

With radical changes in lifestyle, the Indian consumer today seeks convenience in everything and is willing to pay a premium for the comforts that advanced technology brings in making everyday life much easier than ever. Premiumization as a trend is here to stay as our country progresses highly on the growth path. A fast-paced life coupled with a higher income at disposal is a key enabler. As per the IMF Economic Outlook, the Indian economy is expected to grow at an annual rate of 7.8 percent in 2019, which is bound to lead to higher consumer expenditure. Increasing income levels, in turn, has led to rising aspirations, not confined to the luxury segments alone. Be it food and beverages, personal care products, entertainment, apparel, home furnishings, automobiles, electronics, tourism, FMCG, or durables, premiumization is clearly visible. One of the key indicators is the proliferation of luxury brands in the Indian market and not just in the metros.

Household income growth, nuclear families with younger decision makers, emerging smart cities, along with the increase in frequency and ease of purchase with smartphone proliferation and internet penetration, has led to a shift in the perception of the consumers across all categories. Consequently, consumer appliances are not viewed as just utility products. Convenience and indulgences are the primacies of the consumer today. Consumers' willingness to upgrade is aided further by the easy availability of finance across segments.

At Godrej, we value customer aspirations and believe in offering relevant innovations in return, in sync with the brand philosophy of *Soch Ke Banaya Hai*. So be it the Godrej Edge Duo – India's first single door refrigerator with a separate vegetable drawer or Godrej front load EON machines that enable allergy protection, the Godrej NXW inverter AC with an ISEER rating of 6.15, making it India's most power-saving green inverter AC, or the aesthetically advanced eco-friendly Allure series of fully automatic top load washing machines, or even the most efficient chest freezers in the country, in short, innovations that deserve the premium. Developing offerings with relevant innovations to meet the growing needs of the consumers has been the focus at Godrej from the very beginning. Strengthening R&D cell and setting up innovation cells are some of the initiatives that have gone hand-in-hand to deliver the innovations. CapEx investments toward manufacturing high-end products have been a core focus area as well. Further, when we talk of premiumization,



Changing Consumption Pattern Fuels Premiumization Trend

aesthetics, fit feel finish, form apart from functionality also play a significant role. Cross-functional teams are involved in ensuring that we up the benchmark on this aspect. Aesthetics and fit feel finish no longer remain a fuzzy area but a quantifiable, tangible actionable area.

However, premium experience cannot end at products. In today's world, service is paramount. Godrej Appliances takes the premium product experience one notch up with a robust Godrej SmartCare service promise. Godrej SmartCare offers the widest service network with 625 service centers and more than 4500 Smartbuddy technicians, 24x7 call centers in 12 regional languages, and Smartmobile vans for enhanced reach and faster service, ensuring problem-free usage after purchase. With Godrej SmartCare, we were the first in the country to offer branded service back in the early 2000s and we continue the tradition to focus on everyone, providing after-sales service that lingers on long after purchase. Not many know that Godrej runs vocational trainings on refrigeration setting up a qualified technician workforce for the brand as well as the industry at large, thus contributing to better service levels for appliance customers at large. Contrary to what many may interpret from the word, premiumization is not really restricted to just high-end products but really, an upward shift in the customer experience across the spectrum, relevant equally to all customer segments and across purchases. ●

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