

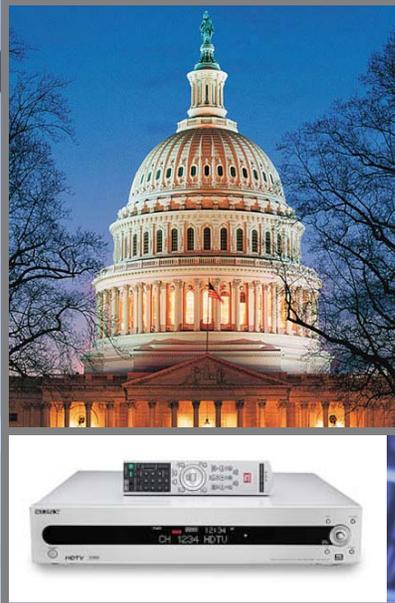
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- Represent \$173 Billion Consumer Technology Industry
- 2,200 Member Companies
- International CES – Largest Technology Tradeshow



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The Battle for Attention

Key Trends Shaping the Way CE Products Are Sold

Time

Sales channels

Brand loyalty

Product research



Eyeballs

Wallet share

Product features

New business models



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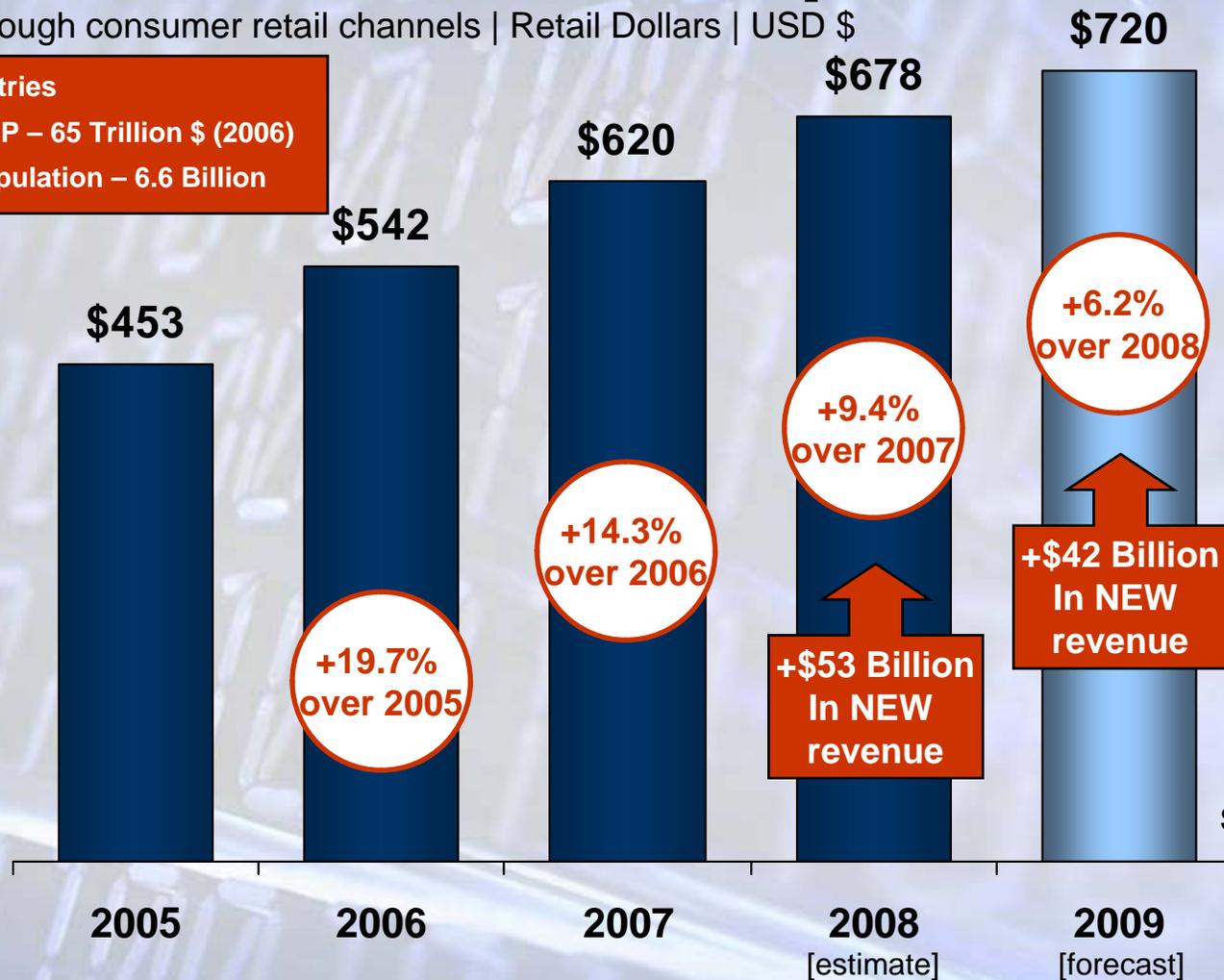
Global CE Sales to Top \$700 Billion

Sales through consumer retail channels | Retail Dollars | USD \$

194 Countries

World GDP – 65 Trillion \$ (2006)

World Population – 6.6 Billion



Source: CEA/GfK



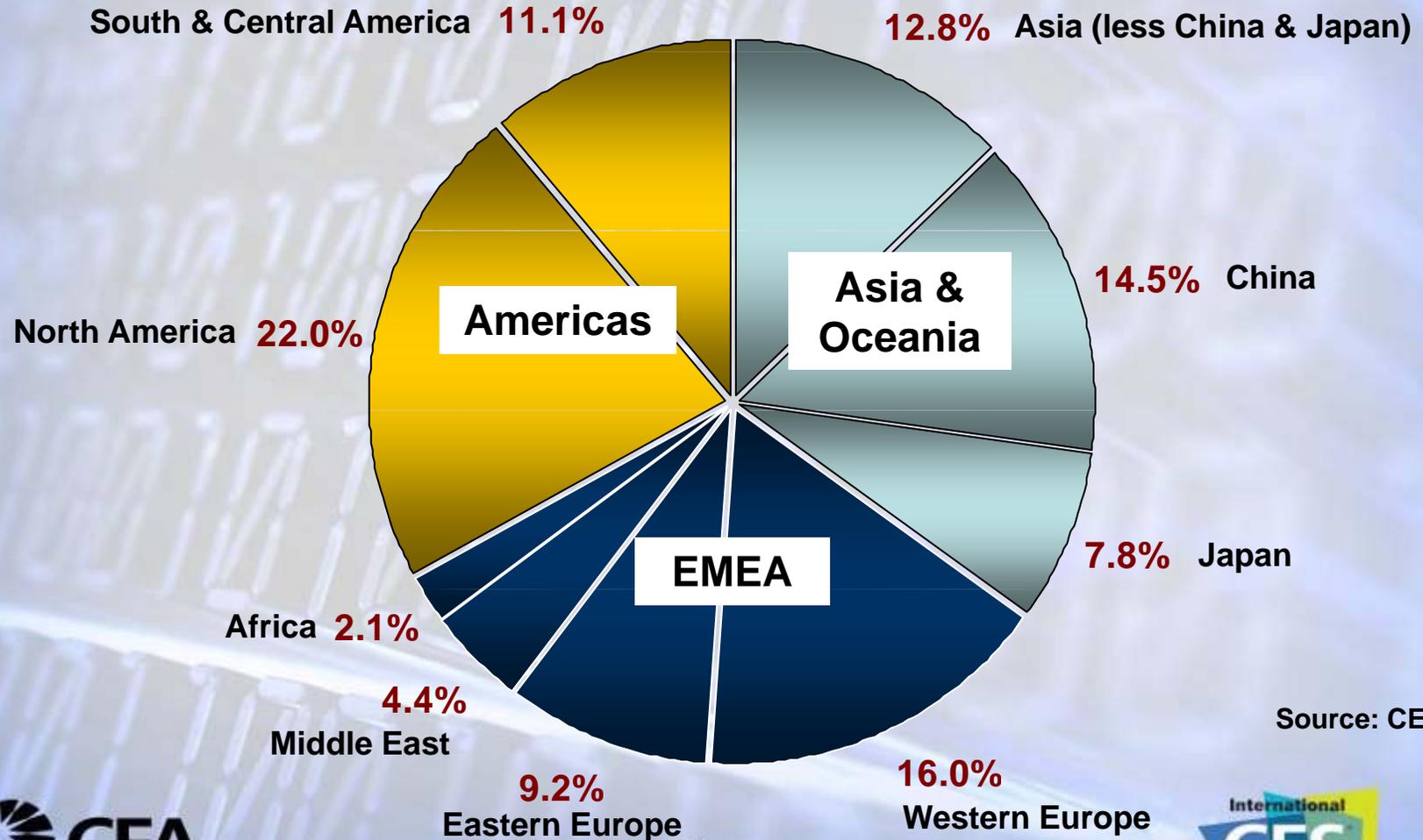
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World CE Pie Shifting: U.S. Share Reduced

2009 distribution of world CE revenue (at retail level)



Source: CEA/GfK



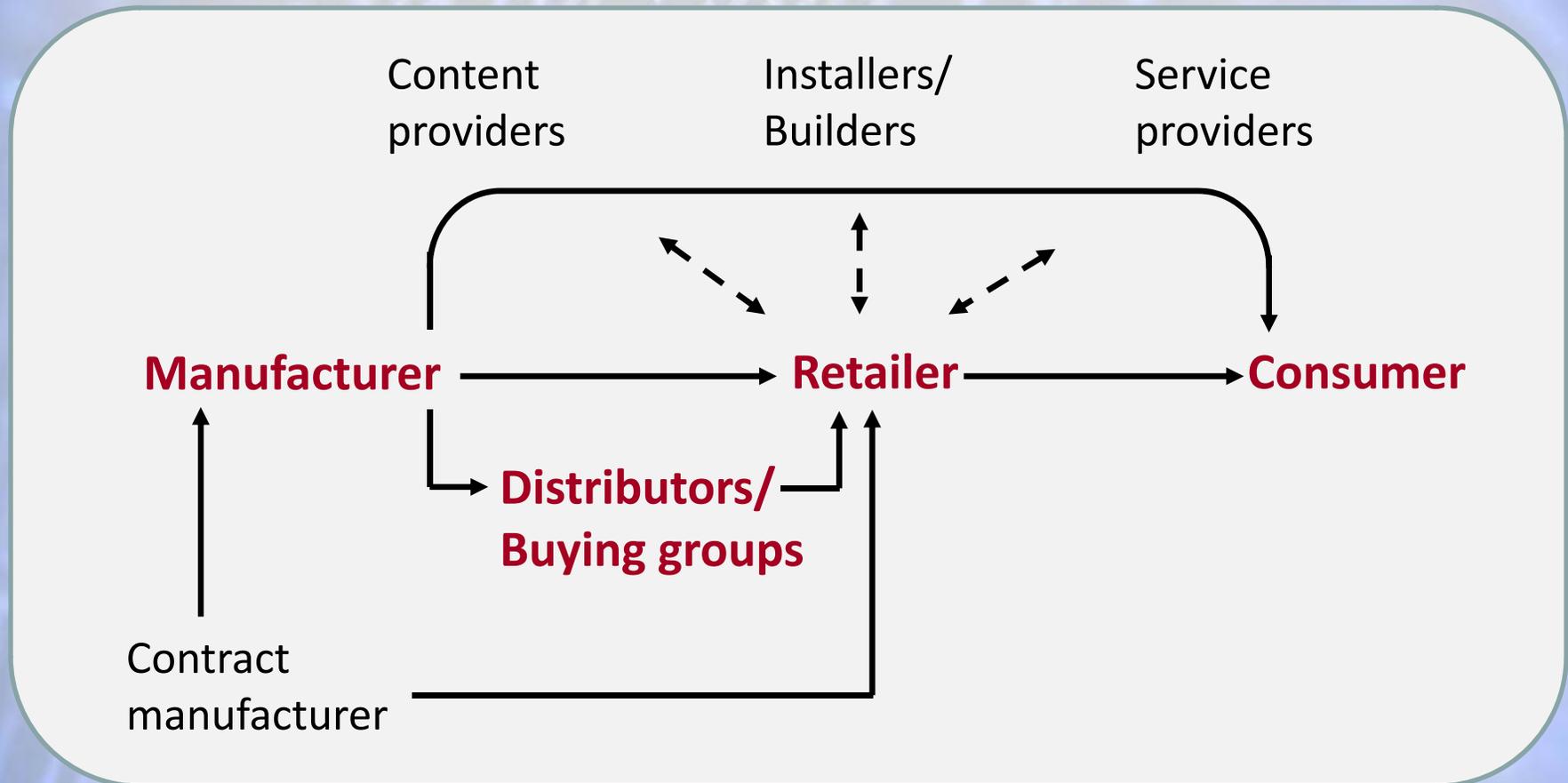
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Consumers Have More Choices Than Ever

There are also more players and more moving parts than ever



And the Options Continue to Change

U.S. Retail Sales of CE Products

Rank	1987	1997*	2007*
1	Radio Shack	<i>Best Buy</i>	Best Buy
2	Kmart	Circuit City	Wal-Mart
3	Sears	<i>CompUSA</i>	Circuit City
4	Circuit City	Radio Shack	<i>Dell</i>
5	Service Merchandise	Sears	Target
6	Highland Superstores	Wal-Mart	<i>Costco Wholesale</i>
7	Montgomery Ward	<i>Target</i>	<i>Gamestop</i>
8	Silo	Kmart	<i>Apple Stores</i>
9	Wal-Mart	<i>Office Depot</i>	Radio Shack
10	Best Products	<i>Office Max</i>	Sears

New entrants into the CE space also include drug stores (e.g. Walgreens), outdoor stores (e.g. Cabela's), toy stores (e.g. Toys R Us) and home improvement stores (e.g. Home Depot).

Source: TWICE Top 100 Retailers, 2008

*Bold italics indicates new entrant to the top 10 list

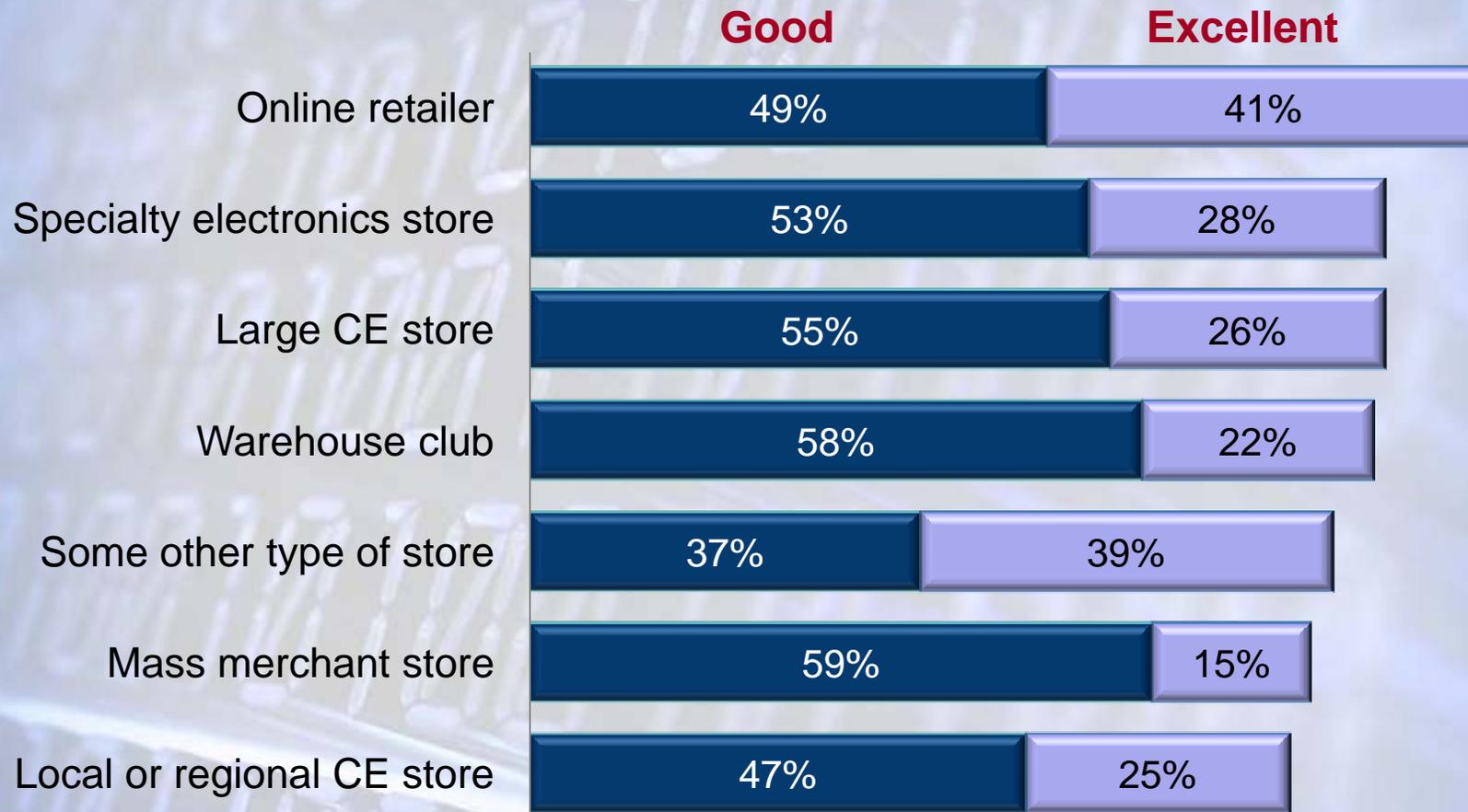


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CE Retailer Satisfaction High



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Online Satisfaction increased from 84% in 2005 to 90%, while in-person roughly flat :
(80% in 2005 vs. 81% in 2008)



But Experience Could be Improved

Agree/Disagree: Big Box CE Retailers

Net Agreement	Men	Women	Diff
A place that appeals to most men	64%	67%	3 points
A place where employees are helpful	46%	49%	3 points
A place that appeals to most women	21%	23%	2 points
Warm and welcoming	41%	37%	-4 points
My favorite place to learn about CE products	38%	34%	-4 points
A fun place to visit	54%	45%	-9 points
A place where I enjoy spending time	45%	29%	-16 points

What Do Consumers Expect From Salespeople?

- Have personal experience with the products
- Can effectively demonstrate the products
- Avoids trying to push products not asked about
- Help is available and close when needed



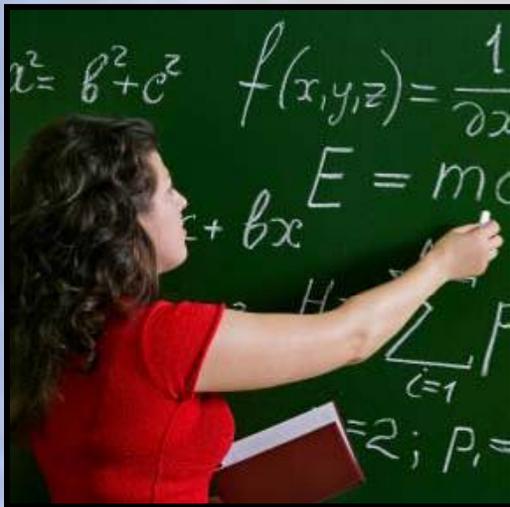
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Disconnects with the Consumer Impact Sales

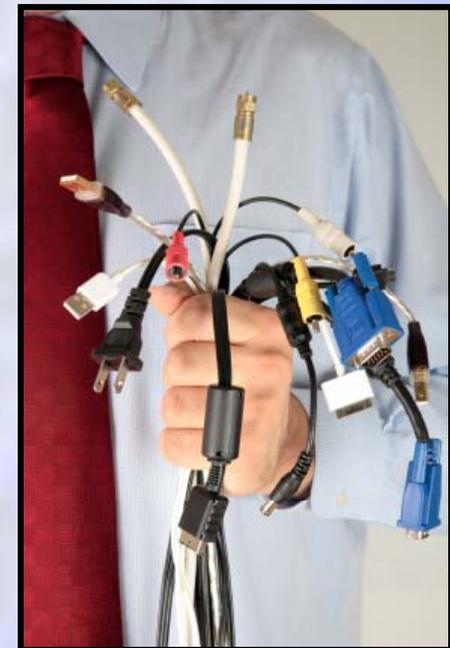
What Is It Again?



Value Proposition



User Experience



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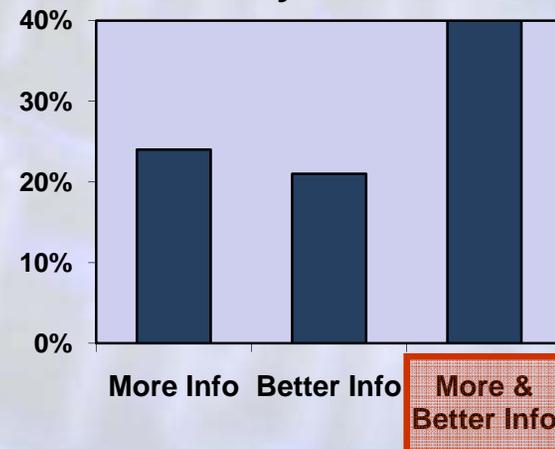
And, Disconnects are Amplified When Doing Business Outside Home Market

A Look at the Middle East Market. What are the CE product information needs of consumers in this region?

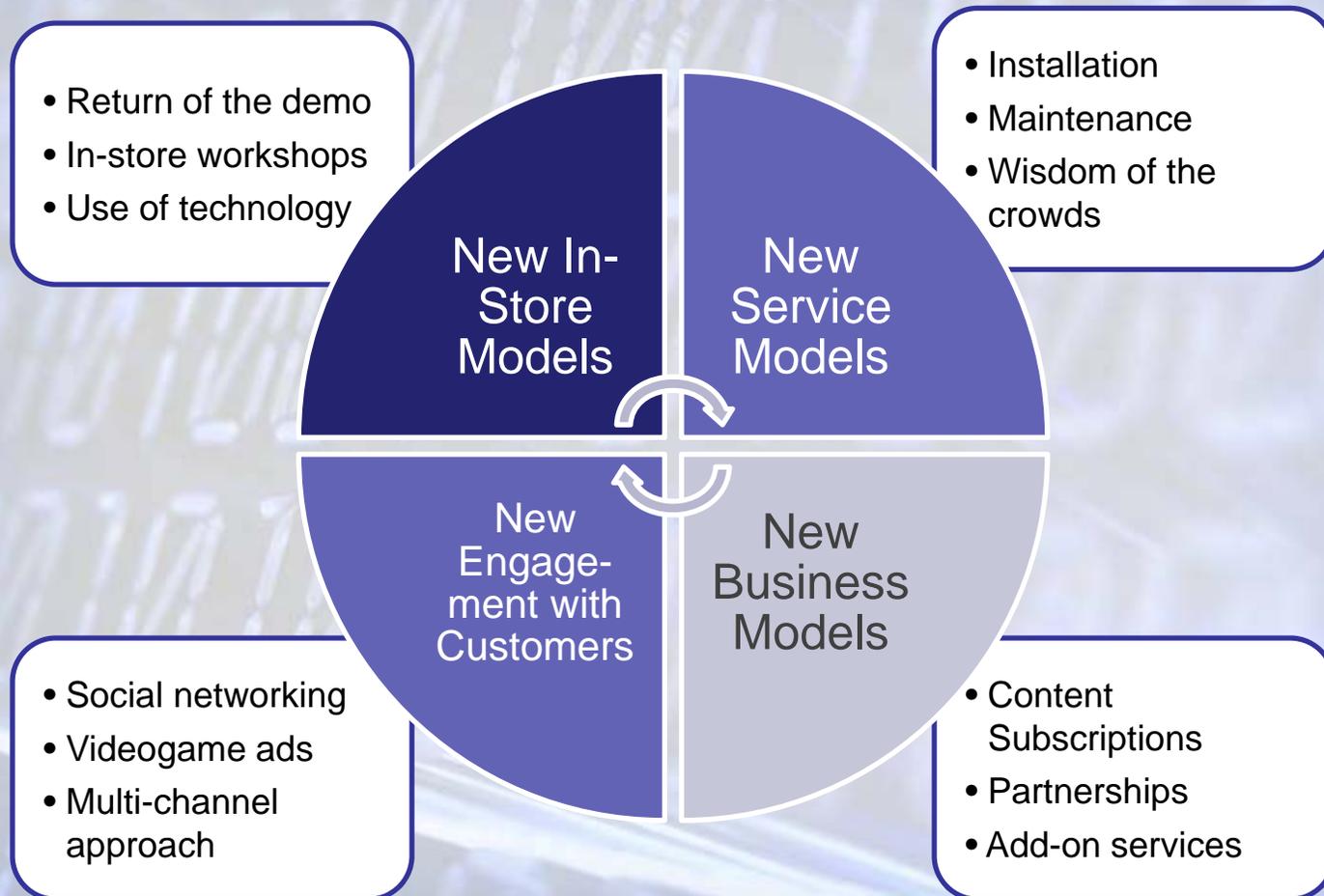
Info from sales staff in stores



Information tailored to my culture

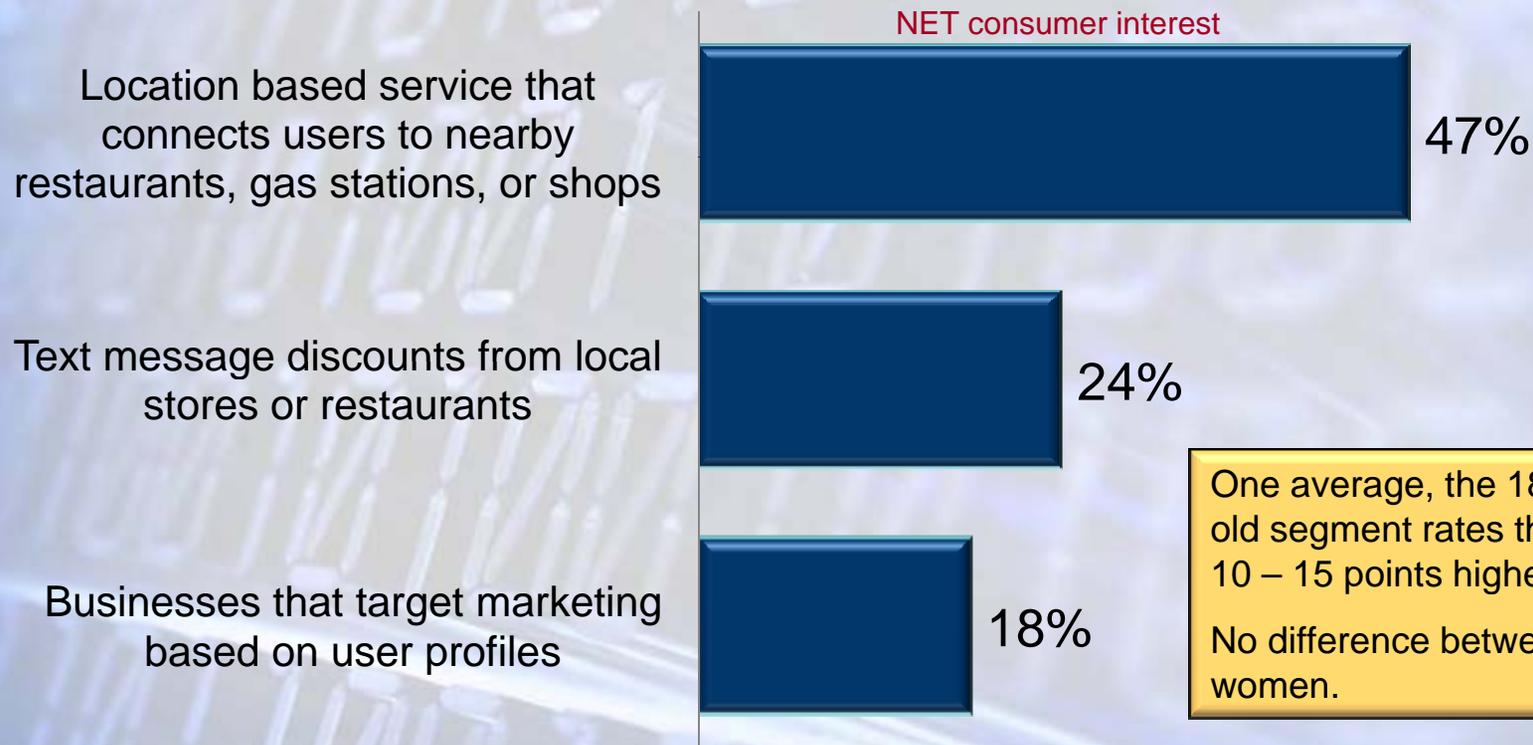


How Will the Industry Respond?

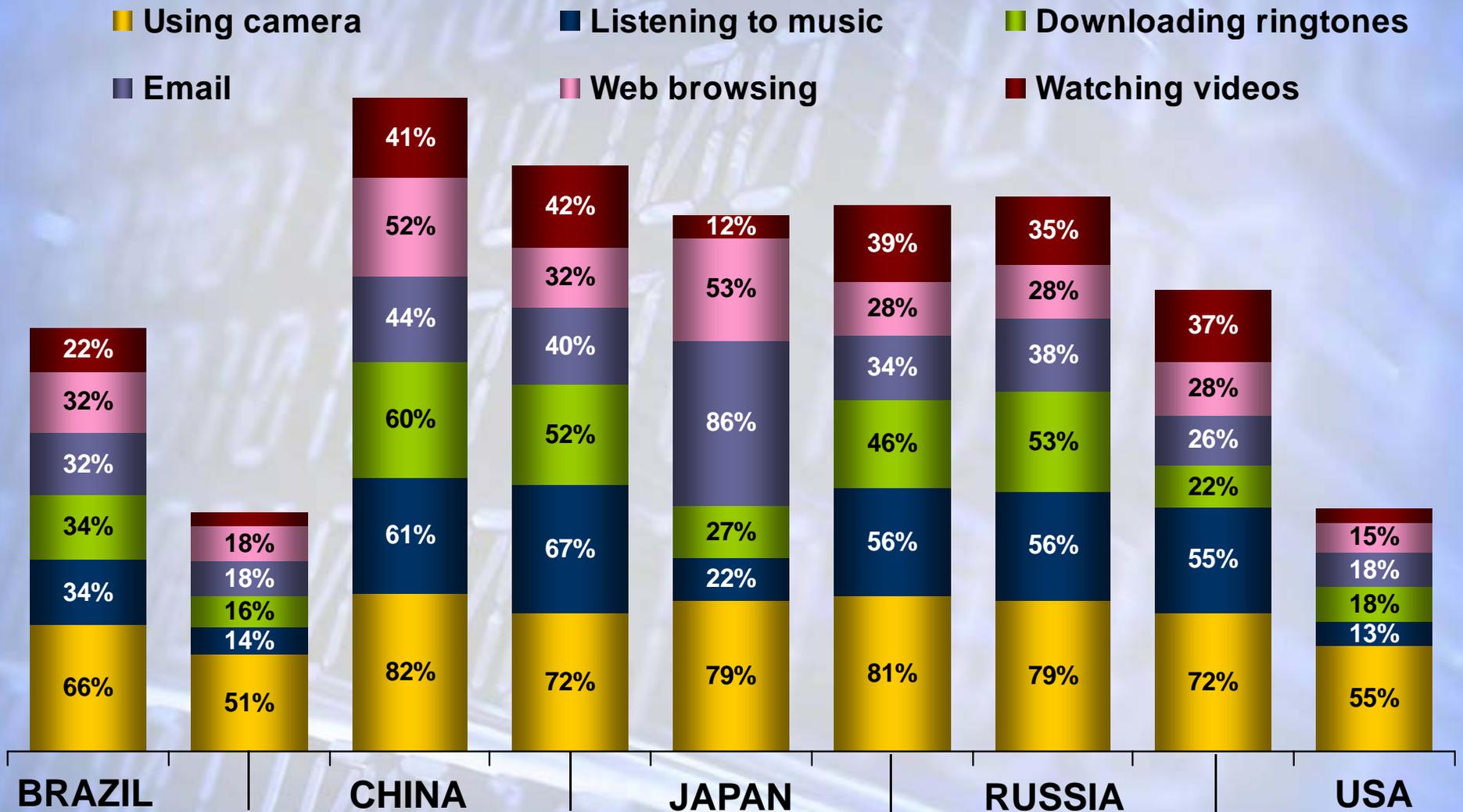


Consumers Increasingly Receptive to New Approaches

Increasingly, the battle for attention will take place in the mobile environment



“Mobile Phone Power Users” Club Has Many Members



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Mobile Phones Top Intent to Buy Lists in Many Markets

BRAZIL

- #1 Digital Camera
- #2 Desktop Computer
- #3 Television
- #4 Laptop/notebook PC
- #5 Portable MP3
- #6 Mobile phone
- #7 Web enabled

CHINA

- #1 Mobile phone
- #2 Digital Camera
- #3 Laptop/notebook PC
- #4 Web enabled mobile
- #5 Desktop Computer
- #6 Television
- #7 Portable MP3

INDIA

- #1 Mobile phone
- #2 Television
- #3 Laptop/notebook PC
- #4 Web enabled mobile
- #5 Digital Camera
- #6 Portable MP3
- #7 Cordless home phone

RUSSIA

- #1 Web enabled mobile
- #2 Mobile phone
- #3 Desktop Computer
- #4 Laptop/notebook PC
- #5 Digital Camera
- #6 Television
- #7 In-dash car stereo

MEXICO

- #1 Mobile phone
- #2 Laptop/notebook PC
- #3 Digital Camera
- #4 Television
- #5 Portable MP3
- #6 Web enabled mobile
- #7 Cordless home phone

JAPAN

- #1 Mobile phone
- #2 Television
- #3 Web enabled mobile
- #4 Laptop/notebook PC
- #5 Digital Camera
- #6 Desktop Computer
- #7 DVD Player/Recorder

TURKEY

- #1 Mobile phone
- #2 Laptop/notebook PC
- #3 Web enabled mobile
- #4 Television
- #5 Digital Camera
- #6 Desktop Computer
- #7 Portable MP3

USA

- #1 Television
- #2 Mobile phone
- #3 Laptop/notebook PC
- #4 Digital Camera
- #5 Desktop Computer
- #6 DVD Player/Recorder
- #7 Portable MP3



Role of the Trade Association in Addressing Market Challenges



- Co-opetition – Bringing Competing Businesses Together
- Networking – Bringing Individuals Together
- Education – Increase Knowledge about the Industry
 - Retailer Training (Ceknowhow.com, MECF)
 - Consumer Education (DigitalTips.org, MyGreenElectronics.org, AntennaWeb.org)
- Teamwork – We can bring together market researchers, lobbyists, technologists, member input, and PR experts



Thank You



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