

ACE

DIALOGUES

APPLIANCES WITH CONSUMER ELECTRONICS

CEO'S VIEW of
the importance of
integrated home
appliances for
building success

INFO BLITZ on
the latest in building
technology including
integrated
home appliances

BUSINESS of
a market of 100 Billion
dollars and rising

APPLIANCES WITH CONSUMER ELECTRONICS

ICEAMA

BUILDING A MARKET FOR BUILT-IN APPLIANCES



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needed. Unlike simply picking a free-standing appliance off of a shelf or online built-in ones need professionals for the installation.

Innovation is the name of the game.

For a manufacturer to foray into this space, however, is not as simple as selling a free-standing appliance. Not only is this space riddled with complexities, it also requires a highly specialized 360° approach right from sourcing of materials/products, to manufacturing/importing the appliances to finding different channels to sell them, to having a specially trained team for installation and demos and then, last but not the least, after sales service. Some manufacturers source their appliances from Europe where they are designed and manufactured, and some, such as Elicia PB India and Haier, also have manufacturing facilities in the country (Pune) where they manufacture the appliances with guidance from designers and technical specialists in Italy and Germany. Fisher & Paykel has manufacturing units in countries such as Thailand and New Zealand.

Some brands such as LG tie up with builders, modular kitchen makers, and designers/architects to spread awareness amongst the customer base, thereby increasing the visibility of their built-in appliances range. Since e-retail is a popular choice with consumers today, some brands such as Siemens are also selling their range online via Croma. Home furnishing stores such as HomeTown have vast sections where modular kitchen units and built-in appliances are displayed for customers who walk through. Brands are opening up exclusive outlets. Faber was one of the first brands to have exclusive outlets. Kaff has over 500 stores across the country. Fisher & Paykel was amongst the first few to open up exclusive centres in the country where customers could get a touch and feel experience. Whirlpool also opened its Haute Kitchen. Innovative ideas are also becoming a part of marketing/selling strategies. Brands also have online kitchen studios with interactive tools to get customers to try out options. Whirlpool is tying up with culinary schools to spread awareness through special programs. It has also tied up with DLF for providing built-in appliances in some of its premium apartments in Chennai and Gurgaon. All brands have websites with exhaustive information that helps the customers understand the nitty-gritties and a toll free number to reach out to for demos, installation or after sales service.

The range is expanding.

Currently, the most common of the built-in range are hobs, chimneys and cook tops; however, several others such as the dishwashers, washing machines, refrigerators, etc., are also slowly gaining traction. At present, the built-in appliance industry size in the organized sector in India is assumed to be almost Rs. 650-700 crores consisting of chimneys, hobs, built-in

ovens/micros/dishwashers, etc. However, in gas cook tops, the total industry size in the organized sector is assumed to be more than 1,000 crores. Mr. Sanjeev Dayal, MD and CEO of Gamle Appliances, says that they currently have a range of choices - 9 models in cook tops, 31 in the chimneys segment and 8 in hobs and have started business in different states such as Delhi NCR, Orissa, etc. "Business will expand in the near future to other cities such as Hyderabad, Karnataka, Mumbai, Maharashtra, and Goa shortly. A whole range of built-in appliances are also in the pipeline now".

Renowned brand, Whirlpool, has recently forayed into this space. Among some of their new offerings are fridge freezers and wine coolers, built-in dishwashers, hoods, gas and induction hobs, the Twelx Artisan oven, and the revolutionary Chef Touch which has 3 appliances in it - a vacuum machine with the Sous Vide technique to preserve food, a steam oven for cooking and reheating and a shock freezer for quick freezing.

A peek into any of the websites of different brands will also prove that the modern day Indian consumers have several more aspirational built-in conveniences in the pipeline. Wine coolers are already a piece de résistance in several kitchens. There are blenders that will be installed inside a countertop, coffee makers fitting into a groove in the wall, dishwasher drawers and warming drawers operating under the façade of a normal pull out drawer, microwave drawers, and so much more.

Here to stay or just a niche segment?

Pratyoosh Chandan, Director of Studio An-V-Thot Architects Pvt. Ltd. says, "Unlike for high-budget kitchens where you go to a certain kitchen vendor and pre-order the complete setup including appliances and high-quality modular structure with finishes, even the local craftsmen today try to and are almost able to create the setup on a much lower budget, wherein the quality can still be maintained by purchasing branded hardware and kitchen accessories". The product designers of Studio An-V-Thot Architects work with brands such as Hettich, Hafele or Kaff, etc., to bring the kind of modernism and functionality as well as sophistication that a modular kitchen of

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today deserves. They work with the customers to recommend appliances based on the need and budget.

Currently, there are Indians who invest between Rs.6 lakhs to Rs.25 lakhs on just their kitchens and kitchen appliances. There are those who even spend as much as a crore on it. However, with demand coming in from smaller towns and cities like Dehradun, Coimbatore, etc., brands such as Siemens are planning to localize production to cut costs and make products available to a larger cross section of consumers are also driving different aspects that working with - in the North it is luxury, in the West functionality.

Conservation of resources and energy is a priority in the future. Vishal Raman, Head Sales (Kitchen Systems), Franke Limited says, "Climate change has manufacturers to work towards enhancing and this particular aspect has manufacturers to collaborate with optimal solutions. For example, the

