

Electrolux

THE MARKET

No market more accurately reflects our changing needs than that for domestic appliances. Refrigerators, vacuum cleaners and lawnmowers evolve quickly to fill the demands of discerning and critical homemakers.

The white goods market alone is valued at more than \$2.5 billion per year in Australia. And the market is growing: in 2000, Australians bought more whitegoods than ever before. While the 2001 building sector appears to be in a period of consolidation, it's expected that stronger growth will come during the next 24 months.

ACHIEVEMENTS

The Electrolux Group is the world's largest producer of powered appliances for kitchen, cleaning and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chainsaws, lawnmowers and garden tractors. In 1999, group sales were A\$23 billion and the total workforce numbered 93,000. Each year, customers in more than 150 countries buy 55 million Electrolux Group products for both domestic and professional use. The Swedish-based Electrolux Group includes such world-famous brands as *Electrolux*, *AEG*, *Zanussi*, *Frigidaire*, *Eureka* and *Husqvarna*.

Electrolux Home Products is the largest household appliance maker in Australia. After the acquisition in early 2001 of Email Major Appliances, Electrolux Group sales in the region will total some \$1 billion, with a major share of Australia's white goods market – one of the largest in the Electrolux group. That volume is made up from leading shares in the cooker, laundry, dishwasher, refrigerator and freezer appliance markets.

HISTORY

The Electrolux story began in 1912 with the manufacture of its first vacuum cleaner, the 'Lux 1', at Lilla Essingen, in Stockholm – though the name Electrolux wasn't coined until seven years later, in 1919, when company president Axel Wenner-Gren laid firm foundations for the company's future – and introduced his sales staff to the concept of door-to-door selling.

By 1928, the company had five manufacturing plants, 20 subsidiaries, and 350 offices worldwide.



About one million vacuum cleaners were produced during the year.

Diversification followed. During the 1940s and 1950s the Electrolux product range expanded to include the 'Assistent' foodmixer, its first washing machine (1951) and first compressor-driven refrigerator (1956). By the advent of the

by acquiring National Union Electric/Eureka in the United States of America.

Fellow Swedish company Husqvarna joined the Electrolux portfolio in 1978, strengthening its position on the home market and laying the foundation for the group to emerge as world leader in chainsaws.

During the 1980s, Electrolux added several prestige names to its portfolio. A majority shareholding in Italian white goods manufacturer Zanussi came in 1986, while the acquisition of American White Consolidated Industries the same year added such names as *Frigidaire*, *Kelvinator* and *White-Westinghouse*.

Another household name, AEG, came in 1994. One of Europe's leading appliance makers, AEG employed some 9000 people in 16 countries.

Electrolux began Australian operations in 1925, and in New Zealand the following year. Manufacturing in Australia began in 1934, in a small factory in West Melbourne. The company moved to South Yarra two years later and remained in that site for almost half a century.

The recent acquisition of Email Major Appliances by Electrolux has further strengthened the company's position as the world's favourite supplier of powered domestic and garden appliances.



Swinging Sixties, Electrolux offered a comprehensive range of domestic appliances, including cookers, freezers and a new line of washing machines.

The age of acquisition began in 1967, with the appointment of Hans Werthen as president. During the following decade, the company became the world's largest manufacturer of floor care products

The acquisition has particularly strengthened Electrolux's position in Australia, bringing with it such favoured and trusted names as *Westinghouse*, *Kelvinator* and *Simpson, Hoover, Chef and Dishlex*.

Electrolux celebrated 75 years in Australia in 2000, and today Electrolux Australia employs more than 4400 people.



THE PRODUCT

Across about 20 product lines – ranging from lawnmowers to refrigerators – Electrolux is the world's largest appliance manufacturer and one of the world's largest industrial companies.

The company ranks among the 100 largest corporate employers in the world.

In Australia, the range of products is among the broadest in the market: from *Kelvinator* refrigerators and freezers to *Dishlex* dishwashers, *Simpson* and *Hoover* washing machines, *Chef* and *Westinghouse* cookers and cooktops and *Westinghouse* fridges, Electrolux offers almost every imaginable major kitchen and laundry appliance.

The floorcare and outdoor product range is also extensive, including brands such as *Electrolux*, *Volta*, *Flymo*, *Poulan*, *McCulloch* and *Weedeater*.

Another fully owned division of Electrolux Australia is Electrolux Laundry Systems, which specialises in the marketing, distribution and after-sales support of industrial laundry and dry-cleaning equipment.

Electrolux Australia's Commercial Cleaning Equipment Division produces and markets the Euroclean range of products, which includes industrial vacuum cleaners, wet cleaners, scrubbing and polishing machines, and carpet washers.

Electrolux Professional Food Service appliances are used extensively in leading hotel and restaurant kitchens across the world, including the well-known Tetsuya's restaurant in Sydney.

RECENT DEVELOPMENTS

Electrolux is at the forefront of incorporating true innovation and high technology into household appliances.

The Electrolux 'Screenfridge' is at the leading edge of the so-called 'intelligent' technology, incorporating features that enable it to suggest dinner recipes, store shopping lists and record messages with an in-built video camera. It can be linked to the internet and even be used as a TV or radio.

The 'Live-In' range of Electrolux appliances is fully networked and linked to a



central monitor interface that folds away underneath a kitchen cupboard. The range includes a built-in oven, dishwasher and refrigerator.

Another Electrolux innovation currently undergoing trials is the Unattended Delivery Unit. With separate compartments for refrigerated, frozen and dry items, the Unit is designed to be placed outside the home to receive delivery of purchases (perhaps ordered by the Screenfridge).

Further exciting research projects include the 'e2 Home' a joint venture with Ericsson, established in 1999, to develop products for the 'intelligent' home, and the related "networked apartment" complexes built in Stockholm that showcase complete solutions for high-tech urban living.

PROMOTION

Electrolux designs its marketing and advertising campaigns to build true brand strength and to drive mass market/trade awareness of brand positioning. Integrated campaigns utilise media with particular relevance to the product categories and the ability to reach specific target markets.

The marketing and promotional campaigns are developed to support the achievement of market share and margin objectives while building brand awareness and the loyalty of trade customers and consumers in the long term.

Television and print campaigns, high profile poster sites, internet and PR are all part of the ongoing brand media strategies along with consumer promotions to help drive product sales. Brochures, point-of-sale and advertising support continue the brand message through the retail distribution channels.



Mass media campaigns are often used to assist in the release of new products and to help build brand awareness and preference. *Westinghouse* recently launched a television execution on the new 'Virtuoso' range to further develop the existing high consumer brand awareness and strong category presence of the brand. *Simpson* has utilised radio and outdoor media to promote laundry products to a younger, more mobile target.



BRAND VALUES

The Electrolux brand name gives consumers confidence in the group's products and services in a complex, crowded world.

"Electrolux will be a leader in world-class products that make everyday life more comfortable, easier and safer," says the Electrolux Mission Statement.

THINGS YOU DIDN'T KNOW ABOUT ELECTROLUX

- The EW1620N front-load washer has a unique inclined drum, making it easier to load and unload than conventional front loaders. Spin speeds up to 1600rpm provide maximum water extraction and minimise drying times.
- The 'Automower' is a self-driven lawnmower that cuts grass automatically. When the battery runs low, the Automower navigates itself back to the charging station and returns to the lawn full of life. There is also a solar-powered version of the Automower that automatically recharges itself while in the sun.
- The Turin Opera House chose 'Aqua Clean' from Electrolux Laundry Systems, not only because it uses biodegradable detergent, but also because it removes unpleasant odours from clothing – something ordinary dry cleaning doesn't do.
- The *Electrolux* 'Wascator WE66MP' has reduced laundry costs by 60 per cent during the past 10 years.
- The 'Santo Super 1872' holds the record for the least energy-consuming refrigerator, using only as much as a 10W light bulb.
- Using a new *Electrolux* washing machine compared to a 10-year-old model can save 100 bathfuls of water per year.
- Exhaust air that passes through the filter of the new 'Oxygen' vacuum cleaner is 100 times cleaner than the air in Antarctica.
- The *Electrolux* 'Robot' vacuum cleaner is listed in the *Guinness Book of Records* as the world's most advanced domestic robot.

 **The Electrolux Group. The world's No.1 choice.**

KITCHEN, CLEANING AND OUTDOOR APPLIANCES