

Leadership in washing machines market



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To maintain the leadership in the washing machines market, Whirlpool Maroc should sustain some effort and add some factors that will add some value to the product and the brand image of the company such as:

Whirlpool Maroc must maintain the good relationship with the customer and the good after sell service, maintaining the good quality of the product and the good design of the product, Keeping the same price but trying to decrease it by using the Optional Feature Pricing, Targeting the lower class in the society by a new cheap product (load <5g; price <2000MAD), selling the product in other places such as the traditional market called " souk", adding the option of " customize the product", decreasing the number of spot TV and the number of the companion press with taking in consideration the characteristic of the Moroccan culture and society, more partnerships with associations and foundations, launching a website in Arabic and finally protecting the product by plastic film in the stores and supermarkets.

II. Introduction:

In this report I am going to show you the weaknesses that may have Whirlpool Maroc on its Marketing Strategy based on some analysis of the Whirlpool Maroc website and research I did on the field (MARJAN supermarket) by using some marketing tools such as PESTEL analysis, SWOT analysis, Competitive situation and Marketing Mix.

This report will also demonstrate how this company is running its marketing strategy on the Moroccan home appliance market. And finally I will give some recommendation which will be useful for the company to increase their market share and customers satisfaction.

III. Current situation: Strategic Analyses

1. Whirlpool Slogan

SENSING THE DIFFERENCE

2. Mission, Vision statement and Values

Taking in consideration what is mentioned on (marketing strategy MKT306, 2008) and that whirlpool Maroc is subsidiary (Appendix) of Whirlpool Corporation they share the same mission, vision and values:

Mission is a measurable goal, every company needs to have to know where it is going, and its current situation along the process. A business can have many different missions under the format of the vision of the business.

So, for Whirlpool Corporation the mission is creating with passion a Loyal Customers for life by providing to that customer with a good service quality and reliable product. That customer can be everyone and him the company work to create value.

Vision statement is about the future situation that a business wishes to attain; the vision's intention is to control, to guide, and to encourage the business as a whole to achieve the desirable state of the business.

Whirlpool Corporation considers that every home in every country is the company domain and proud to provide the customer with innovative solution that fit their needs. Also to have good Performance against competitors in the future . and attract global investors with superior returns.

Values define the business beliefs, the rules that control the business to the peers, the staff and importantly to the customers.

The employees of Whirlpool Corporation are ordered to behave and run the business everywhere in the world under the five values of whirlpool which are:

Respect: that means that the relation made in the internal and external environment of the company is based on respect.

Integrity: means that the company has no right to do wrong things . the image of the company must be clean.

Diversity and Inclusion: the company maintains diversity of ideas and people inside the company and allows everyone to contribute on the creation of values.

Teamwork: no right to be selfish, inside the company we are “ one”.

Spirit of Winning: encourage of spirit of winning inside every member of the company to reach goals and make extraordinary result.

3. Competitive edge:

With revenues more than 550 million MAD (50 M€) in 2008 Whirlpool is the leader of the home appliance market in morocco representing 31% of market share, that is 8% more than the nearest competitor which is FAGOR with 23% (420 M MAD) of market share and 100 years of experience in the appliance sector.

Also whirlpool is the first and only home Appliance Company which creates an e-commerce website (whirlpool.ma) to sell their product in morocco. The Moroccan customer is able to know the real price and buying on-line the specific product he like , and whirlpool provide to the Moroccan customers accessories Unlike other competitors(FAGOR, LG).

Whirlpool is present in 23 cities with 122 retailers (32 in Casablanca) no other competitor are providing in their websites about there retailers like whirlpool do.

All products of WHIRLPOOL Morocco are guaranteed for 1 year, from the date of purchase. But

LG products are guaranteed for 10 years (MARJAN supermarket).

Whirlpool is sensitive to their customers' needs and requests by building a Service Center for the customers' where they can Complaint about problems they have with the product . also they can Complaint by sending e-mails or by phone call.

The price of whirlpool washing machine start from 3949 MAD (AWE 6316, 5kg) to 11499 MAD (MAXY 13S, 13kg), so the customers of whirlpool are middle class society and upper class society.

Whirlpool Maroc is the only company that provide the customer with wash machine that have Aquasteam system and Microban treatment.

Whirlpool provides the wash machine market with 16 models of wash machines.

According to Mourad Alem , DG of whirlpool Maroc (whirlpool. ma, 2011). the main objective of whirlpool Maroc is to sustain a 10% progression of sells every year by renew each year between 35 and 40% of it offers.

4. SWOT Analysis

According to (marketingteacher. com, 2011) The SWOT analysis is a technique that is used to understand the strengths and weaknesses of the business and determine the opportunities and threats that the business might face.

Here under, the SWOT analysis of whirlpool Maroc I got based on analyzing information taken from the whirlpool morocco website and research made in MARJAN California supermarket:

Strengths:

- The long history of the company (100 years). This can be used to show that the company is specialized on home appliance and know how to make a good product.
- Good relationships between the staff.
- Customers care.
- Good services.
- Qualified staff.
- Good prices for product and Accessories.
- Beautiful design.

-Innovative technology 6TH SENSE.

Weaknesses:

-Weak marketing strategy in morocco.

- Brand awareness in Morocco: only one spot TV for the wash machine and doesn't consider the culture and the society customs and behavior because this spot TV is made in France and they just copy and past it on the national TV publicity, Also no publicity in newspaper and magazines.

-No sponsoring for other sport, event or famous Moroccan people and only sponsoring tennis and BAHIA MOUHTASSINE.

Opportunities:

- Weak competition with local companies (no existence of national companies which made home appliances.)

- Free trade agreement between THE UNITED STATES and morocco .

- Moroccan people start using internet for shopping.

- The equipment rate of washing machines is about 45% according to Mourad Alem, DG of whirlpool Maroc (whirlpool. ma, 2011).

Threats:

- High competition with big companies like: SAMSUNG, FAGOR, LG, BRANDT, ROYAL, ELECTROLUX.

- Random shocks, (political, social or natural events) such as:

Boycotting the brand because it is a USA product.

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- Changes in government policy, (the government may use a contraction monetary policy to prevent inflation which will effect the business).

-The purchasing power of the customer.

5. Marketing strategy, Aims and Objectives

As defined on the Philip Kotler and Kevin I. Keller book (Marketing Management 12 ed., 2006), the marketing strategy, aims and objectives is what unique position will the company be able to achieve.

A marketing strategy is about the designed marketing plan to achieve a certain marketing objectives; there might be some objectives like becoming the market leader. The strategic plan here is a planning with details includes a marketing research, and next evaluating a marketing mix to become the leader. Every company needs to have marketing objectives to work on and achieve the strategy.

In a marketing strategy, time is everything as long as the company takes the advantage to plan, to distribute, and to develop. (part1, chapter2, Developing Marketing Strategies and Plans. p35)

In morocco whirlpool Maroc based its main advertising program on sponsoring the Moroccan tennis player BAHIA MOHTASSIN.

This is publicity for the 10th anniversary of whirlpool Maroc in Morocco in association with Bahia Mouhtassine N°1 Moroccan women's tennis player.

The other thing, the whirlpool Maroc marketing strategy is based also by providing product such as a washing machine which is designed as an environmental friendly product in accordance to customer expectations.

This product line is named Green Generation which is specified by 4 characteristics:

Reduce your consumption of energy

10% less electricity consumption compared to the energy label class A.

6TH SENSE technology is an innovation made by whirlpool engineers.

The Power of Steam.

The objective is to gain competitive advantage and sustain their leadership especially over the wash machine market and other component of home appliance market in general.

IV. Recommendations

1. Segmentation Targeting

Whirlpool Maroc (whirlpool. ma, 2011) is using a demographic segmentation such as: social class segment, income segment, also taking in consideration geographic segmentation.

The Moroccan consumers have evolved in the last few years; they are expressing the need of washing their cloth with less energy and efficiently with good price and most of all eco-friendly.

They also want customized washing machines such as washing machines that have different colours and designs.

The target market that the company is targeting is composed of people who want to participate in the process that the world is adopting to protect the environment.

Indeed whirlpool Maroc is segmenting a middle class and upper class with medium income and plus . targeting them with 16 model of washing machines with prices starting from 3949 MAD (AWE 6316, 5kg) to 11499 MAD (MAXY 13S, 13kg) and including characteristics made for the benefit of the consumer: 6th sense and Aquasteam technology, low consumption of energy and well designed.

Also with a large number of stores (122) located in different locations (23 cities) allow Store managers to stock products that suits the local community (MARJAN, ACIMA...etc) covering the entire territory of Morocco kingdom.

In my opinion whirlpool Maroc should target the lower class in the society with economic washing machines. For example a washing machine with low load (5 kg and less) with cheap price under 2000 MAD (200€).

2. The marketing mix

2. 1 Product:

Whirlpool Maroc (whirlpool. ma) is offering 16 washing machines with modern design, 2 color whit and gray, load starting from 5kg to 13kg, and

integrating 5 characteristic which are the main characteristics of the Green Generation product line:

Reduce the consumption of energy by 40% (compared to a unit of energy class A), optimizing the chemical action and enhancing the mechanical action of the cycle, for a perfect washing result.

Whirlpool washing machines are making an effort for the environment, 10% less electricity consumption compared to the energy label class A.

With this chemical treatment, whirlpool washing machine stays cleaner, fresher and more hygienic for longer. with Microban (a leader in antibacterial solutions), Whirlpool has developed a special treatment that helps reduce bacterial growth, odors and mould in the detergent drawer, a particularly sensitive part of the washing machine .

The 6th sense ensures perfect wash results in continuously optimizing the energy consumed the amount of water and washing time.

6TH SENSE technology recognizes the size of the load by special sensors, and automatically adjusts resources, savings up to 50% on energy, water and time. The load is continuously monitored throughout the wash cycle and ensuring optimal washing performance.

Uses the natural power of steam to gently eliminate the toughest stains and sanitize the clothes, even at low temperatures.

The steam injected into the drum to maintain a constant temperature for longer, thus increasing the efficiency of washing. The steam relaxes the

smooth fibers and allows the detergent to penetrate more deeply into your clothes to remove the toughest stains.

As recommendation I believe that whirlpool will have more market share if it produces washing machines that can be transportable, with a low load under 5kg to take it to a camping for example. Also by providing washing machines with more colors, so the customer can fit it with his interior home design and why not try to give the customer more than 1 year of warranty.

Finally whirlpool should explore the market of heavy washing machines with load more than 13kg like the company LG (www. lg. com/ma, 2011) did with the LG F12588FD with 15kg of load.

2. 2 Price:

Like The vast majority of companies, whirlpool Maroc (whirlpool. ma, 2011) is developing Product line and use price steps.

Indeed whirlpool Maroc washing machines have the price (out promotion) starting from 3949 MAD (AWE 6316, 5kg) to 11499 MAD (MAXY 13S, 13kg).

As recommendation I think that whirlpool Maroc will increase its profit by following the Optional Feature Pricing (Neil H. Borden, 1965), for example: decreasing the price of the washing machine but once the customer likes the product, the sales assistance convinces him of spending more money to get more features such as customising the wash machine to fit the kitchen wall color or to buy a chemical treatment to clean the washing machine from outside and reducing the rate of that the washing machine gets rusty .

Finally I think that whirlpool Maroc will decrease the prices if it builds its factories in Morocco and benefits from the Political, Economical, Social, Technological, Legal and Environmental factors of the country. (see appendix)

2.3 Place:

Whirlpool is present in 23 cities with 122 retailers such as supermarkets (MARJAN, ACIMA) and home appliances stores (BIOUGNASH, LE COMPTOIR, CRAMER) and that is covering the entire territory of Morocco.

However, I think that Whirlpool Maroc should take into consideration the traditional markets called “souk” such as: derb ghalef, souk anamoudaji.

2.4 Promotion:

Whirlpool Maroc (whirlpool.ma, 2011) is promoting with only one spot TV a year and 5 companion presses this last 10 years about washing machines. Whirlpool Maroc also launched a website (whirlpool.ma), sponsoring the woman tennis player BAHIA MOUHTASSINE, made a partnership with Helga Heidrich SOS animals foundation and HABITAT FOR HUMANITY association, and occasionally decreases the price of its product in some event such as a week of price cut in supermarkets and home appliances stores.

Observing the marketing communication of Whirlpool Maroc, I think that Whirlpool Maroc will have more impact and will make a powerful brand awareness in the Moroccan society if Whirlpool made more than 1 spot TV a year and more companion press taking into consideration these advertising characteristics of the Moroccan culture and society, also sponsoring other sports and athletes such as soccer, basketball, golf, and being more social

by creating partnership with orphans association such as BAYTY and MOHAMED V foundation.

In addition

2. 5People:

According too Whirlpool Maroc (whirlpool. ma, 2011) their employees must be creative, take risks and be modest with the customer. They are women and men of different nationalities, cultures, backgrounds and sensibilities and they bring to Whirlpool different views and work together around a common goal. Whirlpool Maroc future relies on innovative thinking and intelligent action.

Whirlpool Maroc offers them the opportunity to work in multicultural teams and diverse including teamwork and mutual respect are an integral part of entrepreneurship.

All that characteristics to have qualified stuff that can add value for the company and most of all satisfy the customer need with a good after sell service.

In my opinion whirlpool has good relationship with the customer but it will be better if they launched a website in Arabic because according too (HCP. ma, 2011) only a minority in morocco who can speak and read French even if it's our second language.

2. 6Process:

When I have visited MARJAN supermarket, I found that the salesman was kind and qualified also that

Home Delivery was for free . but to obtain the warranty you should register your washing machine by your self in the website of whirlpool Maroc.

So I suggest that it will be more efficient if the consumer can register the product in the same place not to go home and register it.

2. 7Physical evidence:

I liked the idea that you can test the machine before take it home. What I suggest for whirlpool Maroc is to protect the body of the washing machines with Plastic Film, because people keep hitting it with their supermarket carts.

It's a picture I took in MARJAN supermarket . in the right: whirlpool MAXY 13S (13kg).

In the left: LG F12588FD (15kg).

V. Conclusion

In conclusion I think that whirlpool Maroc has good position among it competitors , but I think also that whirlpool Maroc has to make some effort to sustain this leadership position by introducing some factors to it marketing strategy which will add some value to the company product and have more brand awareness in the future.