The consumer appliance industry suffered a sharp downturn during 2010 and 2011 but Dyson appeared to buck the trend.

Energy shortages after the Japanese tsunami pushed up sales of Dyson's bladeless fan by 250 per cent as people switched off air conditioning to reduce the strain on the power grid. Sales in America grew 40 per cent in 2010 and the company's market share in Britain breached 30 per cent, compared to 22 per cent in 2009.

The company introduced a cordless vacuum cleaner in 2010 and it promptly sold out. Total sales increased from £770m in 2009 to £887m in 2010, while profits were up 9 per cent at £206m, helped by innovations such as the Airblade hand dryer. Dyson invested £45m in research and development (R&D) in 2010.

Although Dyson operates in 52 markets it has yet to venture into China, India or Brazil. Sir James explained this by claiming that the upper middle classes in these countries did not use vacuum cleaners themselves as they often had servants. He added that the company's growth flew in the face of poor results from competitors Electrolux and Whirlpool. He was critical of Vax (another rival) which sells the Hoover range, accusing them of patent infringement.

Dyson employed 200 new engineers in Britain in 2010, doubling the number of highly skilled workers at its site. They plan to bring that number up to 700. However, Sir James said his company was struggling to find a sufficient number of workers, particularly graduates willing to join the business, despite a starting salary of £25,200 and a joining bonus of £3,000. He said that demand for engineers would quadruple over the coming years with the number of positions already outstripping the number of people graduating with relevant degrees.

**Questions**

1. Explain one reason why Dyson should regularly update the marketing mix for his bladeless fan. (4 marks)

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This 4 mark question would typically be awarded two marks for knowledge, one mark for application and one mark for analysis.

1. Explain why Sir James Dyson would be keen to protect the originality of his inventions through patenting them. (If you aren't sure about patents, see pages 19-20.) (6 marks)

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This 6 mark question would typically be awarded 2 marks for knowledge, two marks for application and two marks for analysis.

1. Identify which areas of the marketing mix Dyson would need to concentrate on as it seeks to maintain and increase its share of the vacuum cleaner market. (8 marks)

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This 8 mark question would typically be awarded two marks for knowledge, two marks for application, two marks for analysis and 2 marks for evaluation.

1. Almost half of the world's population live in China, India and Brazil. Evaluate the need fora mass marketing strategy as opposed to a niche marketing strategy, if Dyson was to attempt to sell its consumer products in these countries. (14 marks)

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This 14 mark question would typically be awarded three marks for knowledge, three marks for application, three marks for analysis and five marks for evaluation.