

The Evolution of Consumer Electronics

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The consumer electronics industry is rapidly evolving and suppliers are under immense pressure to be first-to-market with unique and differentiated products. However, a successful product in the consumer market quickly attracts copycat products from competitors, leading to severe and swift price erosion. To stay ahead of the competition, manufacturers are forced to continually enhance their products or support emerging technologies. For these reasons, we are seeing a dramatic reduction in the consumer product life cycle – which is why most manufacturers are not putting all their eggs in one basket – often producing a full line of products in a variety of categories.

Being First to Market

In addition, manufacturers are often anxious to be the “world’s first” to market a new product, service or technology. However, they must be careful not to show their hot products too early. Once revealed to the public or media, CE makers must be ready to bring their products to market quickly -- or others will develop a similar offering and beat you to it. Since timing is critical – it is extremely important to get your dealers and salespeople on board *early* and to provide them with dealer kits and marketing materials that can help ensure a successful new product launch.

Understanding the Industry

In the electronics industry, as with many consumer product goods, there is a very short window of opportunity in which to stake your claim as an innovator or pioneer in a particular product category. Therefore, it is important that you work with an advertising or marketing agency that has an in-depth understanding of this highly competitive marketplace, like the staff at Turchette Advertising. We can promptly respond to your need for sound marketing strategies and create integrated marketing materials which clearly express your brand value. Having worked directly for several global electronics companies, some of our staff members are well versed in the electronics industry and cognizant of emerging trends.

Industry Trends

The analog-to-digital conversion brought about many new standards in audio and video, which improved the quality and affordability of the multimedia digital experience. Further, with the rise of broadband, accessing media has become easy and rewarding for consumers. Due to the easy access of media and the rich quality enabled by the digital revolution, Altera has outlined several trends.

- **In-Home Entertainment**—With prices of flat-panel TVs (LCD, Plasma, and DLP) falling more than 30 percent a year, large screen HDTVs are showing up in more and more homes. With homes equipped with HDTVs, and high-definition (HD) content available through broadband, cable, and satellite, consumers now enjoy the complete theater experience in the convenience of their homes. HDTVs will become more mainstream as more and more HD content and DVD players become available.
- **Staying Connected**—Within a home and while traveling, consumers want to stay connected. Historically, they used their laptops for accessing email and the Internet. However, with global and mobile broadcast services for handheld devices becoming common and broadband wireless connectivity (WiFi and WiMAX) becoming ubiquitous, mobile devices such as cell phones, PDAs, and portable media players are being used to access audio, video, and data. Providers of these mobile devices are constantly updating their technology features to keep up with consumer demand.

- **Media and Data Convergence**—traditionally, there were data-centric devices such as PCs and PDAs and media-centric devices such as TVs and portable media players. However, the line between them is becoming blurry because consumers are demanding products that can handle both. The new generation of consumer gadgets must handle both media and data on the same platform. Such convergence is driving many traditional data-centric companies such as Microsoft and Cisco to enter the consumer market, creating fierce competition for traditional consumer brands.

According to the Online Encyclopedia Britannica, several major trends continue to stimulate innovation in the electronics sector -- miniaturization, digitization, and convergence. Probably the most important of the three is convergence. The CE industry has long realized that devices that are useful to consumers could be created by combining the power of telecommunications with the power of computers.

More Convergence

The next wave of convergent devices may use the same type of system to provide increased interconnection. The most promising of the wireless standards is known as the "Bluetooth" standard. Bluetooth would allow for the wireless networking of TV, home theater, and Internet equipment. In addition, Bluetooth could provide a wireless interconnection between MP3 players, Palm Pilots, pagers, and cell telephones. This would allow for the wireless transfer of entertainment and information between devices, thereby eliminating the wire connection. Consumers are sure to embrace products that offer wireless networking.

Emerging technologies have dramatically changed the way we live, work and play – and consumer adoption of new technologies is occurring faster than at any time in human history. In fact, the iPhone alone has now reached 57 million units worldwide, the fastest uptake in the history of technology. We are living in an amazing high-tech world; hang on. It's going to be a wild ride!