

Frigidaire appliance – marketing strategy assignment

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The major appliance market is a very competitive environment. Frigidaire has four major competitors in the United States: Whirlpool, General Electric, Maytag and Mammacomb. These manufacturers produce the products that would be competing with the front load washing machine. These products would include traditional top loading or vertical axis machines. In addition, Maytag and Mammacomb has announced plans to introduce their own versions of horizontal machines, although Mammacomb's was not expected to be front loading. Whirlpool is also developing a new generation washing machine "that is rumored to be neither traditional vertical nor horizontal axis" and GE has just released a new, updated version of the vertical axis machine. All of these machines would also comprise the set of competitive products that would serve their target market. For the target market that Frigidaire has identified for their front loading machines (upscale, affluent singles and couples) the set of the major determinant attributes that define this product space are: features (fashion, performance), benefits (space savings), price/quality, comparison, and pronouncement.

Information collected from a sample of customers and potential customers about perceptions of the product on the determinant attributes showed the following:

1. Features (fashion, performance) – A 1993 Market Research Focus on the front loading washer indicated consumer concerns about water leakage, cleaning performance and the difficulty of loading and unloading the washer.
2. Benefits (space savings) – A 1993 Market Research Focus on the front loading washer indicated consumer concerns about the small load capacities.
3. Comparison – A 1993 Market Research Focus on the front loading washer indicated consumer brand loyalty to current washing

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technologies. 4. Price/quality – A marketing study done by Frigidaire market research department showed consumer interest in the washer decreased significantly until the price was reduced to \$599 or less. Even with a pricing incentive, 35% of the consumers surveyed indicated that they would not be interested in the machine. 5.

Pronouncement (energy savings) – In a 1991 consumer/environmental profile, over half (53%) of the surveyed households purchased energy efficient appliances, 28% used water conservation devices in their homes, and 46% reported considering environmental impact when purchasing products. Based on this data, in a market like the appliance market where there are a limited number of brands that dominate the market, the main opportunity for Frigidaire as its major competitors.

For Frigidaire to compete head on with its major competitors in the washer market “on the basis of attributes appropriated by its competitors” is not likely to be successful. A more successful strategy would be to concentrate on a singular attribute that is important to a large number of members of the newly targeted market segment. In the case of the front loader, I would recommend, since the front loader cannot compete on a value/pricing or brand level with its competitors, to position itself surrounding the pronouncement attribute.

Based on the data given, none of its current competitors current products can position themselves effectively based on this attribute. In addition, with the newly designed models, the energy/water savings and better washing performance for the consumer could be a positive underlying current of the

pronouncement positioning basis, which would also distinguish it from its competitors. For affluent couples and singles, the Fragmentation loading washing machine will be the appliance that offers the highest in dependable, modern, energy efficient washing technology.