

Team SunRise



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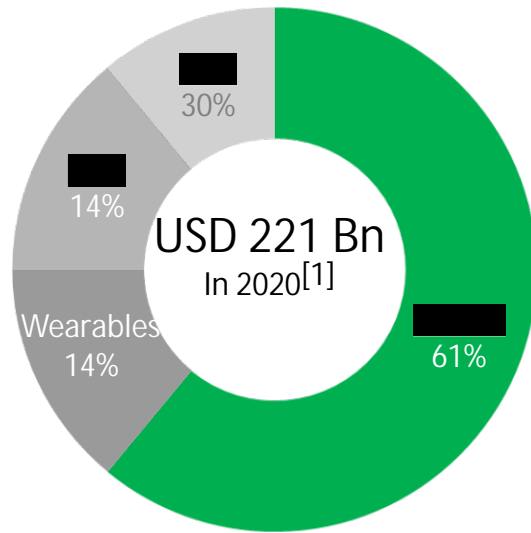
*A [REDACTED]'s new revenues
from emerging markets
and the living room*



A█'s hero product is seeing declining sales

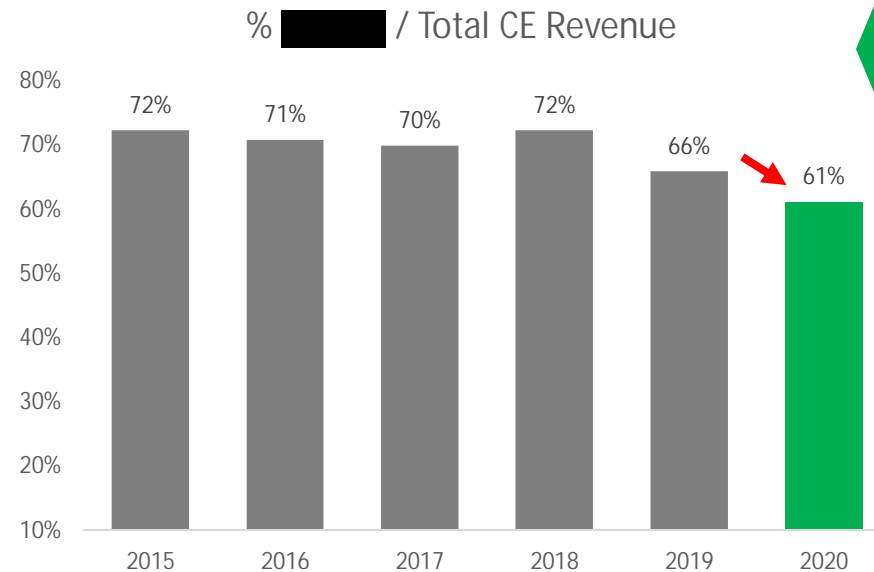
Situation

A█'s largely successful “digital hub” strategy, is led by █ as its main revenue generator



Complication

Stiff competition from S█ and H█ is reducing █ revenues.



What can we do to grow A█'s C.E. business strategically?

Executive Summary:

New revenues in existing markets

Situation

A■■■■'s largely successful “digital hub” strategy, is led by ■■■■ as its main revenue generator in its devices ecosystem

Problem

A■■■■'s hero product, the ■■■■, is seeing declining sales

Solution

Grow A■■■■'s Consumer Electronics revenues with a 2-pronged strategy in existing markets:

1. Promote price-adjusted ■■■■ models in underserved segments in existing markets
2. Enter Smart TV category

Impact

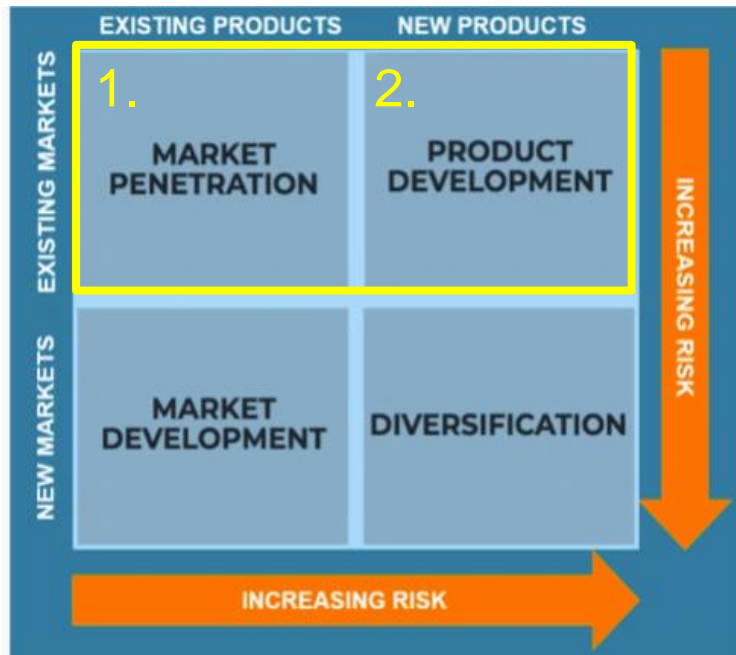
Projected revenue contributions:

1. Price-adjusted ■■■■ model strategy
Mexico >> USD 109M
2. Smart TV strategy
Global >> USD 47.5B

A [REDACTED] can grow in existing markets

Promote price-adjusted smartphone models & enter smart TV category

Growth opportunities are found in existing markets



1. Promote price - adjusted [REDACTED] models

in underserved segments in developing markets

Why

e.g. Mexico

- Middle-class income population is high – 57%^[2]
- Reach new customers
- % of [REDACTED] users is low
- High potential market growth

2. Enter the Smart TV category

i.e. new product in existing developed markets

Why

- Strategic to smart home ecosystem
- Strong brand
- Winnable low entry barriers
- Operating system and display screen

Source:

2. <https://blog.euromonitor.com/the-rise-of-a-higher-income-middle-class-in-emerging-markets/>

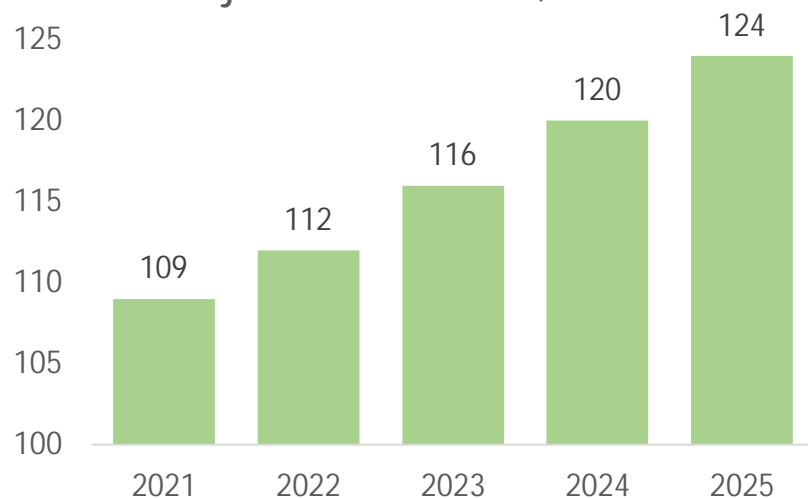
Projected Revenue Impacts

1. Promote price-adjusted [REDACTED] models

In Mexico:

- Quantity – 453,000 units increase
- Revenue – USD 109M
- at 5-year CAGR 3.2%^[3]

1. Projected Revenue, USD Mn

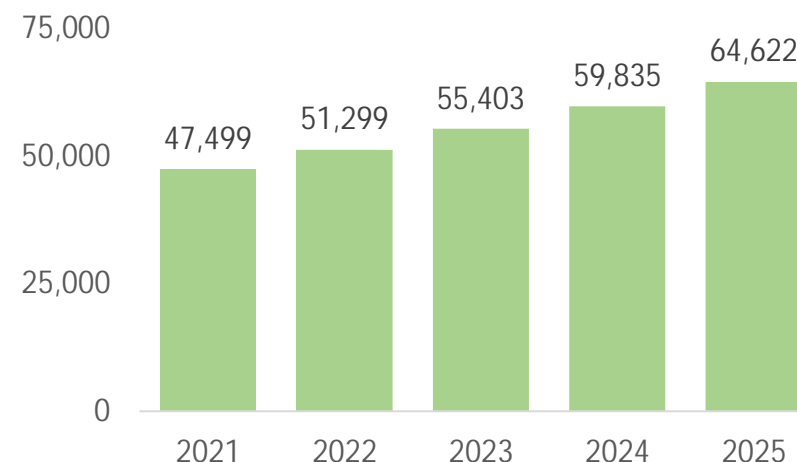


2. Enter Smart TV category

Worldwide:

- Quantity – 21.6 M units
- Revenue – USD 47.5 B
- at 5-year CAGR 8%^[4]

2. Projected Revenue, USD Mn



Sources:

3. <https://www.businesswire.com/news/home/20200110005160/en/Latin-America-Display-Market-to-Grow-with-a-CAGR-of-3.24-During-the-Forecast-Period-2019-2027---ResearchAndMarkets>

4. <https://www.globenewswire.com/news-release/2020/07/11/2060913/0/en/Global-Smart-TVs-Industry.html>

1. Promote price-adjusted [REDACTED] for developing markets' underserved segments

[REDACTED] smartphone model in emerging markets

Why?

Strategic gateway product

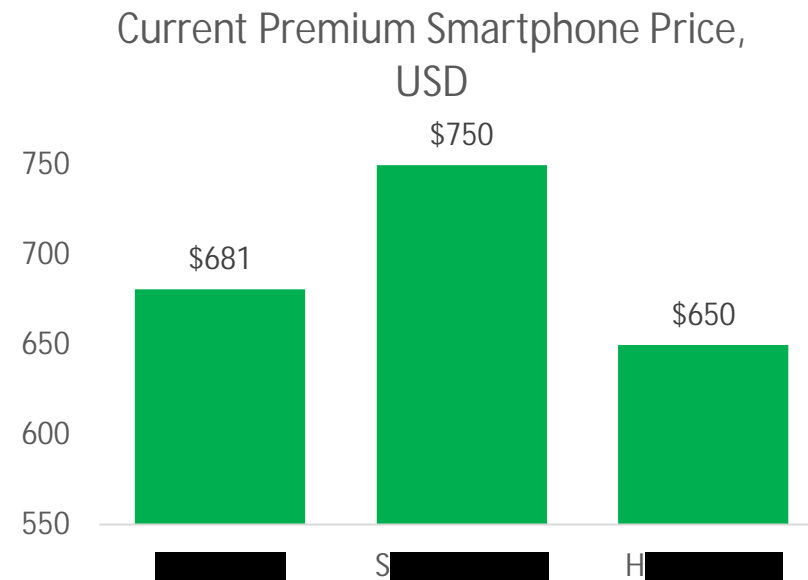
Smartphones are ubiquitous and a necessity in emerging markets' consumers ^[5]

Premium appeal

A [REDACTED] is ranked as the most valuable technology company worldwide with a brand value over 352 billion U.S. dollars ^[6]

Price comparisons (Mexico)

[REDACTED]'s pricing can be improved to gain a competitive edge against competitors' products with similar features



Revised pricing for [REDACTED]

USD 581

Projected Outcomes for 2021

Mexico

Revenue contribution:

Quantity – 453,000 units

Revenue – USD 109M

Sources:

5. <https://www.bbc.com/news/business-45044963>

6. <https://www.statista.com/statistics/267966/brand-values-of-the-most-valuable-technology-brands-in-the-world/>

2. Enter smart televisions category

Enter the living room with a new gateway product

Why?

Strategic to smart home ecosystem^[7]

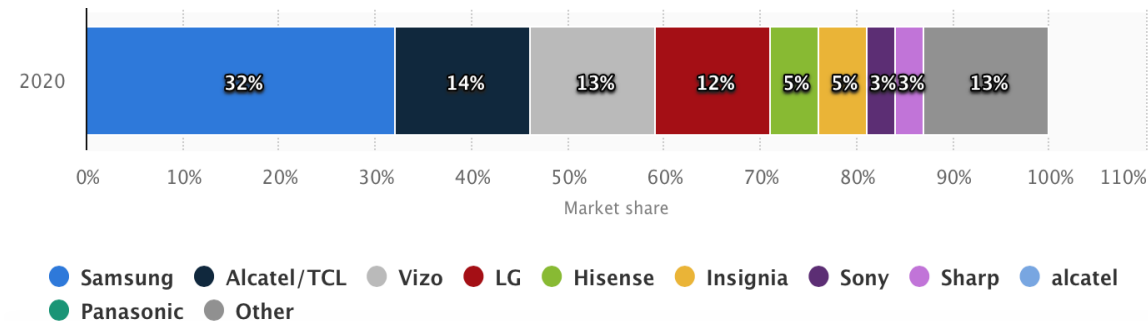
- First step into the home space
- A■■■■ has devices and services ecosystem as leverage

Strong brand

- A■■■■ is a premium brand in the devices space
- Premium segment has few players

Low entry barriers + synergies = “right to win”

- Similar supply chain structure e.g. OLED screens
- Existing technical expertise e.g. iOS
- Fragmented market^[8]



Projected Outcomes for 2021

Capture 10% of Smart TV market share

Quantity – 21.6 M units
Revenue – USD 47.5 B

Sources:

7. <https://www.counterpointresearch.com/rise-smartphone-players-smart-tv-market/>

8. <https://www.statista.com/statistics/782217/smart-tv-share-by-oem-in-the-us/>

(assumption – the global smart TV market share mirrors US data)

Next Steps

Work Plan for the next 6 months



Strategy 1 – Channels and HQ Strategy

Stress testing to identify necessary conditions for success, risks and mitigating factors (2-3 months)

- Identify profit impact of price reduction
- Identify emerging middle-class markets and local market risks



Strategy 2 – Design, Engineering and Supply Chain

Product Development (3-6 months)

- Identify consumption drivers for Smart TV purchases
- Identify product portfolio and revenue synergies
- Product Specifications

Appendices

1. <https://www.statista.com/statistics/382136/quarterly-segments-revenue-of-a-> Slide 2
2. <https://blog.euromonitor.com/the-rise-of-a-higher-income-middle-class-in-emerging-markets/> Slide 4
3. <https://www.businesswire.com/news/home/20200110005160/en/Latin-America-Display-Market-to-Grow-with-a-CAGR-of-3.24-During-the-Forecast-Period-2019-2027---ResearchAndMarkets> Slide 5
4. <https://www.globenewswire.com/news-release/2020/07/11/2060913/0/en/Global-Smart-TVs-Industry.html> Slide 5
5. <https://www.bbc.com/news/business-45044963> Slide 7
6. <https://www.statista.com/statistics/267966/brand-values-of-the-most-valuable-technology-brands-in-the-world/> Slide 7
7. <https://www.counterpointresearch.com/rise-smartphone-players-smart-tv-market/> Slide 8
8. <https://www.statista.com/statistics/782217/smart-tv-share-by-oem-in-the-us/> Slide 8