



Step up consumer research and collaborate, says Philips Semiconductor CEO

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If the semiconductor industry is going to capitalize on the growth of the consumer electronics industry, then it needs to step up its consumer research and collaborate more with industry partners, says Frans van Houten, CEO of Philips Semiconductor.

Van Houten, who was a keynote speaker at the Semico Summit this week in Phoenix, AZ, says that the most effective way to serve customers is to work collaboratively, and this unquestionably applies to the consumer market.

"You need an ecosystem to make a market really tick," van Houten says.

It's no secret that consumers' love of electronics is not only fueling the semiconductor industry, but the U.S. economy in general. Consumer electronics continues to drive the U.S. economy with robust growth, according to a new report issued by the Consumer Electronics Association (CEA) this week.

Companies need to collaborate more and also conduct more consumer research to fully grasp what customers want, van Houten says.

"The product creation cycle for the consumer electronic business is shortening; it's about 6 to 9 months. For semiconductor solutions, we need to meet this market window. One way to deal with this is to invest in consumer research. You are more certain a system on a chip will have the right features. We need to do our own research on the consumer market," he says.

Philips does what it preaches, and van Houten also advocates that functions be simple.

The connected consumer, he says, wants a variety of uses as they move from their home and into their car. "They want access to their content and want to have interoperability to their content. Just cramming in a lot of features without having a lot of benefit to the consumer will backfire," he says.

The message to the ecosystem: concentrate on open standards and interoperability.

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