

BETWEEN OURSELVES

April 29, 2011. The world's attention was riveted on Westminster Abbey in London as royals and celebrities congregated for the fairy tale wedding of Prince William and Kate Middleton. Around the same time, on the other side of the Atlantic, President Barack Obama signed the 'death warrant' of Osama bin Laden.

One of the 'Most Wanted' fugitives by the United States Government with a \$25 million bounty on his head, Osama bin Laden, was killed by US special forces in a night raid in the mountainous northern region of Pakistan. His hideout for the last six years was a fortified million dollar mansion in the cantonment town of Abbottabad within walking distance of the military academy and around 60 miles from the capital Islamabad. Bin Laden led a comfortable life with his family right under the nose of the Pakistan security services. The Government in Pakistan has some very tough questions to answer. It is difficult to believe that no one in Pakistan's secret service knew of bin Laden's whereabouts for six years. Else, it is a complete intelligence failure not to smell out the most wanted terrorist in one's own backyard. The western governments will now be under intense public pressure to justify the billions of dollar in aid to Pakistan in the fight against terrorism. Undoubtedly, Pakistan needs to do much more to justify the assistance it receives, in military equipment and financial aid, to take up counter terrorism efforts.

Closer home, the Reserve Bank of India (RBI), in a bid to clamp down on a resurgent inflation raised key rates by a higher-than-expected 50 basis points. In an unambiguous policy stance, RBI stressed that tackling inflation is its main priority even if it comes at the expense of overall growth in the short term.

RBI Governor said the monetary policy actions are expected to contain inflation by reining in demand side pressures, and sustain growth in the medium-term by containing inflation.

"High and persistent inflation undermines growth by creating uncertainty for investors, and driving up inflation expectations. An environment of price stability is a pre-condition for sustaining growth in the medium-term. Reining in inflation should therefore take precedence even if there are some short-term costs by way of lower growth," the Governor said.

— **Amitabh**

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Telephone/Fax : **91-11-4607 0335, 4607 0336**

E-mail : **ceama@airtelmail.in**

Website : **www.ceama.in**

Consumer Electronics News

Godrej Power Play launched

Sensing the hunger for cricket and all things related to the game across the country, Godrej today launched a consumer loyalty programme for the IPL season that spans across 90 of its product categories including soaps, refrigerators, furniture and even apartments. Godrej Power Play, the consumer connect initiative entails purchasing a Godrej product to start playing the game. For every purchase of Godrej product that the consumer makes, he or she will be assigned a cricketer and a value for that cricketer. Thereafter as the IPL progress, Power Play will get active and the cricketer's value changes depending on his performance in each match.

— Business Line Delhi, April 7, 2011

LG Mobiles Plans to Bring 3D Tablet Here

LG Mobile is planning to bring its yet-to-be-globally-launched 3D tablet to India in June, a senior executive in the company said. It will compete with Samsung's Galaxy Tab and Apple's iPad and is likely to be priced between `30,000 and `40,000. Vishal Chopra, LG Electronics business head for mobile communications, said the tablet could be priced lower than `30,000 depending on currency valuation and import duties at the time of the launch. "I will be in a better position to say (about price clarity) around last week of May," he added. Local handset makers such as Micromax Mobiles, Lava Mobiles and Olive Telecom and Chinese manufacturers such as G'Five and HTC, are also launching their tablets at competitive prices. Nokia India's MD D Shivakumar had earlier said the company would have a very big share of the smartphone market that was doubling every year.

— The Economic Times Kolkata, April 7, 2011

Cricket Bonanza boosts flats TV sales

The cricket fever triggered a huge momentum in TV sales, particularly the flat panel display segment in March. Major companies, including Samsung, LG and Sony mopped up higher sales

of 70-80% in flat panel TVs during March due to the World Cup, and the IPL. Says Samsung deputy MD R.Zutshi: "We have witnessed a very healthy movement in the flat panel TV category, especially the LED segment due to the cricket season. We expect the sales momentum in CTVs to be sustained and are looking at a 100% jump in FPTV sales in the first six months over the corresponding period last year." This time, consumer electronics companies like LG had set a target of doubling sales during January-April, keeping the ICC World Cup and IPL in mind. LG COO Yasho Verma said the company is "on track" to achieve the target.

— The Times of India Delhi, April 8, 2011

Panasonic aims to triple revenues

The Japanese technology major Panasonic is betting on product customization aimed at the mass market to drive its aggressive sales plan over the next two years. The company has set an ambitious target to triple its revenues to around `9,000 crore by the end of next financial year. The revenue stood at `3,200 crore for the fiscal 2010-11. "The company will tweak its products to meet the specific requirements of Indian consumers. We are exploring opportunities in the mass segment especially in the tier-II and tier-III cities."

— Hindustan Times Delhi, April, 9, 2011

Aftershock knocks out Sony, Canon Plants

Sony and Canon were among manufacturers that shut plants in Japan following the 7.1 magnitude earthquake on Thursday, delaying their recovery. Sony, Japan's largest exporter of consumer electronics, said it suspended operations at two plants in Miyagi prefecture because of power outages caused by Thursday night's aftershock of the 9 magnitude temblor that struck March 11.

— The Financial Express Delhi, April 9, 2011

Consumer durables cos ride IPL mania

With the cricket fever moving on unabated from the ICC Cricket World Cup to IPL season 4,

consumer durable makers are expecting to see the good run in their sales to continue. From TV makers to home appliances makers and other consumer durables are all ready to aggressively cash in on the cricket mania with new sales campaigns.

— Mail Today Delhi, April 11, 2011

Electronic Service Delivery Bill

The government on Monday said it would soon send the Electronic Service Delivery bill to the Cabinet for its approval. The Electronic Service Delivery Bill, when enacted, would make it mandatory for every government organization to deliver public services only in electronic mode from a cut off date.

— Business Standard Delhi, April 12, 2011

iPhone4 to ring in India soon

Apple's latest version of its smartphone, iPhone 4, is slated to debut in India in the next 30-45 days. The device, already launched in most parts of the world 11 months back, is expected to cause quite a ruffle in India as well.

— Business Standard Delhi, April 12, 2011

LG's entry in Indian Water Purifier

LG announced its entry into the Indian water purifier market and said it aim to be a major player in the category by offering a range of products across all segments of consumers.

— The Asian Age Delhi, April 12, 2011

LG India sales to overtake Korean parent in 3-4 years

Consumer goods maker LG Electronics Inc. on Monday said it expects the Indian operations to overtake its domestic sales in Korea in the next three-four years on the back of rapid expansion and new product introduction.

— MINT Delhi, April 12, 2011

Government Mulls `5,000 cr. R&D fund

"The complete contribution of `5,000 crore to this fund will be made by government. The objective of this fund is to develop an ecosystem to boost manufacturing in the country" said R

Chandrashekhar, Secretry, Department of Telecom, who also holds additional charge of secretary, Department of Information Technology, "It will be only used for development of technology which are of strategic interest for the country" Chandrashekhar said the government has identified development of telecom equipment, language technology, development of Indian intellectual property rights in the field of electronics, and development of Indian microprocessors as focus areas.

— MINT Delhi, April 12, 2011

LG introduces Smart TV

Consumer durables major LG Electronics on Tuesday introduced a new interactive television, Smart TV, which has in-built online content, movies and other applications. The company said it has tied up with Indian content providers like Ndtv.com, Hungama.com, Indiatimes.com and Zapak.com for local Indian content. Smart TV allows access to thousands of movies, customizable applications, videos and the ability to browse the web through an easy to navigate interface, LG Electronics India said in a statement. The smart TV will be available in 14 Stock Keeping Units (SKUs) from 32 inches to 55 inches with a price range of Rs. 43,000 to Rs. 1.70 lakh.

— The Hindu Delhi, April 13, 2011

Now, India Feels Aftershocks of Japan Quake

Temblor Trauma

Devastation in Japan comes to haunt Indian companies

Consumer Durables

- Shortage of Semi-conductors used in TVs and other appliances
- Companies look for vendors within non-affected areas of Japan and in Korea and Taiwan
- Most LCD component making factories in affected areas such as Shibukawa, Miyagi.
- Import of High-end cameras may get hampered.
- Companies such as Sony and Sharp are yet to resume production at Japan factories.

— The Economic Times, April 14, 2011

Onida to set up plant in Maharashtra to make air-conditioners

Aiming to be \$1 billion firm, Onida on Wednesday said it plans to set up a facility in Maharashtra to manufacture air-conditioners, and launch 30 exclusive brand galleries by this fiscal end, reports PTI from Ahmedabad.

— The Hindu Delhi, April 14, 2011

Samsung sets \$ 4.9 b sales target in 2011

Korean consumer durables major Samsung on Wednesday introduced 60 new products across all categories in India with an eye on achieving a 40 per cent jump in sales to \$4.9 billion in the country by year-end. The company also said that it was expanding its portfolio across all categories with special focus on pushing products with more advanced technologies, such as smart TVs, 3D televisions, Blu-ray players and its Galaxy Tabs. "We expect a growth of 40 percent in sales this year in India. This will be over \$3.5 billion, which we did last year," Samsung West Asia operations president and CEO Mr. Jung Soo Shin told.

— The Asian Age Delhi, April 14, 2011

Smart TVs bring convergence home

Convergence is emerging as the next big trend driving growth and innovation in electronics and other devices. Consumers are looking for smarter, sleeker and enhanced devices that provide them with a more connected experience. So while smartphones and tablets are already showing a big sales uptick this year, 'smart TVs' will do the same in the living room, where companies such as Samsung, Sony and Haier are expected to play the lead role.

— The Time of India, Mumbai, April 14, 2011

Philips to launch new products

Electronics major Philips is bullish on increasing the market share in Indian and become number one in sound for which the company has lined up a host of new products, to be launched in phases by June. "We have aggressive plans for India where the business is growing. These plans will help us gain market share faster in all categories and strengthen our position in the sound segment," Philips Consumer Life-style India Director, AVM, Gunjan Srivastava said.

— The Assam Tribune, Guwahati, April 14, 2011

Sony considered two-week shutdown to save energy

Sony Corp is mulling a complete two-week summer shutdown of some company premises to save energy as Tokyo and Japan's northern regions face the peak period with vastly reduced power generation, capacity following the March '11 quake. The government last week announced energy saving targets that will require large-scale users to cut peak consumption in the region by one-quarter.

— Hindustan Times, Delhi, April 15, 2011

Flat TV sales set to soar in small cities: Experts

The appetite for flat panel televisions (FPTVs) is expected to go up exponentially in tier II and III cities in 2011 on the back of attractive pricing, increased awareness level, rising discretionary income and availability. According to major players like LG, Samsung and Panasonic, fiscal 2010-11 has been a phenomenal year as they witnessed a 80-100% increase in the sales of FPTVs while small players like Haier has seen a growth of over 200%. Many players have also said the companies have progressively increase presence in these cities and are planning to ramp up production capacity of flat panel televisions due to increase in demand.

— The Financial Express, Delhi, April 15, 2011

Onida to open exclusive galleries across India

MIRC Electronics Ltd., makers of Onida brand of consumer durables, will roll out 30 exclusive galleries to showcase its new products across India in 2011-12 as part of its 'Mission \$1billion' to achieve turnover of Rs. 4,500 crore by 2012-13, a company official said today. Onida's well-known 'devil' of the Eighties and Nineties has now been replaced by a regular 'Onida Couple' as 'neighbour's envy' has lost meaning in a durable market and owners take price in changing their brands. This new look campaign is expected to restore the visibility of a classic brand that has returned, he said. But the company has no plans to appoint a celebrity as ambassador to endorse its brand.

— Business Line, Delhi, April 15, 2011

Seminar on Industry - Trade Relations

April 23, 2011 at Kolkata



Lighting of the lamp



Dr. Y.V Verma welcomes Mr. Thomas Varghese



Distinguished speakers on the dais



**Inaugural Address by Dr. Y. V. Verma,
President CEAMA & COO, LG Electronics
India Pvt.Ltd.**



**Keynote Address by
Mr. Thomas Varghese, CEO,
Aditya Birla Retail Ltd.**



A view of the audience



**Vote of Thanks by Mr. Rajiv Bajaj,
Hony. Secretary, CEAMA & CFO & CS
Panasonic AVC Networks India Co. Ltd.**

PLAY CEAMA Quiz Win IPL Tshirts !



CEAMA QUIZ - 15

ENTRY FORM

Name.....

Address.....

State..... Pin.....

Tel/Mobile..... E-mail.....

Age..... Profession.....

ANSWER SHEET

Q	A	B	C	D
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q	A	B	C	D
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I agree to abide by the rules and regulations of the game.

.....
(Signature)

Last date for the receipt of the entries of CEAMA Quiz Game - 15 in the office of CEAMA is **June 15, 2011.**

Send this completed entry form to: CEAMA Quiz Game 15,
5th Floor, PHD House, 4/2 Siri Institutional Area,
August Kranti Marg, New Delhi-110016

- 'Dharavi, one of the largest slum in Asia, is part of which city?**
 - Mumbai
 - Kolkata
 - New Delhi
 - Chennai
- As prescribed in the Constitution, what is the maximum strength of the Lok Sabha?**
 - 545 members
 - 547 members
 - 552 members
 - 555 members
- What is the chemical name of Baking Soda?**
 - Sodium chloride
 - Sodium bicarbonate
 - Potassium permanganate
 - Calcium carbonate
- Tirupati Balaji Temple at Tirumala in Andhra Pradesh, is dedicated to which Hindu god?**
 - Surya
 - Hanuman
 - Ganesh
 - Vishnu
- Who was the first woman to go into space?**
 - Kalpana Chawla
 - Valentina Tereshkova
 - Anousheh Ansari
 - Svetlana Savitskaya

RULES & REGULATIONS: 1. There is NO ENTRY FEE. 2. Prizes will be awarded through a draw of lots to be held in New Delhi every month, in which all correct entries of the respective Quiz Games will be included. The winners will be drawn randomly. 3. You can send as many entries as you like, but each entry must be on the official entry form published in CEAMA NEWS. 4. Names of Prize winners of CEAMA Quiz Game - 15 will be published in July 2011 issues of CEAMA news. 5. Prizes are subject to availability and CEAMA reserves the right to substitute them with products of equivalent value. 6. CEAMA reserves the right to terminate or extend the period of Quiz Game at any time, or to accept or reject any or all the entries at their absolute discretion without assigning any reason. 7. CEAMA is not responsible for any postal delays, transit losses mutilation of entries. 8. All disputes are subject to Delhi jurisdiction only. 9. The decisions of the Editor will be final and binding, and no correspondence will be entertained in this regards. 10. Last date for the receipt of the entries of CEAMA Quiz Game -15 in the office of CEAMA is June 15, 2011. 11. Employees of CEAMA (including members of their families) are not eligible to participate in this Quiz Game.

Results of CEAMA Quiz Game-13

CONGRATULATIONS

HP Pen Drive Winners !

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A Promise Fulfilled: Home-Theatre in a Box

The term has been somewhat abused in the last few years, but it's only now that we are getting an entire home-theatre in a box



The typical home-theatre speaker system poses a bigger challenge to its setup. A promise was then made to simplify our home-theatre systems from five, six, seven...even nine speakers down to just a single and sleek box.

Having more speakers in a room is inviting more trouble with acoustics and they aren't a particularly hospitable bunch. Typical HtiB

systems (home-theatre in a box) so far have been nothing more than a package of multiple satellite speakers, a subwoofer and an AV receiver, literally just squeezed in one box. Not the most elegant and honest solution to the term, you may say.

Sound bars are the answer to all the mess that home theaters had created. They did away with four or sometimes five speakers

to encapsulate the essence of what we call "home-theatre".

Most Sound bars rely on clever electronics to manipulate the trajectory of the invisible sound wave. Using room boundaries, furniture and even books to bounce off sound in a controlled fashion, they use something known as Digital Signal Processing (DSP) to crunch some numbers and offer you the joys of multichannel sound from only a single visible speaker unit. Many foreign manufacturers are amongst the most popular choices in this segment but if you have been feeling patriotic recently, Sonodyne, a Kolkata-based outfit that majors in professional audio has something a bit more interesting. Their ExBar solution comes in two different sizes that tango well with either a 42 inch screen size or a 32 inch. Partnered with a very capable subwoofer, this truly takes the usually meek and unintelligible TV sound a few notches up. What is more impressive is the fact that this nifty little solution is even catching the audiophile's attention and with some models offering built-in blu-ray or DVD players, who could blame them?

So are we moving towards the future of home-theatre which doesn't have to really look like a theatre?

The answer is a simple, resounding YES. Much to the joy of technophobes and the aesthetically inclined our idea of watching a movie at home is about to go through some radical changes in the next couple of years. But it's not all magic-wand simple. User room can play spoilsport if it doesn't support some of the basic pre-requisites of a sound bar installation so a quick check won't do any harm before running off to drop cash on it. As much as technology can help, it cannot bend the laws of physics or psychoacoustics and thus, some of Newton's principles have to be respected here.

Single speaker wireless and in-wall are going to be the buzzwords in 2011. The movement has already begun, thanks to some proactive players. Finally, the promise of true 'home-theatre-in-a-box' is fulfilled, almost a decade after it was made!

***Excerpts from article by
Nishant Padhiar***

Call of Convergence



Smartphone as a "Connected Device" Talking to each other

While the world's doctors debate whether the latest iPhone application, iStethoscope, could replace the stethoscope, there is no doubt that simple and user-friendly smartphone applications are taking the world by storm. With the Appstore and Android marketplace together hosting over 3.5 lakh downloadable applications (Apps), the smartphone applications space thrives both on innovation and convergence.

Yesterday's smart high-end phone is today's mid-range phone and tomorrow's entry-level phone, say experts. World-wide smartphone sales are expected to more than double and

cross 460 million over the next two years. Morgan Stanley's Mobile Internet report states that trends in 3G, social networking, video, VoIP along with impressive smartphone devices would lead the way towards convergence.

Smartphones are part of the larger "Connected Devices" universe comprising consumer electronics devices such as TV, laptop, e-reader and digital camera. By 2015, it is estimated that there will be one trillion connected devices. Technology and hardware companies are in a race for market share in this market. In fact Google and Apple with

their Internet-enabled device to be launched shortly are aggressively entering the "Connected TV" or "Smart TV" market by providing OTT (Over-the-Top) services.

ON THE HOME FRONT

Smartphones are set to play an important role in the "Home Convergence" segment. How about for instance watching a high-definition video stored on the smartphone on a big screen TV? Printing mobile photos, editing mobile content on PCs, using the smartphone as a storage device are other examples of convergence. The Digital Living Network Alliance (DLNA) helps consumers locate and share photos, videos and music between their mobile phones and other consumer electronic devices. An expert indicates that there has been a steady increase in the number of DLNA-Certified mobile devices over the last two years, with the Tier-1 handset manufacturers leading from the front.

AUTO DRIVE

In-car entertainment is a rapidly growing field that allows all occupants of a car to use features such as navigation, entertainment, location-based services, connectivity to devices and broadband networks. Devices such as the Nokia Car kit connect smartphones with other devices through "clickwheel" and voice prompts. Android and Meego are poised to be the leaders in the cross-device architecture platforms enabling convergence among the connected devices.

INNOVATION AT EVERY TURN

Apple's game-changing "user experience" on the iPhone device has revolutionised the smartphone market. Wider touch screen has become the de facto requirement for any smartphone. Considering that the first iPhone was launched in 2007, now there are over 100 touch-based smartphone models. From Amazon's Kindle, Sony's Reader, Apple's iPad, Dell's Streak, HP's slate, to the latest entrant Cisco's Cius, there is a sudden spurt in the widescreen Tablet devices. Browsing pictures, watching videos, and reading books are simple on the Tablets. A nascent market segment between Smartphone and Laptop PC is being formed. The current Tablet devices are likely to become thinner with foldable screen to enable ease of carrying.

Examples abound on the rapid innovation on smartphones. Massachusetts Institute of Technology researchers are building pressure sensors into the phone that can detect the exact position of a person's fingers. The phone can switch function depending on the user's grip, flipping between camera, phone, music, for example, without one pressing any buttons. A Carnegie Mellon Student uses skin as input for smartphones by using a combination of simple bio-acoustic sensors and some sophisticated machine learning makes it possible for people to use their fingers or forearms and potentially any part of the body as touchpads to control smartphones.

"Sidesight" an infra-red based system developed by Microsoft research is used to

interact with objects onscreen without touching the phone at all and could particularly be useful for handset to control another device whether a robot or a TV.

The Nintendo Wii and Microsoft's Xbox Kinect suggest that gestures could replace keyboards and touch screens for some of the interactions. Better multi-touch support along with accurate voice input could make physical keyboards almost redundant. Swype's technology which is designed to work across a variety of connected devices allows the users to glide a finger across the virtual keyboard to spell words rather than tap out each letter.

Dash 7, an RFID-based wireless sensor networking technology, is expected to be ubiquitous in smartphones and other connected devices. Dash 7 would co-exist with NFC and would enable smartphones to be used as credit card, identity/security

card, etc. Nokia is an early adopter of this technology and it is certain that Google and Apple phones will carry NFC/Dash 7 shortly.

Improving battery life through energy harvesting is another area with high potential for innovation. Nokia has developed a prototype that draws energy from radio waves emitted by antennas, TV masts and Wi-Fi transmitters. Nokia recently filed a patent for Kinetic energy-based phone batteries that allow the device to be partly powered by the user's movements. Solar-powered smartphones are slowly picking up. Sharp recently announced a solar-powered phone for the Japan market.

The future of smartphones is certainly bright in the "Connected Devices" universe and will be stimulated by constant innovation, both in hardware and software, providing a truly converged and enriching user experience.



Cellphone Battery Charger in Future



Your voice will be the cell phone battery charger in future

Imagine, your voice charging your cell phone as you talk and you don't need any additional external battery charger. This not only saves the battery from getting discharged, it also reduces all the costs involved.

If recent research is a pointer, this is going to be true in future. As the law of conservation of energy, any energy can be converted into another form. Sound is a form of energy and sound also can be used to

generate electricity. This fact was known for long, however the quantum of electricity thus generated was very small and was not useful in a practical sense earlier. Now scientists found a way to make sufficient electricity from sound that can be used to charge your cell phone battery.

CONVERTING SOUND TO ELECTRICITY

Last year a collaborative research team in Korea announced that they were successful in generating electricity from sound.

The foundation of this discovery is based on Piezoelectric effect. Some materials give out electricity under high stress. Though this fact was known for long, the quantity of electricity and the technology cost could not make it commercially available.

The Korean research team achieved this in a different way. They took out zinc oxide, in the form of nano wires, and sandwiched in between two electrodes. The electrodes are made of gallium nitride and gold palladium polymer layer. The top layer, (which is the gold palladium) is flexible and vibrates when sound waves are applied. They subjected this set-up to 100 db of sound and were able to obtain 50mv of power.

The present day cell phone battery charger works with the established technology of using electricity to charge the cell phone battery. The line voltage, which varies between 100-250V depending upon your location, is taken as an input to a step down transformer, the voltage is reduced to 3-9 v as required by a cell phone battery. This voltage is still an alternating and so will be converted into direct current using an electronic rectifier. After that, this voltage is fed directly to the battery for charging it.

IS THIS SOUND POWER ENOUGH TO CHARGE THE CELL PHONE?

A cell phone battery charger needs to provide around 5 volts of power and technically if you can arrange 10 sandwich power generators like above, we should be able to charge the cell phone provided enough sound waves are available nearby. However, the sound of 100 db cannot be generated just by talking. It's nice to have power generated by our voice but our voice levels much lower and to have 100 decibels of noise, we really require a very big noise.

But the fact is this research helped in establishing a proof of concept for generating electricity from sound and further advances might take this forward to create some new alternative energy sources.

The days are not far when you don't require your cell phone battery charger anymore, instead you will keep your cell phone near the CD player or TV in order to get it charged. May be even further down the lane, your talking itself will keep your cell phone charged automatically!

Wooing the Middle Class Consumer



The number of middle class consumers is growing rapidly in many emerging economies across the world. It is growing fastest in China, India, Russia, Brazil and South Africa. It includes two billion people who spend around \$7 trillion annually, which is likely to increase to \$20 trillion in a decade. This suggests that an economy twice the present size of the US economy is emerging due to the expansion of the middle class across the globe.

These new spenders offer an opportunity for early winners to gain lasting advantages, just as companies in Europe and the United States did at similar points in their development. For example, in the food product business companies such as Kraft Foods which led in biscuits, Del Monte Foods in canned fruit and Wrigley in chewing gum were early winners and continued to dominate the market for many decades. Emerging markets already boast aggressive local players that have captured a significant portion of spending. Chinese beverage maker Hangzhou Wahaha for example has built a \$5.2 billion business against global competitors such as Coca-Cola and PepsiCo by targeting rural areas filling product gaps

that meet local needs keeping costs low and appealing to patriotism.

While there are multiple approaches to capture emerging market consumers, the two critical factors are speed and scale. One way companies can quickly gain the scale they need is to identify clusters of similar consumers across multiple markets. That approach allows these companies to build revenue and profit streams that are collectively material and justify significant ongoing capital investments to fuel growth. Another tack is to work at a more local level gaining scale in specific regions and categories by teaming up with deeply knowledgeable on the ground partners. They can help not only in product development but also in distribution and market positioning the crucial final steps for reaching highly local consumer markets.

Consumers in emerging markets are extremely diverse. In some ways they resemble those in developed nations. They are aware of and have a fondness for brands and want access to a variety of products at different prices including products they aspire to but can't afford at present. Yet their tastes are often localized and while they are

middle class in regional terms they are still not wealthy enough to replace products regularly because their percentage of truly discretionary income is lower. In China and India for example about 40 per cent of average household income is spent on food and transportation compared with 25 per cent in the US. By developing a perspective on whether and to what extent consumer tastes are global or local and combining that with a clear view on the affordability and accessibility of a given product, companies can go a long way towards determining the strategies and business models that will allow them to gain scale quickly.

Capturing the loyalty of these consumers as they develop new needs, upgrading them is the key. Since emerging market consumers want value even in this category companies should offer products at mass premium. Consumer electronics manufacturers have found that people in many developing markets are more willing to pay for better service than are their counterparts in the developed world. The companies launched a premium offering and also guaranteed maintenance visits.

The first step for companies is to define the market by measuring present total consumption, examining product alternatives that satisfy similar needs and studying potential spending likely to be unlocked once incomes grow. Companies then need to make their products more affordable and accessible looking at everything from capital expenditures to product features to distribution.

Beer manufacturer SABMiller, for example decided it could not achieve price points that

would spur demand in Africa without changing its business model. It retooled its factories for cheaper, locally sourced ingredients (such as cassava and sugar rather than barley and maize) and used local distributors to ensure the availability of its products. It produced excellent results at lower prices, growing demand, and significant increases in market share across several African countries.

Traditional approaches in which companies enter markets one by one and focus on a handful of brand and market combinations will not meet the challenges of the developing world's large and growing body of middle class consumers. Companies need to become adept at building and sharing customer information across markets and more willing to work with others to gain scale quickly. In India, companies may even need to work with the public and social sector to ensure that consumers have adequate income to generate demand.

Companies may have to adopt different business models by market, category, and brand. They need flexible and responsive organizations. Cisco, for example has created a second world headquarters in India to spearhead its push into the country while other companies are establishing centers of excellence to identify, recruit, and develop staff that can be deployed locally.

Finally, companies need to be aware that talent is perhaps the biggest bottleneck to seizing the emerging middle class opportunity. Building talent academies inside companies to accelerate leadership development is a good step for meeting high expectations and rapid growth.