Resources

Global AV: Spotlight India

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It may already be the world's second most populous country, its largest democracy, and its fourth-largest economy — the one that the International Monetary Fund sees leading the world in growth the next few years — but that is only a fraction of the complex story that is India. As a country of deep contrasts, with a population that is split simultaneously among the most technically literate and technically unaware, the uptake of AV technologies in India is both rapid and unevenly distributed.

With AV professionals gathering in Mumbai for **InfoComm India 2015**, the country's market for AV products and services is growing rapidly. But as in any global market, it's doing so in its own unique way.

India is a country with a wide diversity of languages and cultures. One size certainly does not fit all, which makes dealing with AV in India quite a challenge. For example, customers in the south of India are more technically knowledgeable because they have more contact with — and training from — manufacturers and other industry participants. However, they have tighter budgets than those in the northern regions, who reportedly spend more on AV.

With the fastest-growing pro-AV market in the Asia-Pacific region, India's market is projected to increase at a compound annual growth rate (CAGR) on the order of 20 percent, rising from an estimated US$3.3 billion in 2014 to a predicted US$4.9 billion in 2016, according to InfoComm International's 2014 ***Market Definition and Strategy Study*** (MDSS).

The share of the services sector in the Indian pro-AV market is just 23 percent, compared with 35 percent in Western Europe and 40 percent in North America. Within the services area, installation and integration absorb close to three-quarters of the expenditure, whereas globally they represent only 55 percent of the market. Overall, Indian customers are apparently willing to pay for product, but are then reluctant to pay for installation or ongoing maintenance. A factor in this is the noted trend that customers purchasing entry-level pro-AV solutions are the least likely to pay for services.

However, as the Indian market develops, the demand for services is now growing faster than products in the country's pro-AV expenditure. Services are expected to grow at a CAGR of 23 percent over the period from 2012 to 2016, while products will grow at a CAGR of 19 percent over the same period, according to the MDSS.

The mix of AV customers in India also differs from most global trends. For example, although the general trend worldwide is for corporate AV to represent around 30 percent of the market, in India, corporate AV is the industry's driving force, at a little over 40 percent. This is mostly due to constraints in recent years on public spending in the government, military, education and medical sectors as a result of revenue setbacks stemming from the global economic slowdown.

"From a market segment perspective, we see a bigger demand still with the commercial (office) sector, real estate, and then hospitality," says Kuldip Kamat, CTS®, Managing Director of **Allwave AV (http://www.allwaveav.com/)** in Mumbai. "There are green shoots in the education, medical and residential markets, but we find those growth patterns smaller in comparison to the volume of corporate growth. Within this space, design-build options are most popular with a post-installation emphasis on maintenance. We are also seeing an increasing demand for smaller huddle rooms with Lync and Skype integration and BYOD connectivity."

Digitizing India

The entire Indian market looks set to undergo significant changes as a result of sweeping government initiatives to stimulate the economy in general, and technology sectors in particular. The **Digital India (https://mygov.in/group/digital-india/)** project is a complex and massive infrastructure initiative to introduce national electronic data communications across huge swathes of government and to streamline the activities of many of its hitherto-outmoded, and sometimes corrupt, bureaucracies. The project is being built on what are referred to as "nine pillars" of growth areas, namely Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programmes, e-Governance (Reforming Government through Technology), e-Kranti (Electronic Delivery of Services), Information for All, Electronics Manufacturing, IT for Jobs, and Early Harvest programs.

Each of these areas is a complex program in itself and cuts across multiple ministries and departments. Included in these processes is the aim of making India independent of imports for many of its basic technology requirements, including telephone network infrastructure and smartphones (Internet-capable mobile phone handsets) for the entire population of 1.2 billion. The impact of such transformational programs on the nation's technology market — and especially the AV industry — should be significant.

In addition to the nationwide Digital India project, in late June 2015 the Ministry of Urban Planning announced the **Smart Cities Mission (http://smartcities.gov.in/)** , a series of locally-implemented initiatives in urban planning to be rolled out across 100 key cities around the country. The mission is to produce high quality urban environments, better land usage patterns, better housing, transport infrastructure planning, better communications, improved disaster response planning, and more transparent and responsive local governance.

There will be at least one Smart City in each of the 27 states, with the more populous states such as Uttar Pradesh being allocated 13 Smart Cities and Tamil Nadu 12. Applying to become a participant in the Smart Cities Mission requires a city's administration to tender an application in the form of competitive "challenges" set up to ensure that the cities brought into the program are sufficiently committed and capable of rising to meet the difficult demands that the program will present. As the Smart Cities initiative requires a wide range of changes to the processes of planning and governance, it will inevitably require new AV infrastructure in the development stages, even if the ongoing urban programs are not technology-heavy.

Well before these initiatives were announced, the pro-AV industry in India was characterized by a significant shortage of skilled consultants, designers, installers, and technical operations and maintenance staff. Given the existing circumstances, any program that increases the demand for AV skills is likely to be constrained by the shortfall of trained practitioners.

"There is a shortage of skilled manpower in the AV segment," explains AV consultant and InfoComm instructor T S Gopalakrishnan, CTS. "We require people who can actually take forward the market requirements for solutions and systems and the clients' needs and provide them with a better experience. This is applicable to both the permanent systems integration business and conference and live events industry."

In response to this growing demand, 2014 saw InfoComm appoint Gaurab Majumdar as the first Country Manager for India with the task of ramping up AV industry training, among other priorities. Since then, InfoComm has become involved in a number of initiatives that are set to improve the availability of trained AV professionals.

During this time a series of networking events were organized at Ahmedabad, Bangalore, Cochin, Chennai, Hyderabad, Kolkata, Pune, New Delhi and Mumbai, to get the AV industry talking about its future and its needs. In addition, InfoComm has provided a range of practical courses that have brought new skills to AV professionals. In addition, InfoComm has forged agreements with several global AV manufacturers to provide skills training and entered into a memorandum of understanding with the **Computer Society of India (http://www.csi-india.org/)** to develop the country's AV workforce.

In conjunction with the **Federation of Indian Chambers of Commerce and Industry's (http://www.ficci.com/)** Communications and Digital Economy Committee, the organizations staged a series of seminars on Integrated Digital Solutions for Smarter India. These were held throughout India with support from central and state governments. The primary objective of the seminars was to advance the dialogue between stakeholders, with a view to promoting and supporting major information and communications technology-driven initiatives in Indian states.

India is a country of immense potential for the AV industry, and it is still evolving. Becoming aware of the complexities of the cultural, governmental and economic environment is essential.