

An assessment of market potentiality of Moser Baer LED bulbs in Kolkata region

1. Dr. Surajit Ghosh Dastidar

Faculty, EIILM – Kolkata

2. Mr. Prasenjit Chakravarty

Faculty, AMITY– Kolkata

ABSTRACT

The LED bulb market is characterized by the presence of some long-existing, high-equity brands e.g. Philips, Havells, Syska, Bajaj, Eveready, Wipro, Oreva etc. Presently, low-cost LED bulbs, through Central Govt. subsidy, are available at WBSEDCL and CESC offices. Moser Baer is a relatively new brand in this category with very low brand awareness and brand knowledge amongst its targeted consumers as well as retailers. Therefore, the brand equity is also very low. In this scenario, in order to achieve its targeted market share, the company needs to develop awareness and knowledge about its brand. It also needs to carry out situational analysis of the LED market and assess its potentiality in this segment, which will enable it to devise specific strategies to meet its objectives. The need of this study is derived from the above-mentioned objective.

Keywords: *LED, Indian LED market, MoserBaer LED*

1. INTRODUCTION AND REVIEW OF LITERATURE

India, being the second most populous country and the fifth in terms of electricity consumption, is facing a challenge in terms of managing the electricity demand-supply gap. This coupled with the fact that a significant concern of our time has been how to save energy by reducing energy consumption, has meant that conventional sources of lighting are now inadequate to meet our needs. LED lights, which are up to 80% more efficient than traditional lighting such as fluorescent and incandescent lights, have emerged as a prominent alternative in the Indian lighting industry.

The Indian lighting sector was estimated at INR 180 Billion in 2015 and is growing rapidly. With a market size estimated to be close to INR 51 Billion (Source: Moser Baer Annual Report 2017), the Indian LED lighting market is still at a nascent stage, but it offers numerous opportunities for growth over the next few decades. For companies worldwide, India is one of the biggest and fastest growing lighting markets and hence, offers exciting opportunities.

Outdoor lighting applications garnered a revenue share of over 60% in India's LED lighting market in 2015 and the trend is expected to continue through 2021. Philips, Surya Roshni, Havells, Syska, Moser Baer and Osram are the leading players in India's LED lighting market. Among these, Philips and Surya Roshni have a

cumulative market share of 30%. However, with the expected entry of new players with innovative products, there will be quite a tussle in the Indian market.

Moser Baer India

Moser Baer India was founded in New Delhi in 1983 as a Time Recorder unit in technical collaboration with Maruzen Corporation, Japan and Moser Baer Sumiswald, Switzerland. It is now a leading global tech-manufacturing company. It, in fact, is one of the world's largest manufacturers of optical storage media like CDs and DVDs. It is also reputed to be the lowest cost optical media manufacturer in the world. Moser Baer was the first to market next-generation of storage formats like Blu-Ray discs and HD-DVD in India.

Moser Baer has a presence in over 100 countries, serviced through 15 marketing offices and representatives in India, US, Europe, Japan, Russia, Ukraine, Egypt, Argentina, Chile, Malaysia and has strong tie-ups with many global technology players in the optical media storage business. In the photovoltaic space, the company has a presence in the entire value chain with products being sold to more than 82 countries.

Its products are manufactured at its three state-of-the-art manufacturing facilities located in the suburbs of New Delhi and it employs over 8,000 people.

As for its future outlook, Moser Baer is looking to make steady inroads in the LED lighting business. In order to tap the burgeoning LED market, which is expected to be around Rs.21,000 crore by 2020, the company has entered into the LED segment in 2014. The company expects to have up to 6-7 percent market share in LED segment with turnover of about Rs.500 crores by FY 2018-19. It aims to reach Rs.1,000 crore-plus level in the next 5-6 years. It is presently building its distributors network in 12 States. It has also launched its online e-commerce portal and has associated with Snapdeal, Flipkart etc. for e-trading.

The present LED market scenario is:

- » The LED bulb market is characterized by the presence of some long-existing, high-equity brands e.g. Philips, Havells, Syska, Bajaj, Eveready, Wipro, Oreva etc.
- » Presently, low-cost LED bulbs, through Central Govt. subsidy, are available at WBSEDCL and CESC offices.
- » Moser Baer is a relatively new brand in this category with very low brand awareness and brand knowledge amongst its targeted consumers as well as retailers. Therefore, the brand equity is also very low.
- » In this scenario, in order to achieve its targeted market share, the company needs to develop awareness and knowledge about its brand.

It also needs to carry out situational analysis of the LED market and assess its potentiality in this segment, which will enable it to devise specific strategies to meet its objectives.

The need of this study is derived from the above-mentioned objective.

Objective: To assess the market potentiality of Moser Baer LED lights in Kolkata (North), Barrackpore 24 Parganas (North) of West Bengal.

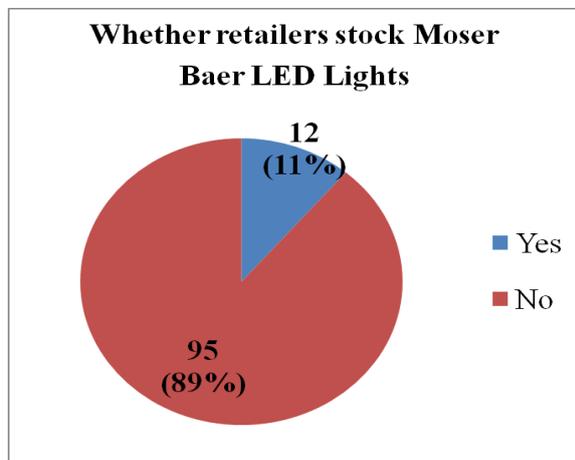
II.METHODOLOGY

Enquiries were made regarding awareness and knowledge of Moser Baer LED lights, its perceptions and potential demand. The targeted respondents included (i) Retailers who sell lights (ii) Existing/Potential LED light users in Kolkata (North), Barrackpore regions of West-Bengal, which is the *sampling frame*. Enquiries were made amongst 107 relevant retailers, which is the *sample size* in this case. It was done through one-to-one interaction, using a self-developed questionnaire in Bengali/Hindi languages for their comprehensibility. Responses were back translated into English. Similarly, enquiries were made amongst 32 existing and 18 potential consumers of LED lights, which are the *sample sizes* in these cases. It was done through one-to-one survey, using a self-developed questionnaire in English language. While enquiries were done amongst all relevant retailers in our designated regions of work, enquiries amongst existing and potential consumers of LED lights were done as per our convenience i.e. *convenience sampling method* was adopted. The respondents (potential consumers) were initially screened whether they use/know about LED lights, and is likely to buy in near future. Subsequently, frequency analysis was done of the data obtained and the findings are reported. Due recommendations are made based on the findings.

Findings

I. **Responses obtained from the retailers:**

Whether retailers stock Moser Baer LED Lights



N=107

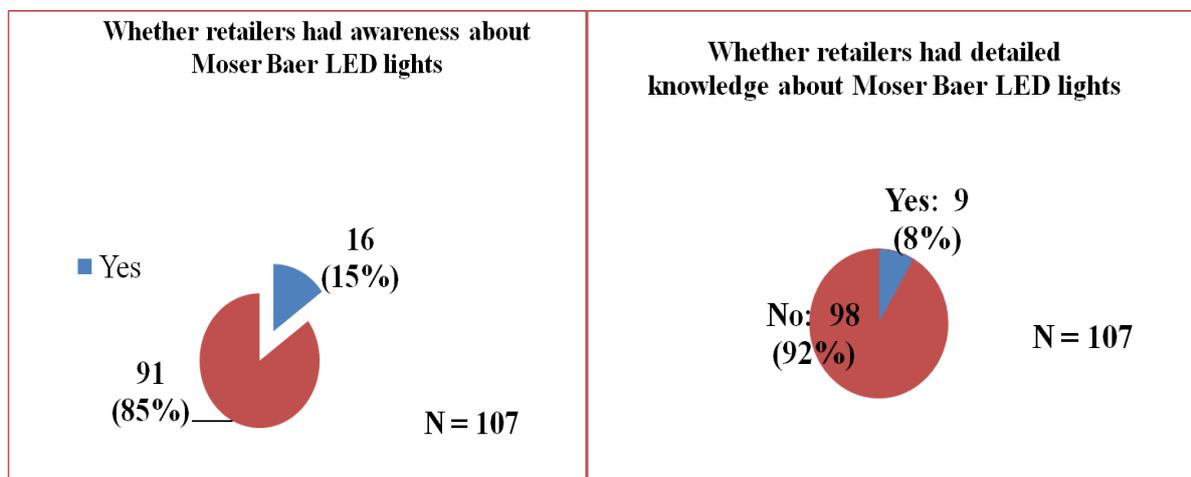
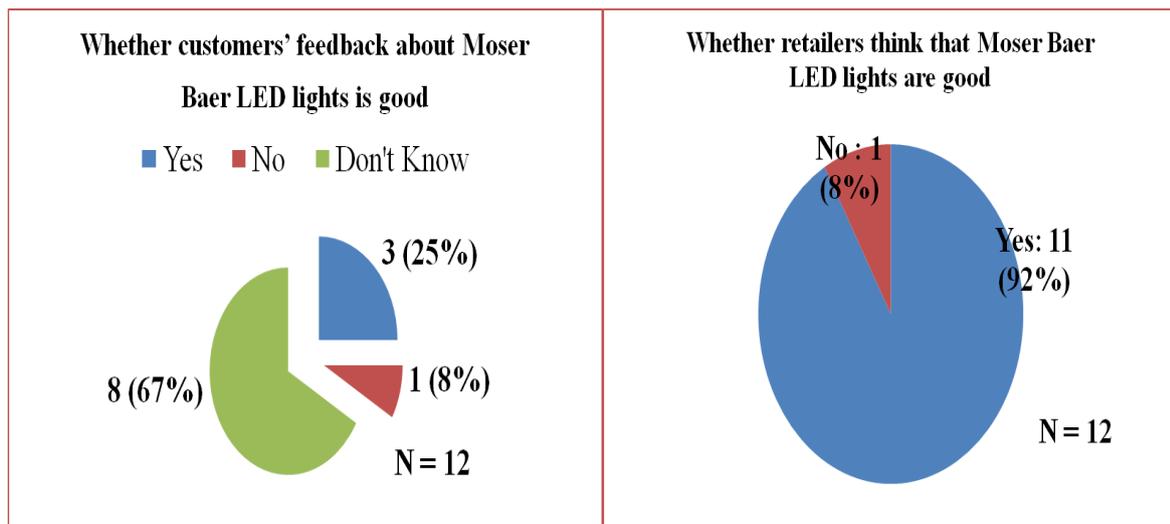
Types of Moser Baer LED lights stocked:

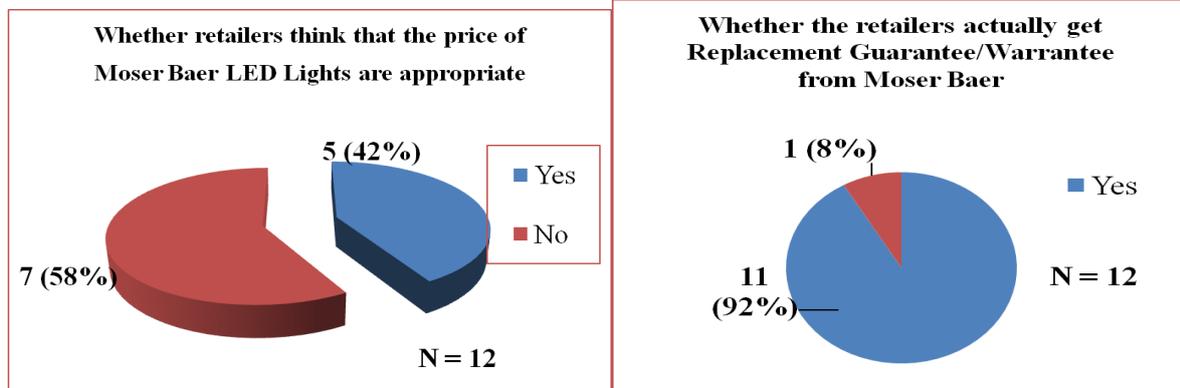
LED light variant	No of retailers who stock such variant
Led Bulb	12 (100%)
Led Dimmable Bulb	1 (8 %)

Led CCT Bulb	1 (8 %)
Led Tube Light Set	6 (50 %)
Led Down Light	3 (25 %)
Led COB/Spot Light	1 (8 %)
Led Panel Light	1 (8 %)
Led Flood Light	1 (8 %)
Led Street Light	1 (8 %)

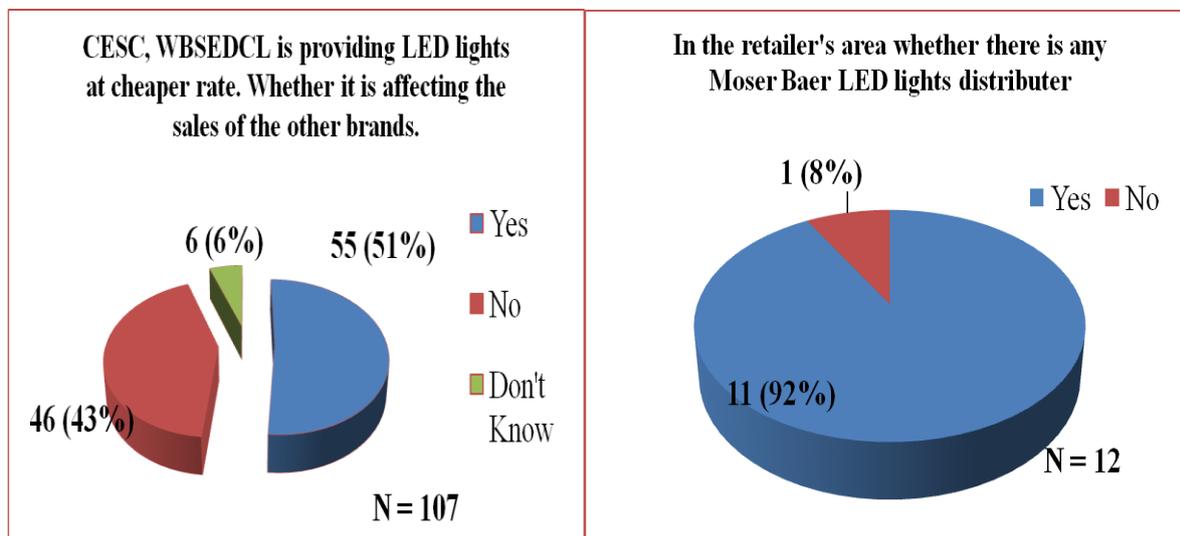
Average sales of Moser Baer LED lights per month:

- » 6 retailers sell up to 100 units per month.
- » 4 retailers sell up to 200 units per month.
- » 1 retailer sells up to 250 units per month.
- » 1 retailer sells up to 15000 units per month.

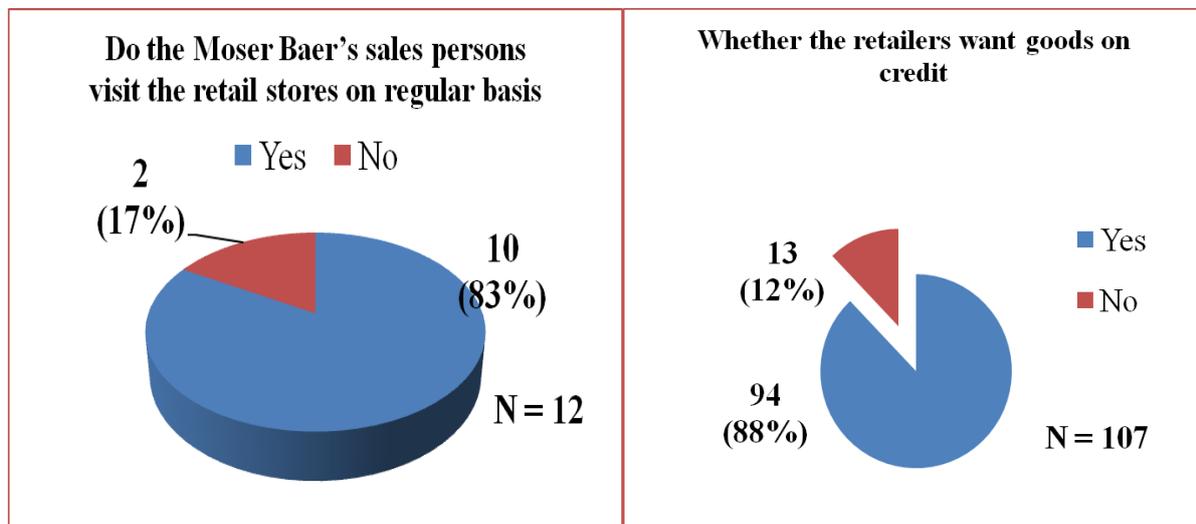




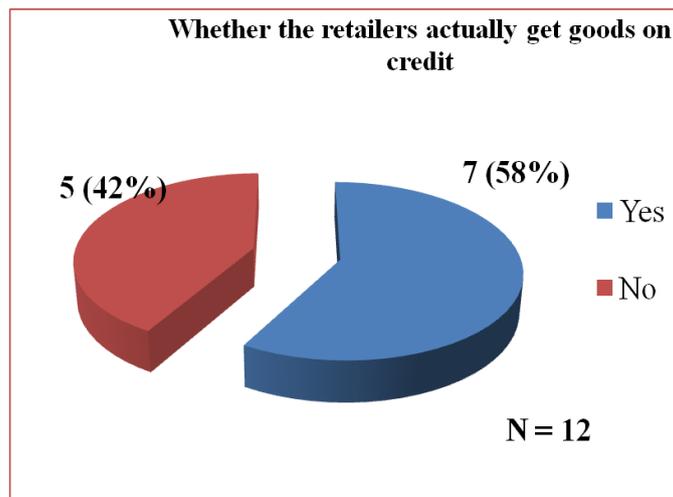
On enquiring 107 retailers whether they want Replacement Guarantee/Warrantee, all (100%) stated that they want such facility from Moser Baer.



On enquiring 107 retailers whether they receive supplies from the distributors on time, all (100%) stated that they receive supplies more or less on time.



On enquiring 107 retailers whether they receive demo products from the company, all (100%) stated that they don't receive any demo products.



II. Responses obtained from existing LED light users:-

Awareness about LED light brands:-

LED light brand	No of respondents aware about the brand
Philips	30 (94%)
Havells	15 (47%)
Eveready	11 (34%)
Syska	11 (34%)
Moser Baer	4 (13%)

Surya	4 (13%)
Crabtree	3 (9%)
Bajaj	2 (6%)
On Brite	2 (6%)
Crompton	2 (6%)
Wipro	1 (3%)
Max	1 (3%)
Panasonic	1 (3%)
Magik	1 (3%)
Nordusk	1 (3%)

N=32

Out of 55 persons approached, 32 persons stated that they currently use LED light, which is the sample size in this case.

LED light brands they are using:-

LED light brand	No of respondents aware about the brand
Philips	28 (88%)
Havells	8 (25%)
Eveready	4 (13%)
Moser Baer	4 (13%)
Syska	3 (9%)
Crompton	2 (6%)
Bajaj	1 (3%)
Wipro	1 (3%)
Panasonic	1 (3%)

On Brite	1 (3%)
Magik	1 (3%)
Nordusk	1 (3%)

Identified reasons why they are using the following brands:

Why using Philips:-

- Brand awareness, Reputed Company
- Cheaper Price, Availability in nearby store
- Suggested by electrician.
- Good lighting.
- Lower electricity consumption.
- Long Lasting

Why using Havells:-

- It is known Brand,
- Good Quality, Good brightness
- Long Lasting, Standard Price,
- Trustworthy.

Why using Eveready:-

- Reasonable price, Well known, Good Quality
- Replacement policy is good, Reliable, Good Brightness

Why Using Moser Baer:-

- Suggested by electrician.
- Known to Me, Good Quality, Good Brightness
- Replacement policy is good
- Reliable, Standard Price

Why Using Syska:-

- Known to Me, Standard Price, Reputed Company
- Good lighting.
- Good Quality.

Why Using Crompton:-

- Known Brand, Good Quality,
- Reasonable price, Long Lasting

Identified reasons why they purchase from the following sources:

Why they purchase from CESC:-

- Quality Product
- Lower price than in retail stores
- Near to my house
- Guarantee

Why they purchase from WBSEDCL:-

- It is cheaper and of good quality

Lower price than in stores with Guarantee

Why they purchase from Retail Stores:-

- Any problem can be sorted out at the retail point
- Don't have enough time to wait in the line to buy a bulb
- Convenient
- Assured quality product
- Shop is known and trusted.
- In replacement there has no problem

What they know about Moser Baer light:-

Respondent 1: It also gives me a quality product and USP like Protection plus driver that control power fluctuation.

Respondent 2: It provides me one Protection Plus Driver that Control Power Voltage Fluctuation and Various watt in Bulb with Two Colour.

III. Responses obtained from potential LED light users:-

Awareness about LED bulb brands:-

LED light brand	No of respondents aware about the brand
Philips	17 (95%)
Eveready	8 (44%)
Havells	7 (39%)
Surya	5 (28%)
Syska	4 (22%)

Bajaj	3 (17%)
Crompton	3 (17%)
Panasonic	2 (11%)

N=18

Out of 55 persons approached, 18 persons stated that they currently do not use LED light, but in near future they may use LED light, which is the sample size in this case.

Identified reasons why they purchase from the following sources:

Why Purchase From CESC:-

- Cheaper price than Store
- Given in With Better Quality product, With Guarantee.

Why Purchase From Retail Stores:-

- It always gives me replacement
- Near my home and Trusted Shop Keeper
- Variety available in store, and Standard price with Quality
- Trustworthy, Save my Valuable Time

Why Purchase From WBSEDCL:-

- Lower Price with Guarantee than Stores
- My father Work in WBSEDCL So That's Why

Conclusions and Suggestions:-

- » It is evident from the findings that the awareness and detailed knowledge about Moser Baer amongst retailers and potential consumers is very low. The company needs to strongly focus on these.
- » As the prices of Moser Baer's LED lights are perceived to be higher, the company can provide occasional sales promotion campaigns. They should position the product as 'higher price, so better quality'.
- » As all retailers and potential consumers want replacement warranty/guaranty, the company should consistently provide such facility.
- » The retailers have stated that they want demo products but don't get it. The company should ensure that demo products are supplied to retailers.
- » The retailers have stated that they want credit but don't get it. The company should ensure that credit is given to retailers.
- » The company's sales persons should visit the retailers on regular basis, provide them with demo products, ensure that all get replacement warranty, adopt competitive pricing to bag larger market share.

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- » It is found that those who know about Moser Baer LED lights, perceive that it is good. It also provides replacement guarantee in most cases. The company should leverage on these.
- » If Moser Baer can adopt correct initiatives in these cases, it can fulfill its objective.