

16 Views of DEG manufacturers

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Views on issues

Introduction

16.1. The views summarized below are the responses received from manufacturers of DEGs on the issues identified in the CC's Issues Letter of 28 February (see Appendix 2.1), or discussed with them subsequently at hearings, or in correspondence.

16.2. The views are set out by issue in the order and under the headings used in the Issues Letter: scale or complex monopoly; market definition; POS advantage; barriers to entry; different profit contributions and effects on the DEG market; retailers' relations with manufacturers; uncompetitive practices with respect to restricting choice, contracting in advance, price setting, restricting information about alternative EWs, restricting information about DEG reliability and repair costs, selling practices, unfair terms, and uninsured cover.

16.3. Some respondents commented on only some of the issues. On some issues there were relatively few parties who offered substantive views. The manufacturers whose responses are set out below are:

Beko
Belling
Bosch & Siemens Home Appliances
Dyson
Hoover-Candy
Miele
Sharp Electronics UK
Whirlpool

Market background

Market definition

Miele and Whirlpool

16.4. Miele believed that retailer, credit card, multi-appliance, and replacement EWs were all in the same market as manufacturers' EWs.

POS advantage

Beko, Belling, Bosch Siemens, Dyson, Hoover-Candy, Miele, Sharp Electronics and Whirlpool

16.5. All these manufacturers felt that retailers had a strong, or significant, POS advantage in the sale of EWs, although Dyson felt that this was diminishing with greater consumer awareness.

Barriers to entry

Beko, Belling, Miele, Panasonic, Sharp Electronics UK and Sony

16.6. All these manufacturers believed that barriers to entry to the EW market were few and/or insignificant.

Retailers' relations with manufacturers

Miele and Whirlpool

16.7. Miele and Whirlpool felt that the concentration of sales among relatively few retailers gave retailers an especially powerful position.

Uncompetitive practices

Selling practices

Miele

16.8. Miele felt that retailers' incentives to staff to sell EWs, and EW sales targets, might be distorting the market for EWs, and perhaps indeed for DEGs, and felt that such incentives should be reduced.