

# Bajaj Elec Cosies Up to Shoppers to Take on MNCs

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KOLKATA

Shekhar Bajaj regularly accompanies his wife on her shopping trips to Big Bazaar and other shops to talk to consumers about their choice of products. "What could be a better way to get the consumer's voice?" says the 63-years old CMD of Bajaj Electricals, who organises open customer forums wherever he goes for dealer meets and has already met some 10,000 customers this year as he looks for ways to protect his firm's leadership in the ₹5,200-crore small appliances market.

"If you are directly involved with them (consumers), it's an added advantage since the market is becoming hyper competitive," says Bajaj, first cousin of Bajaj Group chairman Rahul Bajaj.

Dutch MNC Philips is literally breathing down his neck after it acquired Preethi, a leading kitchen appliances brand in the South, earlier this year.

"Its one brand we have to be cautious about," says Bajaj, who plans to use a combination of Bajaj in the mass segment and Morphy Richards in the premium segment to take on Philips-Preethi.

Japan's largest durable maker Panasonic too has become aggressive in India and home-grown brands such as Havells are venturing into this segment, making the ₹2,741-crore Bajaj Electricals to bet on consumer-driven innovation to protect its turf.

"We want to protect our territory by strengthening and launching newer products, and be a brand which is close to consumers. It's like creating a strong wall to prevent the multinationals and new players from entering our turf," Bajaj told ET after a customer meet in Kolkata.

Bajaj Electricals is setting up its first dedicated R&D centre near Mumbai and finalising fresh investment plans to help its revenues grow almost 10 fold to ₹20,000 crore by 2020, says Bajaj.

## **BAJAJ VERSUS PHILIPS**

The overall small appliances market is estimated at ₹5,200 crore, growing 15-18% a year. The premium segment grows around 30% a year. Main brands in the industry are Bajaj, Philips, Panasonic, Preethi, Morphy Richards, Usha and Maharaja White-line, besides scores of regional brands.

Bajaj and Philips are neck and neck in the small appliances market comprising kitchen appliances such as food processor, juicer-mixer and toasters, and domestic appliances such as geyser, room heaters and coffeemakers.

Philips India president (consumer lifestyle) Anjan Bose says the company is making aggressive, focused investments to expand its product portfolio and streng-

then its distribution network.

Bajaj says the combination of Bajaj and Morphy Richards — the UK-based brand with whom Bajaj Electricals has an exclusive sales and marketing partnerships in India — can tackle the Philips-Preethi threat. "We want to sandwich Philips-Preethi combine with these two brands," says Bajaj.

"If I had launched a premium segment, users wouldn't accept it since people perceive Bajaj as a value-for-money brand. However, they are ready to pay a premium for a foreign brand like Morphy Richards with added features."

Sure enough, Morphy Richards is growing 35% a year and Bajaj Electricals has started manufacturing Morphy Richards products in India. This will help the brand respond quickly to market demands.

## **INNOVATIVE PRODUCTS**

Bajaj Electricals—the largest player in small appliances, the second largest in luminaire and the third largest in fans—undertakes extensive consumer research and leverages direct meetings with customers to get newer product ideas.

"For instance, one customer suggested that we make geysers more senior citizens friendly as they have a problem to switch it on and off. It's a fantastic idea and we are in the works," says Bajaj. "Even if we get 1% of the 20 crore senior citizens buying this product, it will be blockbuster."

It was such an insight that led the firm to recently foray into water purifier market with its Zerobac, which at ₹599 is priced much lower than Hindustan Unilever's Pureit and Eureka Forbes.

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**SHEKHAR BAJAJ**  
CMD, Bajaj Electricals

