

MARKETING OF ELECTRICAL EQUIPMENT

The consumers of electrical equipment are largely European interests which may be divided as follows: (1) Private industries, (2) public-utility companies, and (3) Government. With the extension of transmission lines into the native districts, the natives may eventually become a more important factor in the marketing of electric appliances and electric lighting fixtures, but the equipment necessary for the generation and distribution of electrical energy will probably always be purchased by Europeans.

QUALITY AND PRICE

The quality of the heavy electrical equipment sold by European firms compares very favorably with that manufactured by American firms. In fact European goods are probably more suited to the particular needs of the country, particularly since the German, Dutch, Swiss, and Swedish electrical engineers stationed in the Netherland East Indies as representatives of their respective companies, have studied the conditions and needs of the country and the equipment they supply is entirely satisfactory. The initial expenditure which a large American electrical-equipment manufacturer would incur in obtaining a first-hand knowledge of the market would probably make the price of his equipment out of line with the prices quoted by his European competitors unless he were willing to make sacrifices to that extent in order to develop possible future business.

In the past, some American electrical equipment which has been imported has not given complete satisfaction because the same type of equipment suitable for use in the United States was supplied to buyers in Java or Sumatra. In many cases American electrically driven machines have broken down after a few days operation in Java. The result has been that until the suitability of the equipment for use in a tropical climate has been conclusively proven, few firms will order from the United States.

TYPE OF AMERICAN EQUIPMENT IN DEMAND

With the exception of flash lights and batteries, the imports of American electrical equipment have been chiefly in lines in which the United States specializes, such as high-tension insulators, lightning protective equipment, X-ray and therapeutic equipment, and electrically driven household appliances. With one exception, few American firms have secured any volume of business in power house or substation equipment, dynamos, or electric-lighting fixtures.

NATIONAL PREFERENCES

No discrimination is shown by Dutch firms or by the Government against goods of American or any other origin. However, the Government naturally shows preference to Dutch manufacturers whenever possible. The introduction and sale of American equipment is difficult, since the majority of electrical engineers in charge of purchasing equipment have been educated in European technical schools where the merits of equipment of European design have been stressed. American practice is not generally recognized in the Netherland East Indies, and a considerable amount of educational work is necessary on the part of factory representatives of American firms.