

Godrej Security sees a 'safe' bet in retail segment

SHOBHA ROY

Kolkata, July 2

The ₹600-crore Godrej Security Solutions (GSS), which has seen sales of its commercial business stagnate primarily due to the muted branch expansion of banks, is turning its focus towards retail home safety and security solutions to tide over the slowdown.

As part of this strategy, the company, a division of Godrej & Boyce Mfg Co Ltd, plans to launch more products aimed at the segment and expand its distribution network.

Commercial business operations, which primarily include providing mechanical and electronic security systems for banks and offices, account for nearly 57 per cent of the company's total business. The retail segment accounts for around 33 per cent, while international business accounts for around 10 per cent of the company's total turnover.

According to Mehernosh Pithawalla, Vice-President



Mehernosh Pithawalla,
Vice-President and Global
Head, Marketing, Sales and
Innovation, GSS DEBASISH BHADURI

and Global Head, Marketing, Sales and Innovation, Godrej Security Solutions, penetration of home safes and lockers in India is very small at around 7 per cent. However, the demand has been growing at over 25 per cent on a year-on-year basis.

The home-safes-and-lockers market in India is estimated to be around ₹200 crore and has been growing at over 25 per cent annually. The company holds a nearly 80 per cent share in the market.

"Growth is not happening much in the banking sector as opening of new branches

has gone down. However, retail growth in safes and lockers has been over 25 per cent. We are looking to tap the retail segment for the next 2-3 years," Pithawalla told *BusinessLine*.

GSS will look to grow this market by creating awareness and increasing penetration.

The company has earmarked around ₹15 crore for enhancing awareness on home safety and security solutions.

"We are currently present across 7,000 outlets; we plan to scale it up to 9,000 by the end of this fiscal. We are also looking at product expansion across portfolio in home lockers," he said.

Backed by a robust growth in retail and international businesses and expansion of footprint, GSS is expecting to clock 15 per cent growth in turnover this fiscal.

Customising solutions

The urban areas account for nearly 70 per cent of the total

sales in home safety solutions – particularly in case of safes and lockers – while rural accounts for around 30 per cent.

"In rural areas, it is mostly farmers who go in for purchase of lockers; hence, they look for bigger and heavier safes. In urban markets, it is more about fit, affordability and convenience. Our objective is to make sure we have safes for every need," he said.

GSS, which has been a rather late entrant into the ₹1,800-crore outside security solutions market, has managed to grab a 5 per cent share of the market.

The company is also betting big on electronic security systems such as video door phones and CCTV cameras.

"When it comes to electronic security for customers for their personal use, we have been their preferred choice. We have been in talks with several residential complexes for installing video door phones," he said.