

# [Home appliance case study](https://assignbuster.com/home-appliance-case-study/)

[](https://assignbuster.com/)[Education](https://assignbuster.com/essay-subjects/education/)

### What are the Industry’s Dominant Economic Traits?

Industry’s Dominant Economic Traits. U. S is the largest producer of Home appliances in the world. U. S Home appliances industry is in the phase of Maturity. There are four major firms in Home appliances industry in United States. in 2002 there are 74. 5 million units. Dollar volume had been growing at an annual average rate of 1. 9 percent since. Scope of Competitive Rivalry: As major home appliance industry became increasingly global it became difficult for global and domestic major home appliance companies to survive independently in the competitiveenvironment.  Number Of Rivals: Major rivals who shared 99% of the market share were Whirlpool, General Electric, and Maytag, AB Electrolux. Others who shared 1% of the market share were Bosch-Siemens, Haier, Emerson Electric, Sub-zero, Viking and Wolf. Buyer Needs & Requirements: Many consumers were demanding appliances that are attractive, convenient and easy to clean for that consumers are willing to pay top prices for top of the fine appliances that enhances their decor's and save precious time. The manufactures have responded to the consumer demands, by manufacture smart appliances with sophisticated electronic controls and selfdiagnosticfeatures. | Pace of Technological Change| New technologies and designed were being introduced into major home appliances.

Due to governmental pressure, appliance manufactures were introducing energy efficient versions of Home appliances. In US major home appliances industry firms differentiated themselves on the basis of quality and cost. | Product Innovation: As a result of high competition and rivalry companies were always in search of innovation. Huge amounts were being spent on R; D in order to replace current technologies with more efficient one. For example use of microwave energy in clothes dryers so that clothes could be dried faster, at low temperature.

Thistechnologywas not marketed as it needed further improvement. Another example of innovation is that silent, vibration-free refrigerator instead of the noisy, energy-consuming compressors. The cooling apparatus consisted of wheel containing gadolinium powder moving through a high powdered, rare earth magnet. Economies of Scale: All the major home appliance manufacturers were trying to gain economies of scale by renovating and building production facilities in order to improve quality and reduce material costs.

### Identify forces likely to exert greatest influence over next 1-3 Years?

(Please note the Drivers of change are few usually not more than 4 factors). Your Drivers of change must point out.

1. Are driving forces acting to cause demand for product to increase or decrease? The driving forces increase the market demand for product because of emerging technologies, increase inglobalization, product innovation and customers’ demand.
2. Are driving forces acting to make competition more or less intense? Competition increases because the existing firm more involved in product innovation, price reduction and globalization.
3. Will driving forces lead to higher or lower industry profitability? Their profitability will increase because of mass production, change in cost, efficiency, change in people’s life style.

### What are the key Factors for competitive success?

Develop competitive profile matrix.

Manufacturing Related KSF: Economies of scaleIt plays very vital role as the entire major home appliance manufacturers were heavily engaged in renovating and building production facilities to gain economies of scale. E. g., reducing labor cost and manufacturing cost. QualityProduct Quality is also a key success factor it includes eight dimensions of quality which consumers want i. e. , performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. Distribution related KSF: There is a strong network of wholesale distributors.

Strong direct sales capabilities via the internet. Marketing Related KSF: They have well known brand name. They have a narrow product line. They are giving guarantees and warranties to their customer.