

Dynamics of the Indian Fan Market

Final Report

July 2018

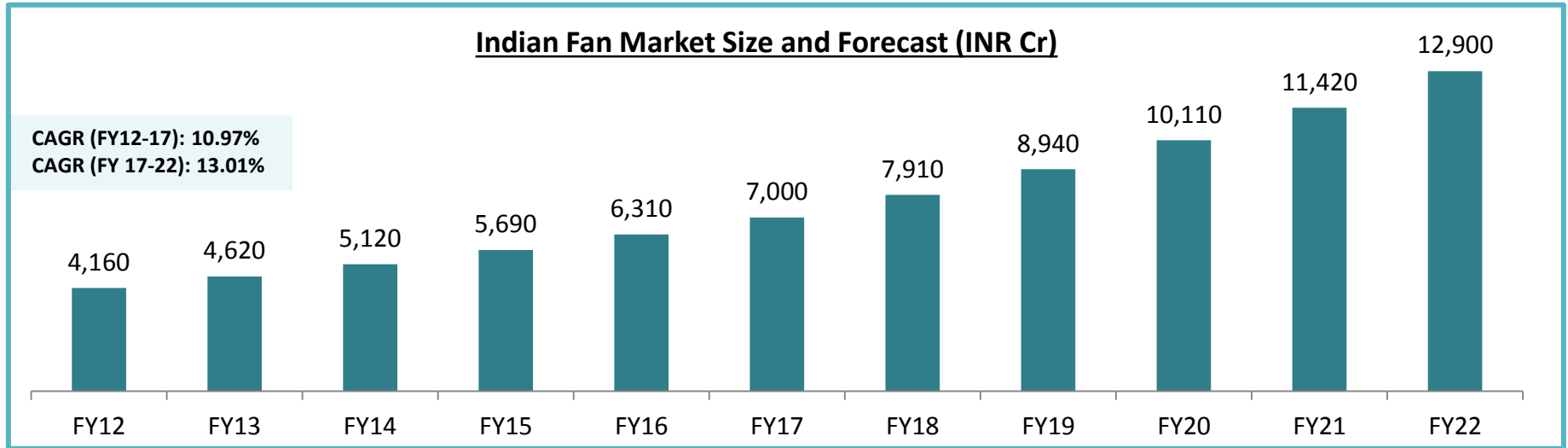


Introduction

This report talks about the current size and segmentation of the fan market in India. It highlights the market growth till FY22. It gives product and price segmentations of the fan market in FY17 and FY22. Major drivers, restraints, trends, and market share analysis are also covered.



Indian Fan Market—Market Size

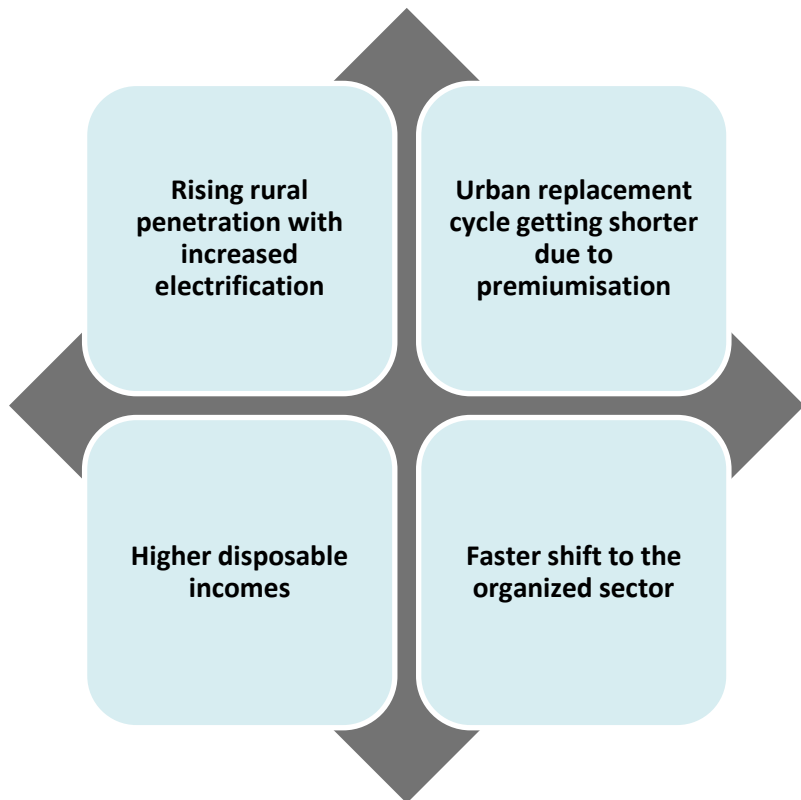


- India is a tropical country making fans a necessity. Thus, the fan industry in India is well-established and has shown significant growth over the years.
- The industry grew at 9% CAGR from FY12-FY17 to reach a size of ~55 million in FY17.
- Profit realizations increased only 3.0-3.5% annually in the last 2 years due to a parallel rise in raw material prices.
- However, going forward, realizations for the sector are due to increase substantially as share of premium fans rise from current 6-8% levels to more than 15-20% over the next 3-5 years.

Source: Frost & Sullivan Analysis

Growth Drivers and Market Trends

Drivers

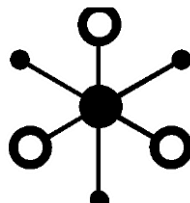


Trends



Innovations in product aesthetics: Demand for premium fans with better aesthetics has been on the rise over the past 3-5 years with increasing consumer preferences towards enhanced and appealing interiors

Energy saving technology: Orient recently introduced a new ceiling fan dubbed Ecotech based on Brushless Direct Current Motor (BLDC). It is a 32W fan which saves 50% power compared to conventional fans that consume 75W.

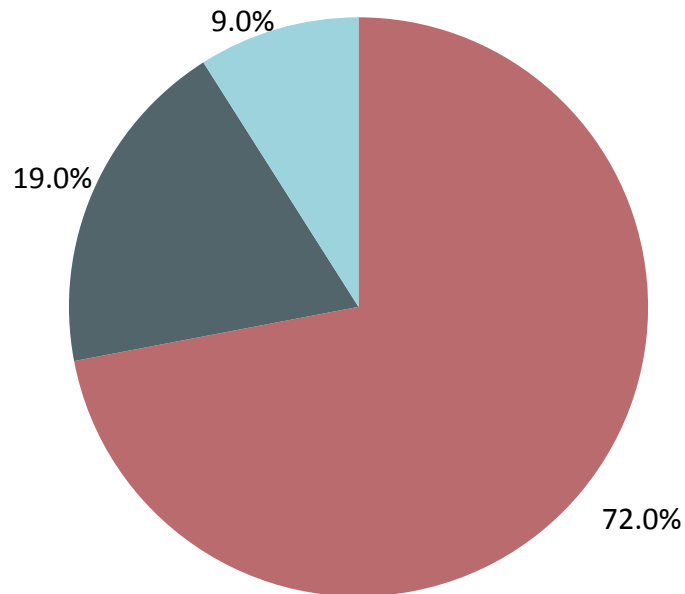


IoT enabled ceiling fans: The smart fans will be connected through the Internet and will automatically adjust speed according to change in temperature. It can be controlled from anywhere through cloud computing. LG plans to launch an IoT enabled fan this year.

Source: Frost & Sullivan Analysis

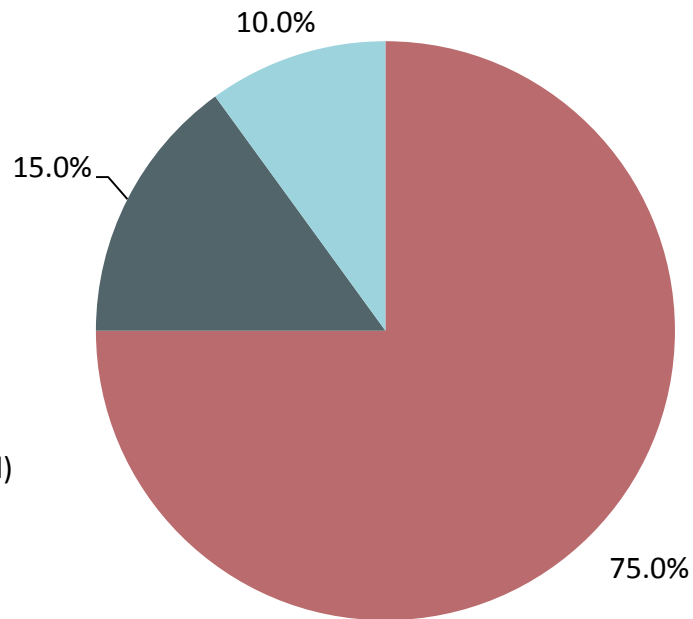
Indian Fan Market by Type of Products

FY17



FY 17 Market Value: INR 7,000 Cr

FY22

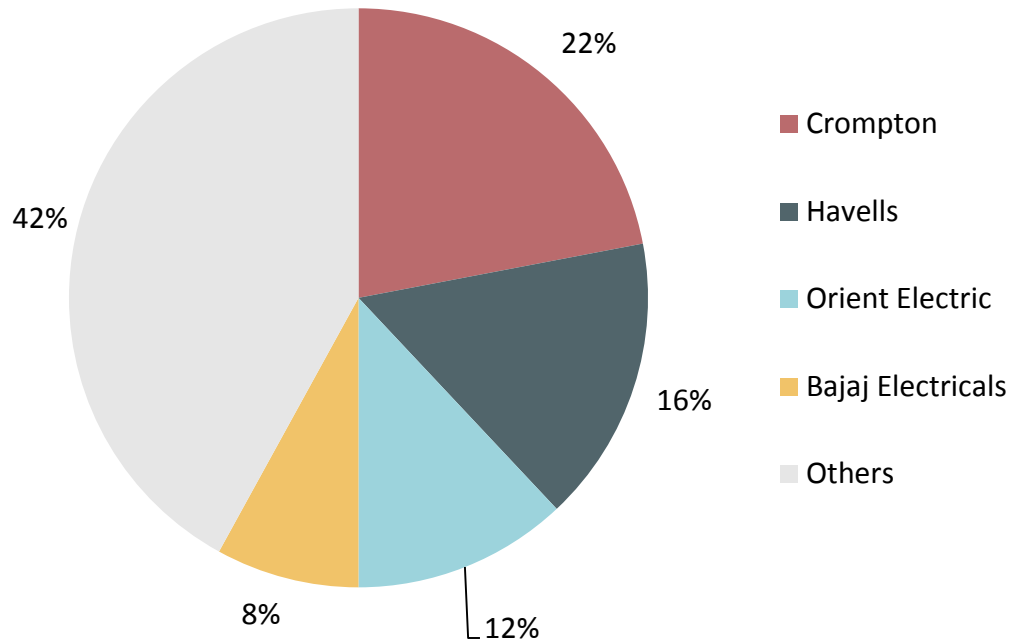


FY 22 Market Value: INR 12,900 Cr

Source: Frost & Sullivan Analysis

Market Share Analysis

FY17



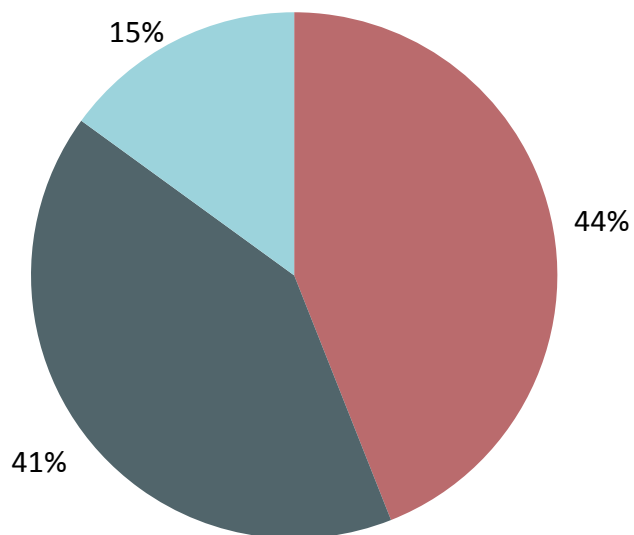
FY 17 Market Value: INR 7,000 Cr

- Crompton is the leading player in the Indian fans market with its wide distribution network. The company is now focusing more on increasing its share in the high-end product category.
- Havells is a leading player in the premium fans segment and a well-known brand across various consumer durables.
- Orient Electric is increasing its market share with continuous innovations and introducing energy efficient fans which include lesser wear and tear, reduced electromagnetic interference, noiseless operation, improved efficiency, increased reliability, and a longer lifespan.
- Bajaj Electricals is one of the prominent players in fans, lighting, and luminaires segment where fans contribute to 24% of its revenue.
- Other major players in the market include Usha, Khaitan, and several unorganized players.

Source: Frost & Sullivan Analysis

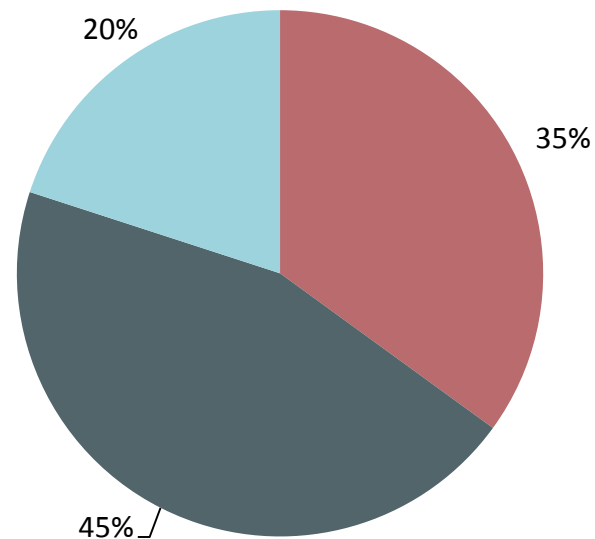
Indian Fan Market by Price Segment

FY17



FY 17 Market Value: INR 7,000 Cr

FY22



FY 22 Market Value: INR 12,900 Cr

Price Definition	Economy	Standard	Premium
	Less than INR 1500	INR 1500-2499	INR 2500 and above

Source: Frost & Sullivan Analysis