

Podcast Transcript - High-Res & Lossless Audio Crucial to Deliver Music in its Purest Form

Peter Richardson: [00:15:00] Hello and welcome to The Counterpoint Podcast. We have a very interesting topic lined up today. We're going to be talking about audio covering headphones, true wireless stereo TWS, and other home audio products. Now for me, audio is arguably the Cinderella technology in the smartphone space and, and beyond, and it's often overshadowed by imaging in smartphones, but anyone who's ever been to a cinema with a booming surround sound system will know that audio is also important for creating great experiences.

So, to talk through the topic, I'm delighted to be joined today by Gyanendra Singh head of audio marketing at Sony India. Gyanendra has been working for Sony for over 17 years. So, hello and welcome to the podcast. Gyanendra, how are you today?

Gyanendra Singh: [00:01:03] Hi, Peter. The day is pretty good. I'm feeling good.

Peter Richardson: [00:01:07] Excellent. So, before we get into the discussion, maybe you can give us a little bit of an introduction about yourself and what you've been doing at Sony.

Gyanendra Singh: [00:01:16] Oh, well, I've been with Sony for a little over 17 years and I've been moving through various profiles across sales, business development. And I think the current scenario is where I'm heading the audio business for Sony India.

I think given the kind of excitement around the category and various new launches, it's quite an exciting place to be in. So yeah, it's a nice place I'm here right now.

Peter Richardson: [00:01:37] Great. Excellent. Thanks for that. So getting into the discussion Bluetooth audio devices of. Come a long way. In the last few years, I mean, I remember the days of, mono headsets with, mic for calling, now we've kind of moved into stereo A2DP both in ear and over the ear headphones. And now of course we have TWS or true wireless stereo, which is been getting very, very popular in a very fast growing segment that we're tracking through our data. So, from your point of view, how have you seen audio technology evolving on the hardware side? And how do you see the changing form factors and, where the, where they're sort of headed towards?

Gyanendra Singh: [00:02:19] Yeah, Peter So nice that you actually put this question right off the bat. Well, I think there is there are very few places in audio where the transformation in the form factor and all that that is packed into the product has been so dramatic as from the Bluetooth headset into the current generation, truly wireless headphones.

So I think just talking on the physical form factor, part of it apart from the device, getting smaller As the current generation devices are, there are a whole lot of other things which have gone into the hardware part and even the software part. So obviously they have much better than the earlier mono headset in terms of sound and call quality.

They're supposed to do a much more versatile job because apart from the call quality and the other usage of core audio listening these are also being used during workout. These are devices which are far more intuitive right now with many smart features enabled. And there is a whole lot of AI, which is also going into these devices.

I'm in the kind of some special features that you have are just amazing. So, I think it's been absolutely enormous, the change over from the mono access to the current generation of truly wireless. And as you correctly, put it really come along with. And yeah, moving forward also, it looks like that I think the innovation will just keep on getting better and better. So, looking forward to that as well.

Peter Richardson: [00:03:39] So thank you the TWS market, as I said earlier, we've been tracking sales of TWS, ear pods and not quite sure what their ear buds, I suppose is the right word for them over the last couple of years, and they've been growing at a very rapid clip, I guess apple was, was among the first to kind of introduce with the AirPods. And, we've seen this sort of very fast growth, so. I think COVID-19 is, has also kind of injected an additional level of growth where people have been working from home much more and learning from home.

And, headsets are a way to, be able to kind of close you off from the environment you're in. So how do you see the demand changing amongst consumers for wireless audio in general?

Gyanendra Singh: [00:04:25] Yeah. So, as you correctly said that the demand was already quite strong talking specificity of this truly wireless form factor and along the way, the work from home and the learn from home phenomenon since last year has sort of given an added fuel to the already existing, very strong demand.

So yeah, the last 12 months or so they've had kind of a more overdrive kind of a growth. But it doesn't look like that it would end really dramatically. And I feel that the growth would sort of continue. And the reason why I say that is, I think the other thing which is happening is people are now using these devices on an average, a little longer than what they were earlier doing.

It is certainly work-related as one of the reasons and the other is dependent making use to stay at home and learn from home. So, either way we have ended up using these devices a lot more and a variety of purpose for which they are using is also quite, quite a lot. And also keep in mind that these are actually very very good potent devices.

They are helping us ease our life overall. And therefore another thing I'd like to add is there are certain core things. We always go into these devices that. You got to have a great sound great, all clarity of long battery life and currently comfort wearing is also riding high on the notch because people are wearing it longer.

But I think there are a host of other special features, which are being built into these devices. And they are also, as I said earlier, very intuitive. So just to quote an example one of our devices, which is WF 1000XM3, truly wireless has a quick attention mode. What it helps you do is just to break out an instant conversation.

Current situation, these devices provide you your individual cocoon all right. But you would also want to be connected to the outside world. And those are the kinds of bits and pieces in terms of technology, which made them. Much more user-friendly for those kinds of aspects. And I think these are great values which will get added to the product.

So, I think the products will continue to get stronger and overall it doesn't look like the demand would really ever very aggressively, so it would continue to be a strong demand moving forward as well.

Peter Richardson: [00:06:31] Yeah. Excellent. Yeah. And I think the point you make about , being aware of your environment is really important because , one of the aspects of using audio devices, it tends to kind of close you off from the world.

But I mean, I run quite a lot. And if I'm running, near a road, I also want to be aware if there's a vehicle near me so having that, that ability to be aware of the environment, even if it's just listening to the birds singing as well as listening to music or a podcast, perhaps is also important.

And I guess one of the other aspects that we've seen coming into, I mean, it's been there in over the ear headphones for a while. But it's, also becoming a growth driver in TWS is, active noise cancellation. And I know that, , Sony has some great technology here.

So, maybe you can talk a little bit about how ANC is being offered different price points and, as the other companies coming to this space, how does Sony stand apart from its competitors, , around this particular aspect of technology.

Gyanendra Singh: [00:07:33] Yeah. Okay. So, when it comes to the active noise cancellation it has been one of the very key element for us and a very strong forte for Sony.

So, I think we have the industry leading noise, cancellation headphones, and in fact devices across all form factors, whether it is the overhead or the in ear or even the truly wireless. So, all of these devices, we have a very, very strong potent products having active noise cancellation.

What we also feel in this over the years, it's the consumer response to our products which gives us the confidence that whatever is the positioning of the product in terms of features and the price equation is really good. And that people are appreciating the value that we've offered them.

And not only in the top end range, we have active noise cancellation, even a below 10,000 price point, of course, in the headphones and truly wherever I suppose, between the 10,000 to 20,000 price point and our overhead headphones are 12000 plus moving forward the active noise cancellation will continue to play a very important role.

And yes, the important part for us is as we, when you add the products and new arranges sort of coming, obviously we have to position them at a price point that it makes a very compelling proposition for the consumers. So that's how it is. But active noise cancellation is a very strong element for us to get to our consumers.

Peter Richardson: [00:08:52] Right. And th that, I mean, following on , from, from a and C, there's also been a lot of discussion recently about lossless audio , a high resolution audio. So many streaming services tend to optimize the services for compression rather than quality. So, there was a lot of discussion about MP3 being, , inferior to CDs or vinyl records, even being more, superior to other streaming services.

Although, that's arguable , but what, what's your view of how important high resolution audio is going to be over the next couple of years? And, yeah. I know that some of Sony's products from a couple of years ago were using aptX technology, but I think Sony has its own technology called L-DAC or LDAC.

So, can you, can you talk a little bit about the, the role of different standards within the high resolution space?

Gyanendra Singh: [00:9:44] Yeah. So, I think there is without doubt that there is demand for high quality music experience and this could be across various demographics, but we have reason to believe that I think the high-res in the years to come is a very important thing and also a very crucial element.

To bring about I can say so kind of a new demand to the audio products, because finally you're making the device, which helps to consume audio in its purest form. But some of the other places are that delivery system also has to in some ways catch up. So that's the music delivery in terms of lossless and things like that.

And that's why many of the other companies, I mean, you talked about this. Music provider. So, the Tidal, the Amazon HD, or the Apple Music, Spotify, I think all of these people are building up. So, to say the environment or the infrastructure, the ecosystem. So, to say, to be able to move this the high-resolution audio, it might take a little while before I can say it really gathers a very strong momentum, but there is no doubt as far as I'm concerned that And there is a very, very clear large population of music lovers who are really looking at a better music experience.

And I think as we move forward, there will be a convergence in terms of enough of everything to be able to really make a very large is even, let's say, in a market like India. For significant consumption of high-res. And therefore, there has to be products which can actually deliver that as the other elements of the ecosystem sort of get into place.

And yeah, somewhere there also is, is where the question that you raised about the format for Sony uses. So yes, even today we have devices which support this. Now, for example, we have You have many Android OS products, like some of these smart phones, which are already LDAC compatible now in case if you have that kind of a device.

So, Sony already has audio devices, for example, the WX 1000XM4 through which you can actually just through your phone, actually enjoy via lossless audio. Now, while at this stage there might be fewer products. But I strongly believe that as we move forward the range would increase and the length and breadth of what has been provided in terms of content.

And that's why there is a lot of discussion, which is happening with the content people as well, various record labels that there has to be more and more high content available and various kind of promotional efforts also incorporated, which would go on to increase the awareness amongst the audience as well.

So that we can move towards that scenario where there is more content available that delivery systems are in place. And of course there are devices to consume the music in what I can say in its purest form really, and not really compressed. Yeah. So that's what I feel you're moving towards.

Peter Richardson: [00:12:24] Excellent. Thank you very much. That was very clear. And I think, speaking from a, from a kind of a telecommunications point of view, I think 5G has a role to play here as well. So the higher throughput speeds and capacities in future and also edge computing, which is a new technology that we're expecting to be driven by 5G will, will help to make all types of streaming services more readily available including audio.

And I think given the, the generally larger file sizes that you get with high resolution audio. It seems to be a natural fit for, for 5g, but I think it will also need the participation of telecom operators together with streaming partners to, to optimize this. So, one other aspect that I'd like to talk about is voice assistance we've seen things like Amazon Alexa getting very popular among users as they offer convenient way to control smart home products and play audio. I know, for example, in my own family pretty much the standard interaction with Alexa is to say play Spotify. And, she, she then kind of launches our Spotify feed.

We, we don't use it for much else actually, but, Alexa is no longer just restricted to Amazon devices. So, so what are your thoughts on, , brands like Sony and others adding voice assistants across, I don't know, portable speakers, TVs and other personal audio products.

Gyanendra Singh: [00:13:45] So I think voice assistants are an important part and they are becoming commonplace in various devices of our daily life. And that goes without, without shame. We are all experiencing it and the audio has been no exception. So, and at Sony across our region, we've already been offering voice assistance like Alexa, Google assistant, and they're a part of our flagship, a 1000X Mark4, and even if you come to the extra base, the XB 900 and or there is a truly wireless range, or even the Bluetooth speaker RA3000 everywhere, you will see across.

Product category that there is voice assistant. And the reason is simple. That is the convenience that a customer derives out of these things. I mean, people are using headphones on the move was not much of a movement really has happened in the last one year. We've been restricted, but I think just a matter of some more time that people would get down to the new normal.

So, people use their headphones and there are. Questions and queries that they would like to resolve and therefore the Alexa and the Google assistant just makes it a little more convenient in that entire space. So, I think it's important and they've got to be responsive, and I think we have that insured across our product category.

So yeah, we think this is a there's great value in the voice assistant. And we've continued to see them in the future as well. Yeah.

Peter Richardson: [00:15:00] All right. And you spoke a little earlier about COVID-19 and how it's changed consumer habits and, and you just mentioned that people are moving less, so maybe using public transport less and, spending more time at home where they, , likely to be listening to music or watching streaming videos across different platforms. So how have you observed, a change in the way that consumers are investing in home entertainment products? Are they tending to spend more than they would have otherwise done? Or is it too much to make that leap yet?

Gyanendra Singh: [00:15:35] No. I think Peter, you are absolutely right. That because of this pandemic induce to stay at home, a couple of things have happened. So there has been no cinema theater visits for a very long period of time. And you will know that out here in India, the cinema is so integral to all of us. And so, people have not been able to do that. Then coupled with that you have the.

OTT platform, which has therefore been probably releasing more. And they are capitalizing on that aspect as well. So, all of this put together what had happened is that people have started to consume more entertainment at home and that in some way is also making them realize that they go to enhance the complete AV experience at home.

Because he can't go to the let's say a cinema theater. So, the next best thing is how close to a cinema theater experience can you really get in the comfort of your home? And so therefore that has been the kind of a trigger and we are witnessing a very, very strong demand for soundbars, and that is across the spectrum.

So, from our entry soundbar at 15,000 rupees to soundbars which are costing more than a lakh of rupees, the growth has been, it could be little more in some segment, a little less than the other segments, but there is growth on cross and very strong growth. So, I think there is no doubt that this has led people to look at the AV experience at home.

The other thing which I'd like to add, which is also making this happen is that soundbar , as a form factor is an aesthetically very nice device. It is very minimalistic in design. The installation is very easy to do. You don't have to disturb your existing setup. So, I think that ease of incorporating something like a soundbar has also played its own role.

And so that's the reason why we see a very, very strong growth for the song. And yeah, once people start to enjoy, it's good, it's working. I think a part of that demand sort of becomes integral to the overall AV experience. And then it sort of just, just moves on. So I don't think so that even when we start to hit the roads again, so to say, and the, and the cinema theaters open, and we are back to the normal, I don't expect that the demand would sort of, just, just vanish. It might taper off slightly, but I think it will continue to grow. No questions about that.

Peter Richardson: [00:17:45] Yeah, and I think you are right. I think once you experience high quality audio, its very difficult to go back to something less. So, just before we conclude maybe you can touch on gaming which has also seen a tremendous growth during the

pandemic, but has been a phenomenon particularly for younger users over the last couple of years, and maybe any final comments you have on other audio technologies, how they are changing and what we may see in the next couple of years, hopefully post pandemic?

Gyanendra Singh: [00:18:22] Yeah. So, I'll take the question on the, on the audio technology, because I don't look after the gaming part, therefore, so I'll keep my closing comment around the, around the audio technology. So, I think in, in both of these spaces, so if we bifurcate the audio into two parts, so one is obviously the personal audio that we are consuming for our own self. And the other is the home entertainment.

I think both of these things because of the pandemic and even otherwise has been seen a very robust demand of late. And I don't see any reason why, at least within the foreseeable future there any reason for the demand would be to air. Yes, there could be newer triggers Which continued to take the demand a little higher.

So for example, we are short while back when we talked about the high res, so that remains a kind of a potential inflection point to add another chunk of audience by bringing a much richer experience to the audience in the same way. I also look at the home entertainment where I think Just to talk about some technologies which can bring a better audio quality to your home in terms of the most cinematic experience within home, I think are the kinds of things which I feel moving forward, we'll continue to add value and help the market grow within these domains.

So, yeah, I think these are a good couple of years ahead for the audio category overall. I think, yeah. One can expect some new development in times to come. And that's why I said right in the beginning, that I think is the exciting place to be.

Peter Richardson: [00:19:55] All right. Very good. So, Gyanendra thank you very much for, for joining us today. It's been a fascinating insight into the world of audio.

Gyanendra Singh: [00:20:01] Thanks Peter. Thank you.

Peter Richardson: [00:20:05] And for all of our listeners thank you very much for joining and look out for the next edition of the counterpoint podcast. Thank you very much. Have a great day.