

Whirlpool history essay sample

[Business](#), [Company](#)



Whirlpool is a company that has been around for 100 years. They are best known for their household appliances including washer/dryer and dishwashers. Corporations such as Whirlpool would not be able to make it without being able to analyze positive and negative aspects that help them either penetrate a market or continue in a current market. The aspects analyzed would be items out of their control. At the basic level, these items would include opportunities and threats. Opportunities would consist of being able to determine what their corporation could take advantage of as far as gaining an advantage. An opportunity analysis would help determine what type of complementary products they could explore in order to gain an advantage in their market. Threats would be items that would cause them to be bumped out of the market such as competition and the economy. In order to be able to assess these items we will need a little background information on Whirlpool.

As mentioned before Whirlpool is an older company over 100 years old. Louis Upton had a vision a few years before he went into business with his family. Lou "invested his savings in a venture to manufacture household equipment. When that company failed to materialize, Upton was offered the opportunity to select something of value from the failed venture as a return on his investment. He chose the patents on a hand washing machine that he thought might be electrified." And in 1911 he went into business with his uncle Emory and combined with both of their ideas and hard work they hit the ground running.

Since people like to hear the bad news first I will begin by talking about the threats for Whirlpool Corporation. Most people may mention companies such

<https://assignbuster.com/whirlpool-history-essay-sample/>

as LG, and Samsung which are growing in the American Market and are trying to expand globally such did Whirlpool. I'm going to venture the opposite way and introduce a company that started international and is now becoming a sneaky competitor in the American market. This company is Haier Group. Founded in 1984, Haier had been founded as Qingdao Refrigerator Co. in 1984. With China opening up to world markets, foreign corporations began searching for partnerships in China. " One of these, Germany's Liebherr Group entered into a joint-venture contract with Qingdao Refrigerator Co., offering technology and equipment to its Chinese counterpart. Refrigerators were to be manufactured under the name of Qindao-Liebher." With this Haier took off as a company and was able to focus on international expansion.

In 1994 they officially changed their name to Haier Group to make the name easier after they kept their partnership with Liebherr Group for over a decade. And they didn't stop at just home appliances. Towards the mid-late 1990's they began investing into mobile phones and computers figuring that there could be room for growth in these fields. They could not have been more right, by the early 2000's they had seen a captured a dominant market share in its core white goods division. These numbers were only reflective of the business they had done in parts of Europe and Asia. In 2002 they had finally followed on a plan that would allow them to expand into North American Markets. This now put them in direct competition with companies such as Maytag, GE, and Whirlpool. Haier was able to make an impact on North American markets because they were able to offer a quality product for a relatively lower price than its North American competitors which

allowed them to affect the market in America as well as compete with a first mover such as Whirlpool.

Once they infiltrated North America, they were able to expand their production facilities to many different countries including Pakistan and Jordan as well as Nigeria, Egypt, and South Africa just to name a few. With this company being less than 30 years old and the impact they are having in international markets selling almost identical appliances and goods that Whirlpool has sold for 100 years, it's easy to see why Haier is a definite threat to Whirlpool's growth in the future.

Although Haier is a threat to Whirlpool, it exposes some new opportunities for the company. As mentioned before some of Whirlpool's competitors are Haier, Samsung, and LG. These companies have put some of their investments into the mobile phone and computer business. Samsung sees most of its revenue roughly 65% through their investments of mobile devices whether it be computers or cellular phones. LG as well as Haier also has seen a sizeable portion in profits come from the cellular phone business. Whirlpool has the opportunity to dive into this market because only well established businesses such as Whirlpool could enter in a market that's on the rise such as cellular phones and be able to maintain because they already have a feel for the market because their competitors are already heavily involved in the market.

Another opportunity for Whirlpool is that they can expand on making their branding a little bit stronger in international markets, specifically Asia. Although they have expanded into most countries across the world there

actual brand a name isn't easily recognized because of the amount of companies that Whirlpool have acquired and are associated with. If the make Whirlpool the name that is recognized across the world better, future customers will have a better familiarity with the company and start to gain a trust for them and want to invest in them. Whirlpool holds many advantages in there market. As mentioned before they are a first mover in the home appliances market. But beyond that they have a great relationship with there customers. Back in 1911, they had a rocky start when the first 100 washer machines they produced malfunctioned and instead of caving they fixed them free of charge. Federal Electric (company that received defective washing machines) was so impressed by this they doubled there order of washing machines, and that started there trend of having a loyal customer base.

There website shows very clearly repair policies in big bold lettering that allow customers to know that what they see is what they get and that there are no other hidden scenarios that would cause them not to be able to expect this from them. Another thing that allows them to be successful is the barriers to entry into the field of home appliances. In most American families there are just some things that you have to have familiarity with and that you never divulge away from that. Elderly people who drink coke don't drink Pepsi, Why? Because they trust the quality of Coke products and that's what they are familiar with. Of course they know Pepsi is out there but there is a loyalty level for Coke that makes it impossible for them to buy a substitute.

Household appliances are no different. If you are a person who has grown up with Whirlpool products and have become familiar, comfortable, loyal to that product, then you were going to try your hardest to always prefer Whirlpool over any other product. Whirlpool as the reputation of customer loyalty and this makes it very difficult for another company to enter the market and survive because there won't be any familiarity with that product and it's very difficult to develop a customer relationship while entering a market for the first time. Since Whirlpool is very established in these areas, they keep an advantage over companies who would want to enter the appliances market.

Like any corporation Whirlpool has opportunities and threats. They have companies like Samsung, LG, and Haier on there heal and wanting to expand their business just as they are. At the specific case I looked at, Haier is a relatively young company that has developed some of the positive attributes that Whirlpool has gained over the past 100 years. Whirlpools branding in the North American market and continual expansion over into international markets has allowed them to keep a good length between them and there competitors. The key to there continued success is definitely there ability to maintain loyal customers and to make it easier for those customers to address any issues or concerns they may have regarding the service they are receiving. When dealing with these types of products, reassurance that everything will workout is definitely something you will need.