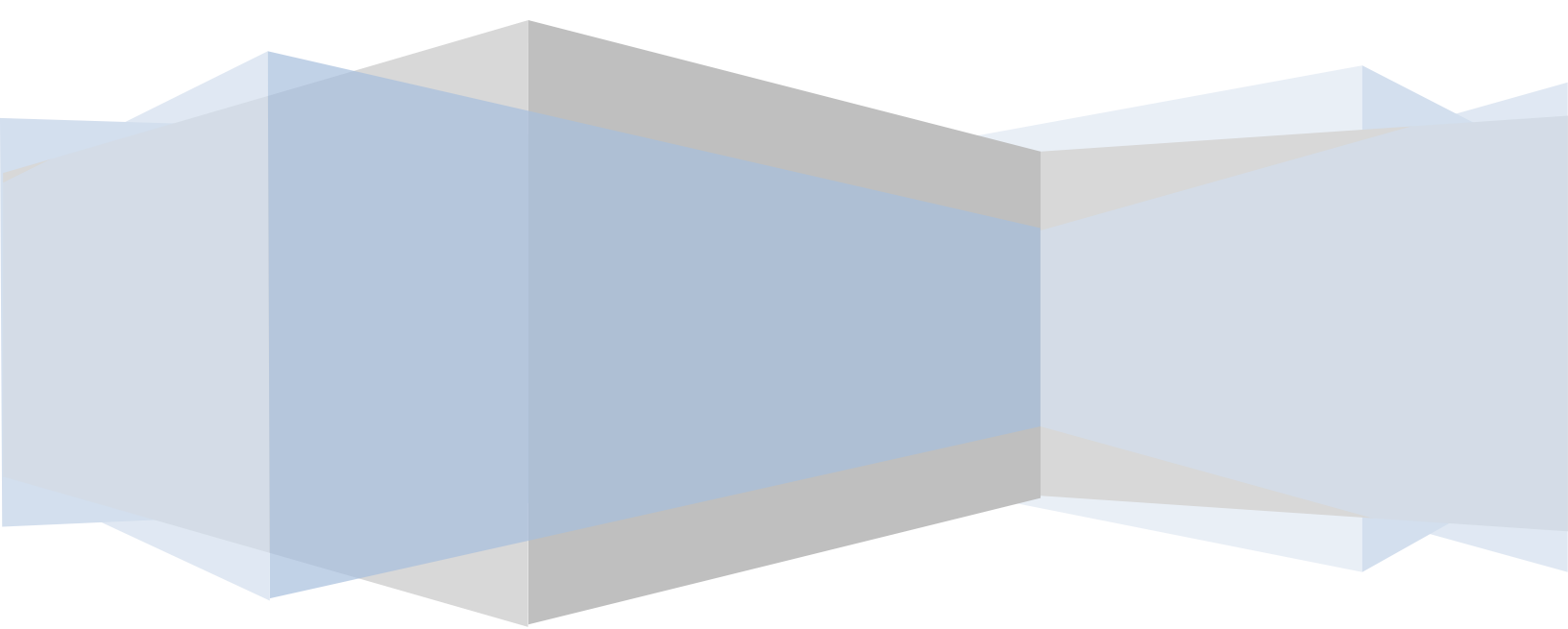




# Compact Fluorescent Lamps: India Market Analysis

October 2009



## REPORT HIGHLIGHTS

Economic growth coupled with higher disposable income, growth in the construction sector and increased awareness of energy conservation are key factors leading to a high growth rate in the Indian market for Compact Fluorescent Lamps (CFLs). This is attracting a number of world wide lighting majors as well as domestic businesses.

Market Pulse, a leader in building electricals research, has compiled a report on the CFLs market in India, on the basis of extensive primary & secondary research.

Almost 8500 households across the socio-economic spectrum have been surveyed in addition to more than 10,000 interviews with retailers of building electrical products over a year. Highlights of this market report are mentioned subsequently.

### Market Size and Structure

The size of the CFL market currently pegged at 230 million units is expected to exceed 400 million units by the year 2014. The market is being driven both by growing adoption by new consumers as well as replacements.

On an overall basis, Philips is the market leader. The other players of significance include Oreva, Surya, Crompton, Bajaj, Havells and Halonix. Regional and local brands make up 24% of the market.

### Usage of CFLs

More than 60% of the urban households in India have installed CFLs. Penetration of CFL is highest in the North and lowest in the Eastern region of India. SEC A households emerged as the largest users of CFLs: 85% of the SEC A households have installed CFLs. However, usage of CFLs declines as one goes down the socio-economic (SEC) ladder.

The installed share of CFLs among all lighting points in the household is an indicator of the intensity of CFL usage. CFLs, now have an installed share of 42%.

## Consumer Behaviour

Our analysis reveals that both electricians and retailers play an important role in brand selection. Of every 100 purchases, 27 brand selections are directly or indirectly made by the electricians and 16 by the retailers.

## Distribution Network

CFLs are sold largely (80%) through the traditional electrical outlets; of the balance *kirana* stores contribute a significantly larger proportion. The total number of such outlets is estimated at 200,000 in India.

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