

**Headline:** Consumer electronics cos bet big on smart TVs and home appliances

**Publication:** [EconomicTimes.indiatimes.com](http://EconomicTimes.indiatimes.com)

**Edition:** Online

**Date:** 16.02.11

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## THE ECONOMIC TIMES

KOLKATA: The smart phone may not be the smartest device in the market. What about an air-conditioner that can be turned on by sending a SMS to ensure you walk into a cool room? Or, a television that downloads content from the Internet according to your viewing habit?

Or, a robotic vacuum cleaner that do the cleaning on its own when nobody is around? Or, a microwave oven that downloads recipes from the Internet and cooks them at the touch of a button?

All this and more will hit the market this year as consumer electronics makers such as LG, Samsung, Panasonic, Godrej and Onida bet big on smart televisions and home appliances to woo the increasingly aspirational Indian consumer.

Smart products come loaded with intelligent features and capabilities to connect with other devices and interact with consumers.

Marketers expect smart, or 'connected', products to start a new era in the 35,000-crore Indian durables market, where the demand for premium products is growing faster than that for mass-market products.

"With growing economy and increase in disposable income, we are optimistic about a huge demand for smart appliances in India as consumers are looking for products which enhance their lifestyle," says LG Electronics India chief operating officer YV Verma. "For instance, a refrigerator is not only meant for storage of food and is becoming a lifestyle product, finding place even in the living room."

The country's top durables maker is set to lead the trend by launching a number of premium smart products this year. It will also introduce smart features in mid-segment products as well, says Verma.

"For LG India, 2011 is going to be all about smart products, both smart TVs and smart appliances," he says.

While the concept of 'connected' home appliances has been around in global markets for sometime now, smart phones and tablet computers have given it a boost by making it possible to control home appliances from anywhere.

Wi-Fi enabled appliances can be accessed from anywhere if there is a wireless Internet connection at home. All one needs is to install the applications provided by appliance manufacturers on their smart phone or tablet.

For example, an owner of the LG's new 'Thing' range refrigerator - which was displayed at the Consumer Electronics Show in Las Vegas last month - can check what is there in the fridge with his smart phone while shopping, and decide what to buy.

LG Thing range of appliances was the highlight of the world's largest consumer electronics show where its Korean counterpart Samsung unveiled its Wi-Fi enabled fridge. Using its LCD screens, users can search recipes, check the weather, leave notes for their kids or view photo slide shows.

#### For The Masses

Most smart appliances come at a premium of 20% to 40% over regular appliances.

But, companies have plans to make certain smart technologies a mass phenomenon.

Panasonic's thrust on smarter products in India, for example, is on networking capabilities and energy efficiency.

It recently rolled out air-conditioners with sensors that can detect the occupant activity level, presence and location to automatically adjust cooling levels.

The Japanese major also launched internet-enabled Plasma televisions recently as part of its aggressive strategy to expand its business in India.

"The potential of smart appliances in India is extremely high mainly because of lifestyle change in metros and discerning consumer awareness in technology," Panasonic India director (marketing) Manish Sharma said.

He said the company expected 10% value contribution from such products. Panasonic will soon roll out more smart devices including a digital camera with an in-built GPS navigation system.

It's not just the Koreans and the Japanese, Indian appliance makers too are thinking smart.

Videocon, the country's largest durable maker, has formed a team of 100 engineers to specifically work on developing smart appliances such as washing machines and air-conditioners that can be controlled through mobile phones and internet-enabled TV. Videocon Group director P N Dhoot said the company will have several smart products in its portfolio by the end of the year. "Products will become intelligent, start understanding consumer lifestyle and will automatically adjust itself," he said.

Mirc Electronics, makers of the Onida brand, is spending around 25 crore on development of smart products, while Godrej Appliances is investing around 5% of its revenue on such next-generation product development.

"A lot of such unique products will be launched this year keeping in mind the Indian lifestyle, habits and problems," Godrej Appliances VP (sales and marketing) Kamal Nandi said.

Mirc Electronics chairman and managing director Gulu Mirchandani said smart products will be key for Onida to ensure a 30% growth rate in its revenues. "Just changing product colour, design or a button here and there in product innovation is becoming irrelevant. Consumers want substantially new features or tech," Mirchandani said.

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