

Our focus is on digital, not TVCs: Anshuman Chakravarthy on Orient Ecogale

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As millennials become more engaged in the world around us, they are changing it for the better in their own unique ways. Central to millennials' priorities is technology (especially if it's mobile) and brands have started to pay attention to millennials and their values. Millennials, in case of products like household items (refrigerators, washing machine, etc.), do not connect to them essentially and have not been much involved in buying decisions. However, consumer preferences are changing with times. The more enlightened, empowered and demanding consumers of today want more depth and meaning with their purchases. In a country like India, where around 440 million millennials and 390 million GenZ individuals (that is, people born after 2000) are set to shape the consumer story, it really matters that brands, respective of their nature, pay a lot of attention to millennials.

For millennials, design is a key differentiator while buying any product, and this is exactly what Tata Elxsi as a strategic design partner has done for Orient Electric. With Ecogale, they have blended design with technology to transform a regular household product into an interactive gadget for millennials.

Orient Electric and its strategic design partner, Tata Elxsi, recently launched the energy efficient 'Orient Ecogale' ceiling fan under its Eco-series range, which claims to consume 32W power, compared to a fan with induction motor which consumes 70W, thus saving 50 per cent energy. The premium fan comes with a remote and an interactive LCD display that shows energy saving, fan speed and timer.



In conversation with Adgully, **Anshuman Chakravarthy, Head - Brand & Corporate Communication, Orient Electric**, and **Sandeep Thombre, Product Design Manager, Tata Elxsi**, speak about the concept of a smart fan, marketing plans, consumer response and more. Excerpts:

Anshuman Chakravarthy, Head - Brand & Corporate Communication, Orient Electric

What exactly is a smart fan?

While smart is something becoming another concept, as a theory as well as a trend in terms of development of technology. Smart in fans as a category, I would say, the biggest smartness that a fan could bring or add value to is how to reduce the power consumption in the country. And in fact, we did an estimation based on number of fans available today in the country and how much power they generally consume. An ordinary fan which is available in the market consumes 72 watts of power every hour. To develop something smart and also in terms of technology change, UI interface change that could be really smart. So the work happened for the last two years. Our R&D department was working on this technology called BLDC technology also known as brushless direct motor technology and this technology helps to bring down the power consumption by 50 per cent. So as I was saying if we convert all the fans in the country, we would be able to save 14,000 Megawatt power in a year. So that's one big aspect of this fan which is really smart. The second we figured it out, we partnered with Tata Elxsi to improve the interface of the product for the millennial consumers who want styling that is user-friendly. So largely we stressed on two aspects – one was how to make this user-friendly and secondly, how we can make it aesthetically pleasing. So our both the teams equally worked together to develop this technology, while this product also has all the other smart features including your remote control, timer and the display so that makes the product smart.

What prompted you to introduce a smart fan in the market?

While the country already had star-rated fans for the last couple of years, that segment has become very niche and perhaps the BEE ratings that we offered were only focused on energy efficiency. What happened was that many of these star-rated fans while they were saving energy, they were not able to deliver the amount of air they were supposed to deliver. So the ratings though it saved energy, it was not able to deliver the amount of air that the consumer would expect. We have been working with PE now to convince the matrix on which they decide the BEE ratings. And therefore, they now understand the concept that while it has to save energy it also has to deliver equal amount of air or the desired amount of air. So therefore while the product not only saves energy and the fan that not only saves energy it also gives equal and more amount of air that is expected out of a fan of that category.

Is it a new concept or have there been similar offerings in the market by other brands earlier?

BLDC as a technology is a very generic technology, which existed in aircraft turbine fans and was invented in 1960s. Thus, this technology has been adopted and adapted in various fields. In the fan segment, I would say that we are the first in India in the organised segment to launch this fan using this particular technology.

Please elaborate on the need for creating a whole new UI for Ecogale.

As I have said, we undertook a thorough research in terms of understanding the needs of today's consumer. For example, we see that the ceiling fans are getting reduced because people are living in condominiums. We feel that the room sizes are getting changed, we feel that there is a lot of need in terms of ease of use, people do not want to get up and switch off the fans. We feel that the consumers today want a product which is compatible with their airconditioners. For example, I stay at Indirapuram (in Ghaziabad, UP) and every night during summers we experience power cuts between 12 am and 2 am. So what I can do is that I can put the fan on a timer and when the AC goes off, the speed of the fan can go up or start up. And it helps me to make this product compatible even to airconditioners so that is really smart in terms of how you make a product which could combine with other products and ensure that you use minimum energy during your usage.

How has the new design contributed to your business and how has the market response been?

We have just launched the product in the market. At the moment we are focusing only on some select metro cities, or should I say, largely focusing on South India because that's an all-season market for fans. So we are focusing on Tamil Nadu at the moment and we have also launched it in Mumbai. The first pilot lots have reached and we are getting encouraging response from the trade and also from the few sales that have happened at the moment. And as I said we are not making this product a mass product and not doing heavy advertising around it, we feel that we will be able to promote this product more through online selling. And we have launched this fan on our e-commerce portal as well, we have launched our e-commerce portal two months back and we have added this product in our e-commerce portal as well. So I believe the next thing, which is the next summer season starting from February onwards, that's the season where we put some more thoughts into it how we promote this product. And we feel that we would be digitally through online medium promoting this product more than the mass medium that we have.

Can we say that Tamil Nadu and Mumbai are the key focus areas for distribution of the product?

I would say that, the reason being that India itself is a big country and it faces humidity most parts of the year. The season that we are in, which is September-October, during this period the markets where the demand is still high are Mumbai and Tamil Nadu, among others, because these still have fairly hot weather at the moment.

How is the smart fan competitively priced vis-a-vis other players in the market?

This is a very niche segment, we are not looking at competition at all. But for a product like this you don't really look at competition. So I would say that we are trying to create a new category and also because it is notched up higher than the available premium segment fans, this is priced somewhere around Rs 6,500. But the added advantage and the value it delivers, for example the payback period of this fan is 2-2.5 years I believe. So you are able to recover the cost while saving on energy in 2-2.5 years of running of this fan. So as I said it is a completely niche and new segment, it even does not compete with the energy efficient star rated fans at the moment and because of the technology added advantage that it delivers. For example, large part of India depends on inverters and this fan is capable of running even at 140 volts so that's a huge advantage. So it runs full power, full throttle even at 140 volts in areas where we do not experience the best of voltage supplies at times. Second is that it also runs double time on inverter, for example if your inverter supports one fan for 6 hours, this fan can run for 12 hours. So this has completely distinctive features and advantages which I do not find any product available in the market which competes with it.

How do you plan to market the product? Is there any creative agency on board?

It would be a little too premature to disclose the plans, but I could only tell you that we are planning to do a digital marketing for this particular product because we feel that the type of consumers that we are looking at are digitally savvy and are available and have internet access. So that's where we put a bulk of our programmes for the campaign

plans around while we will also do our engaging programmes in terms of creating videos and video content which we will use through the traditional channels including the modern formats as well where you get the consumer to upgrade to a new technology and also a product which is feature-led in terms of aesthetics.

Do you plan to launch a campaign (TVC, digital campaign)? If yes, when are you planning to launch it and what are the media platforms you are targeting to promote the product?

No, there is no TVC, actually we don't produce TVC for niche category segments. The TVCs that we produce are typically focused towards mass end products or the base category products that we produce.

As I said the focus or the bulk would be on digital while we certainly look at possible integrations. Typically when you look at focused markets or focused cities radio and outdoor help us to actually create a complete 360 degree of a campaign. But I would not be able to tell you whether we would be doing radio or not but it is under our planning at the moment to do. When we will do the All India launch around February-March we will surely consider all the elements. But I am pretty sure that we will not do TVC for this particular product.



What is Orient Electric's market share in the electrical sector? What is the annual growth rate like?

In the fan segment we have a share of 20 per cent and at the moment we are experiencing a growth of around 10 per cent per annum.

Please tell us about your plans for the festive season.

The festive season per say, which is around September-October, is not a very big season for fans, so it is largely an appliance-led season. Therefore, we are not focusing too much on fans-led advertising or communication during this season, but generally what we do is complementary advertising and sponsorship around this season that we will continue to do so. While our bulk of focus this season would be on our geysers and also on our lighting products.

What are the schemes lined up to encourage sales?

While the white goods segment has a lot of schemes, in the brown goods category we generally don't tend to have too many schemes. This is a price sensitive category, so largely either bundle offers or something. So we leave these schemes to be developed and delivered at the distribution level, we don't get into the schemes part of it.