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White goods: How smart is your home?

Consumer durable brands are focusing their energy and investment on connected appliances to meet the growing demand for tech-enabled products

Written by [Christina Moniz](#)

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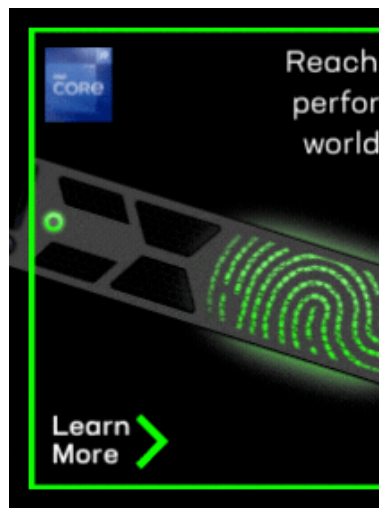




The pandemic has led to a shift in consumer behaviour, bringing health and tech enabled features to the forefront.

Robots have not infiltrated our homes yet, but the demand for smart appliances is gradually transforming the Indian home. We are no longer surprised to see the Alexa-enabled Instant Pot sitting next to the pre-seasoned cast iron skillet on the countertop of our neighbour's integrated kitchen that embed the smart appliances into the wall units.

CareEdge Advisory & Research estimates the Indian smart appliance market at \$2.5 billion, and set to touch \$4 billion by 2027 on a compound annual growth rate (CAGR) of 14-15%. Tushar Shah, co-CEO at CareEdge Advisory & Research, estimates the current penetration of smart appliances at 5%. "The significant growth of this segment has been driven by more than 500 million smartphone users, mobile connectivity and easy-to-install applications," he says.



That said, given our population, the market for smart appliances is still quite small. The global smart kitchen appliances market size is valued at \$11 billion already, and is expected to hit \$44 billion by 2028, with a CAGR of close to 19%.

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So which are the categories seeing major demand? Smart televisions, air-conditioners, refrigerators and washing machines are sought after largely in the urban markets and by younger consumer groups. Godrej Appliances, which launched its voice and wi-fi enabled Eon D series of ACs, also plans to introduce smart technologies in its other product categories during this year. Kamal Nandi, business head and executive vice-president, Godrej Appliances, explains that the demand for smart ACs has been higher on e-commerce platforms and driven largely by millennial consumers. "The room AC industry is currently at 7 million sets and is expected to grow to 13 million sets (12% CAGR) over the next five years. Among this, IoT (Internet of Things) enabled ACs are expected to have single digit share in a five-year horizon but will keep growing over a longer period," he notes.

The pandemic has led to a shift in consumer behaviour, bringing health and tech enabled features to the forefront. “IoT is driving a digital wave in home automation, and rising internet penetration has further accelerated the adoption of smart solutions,” remarks Alok Tickoo, executive vice-president at Lloyd. The brand’s range of smart ACs has been seeing good traction during the summer this year, he adds. The demand for energy-efficient appliances with user-friendly interfaces is a key factor driving such purchases.

In April this year, LG unveiled its line-up of smart home appliances including ACs, frost-free refrigerators, washing machines, air purifiers and microwaves. Deepak Bansal, VP, home appliances for LG Electronics India, says this is an exciting time for appliance brands since the consumer outlook is positive. He adds that since Indian consumers are early adopters of technology, the brand has been seeing good traction for its premium and smart products across categories.

Multinational consumer durables brand Haier, too, has introduced a range of smart refrigerators, ACs, TVs and washing machines. “We’ve come a long way from dial-up internet to having internet in our smart devices. With one app to control them all, the brand is simplifying a consumer’s daily routine through an ecosystem of smart products,” says Satish NS, president, Haier Appliances India. The brand has recently forayed into a new category with the launch of its robot vacuum cleaner in India and plans to leverage AI (artificial intelligence) to power its upcoming product launches in the smart home space.

While there has been a surge in supply of smart variants of washing machines and refrigerators, their proportion is low compared with the more established panel television market.

Anant Jain, head of market insights, GfK India, points out that the usage of smart features for these appliances seems to be limited. He observes, “Challenges in this category, such as relevance and price, are yet to be overcome. Moreover, as washing machines and refrigerators are witnessing a price rise, the smart variants are becoming more expensive, which could create a potential bottleneck in the adoption of smart appliances.”