

Chinese owners of Toshiba, Sharp chart out mega India initiatives

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KOLKATA: Two of Japan's popular electronic brands - Toshiba and Sharp – which recently changed hands are set to re-enter India. Foxconn, which just completed the acquisition of Sharp, will relaunch the brand in India with smartphones, televisions, air purifiers, air-conditioners and other appliances in the next two months. Skyworth Electronics, the Chinese owners of Toshiba, too is drafting its India entry strategy with televisions.

"Both the brands are inactive with no supplies of inventory in the Indian market for the past few months. But both will enter the market before the festive season. Foxconn is already in talks with a distributor and Skyworth too is formalising its plans," said a senior industry executive.

What's interesting is that these brands are going to play the pricing game on their return, mirroring a strategy which the Chinese smartphone makers have done in the Indian market to gain share, said two senior industry executives on the condition of anonymity.

Toshiba Corp has licensed its brand for television business to Skyworth last December for the Asian market – excluding China – in line with similar deals in the US and Europe to pave the way for profitability. On the other hand, Taiwan's Foxconn Technology Group acquired ailing Sharp Corp in a \$3.5-billion deal in April and is trying to revive the business.

While an email sent to Skyworth did not elicit any response till Monday press time, Foxconn Technology Group replied that the company as a policy will not comment on market rumours or speculation.

Industry insiders said these deals reflect the seriousness of Far-East companies to replicate their success in smartphones to more categories such as televisions and appliances.

"Till recently Chinese consumer electronics companies have faced little success in India with TCL and Konka exiting the market. Companies like Midea, Skyworth and

Foxconn are trying to make a big entry with their association with established brands like Carrier, Toshiba and Sharp. Eventually, categories like television could become fragmented like smartphones with their entry," said Pulkit Baid, director at Great Eastern, one of East's largest white goods retail chain.

At present, three MNC brands – Samsung, LG and Sony – control around 80% of the Indian television market. The white goods segment such as air-conditioners, refrigerators and washing machines too is mainly controlled by few brands such as LG, Samsung, Voltas, Videocon, Whirlpool and Godrej.

ET had first reported in January that Toshiba Corp will exit the television and home appliances business in India after failing to cut much ice in the country.

Sharp India had last December announced its decision to sell the Indian operations. Both the companies are at present mainly focusing on after-sales service in the country, waiting for the new owners to finalise business plans, executives said.