

# Godrej Appliances to Play Premium Card

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Co building ₹200-crore plant in Pune to make large appliances for the 'first' time in India

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**Kolkata:** The country's second largest homegrown appliance maker Godrej Appliances is venturing into premium products, becoming the first Indian brand to do so in a market dominated by the Korean duo, LG and Samsung, with an aim to almost double revenue and be among the top three by 2020.

As part of this, the Godrej group company is getting into premium kitchen appliances, large capacity refrigerators and front-loading washing machines while premiumising its air-conditioners and microwave ovens, said business head Kamal Nandi.

It is commissioning a new ₹200 crore plant in Pune to manufacture the premium range, as Nandi said Godrej will be the first company to domestically manufacture large capacity appliances which are all currently imported.

"The premium product market may be small, but it has been growing at a fast pace for the past 3-5 years. It will be difficult to be among the top three brands in India without a presence in the premium segment which also helps to build the

brand imagery," said Nandi.

Godrej Appliances had clocked a revenue of ₹3,300 crore in the fiscal ended March 2017 which it wants to grow to more than ₹6,000 crore by 2020 with half of the revenue generated from premium products. The company will next year launch refrigerators with multiple doors in 500-litre plus capacity and front-loading washing machines for which it has entered into a product development partnership with an overseas company.

Nandi said the company is premiumising even mass segment products such

as using steel drums in semi-automatic washing machines which are used mostly in front-loading. "We had a minimal presence in retail chains which will be beefed up since most of the premium products are sold through

them. While retail chains account for 12% of total industry sales, its just 4% for us," he said.

Godrej is the fourth largest player in refrigerators after LG, Samsung and Whirlpool with 14% share. It has 10% share in washing machines but is the second largest in semi-automatic washing machine after LG with 15% share; it has 5% share in air-conditioners and 4% in microwave ovens.

Godrej Appliances finds a scope to take the pole position considering Videocon is currently in sticky wicket due to a debt crisis.

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