GE Lullaby: India[1]

GE wasn't having the luck it expected in India.

The company saw an opportunity in the country, along with several other emerging markets, after the 2008 financial crisis.[2] So it overhauled its Indian operations and doubled down on reaching the country's large underserved population. With the nation seeing steady increases in overall economy—GDP grew by 8.5% over the 2010-2011 fiscal year—the strategy should have been paying off.

But GE's efforts in India to market and sell its usual range of healthcare systems—sleek, high-technology, expensive devices with lots of features, and complex digital displays—were failing.

2 Bahree, M. "GE Remodels Businesses in India," *Wall Street Journal*, April 26, 2011.

GE sells the Lullaby in more than 70 countries.[3] Newer versions, introduced in 2013, were offered at prices that were further reduced to beat local competitors in India and other developing countries.

Figure 1. The GE Lullaby Warmer Prime

Source: GE India

Healthcare in India

Healthcare, including the natal-care sector, is a large and growing market in India.

[illegible]

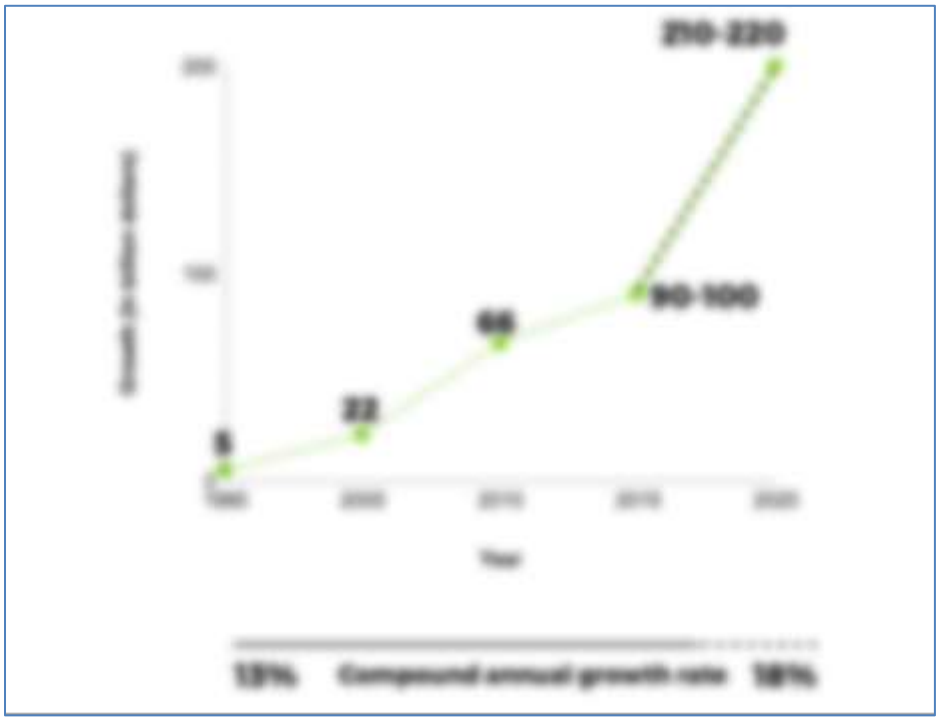
[illegible]

[illegible]

3 Kumar Sharma, E. "GE launches new low-cost infant warmers," *Business Today*, December 13, 2000.

which are far more commonly used (about 80% of Indian hospitals employ them) than incubators, stood to improve the quality of newborn care throughout the country's underserved areas. [4]

Figure 2. India's Healthcare Sector Compound Annual Growth Rate



Source: Hindustan Times

GE and the Market

The Lullaby Warmer Prime was introduced to the Indian market in May 2009 at $3,000. To push the price down from the $12,000 product marketed in the United States, GE

4 Bahree, "GE Remodels."

GE had the capacity to make only 5,000 warmers per year in 2013, Banerjee noted. Almost 40 other companies manufacture similar products that are available in India.[5,6]

Going Forward

The success of the Lullaby Warmer Prime in India was undeniable, and based largely on matching product features to customer needs. Along with a resuscitator, MRI scanner and several other products, the warmer represented a watershed moment for GE's performance in the country.

[redacted]

[redacted]

[redacted]

5 Kumar Sharma, "GE launches."
6 Kumar Sharma, "GE launches."