

EMBRACING THE NEW BREEZE

Rs 5,100 crore Indian fan industry is reshaping itself and becoming globally competitive with indigenous R&D and manufacturing



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Despite the adverse market dynamics, Orient Electric has registered a growth of 14% and increased its market share by 1.5% in the fiscal 2014-15. It has also posted an industry leading growth of 22% in fan exports. Every second fan being exported is an Orient Fan and the company continues to perform well owing to its manufacturing capabilities. It has fully integrated manufacturing units and in-house R&D capabilities which enables it to deliver the best.

Notwithstanding high inflation, flagging economic growth, low IIP numbers and absence of much needed export incentives, the Indian fan industry has managed to register a slow and steady growth over the years. After all, it's a country that experiences high temperatures for most months of the year. The industry is witnessing a paradigm shift now given the change in consumer buying behaviour, emergence of technology based differentiation and a huge opportunity in exports. The segment can expect better business in the coming times if the key players are able to respond well to the challenges facing technological competence, market penetration, government policies and other input costs.

The industry, estimated to be around 56 million fans, has grown at a CAGR of 3% in the last few years. The new manufacturing opportunity fuelled by Indian Prime Minister's "Make in India" initiative is expected to open new doors for the sector.

Roaring labour costs in China is an opportunity for Indian manufacturers

With escalating labour costs and stricter environment regulations in China, a battle has already begun between India and China for global manufacturing. If we take a look at the fan industry, the price gap between the Chinese and Indian manufactured fan which earlier stood at around 35% has now been squeezed to 15-20%. It has opened a new window of opportunity for the Indian fan makers to dominate the exports market which was earlier reigned by China made fans. The government can play a key role in boosting the fan exports by coming up with policies that favour the Indian fan industry in terms of manufacturing and exports. India's good relations with many countries can further give boost to fan exports.

Rising middle class income and high spending in the urban centers is going to push the sales of premium, high-end fans.

The consumer buying behaviour pattern in India is changing fast, with rising middle class income and increasing awareness being the major factors driving this change. Speaking of fans, consumers consider many aspects when buying one including form, functionality, efficiency and durability among others. The new high-spending middle class segment is going to push the sales in



The market for energy efficient fans in India is huge and almost untouched, which opens opportunities galore for the industry players. However, it also puts forth the challenge before the fan manufacturers to increase their technological competence in order to cash in on the rising demand.

Today's consumer demands highest degree of product excellence. They no longer look at a fan as just another commodity but a complete package to complement their lifestyle. The rising consumer aspiration is forcing fan makers to up their game. Orient Electric has evolved with time and today offers a complete range of fans to suit the needs of the customers.

the premium fans segment. While ceiling fans account for a major chunk of domestic demand for fans, the last couple of years have witnessed a steady increase in demand for the Table, Pedestal and Wall fans. The reason behind this is the increasing acceptance of air conditioners and consumers' preference for a more personal cooling solution.

A new breed of energy efficient ceiling fans is ready to hit the Indian shelves in large quantities.

Anindya Das, Senior VP & Business Head - Fans, Orient Electric, says...

In a tropical country like India where energy-hungry common appliances are used continuously round the year, super-efficient ceiling fans can have an enormous potential on energy savings for consumers seeking smart solutions. Orient Electric has recently introduced its new ceiling fan dubbed Ecotech based on the Brushless Direct Current Motor (BLDC) platform. The revolutionary 32W fan saves 50% power compared to a conventional fan which consume 75W, thereby setting a new benchmark in the segment. The fans developed on the BLDC platform offer many benefits over the conventional motor based fans, which include lesser wear and tear, reduced electromagnetic interference, noiseless operation, improved efficiency, increased reliability and longer lifespan.

During the last couple of years, Indian government has initiated many energy efficiency programmes to bridge the gap between demand and supply for power. In the beginning of last year, Bureau of Energy Efficiency (BEE) had announced to provide INR 350 crore incentive to the Indian manufacturers of energy efficient fans. A strong push by BEE along with EESL will change the face of the fans industry as government's initiative for LED has

brought transformation to the lighting industry. This can bring down the prices drastically when the scale of production goes up as a result of government's push.

With online shopping gaining more popularity, there is a definite opportunity ahead. The future of Indian fan industry seems promising provided companies continue to innovate and government comes up with enabling policies to promote manufacturing and exports of fans.



Orient Electric is the largest manufacturer & exporter of fans in India with more than 60% share in exports. Orient fans are being used in over 34 countries.