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REPOSITIONING FOR SUCCESS: THE LLOYD'S ACQUISITION BY HAVELLS INDIA

It was summer of 2017, when Havells India made a public announcement of its decision to acquire Lloyd, a mid-sized, value for money brand in the Indian consumer electronics market. At the time of the acquisition Lloyd was the third largest player in the consumer electronics market (dominated by air conditioners), and Havells' leadership saw many benefits to the acquisition, including operational synergies, as well as, access to new consumer product categories, segments, and a distribution landscape beyond Havells traditional stronghold.

The integration team at Havells, was tasked with shaping the future integration of Lloyd in the Havells' overall portfolio, along with its strategic goals. The team responsible for the integration has two options.

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- a. Option one was to continue operating Lloyd under the same brand and value proposition that existed before the acquisition. Lloyd has its own footprint in the tier 2 and 3 markets.

- b. Option two was to reset and refresh Lloyd's brand and change its value proposition. Although this option presented a higher amount of investment and greater risks associated with any change effort, it also fitted with Havells' overall strategic goal of having a portfolio of brands representing 'quality at a premium' philosophy.

After considerable internal discussions, market research inputs from a leading global consulting firm, and their own strategic vision about the future of Havells, the team made a strong case for Option two. Their choice was based on the intensely competitive nature of the consumer electronics and electrical appliances industry, the consumer dynamics in the Indian marketplace, and the likely effects of the acquired brand's performance on key market and financial metrics for Havells in the coming future. It specifically kept in focus Havells ambition of increasing the share of socket in every Indian household.