

Bajaj Electricals Offers Nardi Kitchen Appliances

Targeting the premium Indian home appliances market, lighting products and appliances maker Bajaj Electricals Ltd (BEL) has announced a strategic alliance with Nardi Elettrodomestici S.p.A., Italy's leading household appliances company and supplier to modular kitchen makers. The tie-up will enable BEL to widen its basket and address the growing built-in appliances and modular kitchen market in India.

R Ramakrishnan (rr@bajajelectricals.com), executive director of BEL says, "The company will introduce the Italian products but customise them for the Indian market." He adds that BEL will explore assembling of some of the products and even joint manufacturing in India in the later stage of expansion.

Initially Bajaj Nardi will launch a range of hobs, cook-tops and chimneys, followed by built-in microwave ovens, dishwashers, refrigerators and freezers amongst others. The introduction of these products would also pave the way for the company's entry into the modular kitchen business in future, Ramakrishnan informs.

The appliances business unit of BEL is the numero uno brand in India and offers small domestic appliances including water heaters, mixer grinders, steam irons, microwave ovens, OTGs, juicers, room heaters, toasters, home UPS and room coolers. "With tie-ups like these, we wanted to envelope our customers with top-end products as well, thus ensuring that we get a larger share of their wallet."

With the change in consumer preferences Indian kitchens have also undergone a metamorphosis. The demand for state-of-the-art household appliances has been steadily rising. According to Ramakrishnan, Bajaj Nardi is eyeing a 10% share of the market and "even increase it to maybe 25% within the next five years." The appliances market has been growing at around 30% yearly, and is estimated at around Rs 1,000 crore at present. Of this, the top end, according to him, would comprise around 25%.

BEL plans to distribute Bajaj Nardi products through 10,000 to 15,000 of its 30,000 dealers. Besides, it also intends targeting around 1,000 premium outlets. These could be dealers of modular kitchens, specialised home design studios in large malls, premium sanitaryware outlets, or even departmental stores selling electrical and gas appliances.

The Nardi partnership is expected to boost the top line of Bajaj's appliances business significantly, which registered a turnover of Rs 375 crore this year and is expected to touch Rs 501 crore in 2009-10. Bajaj Electricals' gross turnover for 2007-08 touched Rs 1,401 crore.

