

Appliance Majors Betting on Premium Kitchens

Consumer appliances majors are eyeing Indian kitchens for the next phase of growth. Consistent high growth over the past few years is prompting companies to focus on premium kitchen appliances.

The premium kitchen appliances industry is pegged at Rs 500 crore and growing at 20 per cent per year for the last three years. Kitchens that cost above Rs 5 lakh to furnish are considered premium. Typically such kitchens have four to five built-in appliances like refrigerator, dishwasher, oven, hob and hood, warming drawer and microwave.

The recent spurt in growth in the segment is attributed to changing lifestyles from joint families residing in houses to nuclear families in premium apartments. Better availability of such products and consumers moving up the socio-economic strata are the other factors driving growth in the segment.

"As kitchens are increasingly becoming a part of the drawing room now, demand for well-furnished kitchens is also growing. This adds to the sale of premium items," said Gunjan Srivastava, managing director and chief executive of BSH Household Appliances. BSH offers its products under its brand Siemens, the market leader in the segment now.

Global home appliances leader Whirlpool has opened exclusive franchise stores for premium appliances in cities like Chandigarh, Bengaluru, Kolkata and Jaipur, and aims to be present in 16 major cities by March.

"Although more than 90 per cent of sales still come from the top 32 cities now, we see this as a segment with huge potential. We will continue increasing our presence and availability," said Shantanu Dasgupta, vice-president, corporate affairs and strategy, South Asia, Whirlpool. The company is planning to introduce its premium kitchen appliances brand KitchenAid in India in 2016. KitchenAid is an US-based company that Whirlpool acquired in 1986.

According to industry estimates, the segment is expected to grow at 15-20 per cent per annum for the next few years. "The market in India today is what it was in China 10 years ago. The premium kitchen appliances market has grown 10-fold in China since 2010," Srivastava said.

"The growing upscale urban customer has travelled the world and seeks the same level of premium products that are available in global markets," said Anil Mathur, chief operating officer of Godrej Interio.

A surge in demand prompted the company to launch Cuisine Regale, which offers premium kitchen furnishing costing more than Rs 8 lakh.

The increasing popularity of ready-to-move furnished apartments is supporting the industry too. Whirlpool now offers an entire portfolio of such appliances and has tied-up with real estate major DLF for its high-end apartments in Chennai and Gurgaon.

"Architects and premium home builders are the ones who influence buyers for these products. So it is always helpful to work with them," Dasgupta explained.