



Products and services

Electrolux will increase the pace of its product development at the same time as the products launched are to be ranked among the best in the market based on a strict rating system. The focus rests on growing sales in the premium segment across the globe. The Group is also implementing an extensive program to further strengthen the Electrolux service operation.

Growth

- Develop best-in-class products
- Speed up product innovation
- Give best-in-class service

Electrolux develops new products based on consumer insight. Each year, the company performs thousands of interviews and home visits to observe how consumers use their household appliances and to assess their attitudes to them. Based on this information and by examining macro trends and new technologies, Electrolux can learn how to further enhance the everyday lives of consumers.

Faster and more accurate

The Group's process for consumer-driven product development is used in all new products. In recent years, a number of changes have been made to the process to further raise the level of ambition for what is delivered to the consumers. By expanding cooperation between the Group's marketing, R&D and design functions, it will be possible to develop products faster and these will be preferred by more consumers. Various teams within these functions are being activated throughout the world with the aim of enhancing consumer insight and market know-how. Electrolux has introduced requirements stating that a product may not be launched unless at least 70% of a test group has expressed a preference for it in relation to similar alternatives in the market. If this requirement is not met, the product is sent back to the product development team to be reworked. To measure customer preference, Electrolux has built up a regional network connected to the Group's production units. One example of cross-border collaboration at Electrolux is the establishment of the new Center of Excellence for Food Preparation. This center combines the know-how of experts from the Group's professional operations with the consumer business.

Electrolux in different product categories

Electrolux aims to develop winning products in different categories and regions by focusing on innovation and cost efficiency. The strongest global position currently held is for cookers, enabling, for example,

Electrolux cooking solutions for the world's best chefs and restaurants to be leveraged when developing consumer appliances. Electrolux also commands a strong global position for vacuum cleaners and is growing rapidly in the area of small appliances by utilizing global economies of scale. Other strong positions held by the Group include the market for front-load washing machines and dishwashers, which are segments with low penetration in most markets. Among closely related product categories, Electrolux identifies major global potential for air-conditioning products and water heaters.

Global collaborations for more efficient product development

Developing products based on global needs leads to greater efficiency not only in product development and marketing, but also in production, since fewer product platforms are required. The cooperation between the various Electrolux global product councils for appliances accelerated in 2011 with global units for product development in the respective product categories. This increases the pace of innovation. Currently, Electrolux has a number of global product development centers for household appliances that focus on areas including induction, steam, built-in appliances and front-load washing machines. The objective is to further increase the level of differentiation for new launches in the premium segment and concurrently be able to profitably compete in the low-price segments. Brand differentiation, rapid product development and efficient production are required to reach consumers with products in the low-price segments.

To be able to offer consumers more innovative products at a faster pace, Electrolux established a global technology center in 2011 responsible for identifying the latest technology of significance for the Group's global product offering. The focus is currently on development of more user-friendly functions and solutions that increase the degree of energy efficiency and recycling, among other aims.

Speed up product innovation



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Winning strategy through innovation and cost competitiveness

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|--|---|---|
|  | Cooking | <ul style="list-style-type: none"> • Traditionally a strong category • Steam ovens, induction hobs, hoods |
|  | Refrigeration | <ul style="list-style-type: none"> • Challenging category with over-capacity • Focus on pockets of growth and sub-categories |
|  | Dish washing | <ul style="list-style-type: none"> • Low penetration and a growth area; opportunity to convert consumers from hand washing to machine washing |
|  | Laundry | <ul style="list-style-type: none"> • Largest category; driven by demand for large capacity and higher efficiency |
|  | Air care | <ul style="list-style-type: none"> • Strong position in North America and Latin America; opportunity to grow |
|  | Floor care & Small domestic appliances | <ul style="list-style-type: none"> • Strong position to build from in Europe • Profitable business sharing its global strength |
|  | Professional products | <ul style="list-style-type: none"> • Only major appliances company with a true professional base • Large replacement market growth through the chain business |

Best service in the market

Electrolux also has an important role to play after a product has been sold, for example, by offering expanded service, upgrades and more accessories. Effective customer care is a decisive factor that enables the Group to build long-term relationships with consumers and thus facilitate future sales. At Electrolux, a comprehensive project is under way to further raise awareness of the importance of the service element in contacts with consumers and retailers. This work has resulted in a global customer-care program

that is founded on all of the good examples of service and customer care developed in the Group over the years. The objective of the program, which is being gradually implemented in Electrolux markets, is to strengthen the brand by raising customer satisfaction at the same time as a profitable aftermarket business is further developed. Using a similar method as when developing new products, interviews are conducted with consumers and retailers to ascertain what is expected of Electrolux.

Goals 2015

The Group's process for consumer-driven product development, combined with the expanded cooperation between the Group's marketing, R&D and design functions will enable products to be developed faster and will ensure that these will be preferred by more consumers. The main goals are:

Reduce the time from innovation to launch by 30%.

-30%

Reduce the number of product variants by 20% as a result of modularization.

-20%

Increase investments in the development of advanced technology by 20%.

+20%