



APPLIANCE MAKERS HOPEFUL OF ROBUST SALES THIS FESTIVE SEASON

October 2020

The Market Intelligence Company

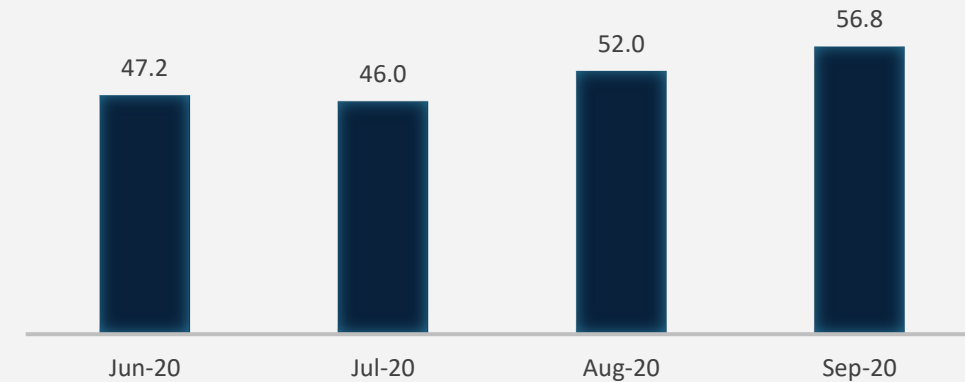
MARKET PULSE
Analytics ▶ Insights ▶ Growth

THERE IS AN UPTICK IN CUSTOMER SENTIMENT

- After falling consistently for months, **consumer confidence has started to climb**, indicating signs of recovery for the year ahead.
- A **gradual recovery** can be seen, as most high frequency indicators showed a continued normalization in activity levels.
- India's **manufacturing sector activity re-entered the growth territory in August**, driven by a rebound in production volumes and new work, amid an improvement in customer demand following the resumption of business operations.
 - India's manufacturing sector activity **improved for the second straight month in September** and touched an over eight-and-a-half-year high supported by accelerated increases in new orders and production
- **Unemployment rate also fell** indicating better spending power amongst consumers.
- Power demand, E-way bills and GST collection have also shown a positive trend.

Purchasing Managers' Index (PMI) is seeing signs of recovery

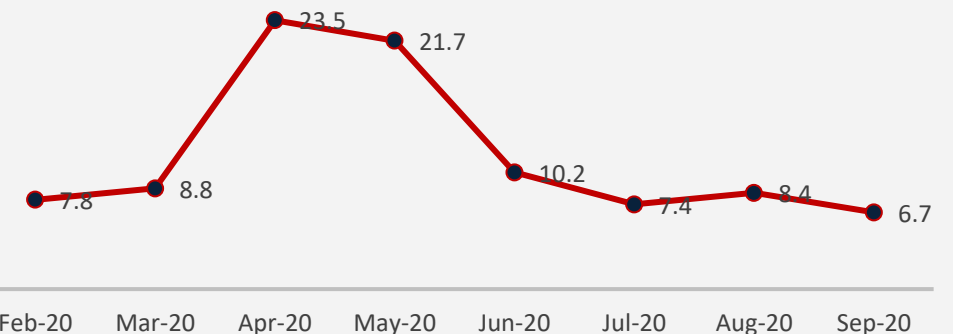
IHS MARKIT INDIA MANUFACTURING PMI



Source: IHS Markit

Unemployment has dropped from its peak of 23.5% in April to 8.4 in August

INDIA UNEMPLOYMENT RATE %

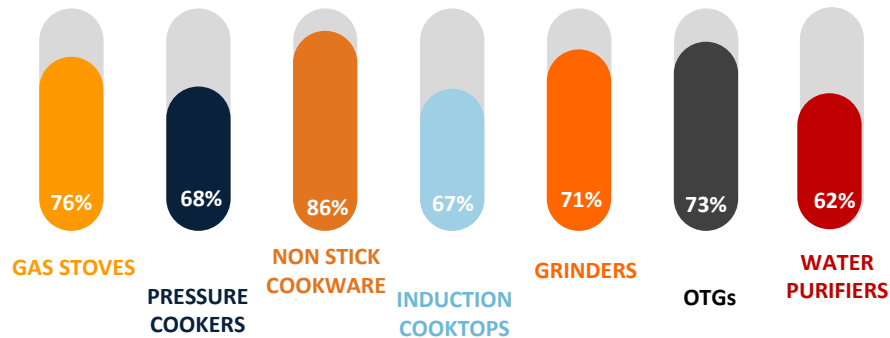


Source: International Monetary Fund

KITCHEN APPLIANCES SHOW SIGNS OF RECOVERY, AS KITCHENS BECOME BUSIER THAN EVER

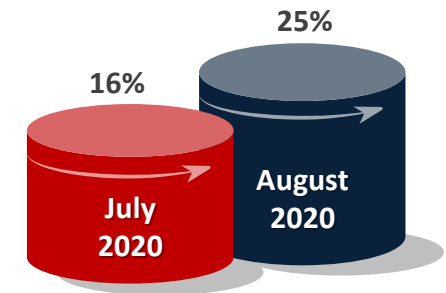
- When Unlock happened, **kitchen appliances sales picked up rapidly due to pent up demand**, kitchen improvement became a top priority in households, as consumers juggle office work and household chores.

SALES HAVE REACHED MORE THAN 70% OF PRE-COVID SALES
August 2020 Sales as a % of August 2019 Sales



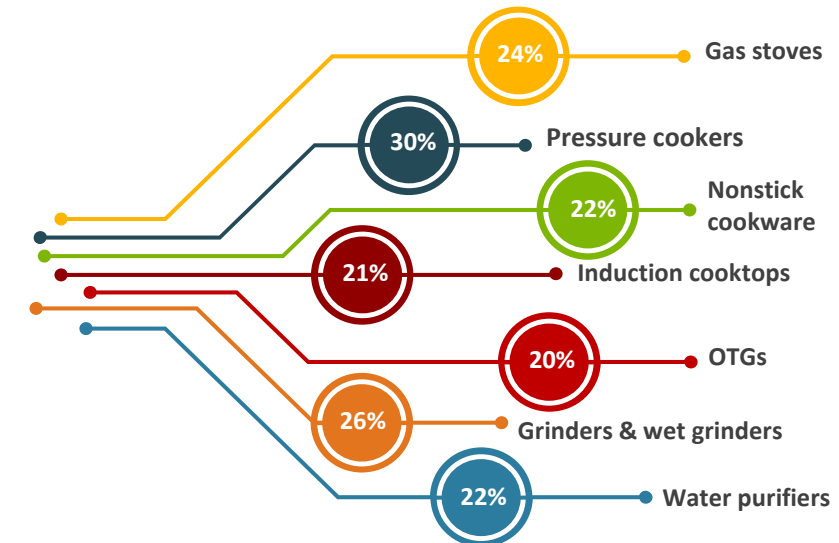
- As consumers shun out of home eating, people are cooking more often at home and **upgrading their kitchen equipment to ease the process**.
- Spends has increased on functional & efficient products, like home and **kitchen appliances that help them do more with less**.
- Also observed is an increase in the online search for recipes, cooking classes and appliances that can help them in their journey.

TOTAL KITCHEN APPLIANCES M-O-M VALUE GROWTH %



Source: Market Pulse Retail Performance Measurement Service

M-O-M VALUE GROWTH% IN AUG 2020

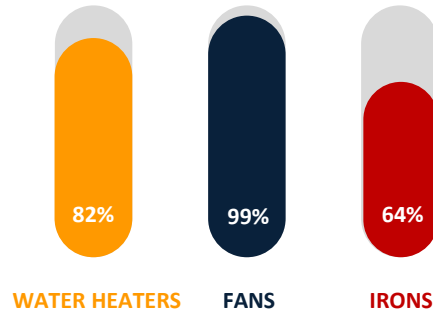


Source: Market Pulse Retail Performance Measurement Service

HOME APPLIANCES AND LED LIGHTING HAVE ALSO SEEN A SURGE WITH PEOPLE SPENDING MORE TIME AT HOME

- There has been a **surge in the demand for home comfort appliances** as people have been staying at home and trying to find a balance between housework and office work.
- As consumers started doing more in their homes, a keen interest in products that provide comfort, help people multi-task and save time has been noted.

SALES HAVE REACHED MORE THAN 80% OF PRE-COVID SALES
August 2020 Sales as a % of August 2019 Sales

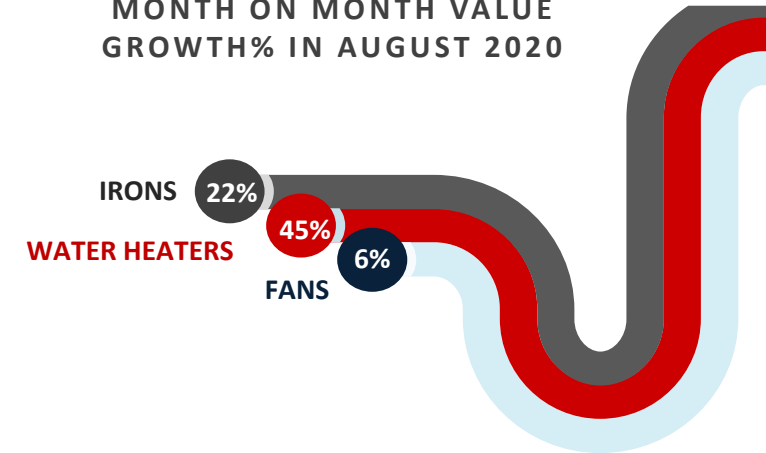


Source: Market Pulse Retail Performance Measurement Service

LED LIGHTING IS ALSO SEEING A SURGE IN SALES

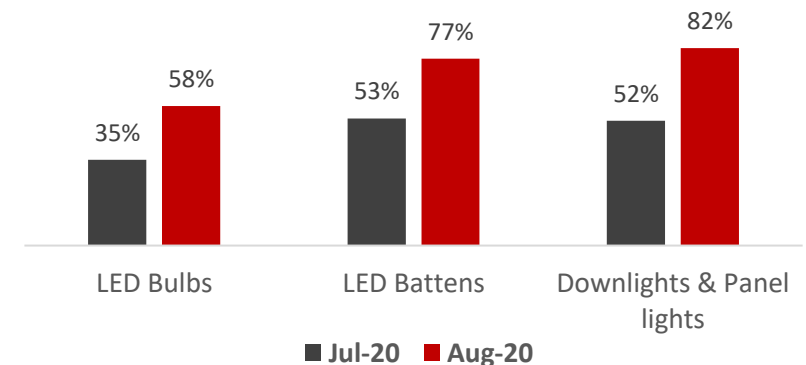
- As more time is being spent at home and days are becoming shorter, the **sales of LED have shown a positive trend.**
- With the festive season approaching, there is going to be an increase in home renovations and mass decorations leading to an increase in LED sales.

MONTH ON MONTH VALUE GROWTH% IN AUGUST 2020



Source: Market Pulse Retail Performance Measurement Service

LED LIGHTING MoM VALUE GROWTH %



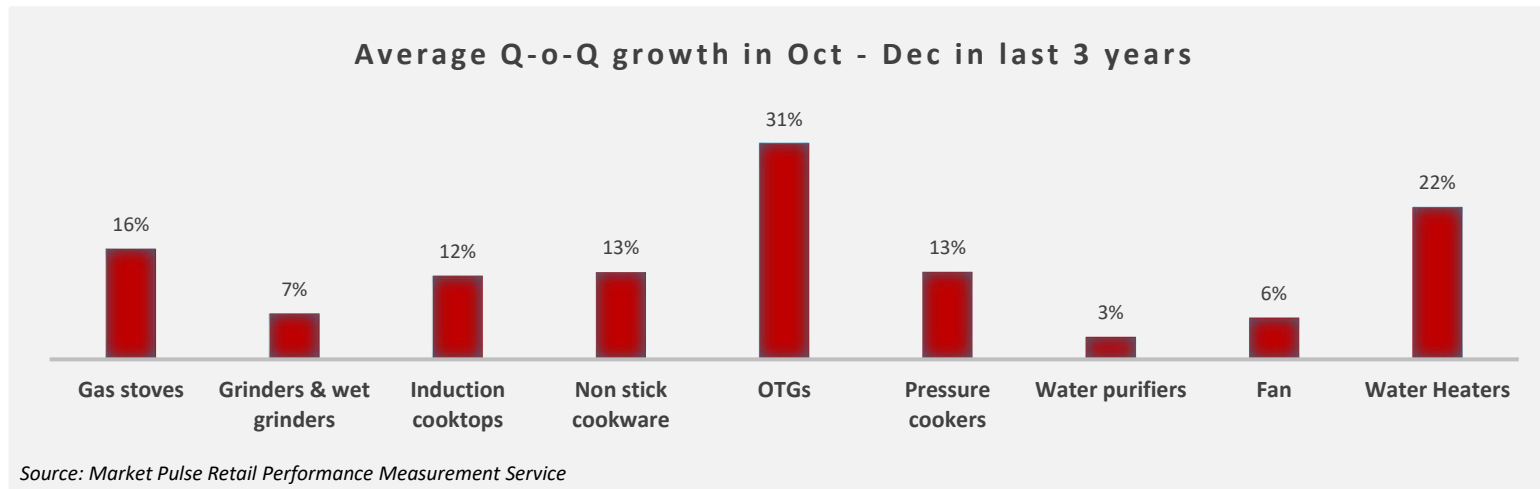
Source: Market Pulse Retail Performance Measurement Service

APPLIANCES MAKERS ARE BETTING BIG ON THE FESTIVE SEASON

THE UPTICK, POST LOCKDOWN HAS ENCOURAGED THE APPLIANCE MANUFACTURERS

- Manufacturers believe the festive season will accelerate growth, particularly in home & kitchen appliances and lighting.

ALMOST ALL CATEGORIES EXPERIENCED A GROWTH IN SALES DURING THE FESTIVE SEASON IN THE LAST THREE YEARS



- Also manufacturers believe that the **IPL** taking place during the festival season will help break through the gloom cast by the pandemic. Both cricket and festivals resonate with Indians and are a great sentiment booster.
- The brands expect an uptick of up to 30% in business, led by home and kitchen appliances on the back of **work-from-home** trends and **absence of domestic helps**.
- Further, a good monsoon has pushed up the **rural** economy and therefore will play a key role in reviving demand.
- Companies are waiting to advertise during the next few months after months of cutting down on ad spends. Ad spends in the second half of 2020, the biggest shopping season, are expected to be 6-13% higher year-on-year, as per a Madison Media study.

THANK YOU

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