

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 whitegoods market alone is valued at more than \$2.5 billion per year in Australia and continues to grow in tandem with Australians' love affair with residential property investment, and particularly the family home which is exempt from capital gains tax.

This in turn has promoted increased entertaining in the home and open plan living – trends which affect appliance design. While the building sector appears set for a period of consolidation in 2004/05, property investment, including the additions and renovations sector, continues to surge and underpin the domestic appliance market.

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. Estimated full year Group sales in 2003 were A\$22.3 billion and the total workforce numbers 82,000. 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 (EHP) is Australia's biggest manufacturer and distributor of whitegoods with annual sales in the region of A\$1 billion. The combined EHP brands – Electrolux Gallery, Electrolux Chef, Electrolux Dishlex, Electrolux Kelvinator, Westinghouse, Simpson and Hoover – dominate kitchen and laundry sales in Australasia and market share is among the highest in Electrolux global operations.



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 sales staff to the concept of door-to-door selling.

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

include the 'Assistent' foodmixer, its first washing machine (1951) and first compressor-driven refrigerator (1956). By the advent of the 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 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.



About one million vacuum cleaners were produced during the year.

Diversification followed. During the 1940s and 1950s the Electrolux product range expanded to

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 at that site for almost half a century.

The Electrolux Group's 2001 acquisition of Email Major Appliances operations included such favoured and trusted names as *Westinghouse*, *Kelvinator* and *Simpson*, *Hoover*, *Chef* and *Dishlex*, further strengthening the company's

position as the world's favourite supplier of powered domestic and garden appliances.

In 2004, Electrolux employs 4,400 people in Australasia.

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. In whitegoods alone, Electrolux offers all major kitchen and laundry appliances; from *Electrolux Kelvinator* refrigerators and freezers to *Electrolux Dishlex* dishwashers, *Simpson* and *Hoover* washing machines, *Electrolux Chef* and *Westinghouse* cookers and cooktops and *Westinghouse* fridges. The Electrolux whitegoods division in Australia, EHP, also imports from Europe the *Electrolux Gallery* range of kitchen appliances and *Electrolux* range of laundry products.

The Electrolux Floorcare and Outdoor Products division also has an extensive range under such brands as *Electrolux*, *Volta*, *Flymo*, *Poulan*, *McCulloch* and *Weedeater*.

Another fully owned division of Electrolux in 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 now focused on rationalising its stable of brands and establishing *Electrolux* as its premier brand in domestic appliances around the world. In line with this is, consumer insights gained from extensive research in key international markets will drive Electrolux product design and development.

At the same time, Electrolux will retain its traditional position at the forefront of incorporating true innovation and high technology into household appliances as reflected by the 2003 release in Australia of the Trilobite "robotic" vacuum cleaner.

PROMOTION

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

Marketing and promotional campaigns are developed to support the achievement of market share and margin objectives while



building brand awareness and loyalty of trade customers and consumers in the longer term.

Television and print campaigns, high profile poster sites, Internet and public relations are all part of the ongoing brand media strategies along with consumer promotions to help drive product sales. News media events, PR initiatives and niche market sponsorships complement more traditional mass market communication - brochures, point-of-sale and advertising - to promote the brand message through retail distribution channels.



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 Trilobite vacuum cleaner from *Electrolux* 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