been evoked from the social protests of 2011, which created a “new Israeli consumer”, who demands brands speaking to him as equal and with maximum transparency. Over the past year, the company has promoted marketing moves that emphasize simplicity, fairness and the provision of added value to consumers at no extra cost

Electra was founded in 1945 as a home appliances repair shop. Over the years, the company began importing products from the American company Westinghouse, including air conditioners. In 1961, Electra became an air conditioner manufacturer, establishing the first air conditioner plant in Israel under the brand name Electra. In 1991, Electra was acquired by Elco Holdings, owned by Gershon Salkind, and began developing overseas markets through acquisitions of factories and marketing to Europe, South America, Australia, etc.

Today, Electra is also a retailer (through Shekem Electric, Machesney Hashmal, Ace and Auto Depot), and marketers of home appliances, cell phones, etc. In 2011, the company entered the home water purifiers market through the launch of Electra Bar, which features a touch screen, a filter for heavy metals (lead and mercury), and a retractable tray for filling upright bottles.



The Marketing Challenge

Electra marked 2013 as the year of the “consumer revolution”. Two years after the social protests broke out in the summer of 2011, the ramifications of the social protest are trickling deeper into consumer consciousness, coupled with the state of Israel’s economy, have created a completely new kind of Israeli consumer.

An analysis of the changes that have taken place in the Israeli consumer, led Electra to the conclusion that the new Israeli consumer frequently feels victimized by the mega brands, and wants to return to the old values, while adopting norms of simplicity, modesty, reliability, fairness and transparency.

The new consumer is not willing to listen to brands that condescend to him but expects the brand to conduct an honest dialogue directly.

In the crowded and

competitive electrical appliance market, the new Israeli consumer expects to receive real value for the money he pays, looking for a high-quality and reliable brand, but for a fair, reasonable price.

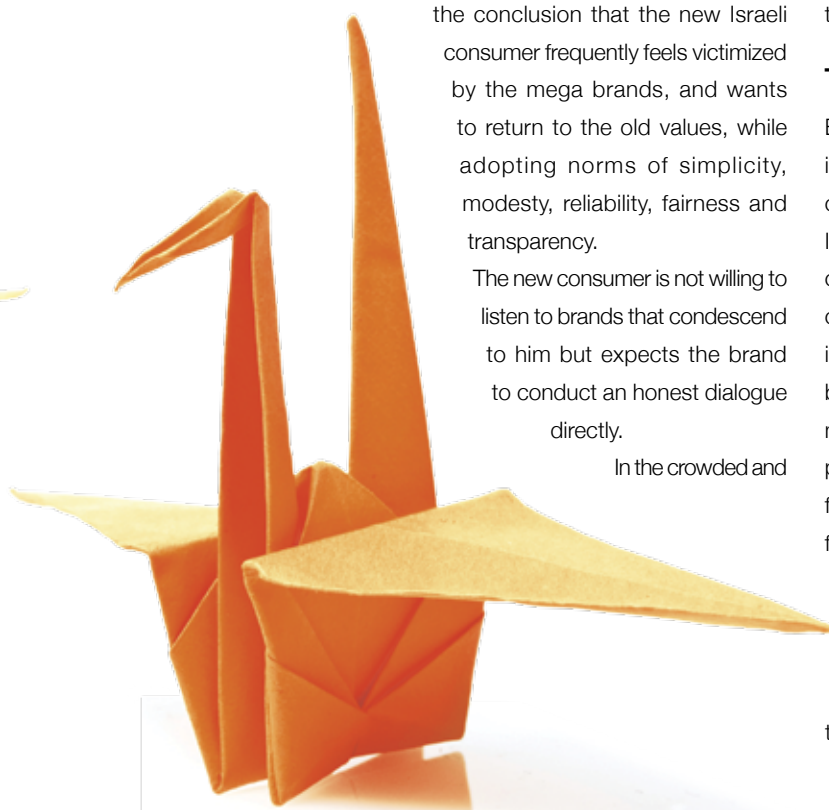
Instead of looking at the revolution from the side and waiting for the effects of the change that has begun among consumers, Electra, as a market leader, decided to adopt the change, to assume control and spearhead moves that will provide a response to the new needs of the Israeli consumers.

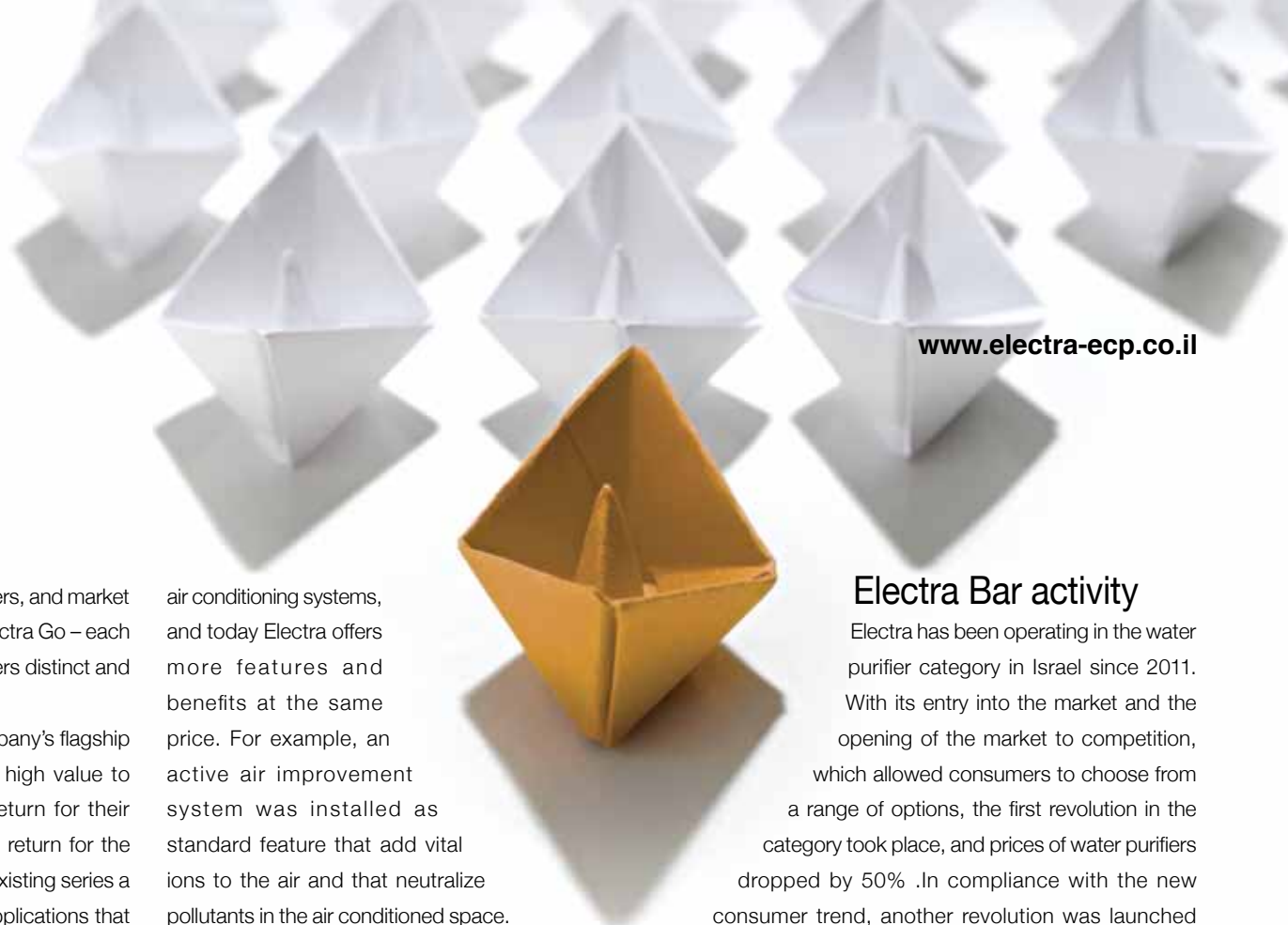
The Creative Solutions

Electra implemented its new marketing strategy in 2013 in the air conditioner category and the water purifies category.

Israel’s air conditioner category is crowded and competitive. In a market in which half a million new air conditioners are sold every year, about 24 brands divided into three main segments: value brands, the main market brands and the premium players. The multiplicity of models, brands and segments create tremendous and perpetual confusion among consumers, who frequently find it difficult to choose the right air conditioner for them from among the ranges of options available in the market.

In order to meet the demands of the “new consumer”, Electra decided to simplify its product line and to make its range of air conditioner clearer for consumers. As such, Electra decided to consolidate its portfolio of models and sub-brands,





which created confusion among consumers, and market two main series – Electra Classic and Electra Go – each of which is positioned differently, and offers distinct and discernible benefits.

The Electra Classic Series is the company's flagship series, and is positioned as providing high value to customers while providing excellent return for their money. Electra decided to provide high return for the money and therefore assimilated in the existing series a range of state-of-the-art features and applications that had previously been offered only in the more expensive series of models, such as high energy ranking, electricity efficiency (and subsequently savings in air conditioning expenses), a three-year extended warranty as well as added accessories that simplify installation of the air conditioner and reduce installation costs.

The Electra Go series – positioned as the “first social air conditioner”, is a series of air conditioners that provide a solution to young consumers with limited financial capability. This series of air conditioners takes into account the limited financial resources of young couples, students and new families, providing them with a basic but high-quality air conditioner at reasonable prices, along with a host of Electra services.

The new strategy was also implemented in the ducted

air conditioning systems, and today Electra offers more features and benefits at the same price. For example, an active air improvement system was installed as standard feature that add vital ions to the air and that neutralize pollutants in the air conditioned space. As part of the insight that today's consumers are more money-oriented than ever, and occasionally prefer repairing an old air conditioner instead of purchasing a new one, Electra launched for air conditioner technicians a large line of spare parts for air conditioners branded “USP”, that is marketed parallel to Electra's original spare parts. Consumers are given not only the legitimization to repair an old air conditioner instead of purchasing a new one, but they can decide how much they are willing to invest in a repair. In addition, this year Electra re-launched Elco brand in the premium air conditioners category, under the slogan “Air Conditioner Forever”. The launch was based on the marketing insight that there are many consumers willing to pay premium price for a top quality, reliable product that will serve them for many years instead of purchasing a less expensive product with a much shorter life span. Elco is Electra's premium brand that meets these needs.

Electra Bar activity

Electra has been operating in the water purifier category in Israel since 2011. With its entry into the market and the opening of the market to competition, which allowed consumers to choose from a range of options, the first revolution in the category took place, and prices of water purifiers dropped by 50% .In compliance with the new consumer trend, another revolution was launched in January 2013 that focused on lowering service and maintenance costs. As part of the process, the decision was made to simplify the service package. Today, consumers are offered a simple and clear annual service package that includes filters, UV lamps, service and warranty – at a low price vis-à-vis the competition, and at annual savings of potentially hundreds of NIS. This is not a one-time measure but a general policy that allows an increasing number of consumers to enjoy water purifiers due to reasonable prices for both the installation and the accompanying service required for normal operations. In 2013, Electra launched a water purifier tailored for offices and businesses. Electra Bar Business provides cold and hot water in larger quantities and has an interface adapted for businesses. Filters can be replaced only once a year.



Things You Didn't Know About Electra

- Almost every home in Israel has an Electra product.
- Electra markets air conditioners to over 60 countries around the world, some of which do not have diplomatic ties with Israel.
- This year, Electra opened an air conditioning academy in order to train the next generation of professional technicians.
- Electra is spearheading the “Recruited Company” project, a business venture supported by company's CEO Yaki Vadmani, based on a pact which grants priority hiring to reserve soldiers.

1945
Electra established as home appliance repair shop.

1961
Company establishes first air conditioner factory in Israel.

1991
Electra purchased by Elco Holdings and expands operations outside of Israel.

2004
Electra launches the first “Green Gas” air conditioner in Israel.

2011
Electra Bar launched.

2013
Electra launches new marketing strategy.