

Unseen But Essential

THE VALUE OF UNSEEN THINGS
IN OUR LIVING SPACES



Anubhav Soni | December 2024

Dear Readers,

What is the first thing that comes to mind when we move into a new home or renovate one? Perhaps it's the gleaming **dining table**, the high-definition **television** in the living room, the perfectly matched **curtains** or maybe even the ideal wall colour! When I moved into my new apartment, I spent days researching the perfect TV. Many of us already have a brand in mind — “**TV toh Samsung ka hi lenge**”— and spend hours comparing options, reading reviews, and ensuring our purchases match our aspirations for clothes, gadgets and even food.

But what about the **unseen** essentials? While focusing on **visible** items, we often forget the value of the **pipes**, wires and other unseen components that keep our homes running smoothly. Do you know the brand or quality of the pipes which channel water to your home or the wires powering your appliances? Probably not, right? When it comes to **pipes, wires or waterproofing**, the usual response is, “Jo aapko sahi lage, woh laga dena,” leaving these decisions to **plumbers or electricians**. Perhaps this is because these elements are seen as technical, and we lack the knowledge to evaluate their quality.



“Proper plumbing systems are as critical to a home as its foundation. Quality pipes and fixtures not only ensure functionality but also play a pivotal role in conserving resources like water, which is becoming increasingly scarce. Every investment in better plumbing is an investment in sustainability and long-term cost efficiency.”

Gurmit Singh Arora,
National President of the Indian Plumbing Association (IPA)

Visible vs. Invisible Priorities

“Around **5 in 10** India consumers almost always or frequently use their smartphone in-store for price comparison or to view live the product reviews via social media before they make a purchase.” — A survey by PWC, The Global Consumer Insights Pulse Survey found. Also, a survey from Think with Google - Path to Purchase study of electronic shoppers revealed that “In 2019 people took an average of **9 days** longer to make purchase decisions.”

Have you ever seen an **Instagram influencer** promoting a pipe or wire? Probably not. The real influencers here are plumbers and electricians, whose expertise ensures your home functions seamlessly. While aesthetics matter, we must also appreciate the role of quality building materials in creating reliable and sustainable homes.



The Power of Aesthetics : How Beauty Shapes Choices

Who hasn't admired smart home switches that regulate **fans** and **air conditioners via smartphones** and felt tempted to install them, simply for their aesthetics?

According to an article by Research Gate on Frontiers in Psychology, it was found that participants preferred products with high design aesthetics, even if they were costlier. The study found that participants were likelier to buy products with high design aesthetics than those with low design aesthetics. switches or designer gadgets even if it is available at a higher cost and that people often prioritize aesthetics over functionality, as it aligns with their personal expression and immediate gratification.

A McKinsey study highlights the critical role of product reviews in influencing consumer behaviour, as illustrated below:

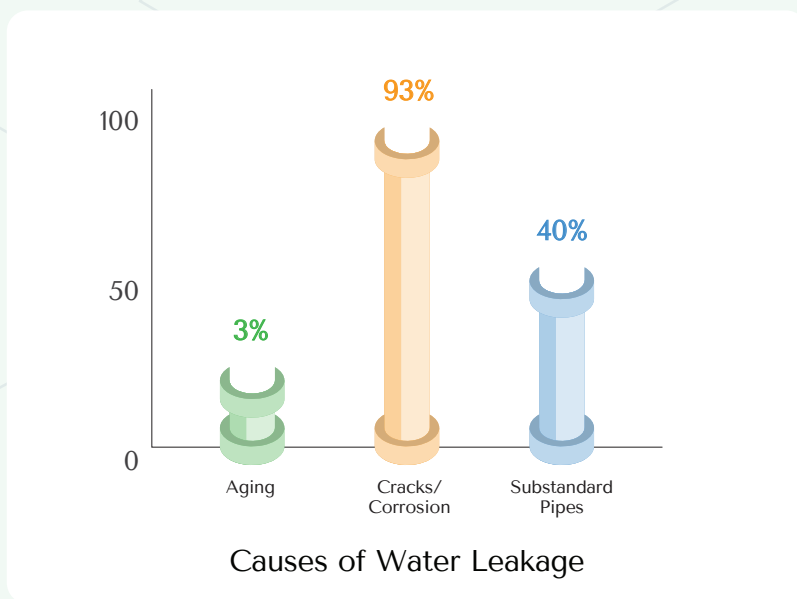


Source: McKinsey

Invisible yet Indispensable: The Hidden Aesthetics that make it happen

Let's take a moment to appreciate the **unseen building materials** of our homes—the pipes and wires. While they may lack the glamour of designer furniture or modular kitchens, their reliability ensures seamless functionality. Faulty pipes can **lead to leaks, water damage, and high repair costs**, while poor-quality wires may result in **electrical failures or even fires**.

“Substandard pipes and fittings cause **40%** of urban water leaks, with **97%** attributed to cracked or corroded pipes”- Indian Plumbing Association



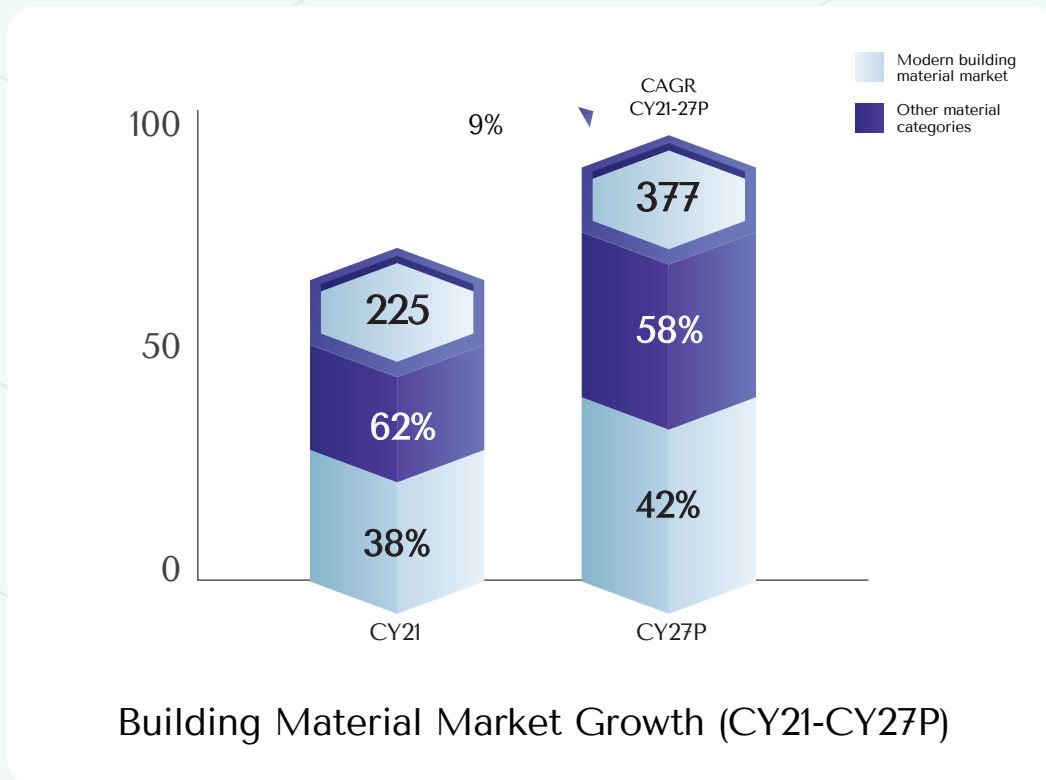
Source: Indian Plumbing Association

According to the Delhi Fire Services "Faulty or damaged wiring is responsible for **69%** of electrical fires. Moreover , **60%** of fires in the city originate from electrical short circuits, overheating, overloading, or improper wiring." - National Fire Protection Association

Why, then, do we not invest the same effort in choosing building materials as we do in picking out our next smartphone? Is it because they're hidden, and we feel no need to impress anyone with them? Or is it because we **lack awareness** of the long-term benefits of investing in quality infrastructure?

First, let us understand Building Materials Sector in India

Building materials are the fundamental elements that shape every structure, from homes to towering skyscrapers. They encompass core components like **concrete, steel, bricks, and wood**, as well as essential supports like cement, glass, tiles, pipes, and wires. India's building materials industry is on a strong footing given the anticipated revival in real estate cycle and rising government capex.

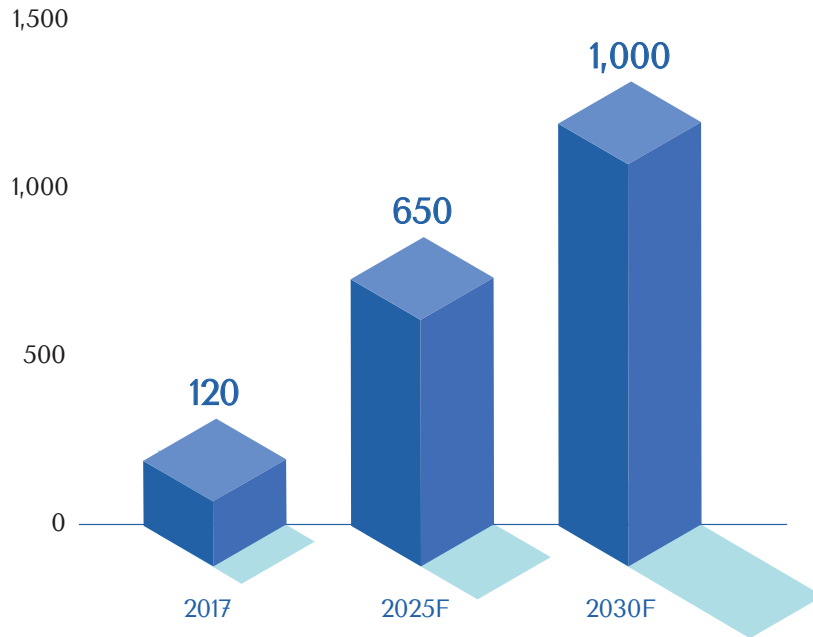


Source: Praxis Global Alliance

Key Growth Drivers

A. Rising Real Estate Sector

Real estate sector in India is expected to reach **US\$ 1 trillion by 2030** and by 2025 it is expected to contribute 13% to the country's GDP – National Real Estate Development Council.



India's Real Estate Market (US\$ billion)

Source: Indian Brand Equity Foundation

B. Government Capex

To foster economic growth and development, government has allocated Rs 11.11 lakh Cr towards capital expenditure (3.4% of GDP), marking an increase of over 5 times in the last 10 years. Most of the capex surge has been witnessed in the last 5 years, with an annual growth of 27% witnessed between the same period.

Some of the Government Schemes announced are :

1. **Pradhan Mantri Gati Shakti National Master Plan (PMGS-NMP)** : Aimed at boosting infrastructure connectivity across the country by integrating various infrastructure projects like roads, railways, ports, and airports.
2. **Jal Jeevan Mission**: Piped water to every rural household.
3. **Smart Cities Mission**: 100 cities with modern amenities.
4. **Pradhan Mantri Awas Yojana**: Affordable housing for all.
5. **National Infrastructure Pipeline (NIP)**: Aims to drive investment of ₹ 111 lakh crore in infrastructure.

A Vision for the Future

As someone who closely tracks the Building Materials Sector, primarily **Plastic Pipes**, I see firsthand how indispensable these components are for the smooth functioning of our homes. At Ekvity, we focus on investments that align with our core philosophy and ideology, while also acknowledging the potential of ancillary businesses that contribute significantly to industries like Real Estate.growth of 27% witnessed between the same period.



So, what exactly are **Ancillary Businesses**?

"Ancillary businesses are **secondary or supplementary enterprises** that provide critical support to a **primary industry**." In the context of Real Estate, this includes building material companies— pipes, wires, paints, cement, and more.

Have you ever noticed the growing number of advertisements promoting pipes and wires, often with celebrities as brand ambassadors? It's fascinating to see pipes—a once overlooked commodity, now being marketed as an essential. Does this signify the increasing importance of pipes and wires?

And yet, despite their importance, why do we tend to overlook them? Perhaps it's because we rely heavily on plumbers or electricians to make these decisions for us. Or maybe it's because we lack technical knowledge about their quality and functionality. Or, could it be that we simply prioritize visible, aesthetically pleasing items over the invisible essentials that ensure our homes run smoothly?

Rethinking the Invisible in our Modern Living

Of course, aesthetics are important—after all, they make our spaces beautiful and reflective of our personalities. But perhaps it's time to recognize the **critical role** pipes and wires play in creating functional and efficient homes. They may be invisible, but their functionality ensures our homes are not just beautiful but also **durable**. What do you think? How can we strike a balance between **aesthetics and functionality** to create homes that are not just stunning but also built to last?

So, are we ready to give them the importance they truly deserve in the story of our modern homes? **Share your thoughts—I'd love to hear your perspective.**

See you in the next letter. Until then, take a moment to reflect on the invisible heroes of your home!

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