

Sony booming in India on strong brand image

February 18 2011, By YURI KAGEYAMA , AP Business Writer



In this Feb. 1, 2011 file photo, Indian cricket captain Mahendra Singh Dhoni poses during a promotional event of Sony's Bravia TVs in Mumbai, India. Sony Corp. is doing booming business in India, dominating in flat-panel TVs and digital cameras, and is in good shape to keep growing in coming years, a top executive said Friday, Feb. 18, 2011. (AP Photo/Rafiq Maqbool)

(AP) -- Sony is doing booming business in India, dominating in flat-panel TVs and digital cameras, and is in good shape to keep growing in coming years, a top executive said Friday.

Sony's success in India - where a new middle class is snatching up gadgets - is a bright spot for the Japanese electronics maker that's getting beaten in North America by U.S. rival Apple Inc. and [Samsung Electronics](#) Co. of South Korea.

Sony Corp. has No. 1 market share in [flat-panel TVs](#) in India at 34 percent and digital cameras at 40 percent, according to the maker of Bravia TVs and Cybershot cameras. Sony is also No. 1 in India in home theaters and camcorders.

"We don't rely on tricks or gimmicks to rise to the top," Masaru Tamagawa, managing director of Sony's India unit, told reporters. "India is a success that can be held up as an example."

Sony has lost money in its core TV business for six years straight, and is on its way to another year of red ink in TVs for the fiscal year ending March 2011.

But Sony boasts a strong brand image in India thanks to generous advertising spending. It also has good relations with the many small and medium-sized retailers across the nation of nearly 1.2 billion people, which reflects years of hard work, Tamagawa said.

Sony doesn't target newcomers into the middle class - which it defines as starting at an annual income of \$4,000 - who may buy 22 inch TVs. Instead, it aims for higher income groups of at least \$10,000 a year, who can afford TVs 32 inches and bigger.

Middle class Indian households are expected to outnumber the total number of Japanese households by 2012. Those earning between \$10,000 and \$20,000 a year number 10 million households already in India, according to Tamagawa.

Before 2007, when old-style CRT TVs were popular, Sony controlled just 10 percent of the Indian market. Since then, the company has tripled annual advertising investment.

India's TV market is expected to grow to 4.5 million or 5 million units

during the fiscal year through March 2012, up from nearly 3 million now. Sony is hoping to get about 35 percent of those sales, which would total 1.7 million TVs.

Sony's India success underlines how Japanese manufacturers, which have stumbled since the financial crisis in established markets like the U.S., can count on India, China and other fast-growing countries to bolster growth.

Sony said it's beating not only Samsung and Apple in India, but also LG Electronics Inc. of South Korea as well as Japanese rival Panasonic Corp. in brand recognition.

Tamagawa brushed off the threat of Apple, adding that he is counting on [Sony](#) to come up with attractive tablet products to rival Apple offerings by the time Indian consumers are ready to buy them.

"We are confident we can compete," he said.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Sony booming in India on strong brand image (2011, February 18) retrieved 23 April 2024 from <https://phys.org/news/2011-02-sony-booming-india-strong-brand.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--