

CASHING IN ON SUMMER

A sweltering summer is always good news for fan manufacturers, and Orient Electric seems to have capitalized on that pretty well. Rakesh Khanna, CEO, Orient Electric talks about the company's strategy in the fan business, elaborating on how the aggressive foray into LED lighting category has worked for the brand

BY NEETA NAIR

PROFILE

Rakesh Khanna is Chief Executive Officer at Orient Electric and leads the company's strategic initiatives. He has a rich professional experience spanning over 30 years, working in India and abroad with companies of national and international repute in consumer electronics, electrical, lighting and consumer durables.



MARKETING TIP

Brands that respond effectively to changing market dynamics and continue to innovate are the ones that stand the test of time.

Q] How good was the summer for Orient Electric this year?

The summer this year has been really good as far as the cooling industry is concerned. We have made sizeable progress in the air cooler segment and have added new models featuring 4-way technology which has received very good response in the market. In the fans segment, we are growing faster than the industry rate and have shown exceptional growth in the decorative, premium & TPW (table, wall & pedestal) fans category.

Q] April-May is the peak period for the purchase of fans across India but the brand didn't come out with a fresh ad campaign around that time. Why?

We are continuing our old TV campaign with Dhoni and Chikki, for LED fans with remote control this year. We have already started the ad campaign for fans on the platform of 'Switch to Smart' and are covering all the channels across India. The all India Print campaign for fans started in the third week of May and through this new campaign we want to communicate our leadership in the segment.

Q] The last time Orient rolled out a campaign was for the LED lighting a little less than a year ago....what kind of response has that got?

We launched our first ATL campaign for the Lighting business focusing on LED products last September and it got a good response from consumers in terms of awareness of brand in this segment. Through it, we highlighted our product range and communicated to the consumers the multiple benefits of adopting LEDs. The campaign continued till mid-December during which various mediums including TV, in-flight magazines, Radio and Digital were used to promote the brand.

Q] Mahendra Singh Dhoni talking about saving electricity bills, does it not sound better from a common man than a celebrity, why did you decide to cast him?

MSD's personality of being cool, sharp, dependable and powerful perfectly matches our brand persona. MSD has a great connect with



the Indian audience across regions and that has greatly helped strengthen our brand image over the years. Each one of us needs to contribute to energy saving. Saving energy is an attitude, way of living irrespective of who we are. Every unit of energy saved reduces carbon footprint and gives an opportunity to provide power to rural India. What could be more apt than MSD who has wide appeal across India to communicate and promote the thought process of energy saving.

Q] What kind of BTL activities do you have all year round to engage with the consumers?

We have access to over 1 lakh counters in India encompassing our four verticals - fans, lighting, home appliances and switchgear. Our BTL campaigns are largely being done at in-shop levels. This year we are also focusing more on TTL (Through The Line) media with more emphasis on digital mediums. We are also doing outdoor advertising and have plans for brand activation activities during the festive season.

Q] What is your target audience for LED lightings?

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ABOUT THE BRAND

Orient Electric is part of the \$1.6 billion diversified CK Birla Group and has been a household name in the Indian fan industry for over 60 years. With its state-of-the-art manufacturing facilities in India and operations spanning over 35 countries, the brand offers a diverse selection of consumer electrical solutions including fans, home appliances, lighting and switchgear.

FACTS

CREATIVE AGENCY: CONTRACT ADVERTISING

MEDIA AGENCY: GROUPM

SOCIAL AND DIGITAL MEDIA MARKETING AGENCY: REDIFFUSION-WUNDERMAN

PR AGENCY: GENESIS BURSON-MARSTELLER

Every lighting consumer is today our target audience. We were amongst the few early ones to start manufacturing LED lights in India. Today, we are the third largest manufacturer of LED lamps. Our LED solutions light up homes, offices, industrial complexes and outdoor spaces. We have an exhaustive range of professional luminaires and we have also stepped into the field of street lighting. We are also supplying LED bulbs in huge volumes to the Government under DELP scheme. LED lamp prices today are lower than that of CFLs. LED lighting is not just a choice but a pertinent need and we are absolutely sure that LEDs would lead the game in lighting.

Q] What kind of market-share does Orient Fans enjoy and who is your closest competitor?

We are the oldest and most awarded fans brand in India. Fans constitute our strongest business, contributing close to 70% of our revenue. We are the largest manufacturer and exporter of fans in India and our products are sold in over 35 countries. We are a leading global player in fans with over 350 designs in our range. We are also making strong headway in other product segments like lighting and home appliances. The competition today does not come from peers

but from changing needs and aspiration of consumers.

Q] What kind of challenges do you face in the market and what is the advantage you have over competition?

There will always be challenges but what's important for a business is to focus on its strengths and work on its weaknesses. We have pioneered several new manufacturing processes and technologies in the fans segment including the revolutionary Peak Speed Performance Output (PSPO) in the 1990s. Presently, we are working on second-generation technologies in fans. Our BLDC based Eco series fans save more than 50% energy in comparison to conventional fans. We are also focusing on integrating smart features in fans such as digital display and Wi-Fi controls. The market is also witnessing entry of new players, especially in the lighting segment, which we believe is a good sign for the industry. One of the major challenges faced by the Indian lighting industry is the import of sub-standard, low-cost products. I think the Government has to step in and stem this. Indian lighting companies also have to address the challenge of being able to produce and deliver customized products to customers.

At Orient Electric, we have an established competence centre which primarily focuses on electronics and design of drivers and PCB for LED products. Through it, we have been able to develop and manufacture various LED products meeting the needs of Indian consumers.

Q] What kind of products are you hoping to launch this year?

We are going to launch a new range of fans around the month of October this year in addition to adding a new line-up of geysers and kitchen appliances. We will be rolling out new products in our LED range in both consumer and professional luminaires categories and also explore new markets for our switchgear range.

Q] What kind of trends do you see in the market today and how are you steering Orient Electric towards it?

The direction in lighting is very clear and that is LED. With LEDs offering multitude of advantages including energy savings, longevity and greater design flexibility, they are fast becoming the preferred choice of lighting. One of the key trends in lighting is the increasing demand for LED solutions in different shapes, sizes and colours so as to suit individual aesthetic preferences and usage environments. The demand for programmable LED lights is also on the rise. The market is just not dependent on replacement purchase any more, retro-fitting market is also shaping up to add to the demand. Going forward, we will see this category broadening with more variety of products to meet diverse needs. In fans segment, decorative fans and energy saving fans are two categories which will see remarkable growth.

Q] What is your strategy for rural and urban markets and how differently do you approach both?

The demand for products across geographies is the same. Rural consumers also are aspiring and want to have a taste of new age products. While distribution strategy is different for rural and urban markets, service holds the key. Our products are being sold from over 1 lakh outlets and to supplement that we have service reach in 144 towns across India which gives us an edge. We believe going forward, online mediums will greatly help penetrate unexplored segments. We have already launched our e-commerce portal which is helping us reach a wider consumer base. The consumer today wants a better experience of our products with touch and feel, and more information and detailing, therefore, we are planning to set up a chain of Orient Electric Smart Shops across the nation. We have recently opened our first smart shop and plan to open 15 more this year.

@ FEEDBACK

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