

Durable makers step on the gas as house helps become expensive

Namrata Singh & Reeba Zachariah, TNN | Sep 23, 2011, 01.55AM IST

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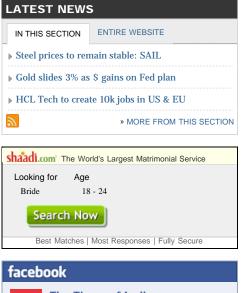
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MUMBAI: It's been almost 30 years since Eureka Forbes came into India, but its vacuum cleaners have not been able to replace the humble bai in a house. The gadget has co-existed with housemaids with Eureka Forbes actually using this platform as a marketing tool to train them with vacuum cleaners.

The penetration of home appliances like washing machines, microwave ovens and food processors has grown by more than 300% in the last 10 years on the back of growing working couples and higher disposable incomes. But doubleincome households continue to depend on maids for chores. According to an IMRB study, as housewives start earning and their salaries go up, their dependency on maids increases. Given that house helps are currently a cheaper alternative to an appliance, Indian households

have managed to retain both. But society could be on the threshold of a change with households in major metro cities transiting to a point where the cost of keeping a maid and an appliance becomes uneconomical.

Although manpower in India is cheap as compared to the west where the dependability on appliances is higher, India could soon morph into the western type of living. The process will only hasten as the cost of employing a maid goes up. The government has recently proposed a bill for unorganized labour to take care of their welfare like provident fund, etc. Another reason that could lead to the transition is the reliability factor. Lastly, with growing urbanization and rising realty prices, housing (rentals) have become unaffordable for maids whose families could consider relocating to the outer suburbs. This could create a manpower crunch. Consumer durable industry experts believe it is only time before finding the right house help becomes next to impossible even in India. Durable makers see this as an opportunity to expand their business by introducing innovative products with which a household would not miss the maid. "With easy access to finance and increasing expense of keeping a bai, couples are looking at white goods that make their life simple and easy. While there is a co-existence of these goods along with bais, but in the near future, we do foresee





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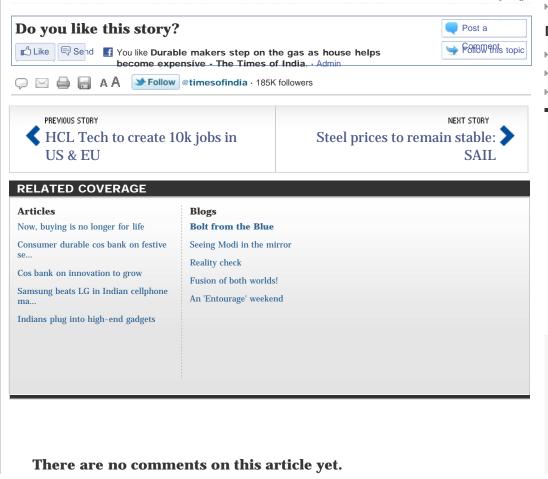
their dependence coming down," said George Menezes, COO, appliance division, Godrej &.

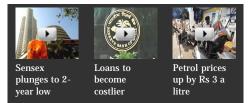
According to a local firm which is in the business of supplying maids to households, a househelp earns an average of Rs 8,000-10,000 per month for a full-time job in Mumbai. The firm has been supplying maids for the last seven years and believes that demand is only increasing. For households, however, this is a recurring expenditure as against a one-time spend on an appliance, which could cost upwards of Rs 3,000-7,000, depending on the brand and gadget (oven, washing machine, etc.). "Working couples get very little time to spend with family & loved ones. They need automation and fast track appliances to do their day-to-day kitchen routines. The home appliances industry has to match up to this fast growing pace of urban India," said Anirudh Dhoot, director, Videocon Industries.

Some indicators of consumers looking for convenience and adapting to a do-it-yourself lifestyles is how a fully automatic washing machine is preferred to a semi-automatic one. People are increasingly bringing home dishwashers and roti makers. "The common belief is that these jobs are outsourced to maids. However, the dissatisfaction with the cleaning done by maids has, in fact, helped grow the market for vacuum cleaners in India," said Marzin R Shroff, CEO, direct sales & senior vice president, marketing, Eureka Forbes.With over 4.5 million washing machines and over 1.3 million units of microwave ovens being purchased every year, G Sundar, COO, Mirc Electronics said Indian consumers are clearly opting for more convenience and spending less time in daily chores. Can an appliance replace a maid? An official from a maid service provider in Mumbai believes it will be very difficult for double-income households to do without a maid. But consumer durable sector experts believe there is room for more growth as penetration of washers is just about 14%, even in urban areas and that of microwaves is 7%. In 2009, the mid-income population of India was approximately 20% of the total. In the last decade, the share of expenditure on durables in Indian household has trebled from 2.6% in 1999-2000 to 6.1 % in 2009-10 (Euromonitor 2011).

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