



Euromonitor
International

Technology or Sustainability Leadership in Appliances: A Strategic Discussion

January 2024

INTRODUCTION

Scope

The case for sustainability and technology leadership in appliances

Companies are looking for a differentiating factor as they seek market leadership

What is technology and sustainability leadership?

Key takeaway: A blend of technology and sustainability leadership will be needed

THE CASE FOR TECHNOLOGY LEADERSHIP

The case for technology leadership

What is driving technology leadership?

WHY FOCUS ON TECHNOLOGY LEADERSHIP?

Smart devices and appliances will be everywhere

Our smart home dream is closer than we think

The launch of Matter will kickstart the next phase of smart home adoption

For consumers, digital living has become the norm

Smart homes will bring a whole new level of experiences at home

BENEFITS OF TECHNOLOGY-LED INNOVATION

Benefits of technology-led development

BENEFITS OF TECHNOLOGY-LED INNOVATION: CONVENIENCE, PERSONALISATION AND NEW EXPERIENCES

Consumers believe technology can elevate their day-to-day personalised experiences

Automated kitchens of the future are being designed to cater to personalised diets

Case study: Haier's three-winged bird continues to take personalisation to new heights

Case study: The robotic vacuum, a whole new cleaning experience

BENEFITS OF TECHNOLOGY-LED INNOVATION: NEW BUSINESS MODELS AND SERVICISATION

New business models around servitisation can lift profit margins

Case study: LG wants to lead the era of the "Home as a Service" (HaaS) through ThinQ UP 2.0

Case study: Bosch's move towards a new way of owning appliances, sustainably

BENEFITS OF TECHNOLOGY-LED INNOVATION: DATA IS THE NEW GOLD

Owning the data generated in the smart home will be key to providing new services

Case study: The home energy management system (EMS), a new source of home data

Case study: Samsung and LG pushing the frontier for AI in appliances

BENEFITS OF TECHNOLOGY-LED INNOVATION: INCREASED CONSUMER VALUE THROUGH SERVICES

The perception of appliance services needs to change

Case study: Samsung Food, a food integration platform using AI

Case study: Haier's Internet of Food (IoF) ecosystem, from farm to table

BENEFITS OF TECHNOLOGY-LED INNOVATION: PREMIUMISATION OPPORTUNITIES

Technology leadership can be part of a company's premiumisation strategy

Case study: Samsung's premiumisation push through technology-led personalisation

Case study: LG's InstaView Door-in-Door Refrigerator

THE CASE FOR SUSTAINABILITY LEADERSHIP

The case for sustainability leadership

What is driving sustainability leadership?

WHY FOCUS ON SUSTAINABILITY LEADERSHIP?

Consumer demand for sustainability continues, although reduced due to inflation fears

Government regulations provide a framework for manufacturers to follow

For companies, sustainability means reducing their impact on the environment
Investor pressure has led to CEOs leading the sustainability agenda
Lastly, there is a strong link between sustainability and business resilience

BENEFITS OF SUSTAINABILITY-LED DEVELOPMENT

Benefits of sustainability-led development

BENEFITS OF SUSTAINABILITY-LED INNOVATION: SAVING THE ENVIRONMENT THROUGH DECARBONISATION

A big part of sustainability comes through decarbonisation

Net zero emissions is an important component of manufacturers' sustainability targets

Case study: Heat pumps, the low-carbon heating and cooling system of the future

Case study: Home EMS, reducing energy usage and carbon emissions through AI

BENEFITS OF SUSTAINABILITY-LED INNOVATION: SUSTAINABILITY IS MORE THAN RESOURCE EFFICIENCY

Sustainability is more than resource efficiency, it now includes conservation

Case study: Electrolux puts the spotlight on resource efficiency with AEG Ecoline

Case study: Beko's SaveWater technology goes beyond water efficiency

BENEFITS OF SUSTAINABILITY-LED INNOVATION: SUSTAINABILITY IS A GREAT STORY TO TELL

Appliance companies do not do enough to publicize their accomplishments in the ESG space.

Case study: BSH, being a sustainable leader, has the added bonus of embracing great PR

Case study: Beko's sustainability lineup is dominated by eco messaging

BENEFITS OF SUSTAINABILITY-LED INNOVATION: MORE IMMEDIATE RETURNS

Businesses expect sustainability regulations to have a more immediate impact

Case study: Bosch Green Collection, 33% less carbon produced during production

Case study: Panasonic's air conditioner in AI ECO mode provides quantifiable savings

BENEFITS OF SUSTAINABILITY-LED INNOVATION: PREMIUMISATION OPPORTUNITIES

Sustainability can be part of a company's premiumisation strategy

Case study: Miele's appliances can be priced at a premium due to extreme reliability

Case study: BSH is extending availability of spare parts to increase appliance operational life

CONCLUSION

Technology leadership is clearly an enabler for sustainability outcomes and leadership

Key takeaway: A blend of technology and sustainability leadership will be needed

Technology or sustainability leadership in appliances - how to win?

Questions we are asking

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/technology-or-sustainability-leadership-in-appliances-a-strategic-discussion/report.