

Whirlpool soot analyst

Business



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Europe is viewed upon as a large market but when it comes to its “ White goods”, the segment is fragmented into many small markets. This is because the tastes and preferences of various countries vary rapidly. For an outside company to come in and work with the European market in this particular segment is really difficult as the mind set and culture Europeans have is drastically different to that of other western countries.

Some Lime light for the manufacturers is that the E national government has eased on the product standards and also on the Internal trade terms.

This helps the manufacturers a lot in terms of malignantly fewer manufacturing units for production, distribution and development, which will result in a lot of cost savings. Whirlpool being the world’s largest manufacturer of the white goods is along at expanding its presence in the European market from the current 13% market share. They opted to acquire a well known brand Philips that already exists in Europe and cater to various economic sectors. The market is available for all other companies to enter and do business.

Whirlpool is looking at a tough competition in its path. Problem Identification:

Primary Problems: Varied choice of tastes and preferences of customers within Europe. Drastic difference in perception, households and mind set of Europeans with respect to the white goods, when compared to the other western countries. Secondary Problems: Threat of new domestic entrants as a result of low barriers of internal trade. Low profit margins in this industry as a result of inherent cost inefficiencies when compared to the western countries. Catering to all income levels.

SOOT Analyst: Strengths: o Acquisition of Philips enabled It to be well positioned as a regional brand. Well established infrastructure and distribution channels allow the company to function more organized and efficient. O Centralized IT, logistics and customer services make it easy for the company to monitor the proceedings. Weakness: o Catering to all Income levels might lead to distortion In target segment focus. O Also doing It under different brand names may result In the customer loyalty towards Individual brand than the parent brand. Opportunities: o Harmonize product standards allow them to standardize their products and reduce their production and development, and save costs.

O Low barriers in internal trade should help them to cater to other regions from fewer facilities. Threats: o Intense competition from manufactures like Electrocute, GE and Mayday. Investment in R and Market Research o Pros: Better knowledge of the product requirements and preferences of individual regions o Cons: Might prove expensive.

As individual research needs to be done for each region. Acquire small domestic manufacturers o Pros: With individual domestic units catering to various regions would become o Cons: Too many production and development facilities will increase easier. The cost of production and maintenance.

Cater to one income level o Pros: More focused in terms of core product segment and target market. O Cons: Uncertainty in terms future opportunities in the chosen segment. Increase the entry barriers for the domestic players and competitors.

Suggestions: Use the regional advantage to acquire more awareness and brand loyalty early on before the competition makes its moves. Since the product size is smaller the company can look into producing more in terms of volume and cater to larger markets. If not for the above suggestion the company can opt to cater to either premium or middle class or price sensitive segments and establish as the market leader.

This will allow the other players to concentrate on other income level segments.

Upcoming domestic players have enough knowledge about the product needs and requirements. Acquiring a few top domestic players would create an edge in terms of distribution and satisfying individual regional requirements. Learning: Every country is different in terms of preferences and choices with respect to various products. Companies should spend considerable time in learning about these attributes.

Even if the country has a huge market there might be fragments of small markets that have to be catered in order to capture a huge market share.

Acquiring regional companies provide a regional edge in order to establish and in order to grow and expand business in any country one continues operations. Should have good knowledge of the country's trade barriers and product standards. And the host government needs to be reasonable in the same terms to encourage foreign players into the market. Using the barriers and standards to your advantage plays an important role in cost saving and increasing your profit margins and effective production.