

# FORESEEING FASTER RATE OF ADOPTION OF BUILT-IN APPLIANCES: WHIRLPOOL OF INDIA'S KAPUR

Gone are the days when setting up a new house meant starting from scratch and setting a kitchen meant pulling up your socks for the assembling act. With companies now offering combined services of products and services, households are now being set up more easily and stylishly. One such move is now being done by Whirlpool of India.

Whirlpool prides itself in being a 'home appliance specialist, and has a strong presence in 4 home appliance categories - Refrigerators, Washing Machines, Air Conditioners, and Microwaves. It has recently forayed into Built-In kitchen appliances with a range of hobs, hoods, ovens, dishwashers, coffee makers, refrigerators, and more. Its other new business is Water Purifiers.

With three manufacturing facilities, a Global Technology Centre and a Global Design Centre in India, Whirlpool of India registered a turnover of Rs 3400 Cr with a net profit of Rs 123 Cr. It is arguably the most profitable home appliance company.

Adgully caught up with Rajiv Kapur, VP Consumer Services and New Businesses, Whirlpool of India to know more.

With the market share for the year 2013; Direct Cool Refrigerators holds 19%, 15% for Frost Free Refrigerators, 15% for Washing Machines, ~6% for Microwaves and ~4% for Air Conditioners; there are two prongs to Whirlpool's growth strategy. While the first is to grow revenue and market share of their core categories of Refrigerators, Washing Machines, Air Conditioners and Microwaves; the second is to accelerate the growth of their new businesses of Built In and Water Purifiers.

"In a low penetrated market such as India, we see enormous opportunity for sustained profitable growth, especially for a brand with high awareness, a pan-India distribution and service network, a credible track record of consumer relevant innovations in product and services, a sound talent base and a strong balance sheet. The capabilities and competencies acquired over the years and the advantages we derive from being a subsidiary of the world's # 1 home appliance brand, positions us well to achieve our growth ambitions", he elaborated.

Adding further he said, "We have an enviable product range of products in Built-In that are segmented by features and price: Glamour at the very high end, Ambient in the middle and Genesis for the value conscious. These

products imported from Whirlpool's European facility and are therefore world-class in terms of performance and styling. Our business model is to sell through kitchen manufacturers. We have developed partnerships with >200 such across the country. Sales and Service functions report to one unit manager to provide the best customer experience. In NCR, we have started a new initiative to send a qualified chef from International Institute of Culinary Arts, New Delhi to provide a cooking demonstration to consumers who buy our Built In ovens, and our intention is to expand this to other major cities".

In Water Purifiers, with a range of products with Reverse Osmosis technology in different formats and capacities, the company has recently expanded to other technologies and price points and by the end of this year will launch a product that is comparable to RO in purification, safer in terms of retention of essential minerals, at half the price of an RO. The business model for Water too is slightly different as they are leveraging their extensive network of service partners to sell directly to consumers.

Recently, Whirlpool of India and Something's Cooking Culinary Arts Pvt. Ltd are organizing Kitchen Wars which is the first of its kind corporate culinary contest. Armoured with spatula, pans and aprons, Kitchen Wars will peg corporate leaders and teams against each other for the first time in the kitchen. Shedding some light on the same Kapur said, "The idea germinated during a conversation between Whirlpool's Kitchen Appliance business team and Something's Cooking Institute, a unique world-class cooking studio set up by a young entrepreneur, Satish Venkatchaliah, Founder and Head of the Table, Something's Cooking Culinary Arts Pvt. Ltd. As we delved deeper, the idea kept getting bigger and more exciting. J W Marriott came in to support us with their celebrity chefs including Chef Jolly who has had experience adjudicating similar events including Junior Masterchef. Other brands came on board, such as Borges, Jayanti Spices, and Town Essentials to contribute to as ingredient partners; CQ came forward to customize the uniforms for the participating teams."

At the core, the partnership is about creating a platform for companies to come together, bond over cooking and foster social interaction with that special ingredient called fun. It is the first of its kind corporate culinary contest in India, and the first edition will be in Bangalore, commencing from 12 July. A total of 32 6-member teams from major corporate houses will compete over 3 weekends for a place in the finals, which will be on 26 July. Celebrity chefs will judge the event: Chef Jolly, Chef Daniel and Michelin Star Chef Bruno Ferrari of JW Marriot, Bangalore, who are the event's hospitality partner, will be at every round and for the final, they will be joined by Christophe Megel, an authority on cooking and knighted by the French government will fly in from Singapore.

The winner of the contest will get an all expense paid trip of 3 nights and 4 days to Bangkok which will include a workshop / demo on French Cuisine or Pastry/ Thai Cuisine/ Food and Wine pairing. The First and Second Runner up will win Kitchen Aid appliances worth 50,000 and 30,000 respectively.

Now how will this partnership add value to the brand? Answering that Kapur mentioned by saying, "Built-In appliances are kitchen appliances, and the primary association with the kitchen is cooking. The fact that Whirlpool is now marketing a wide range of Built In kitchen appliances make us a natural ally of culinary events. The rapid emergence of the branded kitchen industry and adoption of formats like Built In appliances is good for Whirlpool, and we intend to be at the forefront of accelerating the development of this segment. Hence, a culinary event of this nature becomes a perfect platform to showcase the latest innovations from Whirlpool while establishing a deeper connect between the brand and the community passionate about cookery, especially when opportunities arise where our target audience can actually experience the versatility of our products by actually using them, as in this event."

Satish Venkatachaliah strongly believes in cooking being a medium for teamwork, bonding and even identifying leadership skills. If the corporate houses participating in the event derive such benefits, it will establish cooking as an alternative for team-building activities that are traditionally done in off-sites and in outdoors. It is thus a win-win situation for both partners and all other entities associated with this event. With regards to the marketing and promotional push, there will be a total 360 degree focus including radio, print and digital.

Kapur believes that the current sluggishness in demand will continue for another 18-24 months, and this is linked to the economic challenges facing the country. Thereafter, they expect a return to high double digit growth for all categories. India will continue to have multiple price points on offer. The vast majority who do not own appliances will be looking at affordable price points. At the other end of the spectrum is a small but growing population who want the very best on offer. And of course there is the vast middle class. Hence, for appliance players, there is room for growth in every segment - entry, mid and premium. As far as trends are concerned, there will be a faster rate of adoption of Built in appliances, a steady decline in window air conditioners as more consumers adopt newer formats, and more "wired/connected" appliances. [By Aanchal Kohli | Twitter: @aanchalkohli]