

Major appliance and whirlpool



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Whirlpool case 1 . Describe Whirlpool's global marketing strategy. At its early beginning, Whirlpool was a normal company in U. S; it started selling white good like refrigerators, stoves, washing machines, and microwave ovens. Its sells were \$18 billion a year and growing 2 or 3 percent annually. Whirlpool is one of the market leaders of electro domestics, nowadays, not only in the United States but also worldwide. This is because Whirlpool sells 3 different lines of products that differ on prices but not quality: from Kitchen Aid, Kenmore/Whirlpool, and Raper and Estate.

David Whitwam was CEO in Whirlpool in the year 1993, and he bet for globalization. Whitwam easily noticed that a great number of Whirlpool's revenues were coming from the overseas. He aimed first at Europe, and invested \$1 billion in the continent, later on the company ranked at the third position. Though, even with this success, Whitwam wanted more; he invested another 2 billion, but this time results were not what he expected. He wanted to grow in countries like Japan, Asia and Latin America, but with the wrong results, counselors weren't sure about his vision.

So the company ecides to keep on with their globalizing strategy, giving it a second chance but this time focusing on Latin America and in a specific country: Brazil. To enter the market, Whirlpool buy two local companies to had an easier entry way, but what they didn't know is that Brazilians' washers were priced even lower than Whirlpools lowest and most economic product line. Whirlpool had to plan a new selling strategy, analyzing the purchasing power of locals and their needs and wants.

Investing on a new washing machine, whirlpool created the cheapest washer on the market, with simple cycles and a polish white color. But this machine was not a Brazil special, the same washer was adapted for different countries, varying on color and cycle titles: In India a delicate cycle will be 'sari' and in China a grease removing cycle was a must. In conclusion we can say that the marketing strategy of Whirlpool is market driven, and to gain competitive advantage, this company is getting a global presence in various regional markets. They also concern market mix of the company that differs from each country.

They segmented the market by regional because almost every country has unique preferences that are influenced by environment condition, custom, economic condition, etc. Plus, they didn't need to invest a great amount of money after designing a new product, because that same product could only be adapted to a different target market on the world. 2. Summarize the role of market research in Whirlpool's globalization strategy. What different types of research methodologies does the company use? What are the advantages of each methodology described in the case?

Whirlpool based completely on their research, since the beginning when they started their global dream they needed to know how the global economy worked and how it was moved. They needed specialized research teams for every country where they wanted to penetrate the market; they studied their competitors, the regional law and politics and obviously their future clients, what were their needs and wants basing on their economic condition, climate, culture, etc. Market research shows that consumers in different countries consider different features of the product to be important.

This finding allows Whirlpool to apply different research methodologies to collect the data in order to adjust to new markets and to strengthen the U. S. market. Consumers' opinions are important in the United States, Europe and Latin America. Whirlpool designs for their customers, they shape their needs and wants into electro domestics, this is way consumers opinions are so important for the company, without them Whirlpool wouldn't be able to design a product that basically sells for itself. Giving an specific example from out of the case, We notice that Whirlpool use a methodology when they wanted to enter Brazil .

Personal interviews of Brazilian households were essential research methodologies for the development of Ideale, the least expensive automatic washer machine. Whirlpool didn't just studied Brazil's economy, but they also used these personal interviews to get to know Brazilians behaviors better and find reason to them... almost as in getting inside their minds to get to know what's inside and how they think. The search for new specific needs products in local markets makes it easier to adjust to developing markets.

This methodology helped Whirlpool when it decided that expansion was needed in several countries, and basing on the success interviews ad gotten in Brazil, they continue on doing research to know their clients and design specific products for them.. or in this case adapting an existing product " Ideale" to another markets. This lead to the four-leg machine for Brazil, gray and blue machines for China with a special 'grase removing cycle, and easily moving machines for India that also have their own special delicate cycle named 'sari'. 3. Do you think developing products for low-income consumers in emerging markets is the right strategy?

In some cases it could not be a good strategy for products like refrigerators, microwaves and washing machines because people with a low income do not worry that much on having a new microwave or a nice refrigerator, they care more about having something to eat or something to wear instead of thinking about their new electro domestic. And it probably wouldn't work developing products with a lower cost of manufacturing for a specific country or place for low income consumers because people from the medium/high class would take advantage of a cheaper price and buy it instead of the one with a regular price.

This is because it is exactly the same product but made with different materials. But in another case, talking about a globalization, it is a good strategy. The company would be making the same product with different and cheaper material to sell it at a lower cost because they are entering another country in which people cannot afford their regular prices, but at the same time they are in a way managing the customers mind to buy their product by focusing on the consumers' wants and needs, taking as well in concern their type of economy. 4 What are the key lessons to be learned from Whirlpool's experience in C

The company first made the Ideale for Brazil and they developed it in China and India, but giving the fact that they developed the same washing machine, they had to change some details of it depending on the country. For example in China, people have the belief that the color white shows dirt easily so they had to modify the color and make it in light blue and gray. Then instead of showing a button of " heavy duty" they put one that says "

grease removal", this is because of their lifestyle, most of them use bicycles for daily transportation.

To enter the market, Whirlpool first entered the Chinese market via Joint venture with local partners, offering the four most common necessities in human life: refrigerator, washing machine, microwave, and air conditioner. To make this work, the company had to adapt to what the customs and beliefs of the people in this country were in order to be successful in selling their products. In 2001 China Joined the World Trade Organization and this caused many Western companies do business easier, so Whirlpool had to also focus on what products the new companies were developing and tray to make it better than the competition.