

Premium products drive growth of white goods this festival season, too

URBAN POCKETS DEEPER. Demand higher in cities, weaker demand for mass segment products

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The consumer durables industry is expected to end the festival season with a value growth of 10-15 per cent compared to last season fuelled by strong demand for mid and premium products and backed by consumer financing.

White goods makers said they have seen sales traction pick up over the last 4-5 days across markets, and are on track to garner double-digit growth. Urban regions and big cities have so far been trending higher than rural markets, while demand for mass segment products remains muted.

INFLATIONARY PRESSURES
Satish NS, President, Haier Appliances India, said, "Over



FAIR SHARE. The festival season had contributed 28 per cent to annual sales of TVs

the last 4-5 days, sales traction has built up well in urban regions and bigger cities. But rural markets have seen less than expected traction due to inflationary pressures. The mid and premium segments are witnessing very strong growth but the low-end segment has not seen as much of

an uptick as anticipated. We are on track to see 30-35 per cent value growth in this festival season."

According to estimates by market intelligence firm GfK, the festival period contributes about 17-19 per cent to annual sales of white goods. But weaker demand for entry-

level products could, however, impact industry's volume growth this festival season.

Kamal Nandi, Business Head and Executive Vice President, Godrej Appliances, said, "The premium segment is seeing strong growth especially in refrigerators and washing machines. Mass segment re-

mains under pressure. So while the industry is expected to see 15 per cent value over 2021, volume growth will be lower. We will need to see how the overall industry growth pans out as compared with 2019." He added that the company is on track to garner 50 per cent growth this festival season.

Players said the ratio of consumer-financing backed purchases has increased this festival season.

CONSUMER FINANCING
The festival season had contributed 28 per cent to annual sales of TVs and microwave ovens, and 25 per cent to annual sales of washing machine and vacuum cleaners in 2021, GfK pointed out. "Based on trends, these four categories are expected to drive industry's growth this festive season as well," it added.