



# Three things that will make an impact on Marketing Consumer Durables, on road to 2010

The Indian consumer durable market has been witnessing very dramatic changes over the past few years. The advent of multinationals in the Consumer Durables field since the mid 90's onwards, has put the Indian consumer right in the middle of a global revolution taking place in the electronics industry. As global manufacturers introduce newer and newer technologies in the market and products become more and more digital, the way to market these products is also changing very rapidly. The innovation that one is witnessing at the product level has to be carried through in what we communicate, where we communicate and how we communicate with the customer.

In this context, your own network of exclusive stores as well large format retail, both are becoming significant channels for marketing leading technology consumer durable products. As urban markets mature to these leading technology products, the smaller cities and semi urban markets too are showing a dramatic growth, requiring manufacturers to strengthen their reach in these markets. I am covering some of these key trends in detail, as follows:

## Digital Convergence

In this era of digital convergence, even as storing and transferring of video content across multiple devices (PC, DVR etc) is gaining popularity, one is also witnessing an increasing connectivity of home appliances. With USB Video Play feature in Home Theatres, today a user doesn't need to burn CDs or DVDs to enjoy music, video clips or photos on their Home theatre system. One just needs to plug a portable digital device into the USB port for instant entertainment. One of the most obvious fallouts of this digital convergence is that 'hi-tech' is being re-defined even as IT is being commoditized. Formerly professional grade products are now accessible to the consumer market - Flat panels are now accessible in price for homes, not just offices. Today, one is experiencing an explosive increase in demand for consumer use semiconductors, with around 50 per cent of all semiconductor consumption to be used for consumer products by 2013. Projectors, formerly used in offices are being used for home theaters. Smart phones have started becoming more fashionable and slim to appeal to consumers. Notebooks are growing to adopt

multimedia functions. Thus, consumerization of IT is the biggest trend I see going forward, and this is the biggest factor that is going to impact the way companies market their products.

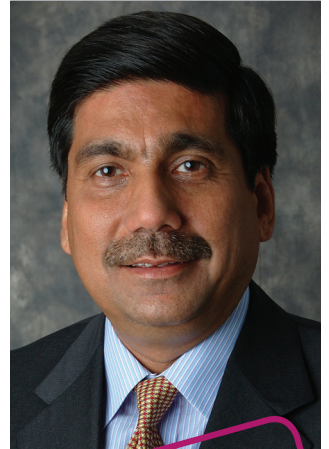
## Retail Boom

And all these Convergence products will require a fresh approach in marketing. I see the concept of Consumer Electronics stores and IT Stores giving way to Digital Stores from where these products will be retailed. As companies look at introducing newer and more advanced technologies in the Indian market, I see Concept Stores coming into play from where companies will seek to create awareness on the benefits of these new technologies being introduced. Large format retail stores, that are in the inception stages of being set up, I expect, would constitute an integral element of a company's distribution mix and their contribution to sales would also be quite significant. With both the PC penetration and the Internet penetration growing, I see online marketing coming of age in India, more so for digital products.

## Regional Strategy

Given the low penetration level of Consumer Electronics Products and the high potential that exists in the Indian market, I see regional marketing strategies getting more and more significant in a company's overall marketing mix. As the smaller cities show a strong appetite for branded products, I see the larger manufacturers not only beefing up their distribution networks in the smaller cities and semi urban markets, but also making a very focused approach to woo customers in these markets. Regional approach will not only be followed at the level of the sales channel. I see product brochures being multi lingual and products being customized to accommodate regional preferences. And finally, media strategies that work on a regional basis. Regional media, both print and television, I expect will play an equally important role in a company's overall media mix.

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