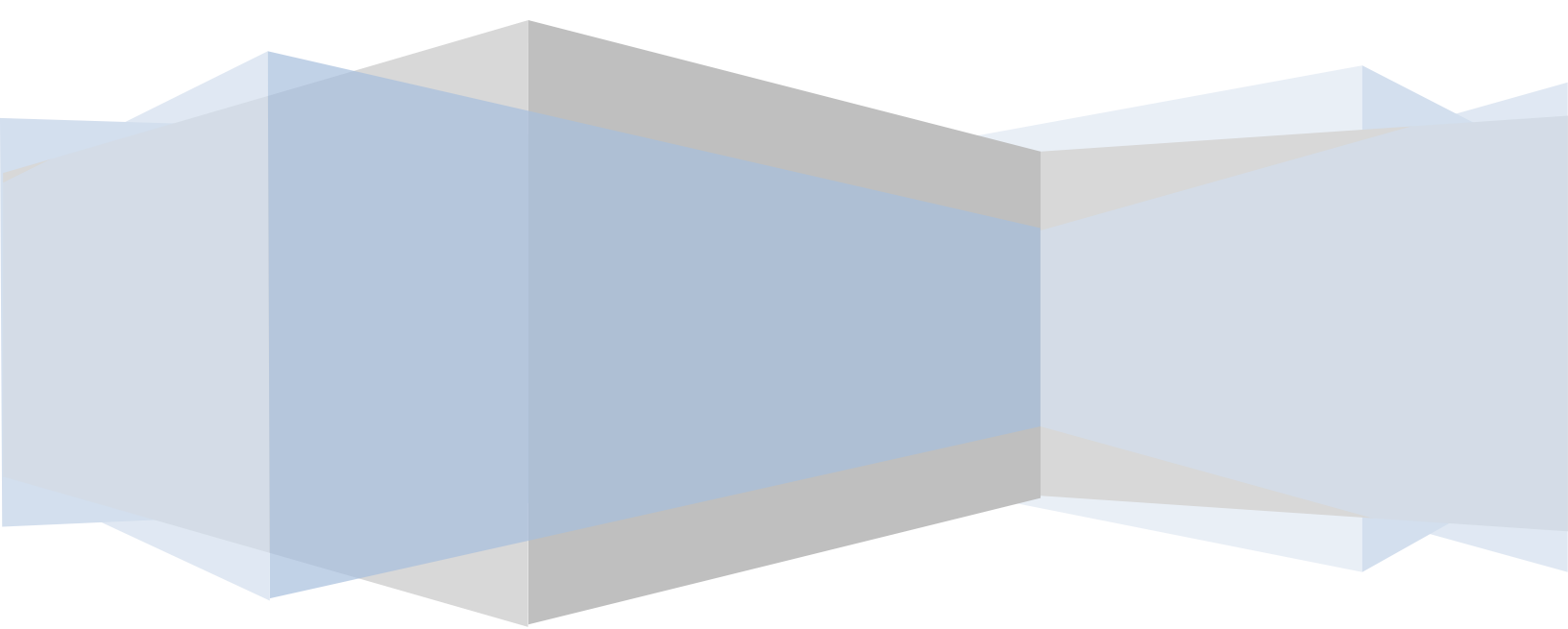


# Electrical Switches: India Market Analysis

September 2009



## REPORT HIGHLIGHTS

Economic development in India has led to a growing demand for housing and thus, construction materials. Demand for wiring accessories is closely correlated to construction activity.

Market Pulse, a leader in building electrical research, has compiled a report on the electrical switches market in India, on the basis of extensive primary and 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 electrical switches sector is highly fragmented with over 500 brands being manufactured by more than 100 players.

The market is currently valued at USD 506.4 millions. Modular switches contribute more than 50% by value to this market. These are switches that retail for USD 0.6 upwards while the non-modular switches retail for less than USD 0.4.

Our forecast, based on increase in housing stock, per capita GDP growth and growth in industrial production, indicates that the overall sales of switches would grow to USD 765.5 in 2014.

The highest market share has been garnered by Anchor (now a Panasonic brand), followed by Havells, MK and Legrand. Philips has recently entered the market with switches manufactured in India.

### Usage of Modular Switches

Only 10% of the households in India have modular switches. Penetration of modular switches is the highest in West zone and lowest in East zone. SEC A emerges as the largest user segment of modular switches. Usage and intensity of usage of modular switches declines as one goes down the SEC ladder.

## Consumer Behaviour

In India, electricians play a dominant role in brand selection. Out of every 100 purchases, 56 brand selections are directly or indirectly made by the electricians and 11 by the retailers.

The purchase process in projects is largely dependent on the size of the project. Architects play a crucial role in brand selection in large and medium-sized projects. The most important purchase criterion for the architect is brand equity.

## Distribution Network

In India, electrical switches are sold largely through traditional electrical goods outlets. The total number of such outlets is estimated at 200,000 in India, with a large population in the smaller towns.

## TABLE OF CONTENTS

Preface	2
Executive Summary	4
Introduction - The Indian Market	7
1. Product and Packaging	9
2. Industry structure	12
3. Market size and structure	15
4. Retail market brand shares	21
5. Market size projections	24
6. Retail consumer behavior	29
7. Project consumer behavior	34
8. Usage of Modular switches in households	38
9. Distribution system	41
10. Market Pricing	47
11. Appendix	49