



Atul Jain, Executive Vice President, Orient Electric

Orient Electric betting big on fan segment, upbeat about good sales this summer season

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season for good sales and we are looking at doing the pre-pandemic levels for this year," says **Atul Jain**, executive vice president, Orient Electric, in an exclusive interview with *Bizz Buzz*

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WHAT is your overall brand strategy to take over the upcoming summer season? Please share some insight.

The last two years rather have been tough for everyone, unexpectedly. We are hopeful for the season and are anticipating good demand. We are launching many new fans across categories that are energy efficient and give superior air delivery. Some of our best-selling products include Aeroslim, i-Float and Hector 500. With this, we have a good range of energy efficient products, and we are rather betting big on this. The demand for energy efficient fans will be huge in future.

How is the industry doing and how you're placed with respect to business size and market size and existing players (competitors)?

It is a large industry with about 5-6 key national players, and then there are 7-8 players with a hold in respective pockets i.e. South or Western regions. Cumulatively the industry size is approximately Rs 8000-8500 crores, annually.

What is the industry growth predicted?

It is growing at a rate of approximately 9 per cent or so. For the last one or two years, the growth rate has become more or less flat owing to the pandemic. So, we're betting on this summer season for good sales and we are looking at doing the Pre-pandemic levels for this year.

So you can say that you are likely to reach pre-pandemic levels.

We can target to reach the same by month of March or April.

What do you think at what percentage of growth rate the industry will catch up?

Due to the commodity pricing go-

ing up, the industry will come back to the growth rate of about nine per cent or maybe even 10 per cent. Also, with the impact of gaining volumes and the price gain, the revenue growth could go in lower double digits for industry next year.

Can you please share something on market and consumer sentiment betting on good summer after two lacklustre seasons to achieve your target?

We are confident that the consumers will be coming back in a big way. We are also confident that we will be getting a bigger share of the pie since we continue to build a strong visibility with marketing activities and consumer-centric innovations with respect to the upcoming products. So, we are anticipating our fan segment will be a strong contributory factor to the overall business.

What are your plans on product expansions across exhausts, decorative and energy efficient fans?

We have already introduced 4 new models in the exhaust range. Furthermore, we have also introduced our decorative range like Dior and Norton fans. And under energy efficient category, we have our BLDC fans range that is soon to be launched.

What is your inclination towards energy efficient products in line what is mandated for fans. Could you throw some light on that?

Government of India has launched a mandate to make every product energy efficient w.e.f July 2022 and has to have at least one star rating product. With this all the manufacturing companies will have to abide by the star rating criteria out of which one of the criteria is to have a minimum one-star rating on your product with approvals from BE&E. Unlike the

present scenario wherein the star rating isn't necessarily required to sell a product.

All manufacturers will shift to star-rated manufacturing of fans and hence we expect that this will bring into lot of energy savings for the consumers and the nation. Also, it will also help in the consolidation of the industry.

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Any comments on cost and supply chain issue during crisis?

We have seen a lot of pressure in the last 15-18 months. The increase of 15-20 per cent in the raw materials cost has led to increases in product prices. We have taken the necessary price hikes and are closely reviewing the situation month on month.

Do you import any raw material from Ukraine, if yes, which one?

We don't directly import any raw materials, but we do buy a lot of commodities that are traded globally. That would be aluminium, copper, steel. Any increase in the global pricing essentially will affect our pricing as well.

Will it reflect into the consumer

products prices going up in the country?

It is already reflecting. The industry already has taken many price increases in the last one and half years, which is a chain reaction to the hike in raw material pricing. So far, we don't see any new price hikes coming our way in fans category, but we are observing the market closely.

Could you shed some light on your distribution network and focus on improving reach and penetration?

Yes, distribution and networking remains a key area for us. We want to increase our distribution. So, we want to increase our reach to small retailers and for that we have got our teams in place and we have also introduced some new products which cater to rural or semi-urban areas. I will say it's an ongoing exercise.

How are you doing in fans exports?

We are the largest seller of fans from India. We are exporting fans to almost 35 to 40 countries, including the SAARC countries, Africa and Middle East. We have recently started selling to some partners in the USA and Latin America as well.

Can you share some details about size of Indian Fan Industry future outlook?

Like I mentioned earlier, fan industry size is about 8,000 crores with a positive growth rate of approximately 9 to 10 per cent per year.

In the view of Covid-19, what do you have to say on the fans playing a role in here?

Health experts have been recom-

mending consumers to stay in well-ventilated areas where there is regular flow of air. Use of fan increases air circulation in indoor areas lowering the risk of air contamination.

What is your position in South Indian market?

Orient Electric is a well-recognised and respected brand in South India and we have grown well in the last 6-8 months.

What category is your prime focus area in the South?

We are focusing on all the regions - North, East, West and South. Specifically in South, Tamil Nadu, Andhra Pradesh, Telangana, Kerala, all these states are our focus. We are continuously looking at the needs of consumers in the region and are introducing products to address those needs.

Can you please share something on the R&D in the fan industry?

Innovation is extremely important or else, all the products will visually and functionally be same. Companies that have strong innovation capabilities will shine through and at Orient, we have developed a strong R&D team that works towards improving the performance of the fan and also towards designing new types of fans. We are always aiming to enhance the value that customers will get by including differentiated, better and useful features.

How much are you spending on R&D, or the size of your R&D team?

We have a full-fledged R&D centre called Innovation Center. It is for all Orient Electric's all business verticals. It is a strong Innovation Centre well equipped with state-of-the-art machines and advanced technologies.