

# SANYO ELECTRIC COMPANY LIMITED



## Company Background

SANYO Electric Co. Ltd, Japan, a Fortune 500 company, was incorporated in 1950. Since then, the company has grown into a full fledged consumer electronics and appliances manufacturer. It manufactures and markets a wide range of products such as information and communication equipment, home appliances, commercial equipment, rechargeable batteries and electronic devices.

The company's operations are grouped into four major business segments – consumer, commercial, components and others. As on 31 March 2006, it had 82 manufacturing companies, 46 sales companies and 36 other companies. Globally, it had a workforce of 106,389 personnel and revenues of US\$ 21.14 billion for the year ending 31 March 2006.

## SANYO Electric in India

SANYO Electric Co. Ltd entered the Indian market in 1982 through a technical agreement with BPL. Under the agreement, Sanyo provided BPL with the latest technologies for colour televisions (CTV), refrigerators, compressors, washing machines, components and alkaline batteries. Presently, the company operates in India through two entities :

- SANYO BPL Private Limited
- SANYO India Private Limited

### SANYO BPL Private Limited

SANYO BPL Private Limited is a 50:50 Joint

Venture (JV) between BPL Limited and SANYO Electric Co. The JV came into existence in 2005. BPL provided manufacturing, sales, service and marketing support, whereas SANYO provided support in R&D and helped the JV gain access to the latest technologies.

It has invested approximately US\$ 70 million in the JV. SANYO BPL's products are currently available in 5500 retail and multi-brand outlets across the country, and the company achieved sales of approximately US\$ 18 million last year. It has one assembly line in India in Bangalore for CTVs. In addition to CTVs, the company also markets high-end products such as plasma TVs, CRT TVs, rear projection TVs, etc

### SANYO India Private Limited

SANYO India Private Limited is a 100-percent subsidiary of SANYO Electric Co. Ltd. The company markets and sells a wide range of consumer products in India, including, microwave ovens, LCD projectors, refrigerators, air-conditioners, washing machines, audio systems and security systems.

## Factors for success

### Quality of Products

In spite of being a new entrant in the Indian market, SANYO India Private Limited has been able to acquire a substantial market share because of the quality of its products. The company is renowned globally for its quality, and despite its price premium, Indian consumers have shown a keen interest in the company's products.

### **Innovative Positioning of Products**

The company has been able to effectively position its products, such as CTVs to consumers by adopting the following strategies:

- Introducing a special pricing scheme
- Focussing strongly on the product
- Ensuring the availability of spare parts
- Having a wide product range across both the volume and premium segments

### **Leveraging the BPL Brand Name**

SANYO has been operating in India for the last 25 years through its technical collaboration agreement with BPL, a well-known brand in India. It has been able to leverage BPL's brand name, distribution network, manufacturing infrastructure and service infrastructure to establish a strong foothold in the Indian market.

### **Future Plans**

SANYO BPL Private Limited has set a sales target of US\$ 500 million by 2008-09. It plans to acquire a 6-percent market share by 2006-07, subsequently increasing its market share in the CTV segment in India to 16 percent within the next couple of years. The company plans to access 16,000 retail outlets for CTVs and 6,000 retail outlets for other appliances within the next two years.

SANYO India Private Limited is planning to introduce biomedical equipment, mobile phones and digital cameras in India.

SANYO is also planning to strengthen its presence in the commercial and industrial sector in India. It plans to set up cold storage chains in India to provide fresh products to the consumers.