

Headline: CRT TVs soon to disappear
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CRT TVs soon to disappear



KOLKATA/NEW DELHI: Satellite and internet radio tried to kill the old AM/FM radio, but it failed miserably. However, radio's senior brethren, the old box television, is not so lucky and is gradually succumbing to the might of the high-valued liquid crystal display (LCD) and plasma televisions.

Sandip Malhotra, a Delhi-based electrical engineer, realised it when he tried to get his 15-year-old TV repaired. Due to non-availability of spares, Malhotra was forced to check out an electronic store at the South Extension market of New Delhi. But his search for a similar model ended in vain as the outlet was invaded by sleek televisions.

Malhotra ultimately settled down for a 32-inch LCD, a decision taken with a heavy heart. "Old box TVs are much better, both in picture sharpness and durability. God knows why manufacturers are neglecting this segment," rued Malhotra.

For those who still swear by the traditional curved televisions, referred to as cathode ray tube (CRT) in industry parlance, there is more bad news. Not only will the availability of such models become a plight, TV makers said the category will disappear from the top 20 Indian markets soon and will be dead in the next four years.

"The writing on the wall will become prominent about the death of CRT in India in the next two years," Rohit Pandit, head (home entertainment) at LG Electronics India, the largest consumer electronic firm in India. A recent report by research firm DisplaySearch said CRT televisions account for 78% of total TV sales in India by volume with the balance 22% coming from LCD and Plasma sets.

The market scenario will completely reverse by 2013, the report said. The contribution of CRT to total television sales in India will dwindle to 30% because of narrowing price difference between it and LCD televisions.

Currently, a 32-inch LCD TV is selling at RS 18,000, whereas a 29-inch flat CRT television is priced at Rs 14,000. The price difference of a 14-inch CRT and the 19-inch LCD is still more than Rs 6,000. Once this starts to narrow down, CRTs will completely flicker out in India.

Mirc Electronics, makers of the Onida brand, is working on a product road map based on the planning that CRT televisions will lose relevance and market in five years. The company has accordingly recently rolled out a new line of LCD and LED televisions.

"The falling price difference between LCD and CRT televisions will trigger the phase out. A lot of the first generation LCD buyers are now upgrading their sets. Such second hand sets will kill the rural CRT TV market since they will be available at prices that will match up or be even lower than the CRT. Its following the same path of extinction of the black-and-white TV," says Mirc Electronics chairman & managing director Gulu Mirchandani.

In fact, television makers say it is only the 14-inch CRT segment which has managed to hold on to its feet and growing by around 10%, that too without much promotion or fanfare. The 14-inch TV has transformed itself as a TV for the children's room in urban India and as a second TV in smaller towns.

Display Search says that panel manufacturers such as LG Display, AUO, Chimei Innolux and BOE are developing low-cost flat TV panels with lower specifications for emerging markets like India, Brazil, China and Russia, which will further bring down entry-level LCD prices.

"The LCD technology and bigger screen sizes has changed the whole experience of viewing television," says Samsung India, deputy MD, Ravinder Zutshi. Value wise, the contribution of CRT televisions is 55% to the total sales. The balance 45% comes from flat panel display. By 2011, manufacturers expect the contribution from LCD, Plasma and LED to be higher in coming years because CRT category is degrowing. No wonder, TV manufacturers too have started to shelve fresh investment on their CRT line. Japanese consumer electronics major Sony was one of the first to exit the CRT segment in India in 2008.

"We work on pre-emptive growth strategy and the move to exit CRT TV originated from this," Tadato Kimura, general manager (marketing), Sony India said. The fast growth in LCD TV segment indicates the evolving buying pattern of consumers and we are enjoying the first mover advantage, he said.

Samsung and LG too have exited the curved CRT segment and evaluating future plans. LG is now thinking to exit the 29-inch flat CRT segment since it is becoming a non-profitable segment. The Korean major is also reducing the number of CRT TV models while at the same time increasing the size of its LCD and LED portfolio.

Even homegrown brands like Onida, Videocon, Weston and Panorama, who are trying to make a sincere comeback, are betting big on LCD and Plasma. Onida recently launched its LED range from Rs 19,490 onwards, one of the lowest price point in the market.

Technically, an LED TV is a member of the LCD TV family. The only difference is, LED uses a panel of light-emitting diodes for back-lighting while a traditional LCD screen uses cold cathode fluorescent lamps.

"CRT sets are still selling in small towns and cities. It will take another 3-4 years for the technology to phase-out completely from the market," says Weston chief operating officer Sunil Sethi. The Rs 700-crore Weston plans to launch LCD TV in the first half of 2011.

Analysts feel the dwindling lifecycle of technology could further accelerate the phase out of CRT TV. "In India, pagers hardly lasted and black-and-white mobiles went the same way. Now CRT TVs are going the same way. The speed of adoption of newer technology is very fast," says KPMG executive director Narayanan Ramaswamy.

"TVs are not just viewing devices any more. Be it high-definition TV, 3D TV and now interactive TV. CRT TV doesn't fit the bill technology wise anymore. That's a big fault," adds Ramaswamy. However, some feel that the CRT television segment in India can survive at the unorganised sector.

"It took almost three decade for the black-and-white television to vanish from the market. In that logic, CRT may at least take a decade more," says Videocon Group director Saurabh Dhoot.

A section of the industry also feels the CRT is evolving and trying to don a 'LCD-type' look and feel. Global Brands India, which has the rights for the Akai brand in India, has recently rolled out such CRT TV models in the market.

"After the exit of curved CRT, flat CRT will eventually die down and what will remain are slim CRT models which looks like LCD. Lets also not forget that even today some one lakh refurbished black-and-white models are sold in India in the unorganised market," says Global Brands managing director Pranay Dhabhai. "So, CRT will also remain alive in the market through this channel."

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