

Sunbeam

THE MARKET

The first small electrical appliances appeared in the early 1900s. From humble beginnings, the industry has developed into a substantial market of approximately eight million units valued at more than \$500 million a year.

There are five core categories: Food Preparation, Cooking, Beverage, Personal Care and Household Appliances. Australians have embraced small appliances with gusto - the average household has approximately eight small appliances. Key products like irons, toasters, and kettles have become household necessities, approximately 65% of which are purchased to replace old or broken appliances, the remainder are gift-giving or first-time purchases.

Competition has intensified since the mid-80s when tariffs protecting the industry began to fall. By the early 90s most tariffs had been removed and cheap imported products from Asia began flooding the market. Today more than 80% of all small appliances sold in Australia are imported.

Market growth is primarily driven by product innovation, resulting in the development of new categories and constant functional improvements. Product design, colour and finishes such as stainless steel are experiencing a resurgence, generating renewed consumer interest.

ACHIEVEMENTS

The 'Mixmaster', 'Electric Frypan', 'Toastermatic' and 'Steam Iron' are just some of the Sunbeam appliances which have become Australian icons, found in millions of homes around the nation.

The Sunbeam Mixmaster (Model 9B), launched in 1948, was the first small appliance manufactured in Australia on a large scale. It was an instant success selling more than 725,000 units in the 10 years to 1958.

In 1956 yet another Australian icon was born, the Sunbeam Electric Frypan. By 1973 Sunbeam had sold three and a half million frypans, one for every three people in the country. Sunbeam's entire range of frypans is still manufactured at the Campsie plant in Sydney.

The Toastermatic was launched in 1960 and manufactured in



Australia for more than 25 years. It automatically lowered the bread, cooked it to perfection, and then raised it gently when ready - a true innovation in the 60s kitchen.

Sunbeam has continued to innovate, and in 1984 launched the 'Selectronic' iron that won an Australian Design Award. It was the world's first electronic iron and featured a patented 'automatic safety cut-out' which represented a significant advance in safety. This feature was then licensed to manufacturers around the world.

1984 also saw the launch of the first plastic jug-style kettle, designed and manufactured by Sunbeam Australia. The aptly named 'Express Kettle' utilised 'fast-boil' technology, boiling one cup of water in 30 seconds. It revolutionised the kettle market and immediately took Sunbeam to the number one position, selling more than 200,000 units in the first 12 months.

In the late 80s, Sunbeam introduced the '12 Month Replacement Guarantee' across its entire range of products. This was an Australian and world first, the success of which was based on the company's high quality manufacturing standards. Subsequently, Sunbeam was awarded 'Supplier of the Year' for their bold commitment to product quality and customer satisfaction.

This commitment is evident in the multitude of design and industry awards that Sunbeam has won over the years. The 'Pro

Steam' iron range was named 'Small Appliance of the Year' in the early 90s, and has since dominated the market for nearly a decade. Sunbeam's 'Pie Magic' won 'Best and Most Innovative Small Appliance' for 1993 after it sold more than 210,000 units in its first 12 months - an outstanding performance for a new product concept. In 1994 the Sunbeam 'Toast N Crumpets' toaster won 'Product of the Year' for its innovative crumpet cooking function.

In 1994 Sunbeam celebrated the production of its 10 millionth iron. Sunbeam USA was so impressed with the quality and performance of the Australian designed and manufactured 'Pro Steam' iron, it contracted the Australian design team to redesign the range for the US market.

Many other products successfully marketed by Sunbeam Australia, including the 'Oskar' Food Processor, the 'Mixmaster' and 'Pie Magic', went on to become best selling appliances in the USA.

In 1999, the 'Quantum' cordless kettle became the first small appliance to win two Australian Design Awards, continuing tradition of excellence in product development.

HISTORY

Sunbeam Corporation, USA - formerly known as the Chicago Flexible Shaft Company (CFSC) - was established in 1897 as a manufacturer of sheep shearing equipment. In 1910 it diversified into small electrical appliances with the launch of the 'Princess' dry iron. Such was the success of this product that a separate division was created to market appliances, and in 1921 the Sunbeam brand was launched.

In Australia, Sunbeam's history dates back to the Sydney-based Cooper Sheep Shearing Machinery Pty., established in 1902 to import shearing equipment from the Chicago Flexible Shaft Company.





In 1914, CFSC acquired the Australian operations and changed its name to Cooper Engineering Co. (CEC). It continued to manufacture in Chicago until unfavourable exchange rates, brought about by the onset of the Great Depression, rendered this arrangement unprofitable. In 1933, CEC began local production of sheep shearing equipment in Waterloo, Sydney, and continued to import appliances from the USA.

By 1948, the first Australian-manufactured small appliance was launched – the Sunbeam 'Mixmaster'. It was an instant success. With CEC's increasing involvement in the small appliance market, the need for a second manufacturing plant was apparent. In 1951 an 11 acre site was purchased in Campsie, Sydney, and production began in 1954 with the 'Cooker/Deep Fryer' and 'Mixmaster Junior'. On December 12 1952, the company changed its name to Sunbeam Corporation Limited.

It was not until 1955 that the appliance revolution really took Australia by storm, with the introduction of three new products: the Sunbeam 'Pop-Up' toaster, 'Electric Frypan' and 'Ironmaster'. Since the late 50s, Sunbeam has introduced hundreds of new products and is one of the few companies still manufacturing appliances in Australia.

THE PRODUCT

In 1999, Sunbeam's range consists of more than 180 electrical appliances, including: irons, toasters, kettles, blankets, frypans, barbecues, bread makers, snack makers, compact ovens, rice cookers, steamers, food processors, mixers, blenders, knives, can openers, coffee makers, juicers, plaque removers, hair dryers, hair clippers and massagers.



Despite this diverse range of products, the focus of Sunbeam's business remains in line with its heritage - irons, toasters, kettles and frypans.

RECENT DEVELOPMENTS

In the late 90s Sunbeam's new product development process has been dramatically accelerated, resulting in five times the number of new products released each year compared to that of the late 80s. Despite tighter development schedules, Sunbeam continues to design, engineer and manufacture world class products that in many instances lead the international market.

In 1998 Sunbeam launched the Quantum range of appliances setting new standards in product quality and contemporary styling. Leading this range is the 'Quantum Plus' cordless kettle which gained immediate market acceptance. The 'Quantum' range also includes the sleekly styled 'Hi-Lift' and 'Toast & Crumpets' toasters.

The innovative 'Kettle King' outdoor electric barbecue was launched in 1998 to capitalise on changing consumer lifestyles. Its compact, easy-to-assemble design is ideal for high-density dwellings, where space is limited and electricity is the most convenient fuel source for barbecuing.

In late 1998, Sunbeam launched 'Pure Source', Australia's first power-assisted water filtration system, designed to cater for the growing demand for safe, fresh-tasting drinking water.

Sunbeam predicts that it will be new categories such as this that will drive the electrical appliance market into the next century.

Sunbeam created excitement at Christmas 1998 with 'Cool Stuff', a range of novelty products designed to capture a slice of the children's gift-giving market. The cool 'Avalanche' ice shaver; Dinosaur-shaped 'Popasaurus' popcorn maker; and 'Mmooo Snack' cow sandwich maker, captured the imagination of the retailers and consumers alike.

PROMOTION

Sunbeam's advertising and sales promotion campaigns focus on new products in the key selling periods of Mother's Day, Father's Day and Christmas.

The 'Pure Source' was launched with a television infomercial, national magazine and publicity campaign to create awareness. Product sampling was also used to generate positive word-of-mouth and accelerate consumer acceptance.

The 'Cool Stuff' novelty range was launched with a television commercial 'Rowan's Home Cooking Show' and was supported by a fully integrated communication program including colourful packaging, cross-selling brochures, and publicity-driven colouring-in competitions.

Recent sales promotions have utilised sweepstakes and gift-with-purchase offers, designed to stimulate brand switching and further reinforce the Sunbeam franchise. Examples include: 'I love Sunbeam' Gold Heart and Chain Giveaway, 'You Can Count on Sunbeam' Win a Diamond Solitaire and 'Sunbeam Cooking up a



Storm' Family Circle Bonus Cook Book offer.

Sunbeam also utilises packaging as a primary vehicle to maximise in-store impact and provide essential information to simplify purchase decisions.

BRAND VALUES

The Sunbeam brand was built on total commitment to the highest quality standards. As a result - 'One Sunbeam Appliance Sells Another'.

Sunbeam's advertising reinforces the brand's positioning. 'Give Sunbeam. Give lasting pleasure'; 'Give me Sunbeam anytime', 'Works better. Lasts longer'. Today, 'You can count on Sunbeam' encapsulates the brand's heritage, quality and reliability.

THINGS YOU DIDN'T KNOW ABOUT SUNBEAM

- The name Sunbeam is derived from the statement: 'Best Electrical Appliances Made', under the Sun.
- The Sunbeam brand name and logo were launched in 1921.
- The first small appliance manufactured on a large scale in Australia was the famous Sunbeam Mixmaster in 1948.
- Sunbeam began as a sheep shearing equipment supplier and is still the market leader today.
- The Sunbeam head office in Campsie, Sydney is located on Sunbeam Lane.