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Market Trends

The market trends are that Hydro Point is in the business of irrigation. As global warming increases and the need for systematic irrigation increases, this causes an increased demand for HydroPoint products. Its products helps save water and conserve energy. Current market trends are to launch products that determine the amount of moisture required for irrigation and deliver the right quantity of nutrients with water to the roots of the plants. Controlled irrigation not only saves water but also helps the farmer to better manage his farms and get early harvests. Early harvests increase the profitability of the customer in two ways; he gets a higher price for his products. In addition, he saves on the use of fertilizer, water and energy. Often farmers will change towards drip-irrigation.

The present market trend is to develop irrigation products for all types of farming like sugar cane plantations, cotton growing, and vine growing. The market trend is to develop specialized products for different purposes. There were a specialized solution developed for landscape, for greenhouse and nursery, wastewater management, wastewater mining and spraying of chemicals with water.

By having structure and maintaining a very steady product Hydropoint continues to grow worldwide. By having one of the best products on the market other companies and consumers are interested in purchasing Hydropoint product. Hydropoint not only sells its product but also uses it in differentlocations showing the purchaser that their product not only works but that it has been rated one of the best products in its market. Hyrdopoint being one of the leading organizations in its industries they have control of the market, and if they continue to produce quality products they will continue to develop as the industry leader. (HydroPoint, 2009)

Will this firm’s market structure change? You are saying that there will not be any changes to firm’s market structure. What type of market structure does Hydropoint have?

New companies that enter the market will continue to compete with Hydropoint. By being one of the few companies in the weather tracking industry, Hydropoint wouldn’t be highly affected by other companies entering the industry. Most companies that enter the same market as Hydropoint aren’t usually a threat becausethey end up purchasing and using the weather equipment that Hydropoint has created. For Hydropoint the more companies that enter the market the more product that is sold. This has given Hydropoint a huge advantage over the companies that are entering the same market. Most companies entering this market rather buy their product from Hydropoint which is used in many different locations and continues to expand more every day, and has also been listed as one of the top product for weather tracking in the world. (HydroPoint, 2009)

Hydropoint continues to produce new and better products into its market, this offers multiple types of options for the purchasers, and makes Hydropoint even more attractive to consumers. Hydropoint offers products to different industries from commercial companies, or residential / light commercial companies that are buying the product. Additional to their cost if they want the weather TRAK – enabled this is a feature which can be included in either purchase small company, or a big company. Hydropoint products come with multiple types of features included to add a benefit to the product they purchased. For both small and large companies warranty is included with the purchase of the product letting the customer know that they stand behind the product they sell and as well as using their selves.

Evapo-transporation technology is fairly new, and has been quite successful as previously mentioned in the reports provided by our research team, now with the obvious success of these controllers, there will be a huge push towards the technology and the demand is increasingly obvious, from the sales report provided by hydropoint data systems, reported 1st and 2nd quarterly profits of 28% over previous years.  This demand for this technology has sparked a huge demand for other competing manufacturers to step up their game and try to stay at pace with hydropoint and try to be one step ahead, but this oligopoly remains consistently competitive which gives very few chances for new players to enter the market.  In the future I believe that the market will remain consistently small and the market share will become increasingly grasped by a hand full of manufacturers. Do not use the word ”I” because not only it is a team paper, but also, **it is inappropriate in academic writing.** In our research analysis the law of diminishing productivity will not be applicable to this product until year 3 and 4 of its developmental stage, at point, technology will be made smaller and faster, which was very close to the process that Microsoft took with its initial launch of windows 95, the company launched its new and revised version three years after its release. With this technology hydropoint will surely follow the same process, they don’t see changing that process unless there isnew technology needs to be sought in a faster time frame.

With the increase of demand and the rapid growth of the company there will be obvious impacts on the wage expenses the company is currently addressing. The demand of the product will trigger a domino effect to other areas such as production costs and customer service, and IT department needs. Variable costs will increase but due to the increasing amount in sales the company will lower is mark up in order to maintain its demand and supply at equilibrium.

Several competitors in the irrigation industry; have products with unique features. For example, Weathermatic Irrigation includes in its package an irrigation controller that measures and analysis wind, humidity and soil conditions so that just the right quantity of water is used for irrigation. Further, product’s measure evapo transportation meaning the loss of water from crop into the air is evaluated so that the right quantity of water is used for irrigation.  Similarly, Hunder irrigation has a built in irrigation controller that uses measures of temperature and other analysis to use just the right quantity of water for irrigation.  Another competitor WeatherTRAC uses local weather information to adjust water use to an optimal level.

Compared to competitors, HydroPoint has developed a network with thousands of weather stations that supply it with the requisite data, so that it has the most accurate data for the exact location of its equipment. The result is most accurate irrigation. Competitors will use HP forecasting equipment but will set up their own drip irrigation systems. This change is imminent. As the market demand for drip irrigation increases, the competitors will incorporate more of this technology.

There were several new entrants in the market. The basic demand arises from the need to conserve water and the consciousness for environmental friendliness. There were further increases in demand to cut the cost of purchasing water.  In addition, WeatherTRAC by HydroPoint focuses on irrigation in landscapes. It claims that there were water wastage of between 30% and 300% in irrigation of landscapes, so using their solutions will reduce the degree of wastage. The focus of the campaign by HydroPoint is to save water.  Compared to competitors, HydroPoint has several advantages. Its poly fittings are of high quality, its emitting devices do not clog easily, and its systems use filters to keep the system working smoothly. The current trend is that drip irrigation is required by the manufacturers to use filters. The changes that can be expected are increase in demand for drip irrigation. The response will be the entrance of more competitors into the market. Currently, there aresmall entrants however; in future there will be large entrants.

Government regulations relating to irrigation are not widespread, yet the regulations made in the Bay Area require a greater usage of products made by HydroPoint. It’s expected that as the water crisis deepens, government regulations related to increased use of HydroPoint will also increase.

Most of the directives of the Department of Agriculture are advisory members. In some states for example, Nebraska irrigation water management makes survey, designs the kind of system that needs to be used. The plans and specifications, layout and compliance checking is also carried out. From the perspective HydroPoint Inc. any increase is government regulations will be directed towards conserving water and will help increase the sales of HydroPoint products. In fact, HydroPoint can lobby with the government to pass more stringent water conservation laws.  The current trend is that local governments are making it mandatory for some irrigation projects to use recycled municipal waste water.  The governments in areas where there were shortages of fertilizer are making drip irrigation compulsory because of large savings of fertilizers. This is the change that the government will make.

Hydropoint is not just concerned with the numbers because the numbers are a means to the end. Specifically about PEoD, meaning price elasticity of demand, PEoD can be utilizedas a measuring bar to see how sensitive the demand for the product occurs when the price starts to change. Usually, when the price elasticity is higher, that would translate into more chances that the consumers are sensitive to the changes in the price. Now if for some reason the price elasticity becomes very high for the product in question, there would be more chances that the consumers will not buy as much of the product. However, when the price of the product goes down, the rate that the customers will purchase the product will become way more.  Now having extremely low price elasticity tells a person the exact opposite.  It says that when price is changed for a certain product will have a smaller influence on the need of the product.

Currently, the trend in HydroPoint’s industry is towards the widespread use of drip irrigation. This method that is encouraged by environmentalists and governments is also called micro irrigation. This method reduces substantially the use of water and fertilization. This technique allows the water to drip slowly to the roots of the plant. In some systems the water and fertilizer was dripped onto the soil surface, however, currently the trend is that most systems drip water direct onto the root zone. For this HydroPoint uses a complex network of tubing, emitters, pipes and valves. Where the system is used in tree and vine crops, the irrigation uses micro-sprays to cover wider root areas. The current trends are that the drip system of irrigation is used in accordance to information about climatic condition, the crop, land topography, soil and water.

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