Washing Machine and Emancipation of Women

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Technology has taken our country a long way from the laborious process of scrubbing and rubbing clothes by hand to the modern rectangular-shaped white box equipped with a variety of buttons, able to deal with heavily soiled and delicate fabrics. This relatively new product has become one of the basic utilities for the households. From very crude and clumsy look in the beginning, it has transformed into a stylish, trendy looking and highly visible home appliance. Now it ranges from washing machines to washer dryers with front loading, top loading etc. Tables-1and II show that the growth in market demand for washing machines has expanded at an impressive rate in the early 1990's owing to a low base, increase in disposable incomes, rapid urbanization, increase in nuclear families, steady transformation of urban housewife into a career woman, growth in per capita income and increase in consumerism. The market expanded by over 20% during the first decade of the introduction of washing machines in the country and then stagnated in the new decade to record a modest annual growth rate of 9% from 2004-08. The low growth in the context of low product penetration (around 6 percent) tells the true story. The writing on the wall is that it's a dog-eat-dog market with each player eating into the other's share. And the total pie is not growing at the rate it could. There are a variety of reasons for lukewarm sales as products that are relevant for entire family score over the washing machine. Some argue that washing machine is the least preferred home appliance as average usage of 1.5 hours pales into insignificance before TV with around 6 hours.CTV manufacturers sweeping up the demand from home appliance makers by offering exchange offers, price-offs and promotions. The activity levels are very high in television in comparison with washing machine .The reason is that the smaller business always gets short-changed in terms of resources and attention. So, the allocation of resources becomes proportionate.

One is condemning both the businesses to grow at the same rate, irrespective of the varying potential. That is what exactly happened to Whirlpool. It has two big pro% refrigerators and washing machines. It sells around 7.5 lakh

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refrigerators and 2 lakh washing machines. Now, both are very competitive businesses. Take Godrej for example. It is known as a refrigerator company, and so washing machine becomes a tail. So how many new products does a company launch?

Maid seems to be more economical than the machine though there is no data to support this argument. Poor monsoon might have adversely affected sales in the up country and rural markets. Price drops seem to have caused negative impact on the minds of the consumers as they postponed the purchase of this durable product. The other interesting reason is that marketers failed to appreciate the changing profile of the customer. The A group section already enjoys washing machine and the B group are those who are not interested in it because they have servants. So there is an overwhelming case of market shifting from section A to B and other lower sections. Despite the price reduction, they are not able to penetrate these lower segments. It is clear that this particular white good is yet to become a mass product in India. It is more of a desirable purchase than essential. Thus, there is a tremendous need for the companies to invest in technology to come up with better products at a cheaper rate. As in value terms, the market size is estimated at exceeding Rs 7.5 bn. The household possession of washing machine is in direct ratio to household income. Other than direct ratio, factors that are important include kitchen area and the education of the consumer. In India income is less evenly distributed in major developed countries. The cost of washing machines is still prohibitive and enjoys low recognition as it is a stranger to the majority of house-holds in India. In other words, it is still an upper middle class phenomenon. In advanced countries the washing machine has played a grater liberating role for women than the pill as all they need to put in the powder, close the lid and relax.

Table I

Trends in market demand for washing machines: 1990-2014

Year	th nos
1990-91	220
1991-92	263
1992-93	315
1993-94	380
1994-95	455
1995-96	525
1996-97	605
1997-98	695
1998-99	780
1999-00	880
2000-01	990
2001-02	1110
2002-03	1235
2003-04	1370
2004-05	1513
2005-06	1665
2006-07	1820
2007-08	1985
2008-09	2150
2009-10	2320
2014-15	3585
Source: Intecos-CIER	

Table-11

$$R_i = \frac{NAV_t - NAV_{t-1}}{NAV_t - 1} \times 100$$

$$\sigma_i = [\, \Sigma \, (R_i - R)_2 \, /n]^2$$

Table II

Market growth rates in washing machine: 1990-2014

1990-91 - 1996-97	18.4%
1996-97 - 2001-02	12.9%
2001-02 - 2006-07	10.4%
2004-05 - 2009-10	9.0%
2009-10 - 2014-15	9.0%

Source: Intecos-CIER

LEAD PLAYERS

There are quite a large number of players in the market which include LG, Videocon, BPL, Smart Wash, Samsung, Duro Clean, Electrolux Kelvinator, Whitemagic Hotwash, European Deluxe, Europa Classic, Maxclean, Maxclean Digitron, Daewoo etc. Of course Videocon pioneered the entry of washing machine in the Indian market; BPL did not remain far behind in the race. More Indian entrepreneurs jumped on to the bandwagon, but were swallowed by a bevy of MNCs. Thus, there is wide choice of about 10 brands and more than 75 models for the

Indian consumer. The entry of MNCs has not only widened the range of the product but also has ensured technology upgradation forced the exit of small and big players from the market. Almost all the leading brands have lowered the price of their products leading to increase in their sale. The sales further get boosted during festival seasons when companies offer attractive discount and gifts to woo the customer. Washing machine sales are cyclical in nature as well and their sales commence with the onset of monsoon.

Table-III

Product variation

Type	Share (%)
Automatic	15
Semi-automatic	8

Source:Intecos-CIER

The washing machine market is segmented into semi-automatic and fully automatic machines. The Semi Automatic washing machines are always top loading machines whereas the Fully Automatic machines are categorised into two types - Top Loading and Front-loading washing machines. Manually operated machines have, for all practical purposes, disappeared. Table-III shows that semi-automatic washing machines enjoy a dominant share of 85%. As a consequence of product improvement, competitive pricing and resultant convenience, the share of the semi-automatic version is expected to come down. And yet the semi-automatic machines will continue to dominate for quite sometime. Indian consumer is a price-sensitive customer. The price differential of Rs 10,000 to Rs 15,000 between a semi and a fully automatic machine could make the consumer a steadfast buyer of the former. But the top loading machines are a good choice for the people who live in areas that experience frequent power cuts. It would also be more convenient to use than front-loading ones. However, front-loading machines give a better wash and save water.

Table-IV

Share of lead players

Company	Share (%)
Videocon	20
Samsung	15
Whirlpool	14
LG	27
BPL	14
IFB	4
Godrej	6

Source: Intecos-CIER

The machines are available in capacities of less than 4 kg with a 5% share; 4-5 kg capacity machines with a share of 75% and over 5 kg machines with a 20% share of the market.

Whirlpool of India has a manufacturing facility for washing machines in Pondicherry. It had launched its Whitemagic Hotwash, the only top loading washing machine with a heater. Whirl pool introduced the European Deluxe and the Europa Classic brands. Its breakthrough technology of the advanced hand wash agitator ensures that the clothes do not tangle or twist.

Table- IV shows the share of leading players in the market with Whirlpool, Videocon, BPL and LG are estimated to control over 75% of the market. LG has emerged as the market leader with a share of 27% followed by Videocon, Whirlpool, BPL and Samsung.

In the front-loading segment IFB has a share of 65%, with Samsung following at the second place. Samsung India Electronics (SIEL) of South Korea, after having established itself in audio products, TVs and refrigerator markets, moved into fully automatic washing machines, with a stainless steel or plastic tub. Both models are of 6 kg capacity and belong to the top loading type of washing machines.

Whirlpool and Electrolux had gone into buying existing manufacturing facilities. Whirlpool took over Maharaja International, while Electrolux had tied up with Kelvinator.

Matsushita, Daewoo, Maytag and General Electric had gone in for joint ventures to take advantage of established distribution network. But joint ventures have their own handicaps. Electrolux and its Indian partner encountered business behaviour problems a little too soon. Similar problems arose between Godrej and GE. Whirlpool, LG and Samsung have gone on their own.

Electrolux India launched a new washing machine model - Maxclean Digitron, enjoying a seven-year products assurance. The new model has 12 wash sections and has a capacity of six kg. Earlier marketed under the Voltas Maxclean brand, the new range, which has been completely overhauled and improved, will now be known as Electrolux Maxclean, with the Voltas name reverting to the Tatas. The top-loading Maxclean washing machine range consists of five variants in three models. Washing machines remain a significant business area for the company. The Indian subsidiary of AB Electrolux has claimed that the company launched the world's first talking washing machine. The Samsung models fall into the same range as those of Electrolux and Daewoo. Whirlpool and BPL have fully automatic 5 kg models, which are priced much lower than the competition. Besides competing with each other, they are able to counter the threat coming from the easy availability of 'domestic helps. They need to overcome infrastructure bottle necks such power and water.

Market Segmentation

Table-V shows that the market segmentation is very low in rural areas in comparison with the urban. Washing machine has a market penetration of 9.8 per thousand population in rural areas compared to 166 per thousand penetration in the urban market. Compared to this, market penetration of refrigerators is 35 in rural and 335 per 1000 population in urban areas. In usage among different regions, the north leads the table followed by south, west and east. Barring north, there is a growing preference for fully automatic washing machines for its inherent advantages.

Table-V

Market segmentation of washing machine in India

Segment	Share (%)		
	Semi	Fully	Total
North	53	17	46
East	7	7	7
West	20	37	23
South	20	39	24
Rural	-	-	18
Urban	-	-	82

Source: Intecos-CIER

Conclusion

To sum up the washing machine market has somewhat got stagnated in India for the last four years and it is likely to be the same in near future. This does not mean that this particular white good has lost either the market potential or the competition. Low end products with simple functions can no longer meet the consumer demand. It is high time that the leading companies paid heed to their R&D and come up with low cost models with more varied features such as minimal damage to clothing, water saving and stylish exterior design etc there by the reviving the growth trajectory of washing machines and not to speak of emancipation of Indian women in the 21st Century.

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