

# Wonder wash

Raynah Coutinho talks to Ramsons India Director Sunder Belani and Alliance CEO Mike Schoeb on their latest partnership and the hospitality market for laundry systems

**■ Opportunities for the vended laundromat in the hospitality industry? Did some research suggest that this sector would show demand for such a product?**

Mike Schoeb: We have seen an increasing demand for quality products in this market. The Indian hospitality market has historically been extremely price sensitive but is evolving to understand that a higher initial investment could lower the overall spend on the product in the long run.

Sunder Belani: Yes the term 'cost of ownership' is catching on in the Indian hospitality industry, which was one of the reasons that prompted us to bring in the vended laundromat. Other factors included the demand for a technologically advanced solution for this segment of the laundry market.

**■ What is the nature of the Alliance-Ramsons partnership? Will it be restricted to the vended Laundromat?**

Mike Schoeb: There are two components to this – the technology transfer component where some of our products will be produced in India by Ramsons. Our engineering team and production personnel are already working together with Ramsons' corresponding teams and our plant managers are also in India to help Ramsons get the requisite arrangements in place. There is also the distribution component wherein Ramsons will look after distribution of the IPSO and Speed Queen brands in India. We're excited about this partnership. Ramsons' skilled and experienced teams are sure to deliver value to us.

Sunder Belani: We will distribute Alliance's IPSO and Speed Queen brands in India, Bangladesh and Sri Lanka. For the D'Hooge brand we will undertake manufacturing here and Alliance would source

these products for other countries and distribute them but we will also most likely continue distribution in India, Bangladesh and Sri Lanka.

**■ Internationally how much does hospitality contribute to Alliance's business? What about India which hospitality segments do you foresee demand in?**

Mike Schoeb: In our more developed markets, demand is fairly well distributed. On Premise Laundry (OPL) systems, laundromats and vended laundromats each contribute to around 30% of demand. In less developed markets, OPL systems tend to occupy a larger share of demand but as economies and markets develop we see this spreading to the rest of our markets as well with the vended laundromat segment witnessing very rapid growth. Hotels contribute to around 40% of the OPL pie and 15% of the vended laundromat pie internationally. It's a little difficult to ascertain figures for the Indian market at present as demand is largely correlated to hotel development and varies year on year.

Sunder Belani: I think there is a good opportunity for demand for the vended Laundromat across segments but especially in the branded budget segment where there is a level of self service involved.

Mike Schoeb: Yes, and this is also a trend in the hospitality industry wherein hotels have laundry systems that are operated by staff according to a schedule followed by the property but there are also vended laundry machines that can be operated by guests at their convenience. Amenities like this offer convenience and the opportunity for a small sum of added revenue.

**■ Are other such products available in India or available for import and**



Alliance Laundry Systems president and COO Mike Schoeb and Ramsons India director Sunder Belani launching the vended laundromat

**what edge do you offer/what are you communicating to hotels to prompt them to choose you?**

Mike Schoeb: Our USP is – and this is especially so for the Speed Queen brand – that since we cater so heavily to the commercial laundry segment, our products are rugged and trustworthy and therefore longer lasting than those brands whose core focus is the consumer segment. This delivers better value.

**■ How will you deal with chains who have specific vendors for purchase of equipment, fittings, etc, no matter where the property is?**

Sunder Belani: A seasoned laundry manager would definitely see value in the vended laundromat systems. We're looking at marketing these also over and above the hotel's staff operated laundry systems so I'm certain that the product will go down well. We will also deliver a value proposition to them by way of pricing – that is the benefit of

the Alliance-Ramsons partnership wherein they have come to India and the products will be manufactured here.

**■ Your message to procurement managers?**

Mike Schoeb: Don't look at cost first and focus only on it. Look at the quality of the product, the total cost of ownership and the labour costs – labour costs are likely to escalate in India over the next few years. In more developed markets, labour cost is a major driver in the choice of laundry systems.

**■ Which are the other key markets you're targeting internationally? Have you made strategic moves (such as this) for any other country for distribution and marketing?**

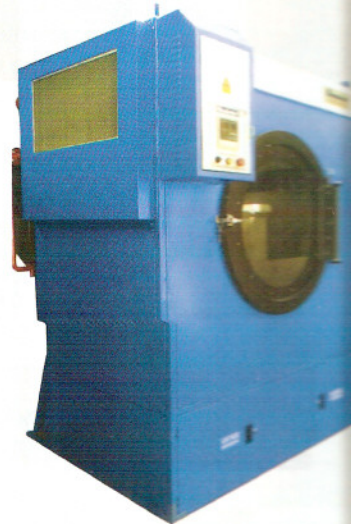
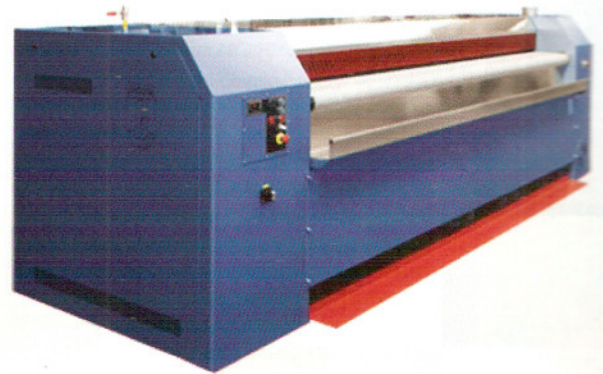
Sunder Belani: The Middle East and Africa are also big markets. Mike Schoeb: Many Asian countries and also Brazil show a lot of potential. ■

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