



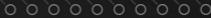
# Consumer Durables & Electronics

## Report

*A Staffing Perspective*

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## Overview

India is the world's fastest-growing major economy and the #1 largest by population, comprising over 18% of the global population and 3% of total consumption. It has the highest consumption growth among the top ten nations based on household final consumption spending. India is on track to become the third-largest consumer market by 2027.

This rise is due to rising consumer spending power, changing lifestyles, and shifting tastes for durables and electronics in India. Such an increase in the industry represents opportunities for manufacturers, retailers, and other stakeholders to capitalise on the growing market and fulfil the country's burgeoning demands from consumers.

# Market Segmentation

## Consumer Durables:

- Small Appliances: Small Kitchen Appliances, LED Lights, Electric fans
- Large Appliances: AC, Refrigerator, Washing machine

## Consumer Electronics:

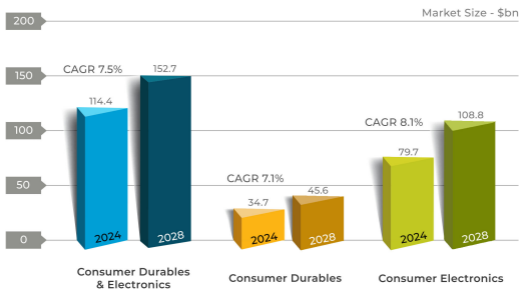
- TV, Mobile phones, Computing (Tablets, Laptops, peripherals and accessories.), Digital Camera etc





**Consumer Durables** - The size of the consumer durables market in 2024 amounts to \$34.7 billion, and is estimated to reach \$45.6 billion by 2028 with a CAGR of 7.1%.

**Consumer Electronics** - The size of the consumer electronics market in 2024 amounts to \$79.7 billion and is estimated to reach \$108.8 billion by 2028 with a CAGR of 8.1%.



# Insights on Market Size

## Consumer Durables



### Large Appliances

The size of the Large Appliances market in 2024 amounts to \$12.9 billion, estimated to reach \$19.02 billion by 2028 with a CAGR of 10.2%.



**Air Conditioners** - The size of the Air Conditioners market in 2024 amounts to \$3.3 billion, estimated to reach \$5.8 billion by 2028 with a CAGR of 15%.



**Refrigerators** - The size of the Refrigerators market in 2024 amounts to \$5.1 billion, estimated to reach \$7.36 billion by 2028 with a CAGR of 9.6%.



**Washing Machines** - The size of the Washing Machines market in 2024 amounts to \$4.5 billion, estimated to reach \$5.94 billion by 2028 with a CAGR of 7.2%.

# Insights on Market Size

## Consumer Durables



### Small Appliances

The size of the Small Appliances market in 2024 amounts to \$21.8 billion, estimated to reach \$26.7 billion by 2028 with a CAGR of 5.2%.



**Small Kitchen Appliances** - The size of the Small Kitchen Appliances market in 2024 amounts to \$15.6 billion, estimated to reach \$19.1 billion by 2028 with a CAGR of 5.2%.



**LED Lights** - The size of the LED Lights market in 2024 amounts to \$4.7 billion, estimated to reach \$6 billion by 2028 with a CAGR of 6.3%.



**Electric Fans** - The size of the Electric fans market in 2024 amounts to \$1.5 billion, estimated to reach \$1.64 billion by 2028 with a CAGR of 2.3%.



# Insights on Market Size

## Consumer Electronics



**TV** - The size of the TV market in 2024 amounts to \$13.4 billion, estimated to reach \$24.76 billion by 2028 with a CAGR of 16.6%.



**Mobile Phones** - The size of the Mobile Phones market in 2024 amounts to \$47.2 billion, estimated to reach \$61.2 billion by 2028 with a CAGR of 6.7%.



**Computing** (Tablets, Laptops, etc.) - The size of the Computing (Tablets, Laptops, etc.) market in 2024 amounts to \$17.7 billion, estimated to reach \$21.92 billion by 2028 with a CAGR of 5.5%.



**Digital Camera** - The size of the Digital Camera market in 2024 amounts to \$1.4 billion, estimated to reach \$1.56 billion by 2028 with a CAGR of 2.8%.

The Consumer Durables & Electronics Industry in India has been steadily growing, with an upward trend in penetration and premiumisation driven by consumers' rising aspirations, increasing disposable incomes, and more promotional offers. This trend is evident across key categories like **Televisions, Air Conditioners, and Refrigerators**. Notably, the penetration rate of Air Conditioners (ACs) in India is only 8%, compared to the global average of 42%, leaving ample room for expansion. ACs are among the least penetrated consumer durables, with higher penetration rates in other categories such as Washing Machines at 12%, Air Coolers at 17%, Refrigerators at 33%, Mixer Grinders at 37%, and Televisions at 65%.



# Temp Job Market

India has a 590 million strong workforce.

- **Formal and Informal Employment:** Formal employment accounts for 13.6% of total employment, while 86.4% of workers are engaged in informal employment.
- **Organised and Unorganised Sector:** 18.9% of the workforce works in the organised sector and 81.1% in the unorganised sector.

Out of 590 million, **5.4 million** is the total formal temporary workforce that has grown at a **CAGR of 10.4%** in the last five years.

With this growth, temporary staffing is no longer an inconsequential anomaly; it has emerged as a formidable force. A number of significant factors have contributed to this extraordinary surge in the expansion and the growing importance of the temporary workforce in India's dynamic labour market. In light of the fact that formal employment, productivity and government protection are significant contributors to this increase, businesses are increasingly turning to temporary workers to meet their fluctuating requirements. Temporary staffing enables organisations to tap into a wide range of skilled and unskilled individuals promptly, resulting in enhanced operational flexibility and compliance assurance. It is anticipated that this ongoing upward trajectory will persist.

# High Demand Temp Roles

## in Consumer Durables and Electronics

In-Store Promoters

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Service Technicians

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Supervisor/Sales Trainer

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Channel Sales Executives

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Customer Support Executives

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Warehouse In-Charge

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Tele Support Executives

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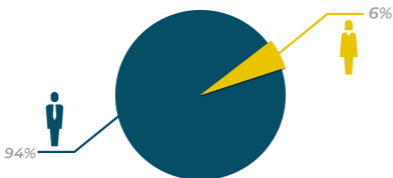
Electronics Engineers



# Temp Workforce Hotspot

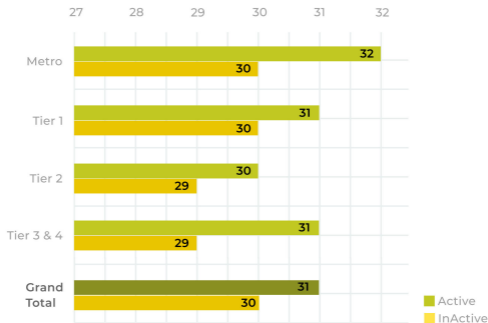
Analysis of Temp Workforce Data in Consumer Durables and Electronics

## Gender Distribution



The majority of the workforce, 94%, is male, which signifies the need for gender parity in the Consumer Durables and Electronics industry.

## Average Age

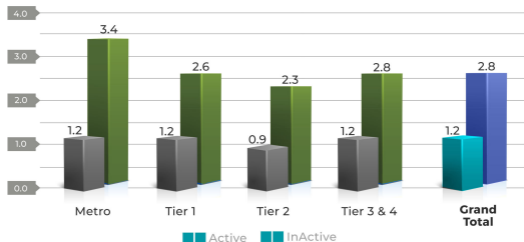


The average age of the current consumer durables and electronics workforce is 31 years. This working age group is present throughout the country.

# Temp Workforce Hotspot

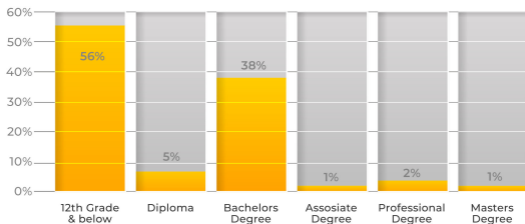
Analysis of Temp Workforce Data in Consumer Durables and Electronics

## Average Tenure



The average work tenure of current consumer durables and electronics associates is 2.8 years. This is highest in the metro cities, with an average of 3.4 years, and lowest in Tier 2 cities at 2.3 years.

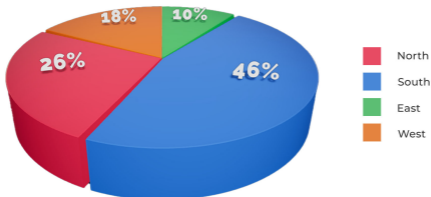
## Education



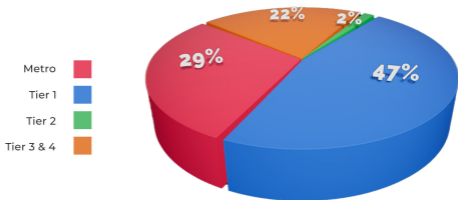
Nearly half of the workforce has education below the 12th standard only, and hence, appropriate training is required to develop certain skill sets to ensure productivity.

# Temp Workforce Hotspot

## By Zone



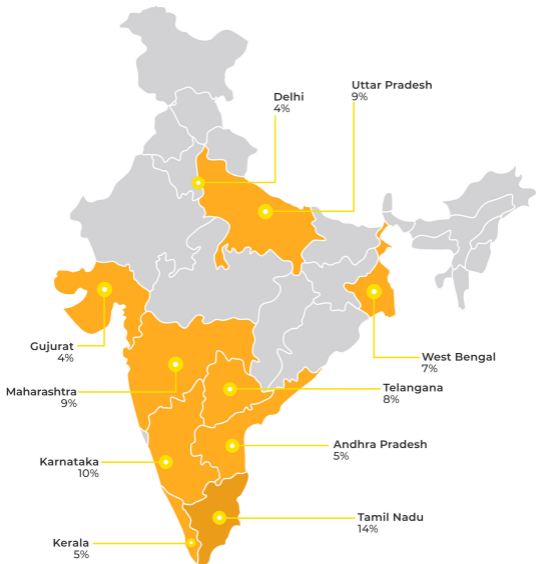
## By City Type



The graph represents the workforce distribution of the current and attrited associate base.

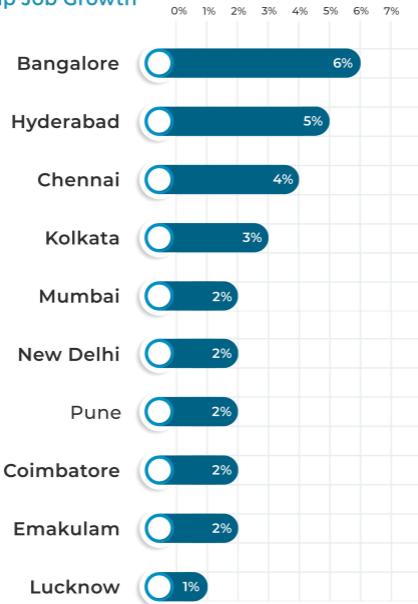
# Temp Workforce Hotspot

## Top 10 States with Highest Temp Job Growth



# Temp Workforce Hotspot

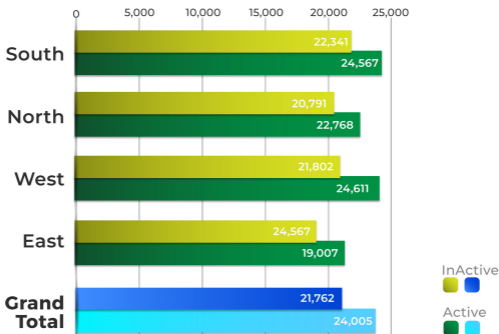
## Top 10 Cities with Highest Temp Job Growth



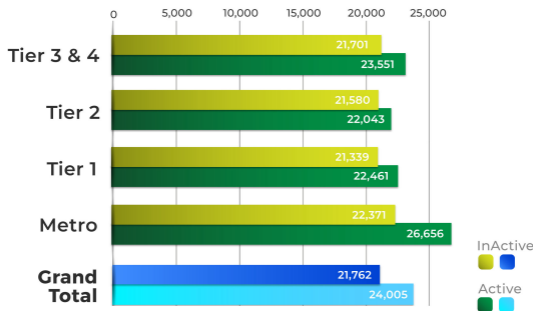


# Average CTC

## By Zone



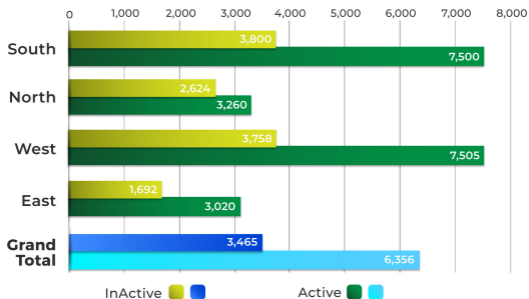
## By City Type



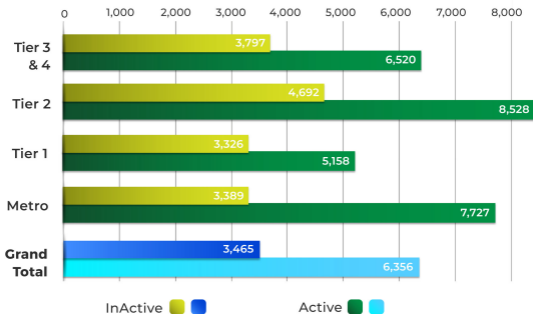
Overall, the job market is dynamic, with significant opportunities for employment.

# Average Incentives Earned Per Month

## By Zone



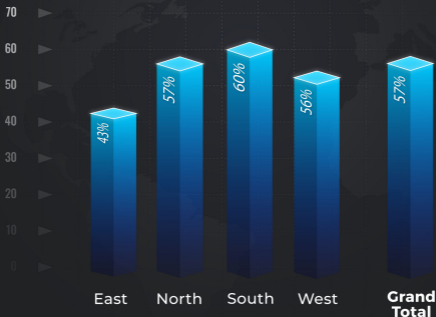
## By City Type



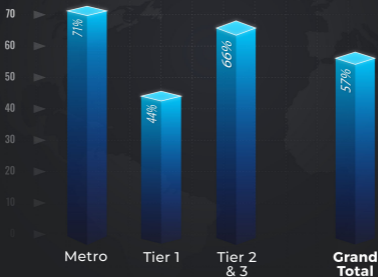
The incentives offered by the zones and the cities are quite diverse indicating how compensation strategies factor in shaping the workforce trends.

# Attrition

## By Zone



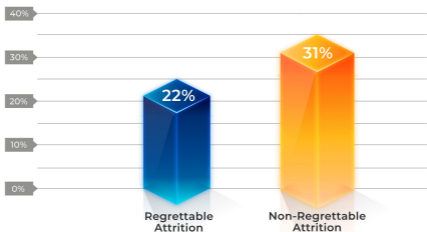
## By City Type



Metros have the highest attrition rate of 71%. Tier 2 & 3 cities have comparatively lower attrition rates than those in metros. The attrition rate is lowest in Tier-1 cities.

# Attrition

## Regrettable and Non-Regrettable Attrition



Regrettable attrition, accounting for 22% of departures, involves employees whose exceptional performance resulted in incentive earnings that exceeded the company's average incentives. On the other hand, Non-Regrettable attrition, which represents 31% of the attrition rate, occurs in cases where employees have not earned any incentives.



# Cost of Attrition to the Organization

Components of cost involved in recruitment and replacement of attrited position:

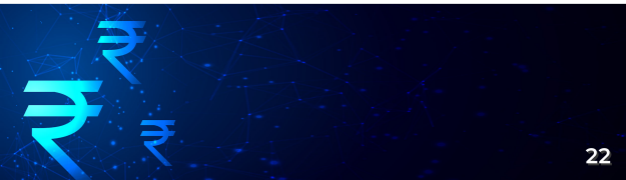
Recruitment Cost	L&D Cost	Administration Cost
Time spent searching for candidates	Training materials	Setup communication systems
Time spent on recruiting and selection	Technology	Add employees to the HR system
Travel expenditure, if any	Employee benefits	Set up the new hire's workspace
Relocation costs, if any	Trainers' Time	Set up ID cards, access cards, etc.
Background/reference screening		

An organization with 1000 employees bears the burden of attrition cost of approximately 3.64 Crore rupees. Out of this, around 0.58 Crore is the backfilling cost, 0.66 Crore is the training cost, and 2.4 Crore is the productivity ramp-up cost. The below table gives a detailed illustration of attrition cost for the organization.

Description		Amount/Count
<b>A.</b>	<b>Employee Cost</b>	
1	Departing Employee's Annual Basic Salary	₹ 2,52,000
2	Annual Benefits	₹ 90,720
3	Monthly Salary + Benefits	₹ 28,560
4	Working Days Per Year	230
5	Working Hours Per Day	8
6	Salary + Benefits Per Day	₹ 1,490
7	Salary + Benefits Per Hour	₹ 186

<b>B. Cost To Fill the Post</b>		
9	Annual Salary Of Hiring Staff	₹ 6,50,000
10	Working Days Per Year	230
11	Working Hours Per Day	8
12	Salary Per Day	₹ 2,826
13	Salary Per Hour	₹ 353
14	Cost of Screening	₹ 1,412
	Required Hours	Required Days
	4	0.5
15	Cost of Interviews	₹ 2,118
	Required Hours	Required Days
	4	0.5
16	Cost of Advertising	₹ 1,500
17	Cost of Assessment	₹ 2,000
18	Cost of Background Checks	₹ 1,000
19	Cost Of Traveling For Recruiting	₹ 1,500
<b>20</b>	<b>Total Cost To Fill a Vacant Position</b>	<b>₹ 9,532</b>

<b>C. Cost of Training</b>		
21	Cost of Trainer Per Day	₹ 2,300
22	Training Days	5
<b>23</b>	<b>Total Cost of Training</b>	<b>₹ 11,500</b>



D.	Productivity Ramp-Up Cost	
24	Annual Salary + Benefits of New Employee	₹ 3,42,720
25	Salary + Benefits Per Month	₹ 28,560
26	Salary + Benefits Per Day	₹ 1,490
27	25% Productive in 1st Month (75% lost)	₹ 21,420
28	50% Productive in 2nd Month (50% lost)	₹ 14,280
29	75% Productive in 3rd Month (25% lost)	₹ 7,140
<b>30</b>	<b>Total Cost of Lost Productivity</b>	<b>₹ 42,840</b>

E.	Cost of Attrition	
31	Total Attrition Cost Per Employee	₹ 63,872
32	Average Annual Attrition	57%
33	Assumed Total Employee Count	1,000
34	Attrition Per Year	570
<b>35</b>	<b>Total Attrition Cost Per Year</b>	<b>₹ 3.64 Cr</b>



# Opportunity Cost (Loss in Revenue)

There is always a portion of revenue missed due to a void created when employees leave and the positions have to be filled with new workforce that will not be fully productive from day 1.

The **opportunity cost** due to attrition specific to the in-shop promoter role is approximately **118.6 Crore rupees** for an organization of 1000 employees.

1	No of Days To Fill The Vacant Position	30
2	Average Revenue Per In-store Promoter/Year	₹ 1 Cr
3	Average Revenue Per In-store Promoter/Month	₹ 8.3 Lakh
4	<b>Revenue Lost During Vacant Period</b>	<b>₹ 8.3 Lakh</b>
5	Newly Joined In-store Promoter Productivity	
5.1	25% Productive in 1st Month (75% lost)	₹ 6.2 Lakh
5.2	50% Productive in 2nd Month (50% lost)	₹ 4.2 Lakh
5.3	75% Productive in 3rd Month (25% lost)	₹ 2.1 Lakh
5.4	<b>Revenue Lost (Newly Joined In-store Promoter)</b>	<b>₹ 12.5 Lakh</b>
6	<b>Total Revenue Lost with One Employee Exit</b>	<b>₹ 20.8 Lakh</b>
7	Average Annual Attrition	57%
8	Assumed Total Employee Count	1,000
9	Attrition Per Year	570
10	<b>Total Opportunity Cost (Revenue Lost)</b>	<b>₹ 118.6 Cr</b>



## Case Study 1

### Background and Challenges:

A prominent multinational company specialising in home appliances faced significant challenges, including a 60%+ attrition rate compounded by comparatively low compensation packages within the industry.

### Solutions:

- ▶ Restructured the salary framework by introducing a festive season driven retention bonus.
- ▶ Customized training programs were provided to enhance employee engagement and skill development.

### Outcomes:

These initiatives resulted in substantial cost savings, totalling 5 crore annually, and a significant reduction in attrition from 56% to 44%. The successful implementation of these measures not only improved employee morale and retention but also saved money to the tune of crores, highlighting the effectiveness of the compensation optimization strategy.

## Case Study 2

### Background and Challenges:

A large multinational company specializing in home appliances and consumer electronics faced significant challenges in managing its large workforce base, compounded by slow backfills and high attrition rates, particularly among new hires. Additionally, the company struggled with outdated training materials and low productivity levels.

### Solutions:

- ▶ Established a pan-India dedicated team for hiring support, dedicated single points of contact for onsite management, and the implementation of psychometric testing and proctored assessments to ensure quality hiring.
- ▶ Provided updated learning content to enhance associates' engagement, quality, and productivity.

### Outcomes:

As a result of these initiatives, the company was able to nearly double its workforce within a year while reducing infant attrition from 32% to 24%. Additionally, productivity levels improved significantly, reaching 100% within two months of associates joining the company. This successful end-to-end management approach underscores the effectiveness of TeamLease's solutions in optimizing workforce productivity and retention.

## Case Study 3

### Background and Challenges:

A multinational electrical equipment company faced significant challenges in productivity, product knowledge, and learning and development programs among a large pool of sales associates.

### Solutions:

A holistic training solution was implemented:

- ▶ This solution encompassed a methodical pre-hiring assessment, thorough profile analysis, Training Needs Analysis (TNA), and content design.
- ▶ Trainers were deployed at a ratio of 100:1 for effective delivery of product training, learning nuggets, and behavioral training.
- ▶ Baseline assessments, pre-post training evaluations, and quarterly gamified assessments were utilized to monitor progress.

### Outcomes:

Consequently, the initiative resulted in a significant sales increase of over 30%, a notable 5% reduction in attrition, and the establishment of a structured learning environment for all initiatives.

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TeamLease Associates Data



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Putting India to Work

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