

A Global Mindset

Key to Success in Home Appliance Industry

5% Risk

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Is Smart Home Appliance A Strategic Direction?

YOU

with

NATURAL
LEADERS

INSPIRING

MENTORS

with

UNEXPECTED
CHALLENGES

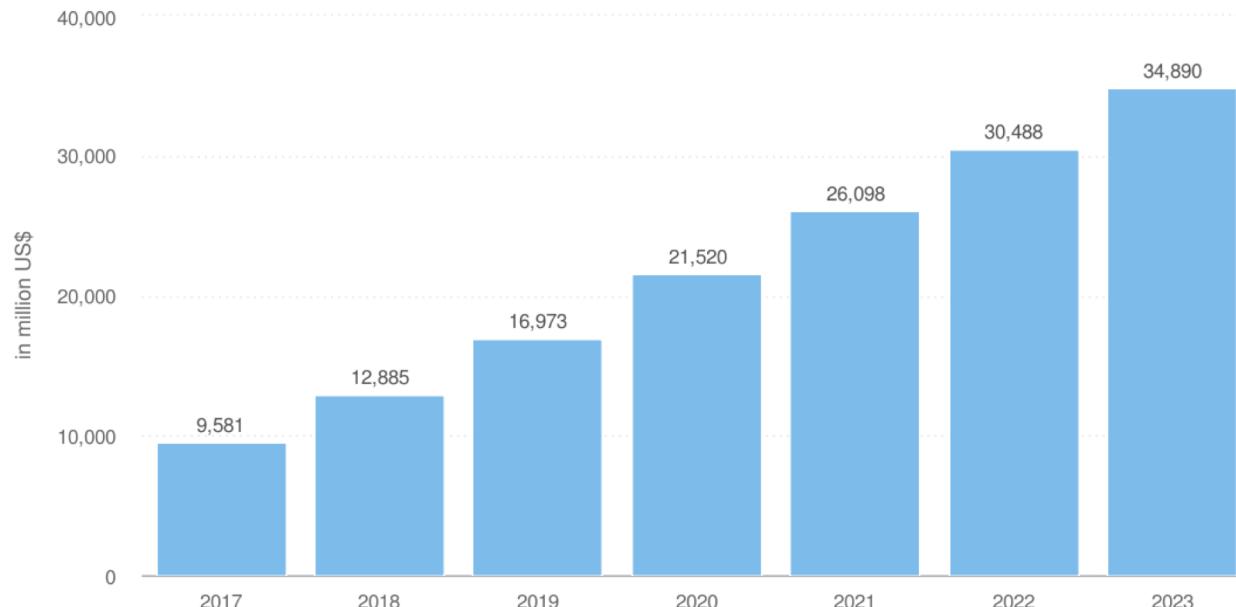
Smart Home Appliance – Convenience



Smart Home Appliance – Market

Revenue in the Smart Appliances market

in million US\$ (worldwide)



Source: Statista, September 2019; Selected region only includes countries listed in the Digital Market Outlook

statista

PwC

4

Smart Home Appliance – Industry



Potential Risks for Developing Smart Home Appliances

with

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What are the Potential Risks?

- Risk Factor
 - Uncertainty
- Side-effects
 - Time commitment
 - Financial Burden



Failure Example

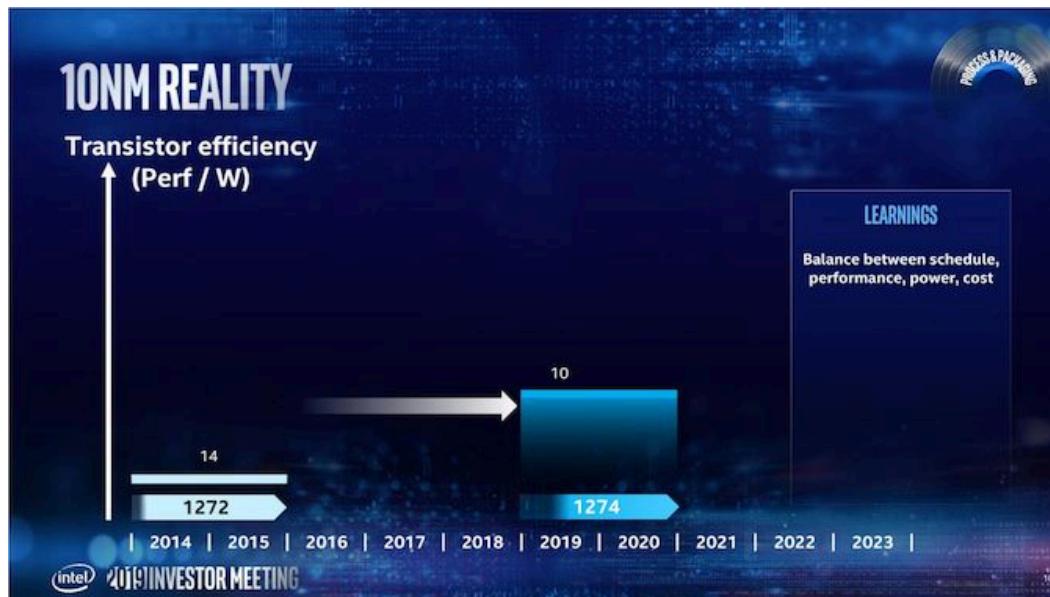
- Intel Processor
- Proposed:
 - Complete development of 10nm CPU by 2016



Source: https://s21.q4cdn.com/600692695/files/doc_presentations/2019/05/2019-Intel-Investor-Meeting-Renduchintala.pdf

Example

- Intel Process of R&D
- Reality:
 - Delayed multiple times
 - Pushed back 10nm CPU until 2019
 - Lost competitive advantage to AMD



Source: https://s21.q4cdn.com/600692695/files/doc_presentations/2019/05/2019-Intel-Investor-Meeting-Renduchintala.pdf

Solutions?



Third Party Integration

Pros:

- Relatively lower expense
- Multiple available options
- Quick market entry
- Big platform showcase

Cons:

- Dependent on other ecosystems
- Competitive Market



Third Party Integration

- Industry Examples
 - General Appliance
 - GE
 - Honeywell
 - Smart TV
 - Samsung
 - LG
 - Others
 - Philips
 - Sony

Brands Already in the Works with Alexa program

[See more brands](#)



Honeywell



INSTEON



Source: <https://developer.amazon.com/en-US/alexa/connected-devices/launch/works-with-alexa>

Available Partners

- Google
 - Google Nest
 - Open Source API
- Amazon
 - Works with Alexa program
 - Biggest platform



Market Analysis

with

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Chinese Economic Situation

Chinese economic growth slows

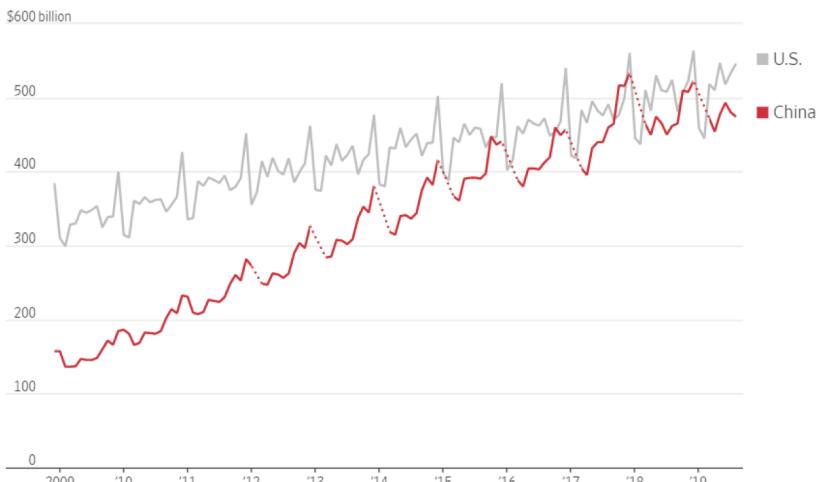
Year-on-Year GDP has fallen to its lowest since 1992



China's economy grew at its slowest pace since the early 1992.

Source: <https://www.bbc.com/news/business-48985789>

Monthly retail sales

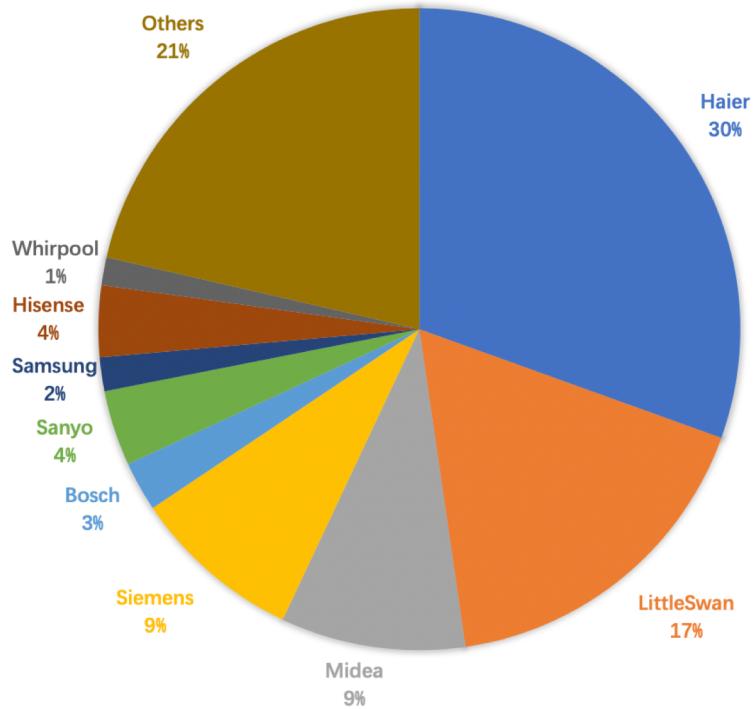


Low economic growth rate leads to a low growth rate in retail sales.

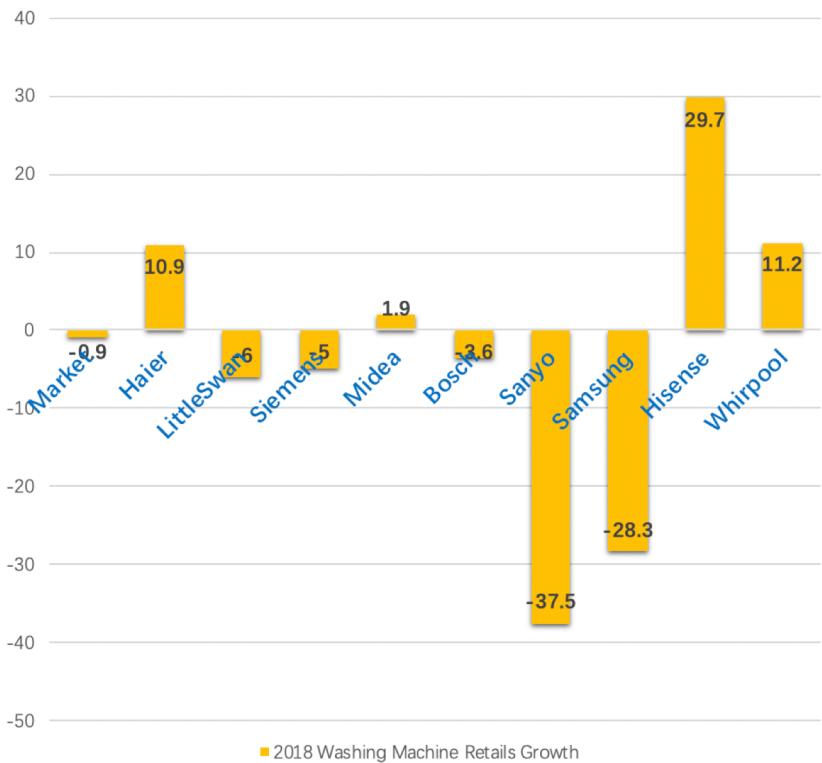
Source: <https://www.wsj.com/articles/america-is-losing-the-chinese-shopper-11570852805>

Strong Local Brands

2018 WASHING MACHINE RETAIL SALES



2018 WASHING MACHINE RETAILS GROWTH



Strong Local Brands

- Xiaomi Technology began utilizing smart technology in its home appliances since 2013
- Haier launched its U-home department for networked homes in July 4th, 2006





America Is Losing the Chinese Shopper

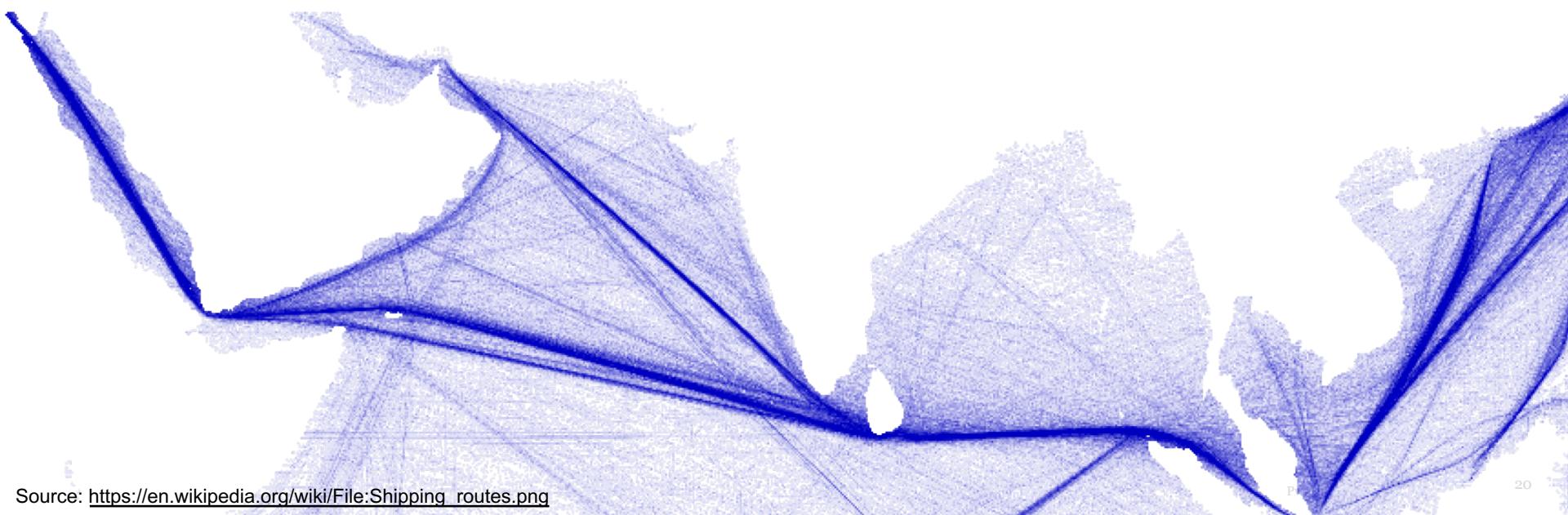
China was once eager to spend on U.S. brands. Then citizens of the world's biggest country shifted their allegiances.

*Then
Where Should We Go?*



Why India?

- Geographical Advantages
- Geopolitical Advantages
- Huge Market Demand
- Educated Labor Market



Our Strategy:

Diversify Products

Capture Markets

with

NATURAL
LEADERS

with

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CHALLENGES

Thank You.