

Whirlpool aims to double sales by 2020

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Home appliances major Whirlpool has set a target to double its sales in the country by 2020.

The global leader in appliances is eyeing India and China to become the top selling brand in the region, according to Sunil D'souza, managing director, Whirlpool of India.

The company is diversifying its portfolio to increase sales in India.

Many of the established players in the category have shifted their focus towards higher end of the market by introducing premium products.

Whirlpool is expanding its offerings in both the premium and regular categories.

The company posted Rs 3,488 crore in net sales in 2015-16.

"Consumers tend to repurchase brands they have used earlier. As penetration of big appliances is low, being present in the budget segment will benefit us in the long run," D'souza said.

An estimated 21 per cent of Indian households own refrigerators and 8.8 per cent own washing machines against the global averages of 85 per cent and 70 per cent, respectively.

Impacted by global economic crisis and fall in demand, Whirlpool diverted its capital budget from expansion of production capacity to research. However, the firm is now relooking its strategy.

Whirlpool has decided to increase its capital expenditure by 50 per cent in the near term. "It will be through measured steps and we may keep revising plans every two years," D'souza said.

The consumer durable market in India is estimated at Rs 84,000 crore (\$12.5 billion) by Consumer Electronics & Appliances Manufacturers Association. And, annual growth rate for washing machines and refrigerators is pegged at 10 per cent.

Whirlpool had allocated Rs 75 crore to its capital budget in 2015-16 and increased this to Rs 94 crore in 2016-17. It plans to allocate Rs 140 crore next year.

The company plans to increase capacity of its existing plants, starting with direct cool refrigerators.

"Capacity utilisation in single-door refrigerators and semi-automatic washing machines is very high. We have not added capacity in the past few years," D'souza said.

Whirlpool will start selling front-loading washing machines in India this year. The company is also seeking higher sales of air and water purifiers and premium appliances.

The objective is to increasing the share of sales from products other than washing machines and refrigerators to over 20 per cent in four years from 10 per cent now.

To strengthen its presence in the premium category, Whirlpool has started selling and servicing its products under the brand KitchenAid. By the end of this year big appliances will be available under this brand.

It is trying to widen the reach of products online and through brick-and-mortar outlets. Whirlpool supplies to 35,000 of the 50,000 stores that sell large appliances.

And, three to four per cent of its sales are online, which the company plans to raise to 12 per cent.