

A STUDY ON MARKETING STRATEGIES OF MOBILE INDUSTRY IN INDIA

Nikhil Patilⁱ

MIT-WPU School of Management, Operations, Pune, India

Nawaz Jaffar Abdullathifⁱⁱ

MIT-WPU School of Management, Operations, Pune, India

Prof. Dr. Meenal Pendseⁱⁱⁱ

MIT-WPU School of Management, Faculty - Marketing, Pune, India.

Abstract-

The mobile industries are the growing industries in the 20th centuries, innovation in product, new product design, improved software, better performance and feature the industries is growing continually. After China, India is the second largest market globally for smartphones. The marketing strategies are the key element to industries to handle and achieve the target to improve sales. In 2017 around 124 million smartphones were sold which after increased more than 161 million in 2018. In this research paper we are analysing different marketing strategies of different companies.

Keywords- Mobile, marketing strategies, marketing, strategies, quarterly analysis, Apple, Samsung, Xiaomi, Oppo, Vivo, Realme, Nokia.

Introduction-

Marketing strategies are one of the important strategies for company to success in the market. Company can achieve its target by using proper marketing strategies. Company such as Apple use their product unique design, distinctive style and better performance to promote their product to the consumers. Nokia with a new start in 2017 they have used a nostalgic marketing strategy to launch new products. In this research paper we are analysing the marketing strategies of different mobile phone manufacturer companies.

Literature review-

For apple's marketing strategy product is the main factor. To gain market share, brand values, brand awareness and brand loyalty, product is the main factor. For distinctive style and unique design of product, new techniques of marketing and for excellence in communication apple are well known. A combination of upgraded hardware, unique design, performance makes a consumer to buy the product (A).

Nokia re-enters in the market in 2017. Nokia mobile phones were popular because of their navigation software, easy to make and end the call, better battery performance. After 3 decade Nokia had a nostalgic marketing strategy. Nostalgia had low effect and success rate people tend to stick with the updated technology and no one like to use old technology, But Nokia has more advantage on battery performance on heavy application use. People might be interested in purchasing the Nokia phone as a second alternative to their primary smartphones (B).

Xiaomi the new company rose with the excellent marketing strategies. The main aspects of the Xiaomi marketing's are advertising, promotion, online promotion and distribution, product, pricing and channel strategy. Find and solving the issues during marketing process helps them to proceed. By solving the after sales service problems they have maintain steady growth. Xiaomi phone marketing strategy is innovative, the

use of high cost performance and excellent system, on the other side, it also has a group of capable marketing team and to do the guidelines the correct marketing program is available (C).

The mobile industry is a very innovative; despite of all competition it is a largely innovative in terms of new product and variety of design. Collaboration between hardware manufacturers and software developers allows industry address different market segments and attract different types of users worldwide (D).

The main focus is on the customer satisfaction, customer brand loyalty, service quality, commitment and customer retention. Brand loyalty is the most important factor so companies are working to attract customers by introducing more innovative and attractive products as to attract the customers. Consumer attitudes differ across countries toward mobile advertising. Due to advertising factor the demand of mobile is increasing in younger generation (E).

Creating, delivering, capturing and sustaining the customer value are important factors for successful marketing plan. It reveals that conclusive reads of top managers and organizational members play a very important role in strategy marketing. The suitability of marketing strategy would be strategy's impact on company's performance (F).

Objectives-

1. To study different types of marketing strategies of mobile industries.
2. To study marketing strategies used in India by mobile industries.

Methodology-

This research paper is based on desk research, the analysis is descriptive type. We have gathered information from published papers, journals and online websites of different companies like Samsung, Apple, Counterpoint etc. we also used some published articles.

Marketing strategies –

Xiaomi is the world's 4th largest smart phone maker. It designs, develops and sells smart phones, mobile apps and laptops. On August 16 2010, it developed the MIUI firmware, and released the MI1 in 2011. Its powerful configuration and attractive prices made it a sensation among mobile phone enthusiasts. It followed with M2, M3 and Redmi to be a frontrunner in the market. Xiaomi's brand influence and awareness has reached a peak in mobile industry. Its marketing strategy is highly innovative and can be comparable to Apple. Xiaomi's marketing strategy mainly focuses on six aspects: advertising strategy, promotional strategy, online promotional distribution strategy, product strategy, pricing strategy and channel strategy.

Xiaomi consider Appeal point, the name and the logo provide a very friendly and easy-going appeal. Their phones always include the latest features in the market at a very affordable price as an advertising strategy. Consumer's views and attitudes: 66.67% think Xiaomi is a high-end and low-cost smartphone, 11.9% think it is exaggerated and though looks impressive is worthless. When it came to consumers replacing their current phone with Xiaomi 80.85% was in favour of it. It used rumours and mobile phone enthusiasts' feuds to create an air of mysteriousness around the smart phone. The co-founder Lei Jun made the release very 'Apple-esque'. They held a conference in Beijing for the release. The hunger marketing tool indicates releasing with surprising price, attracting potential customers; limit supply thus creating demand exceeds supply hot sell illusion. This created a huge buzz among potential customers. They used this tool in subsequent phones releases thus creating dedicated fan base. Xiaomi created an official website creating a corporate image and frequent internet surfers browsing the page for updates. They also created a lot of promotional offers to gain more potential customers. Xiaomi adopted a flexible production to adjust production network according to the customer requirements and personalization. They also set-up offline outlets in major cities as a direct marketing strategy. The phone was made in a way that the target audience

were enthusiasts and young consumers. They mainly relied on enthusiasts to stimulate sales. They provided high end features with low costs to attract enthusiasts. The innovative production mode also played a very good effect. Even the packaging was designed with anti-fall and anti-heavy and also to highlight Xiaomi's characteristics. Surveys proved that the consumers that could afford phones above 10,000 rupees were willing to pay up to 20,000 and 25,000. Thus, telling the consumers concentrated on mobile grade. By creating an affordable price for high-end phones, they tackled this thought of the consumers. Xiaomi signed an exclusive partnership with "Flipkart". Surveys shows that 22% want network order, most people still choose entity shop to buy.

Samsung mainly uses the skimming price strategy. It releases a phone into the market with high features and USP's. Once the competitors catch up or the phone gets old it drops the price thus still keeping its phones as the frontrunner. Samsung uses promotions to pull the customers towards the product and also uses strong strategies to push the product to the consumers. They depend on promotions on festive and non-festive seasons. On the other hand, it gives many offers and discounts to trade partners to motivate them to sell their products over their competition. Samsung uses a mix of print and media advertising. They use top rated talk shows to advertise their products. They also have a partnership with FOX to advertise 30 second clips during main pay-per-view events to get maximum coverage. Samsung covers major newspapers, magazines and journals for its advertisements. They also use direct attacks as an advertising strategy mainly attacking Apple feeding the feud between enthusiasts of both the companies. Samsung was once known to be a low-quality service provider, now is considered to be one of the leading mobile companies of the world. Though it had their own booms and slumps, Samsung focused on ideas that were customer focused and innovative in order to establish a strong brand image. Samsung doesn't target any specific segment of the market but can give an image of targeting the high-end society.

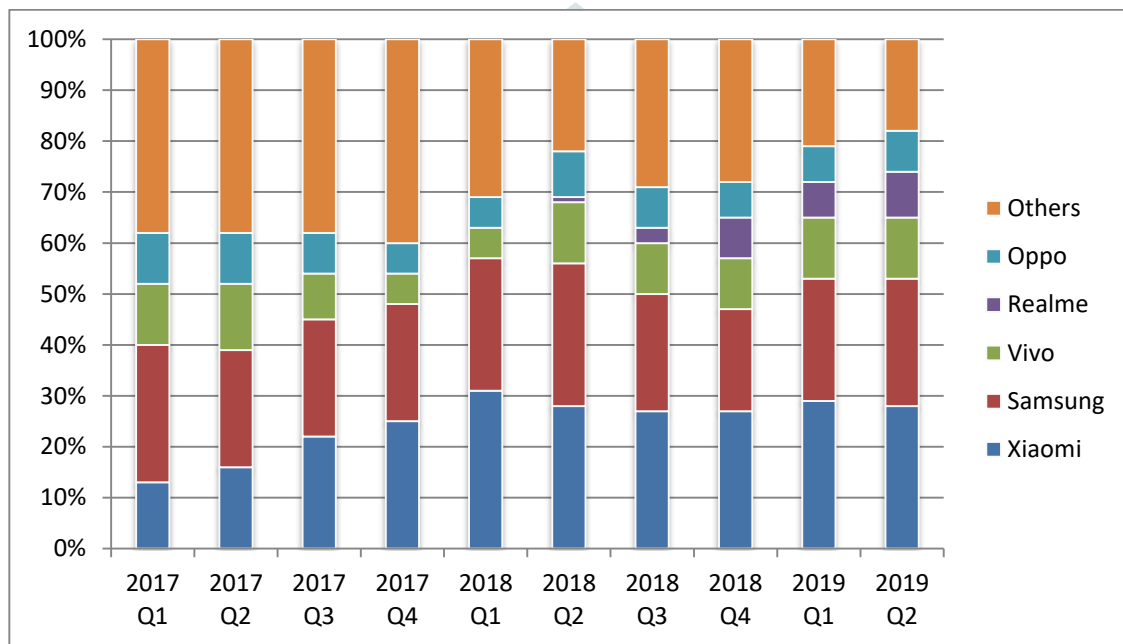
Vivo made sure they provided phones with high specifications within an affordable price range. They focused on providing good battery life and high built quality. By doing so Vivo created a sense of trust among its customers. They used all kinds of traditional and conventional advertising like ATL, BTL, print media, celebrity endorsements etc. They had made a 200 cr. investment in the Indian Premier League in 2016 for the promotion of its brand. They also roped in Ranveer Singh and Aamir Khan as the face of their brands.

Realme 1, Realme's first smartphone product, launched in second quarter of 2018 in India. Realme never have any marketing or sales strategy they have a product-driven strategy and also they are focused on building community. While launching in India for all online major heavy brands the main contributor of sales is south followed by west. Realme established itself in Eastern and Central regions gaining the maximum of its sales. Company also has a 'low-margin, high-volume' strategy for which company has kept its profit margin around 4% to 5%. A data shows that the company policies are helping them to improve their sales from 1% in Q2 2018 to 9% in Q2 2019 in India.

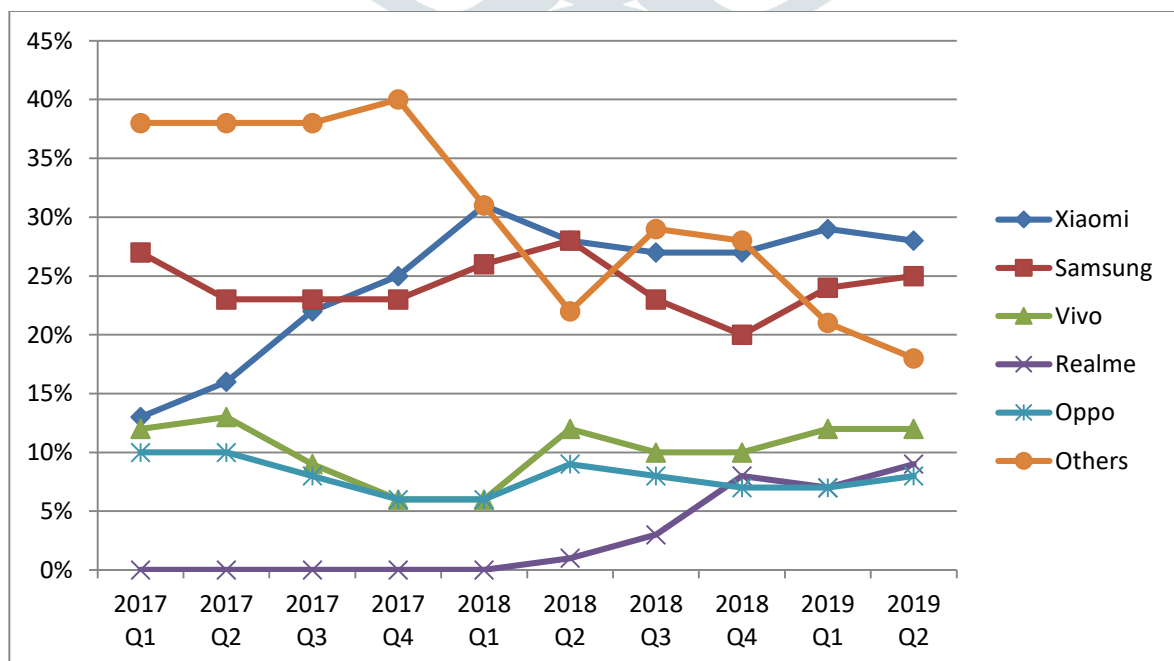
Segmentation, targeting, positioning used in marketing strategy used by Oppo, segmenting the business based on the technologies also used selective targeting strategy i.e. considering selective customers, making products for them rather one fits for all. In the competitive market, technological advancement helps the company to create market in the targeted segments. Sales of OPPO declined by 3% YoY, but it has shown 53% QoQ growth due to new launches, consistent performance of its F11 series and increased shipments towards the budget segment.

Smartphones	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
Xiaomi	13%	16%	22%	25%	31%	28%	27%	27%	29%	28%
Samsung	27%	23%	23%	23%	26%	28%	23%	20%	24%	25%
Vivo	12%	13%	9%	6%	6%	12%	10%	10%	12%	12%
Realme	–	–	–	–	–	1%	3%	8%	7%	9%
Oppo	10%	10%	8%	6%	6%	9%	8%	7%	7%	8%
Others	38%	38%	38%	40%	31%	22%	29%	28%	21%	18%

India Smartphone Shipments Market Share



India Smartphone Market Share: By Quarter



India Smartphone Market Share: By Quarter

Considering the other phones like apple and nokia which comes under the premium market, product is the main factor of marketing strategy of apple. To gain market share, brand values, brand awareness and brand loyalty, product is the main factor. Nokia had a nostalgic marketing strategy. As the Nokia has more advantage on battery performance on heavy application use people tend to buy the nokia. At 1.7% in Q1 of 2019, Nokia is staring at its lowest volume market share in India. Last quarter, in Q4 of 2018, the brand managed to get up to 3.5%. Since Apple is paying 20% tax handset in the country, makes the products costlier in comparison with OnePlus and Samsung, which is major factor for the iPhone sales in India dropping around 40% in Q1 2019.

Conclusion-

In mobile industries different marketing strategies are used by different company to achieve one goal and that is to increase their sales which results into increase in revenue of a company. Apple uses its product as a marketing strategy, nokia is coming up with new models but while entering into the market they have used the nostalgic marketing strategy. While realme also use the product driven strategy. Companies like Samsung mainly use the skimming price strategy. Segmentation, targeting, positioning used in marketing strategy are used by Oppo. Companies are trying to acquire more customer using different marketing strategies and while doing that they are also creating the value of their product in the market.

References-

- A) "A Study On Marketing Strategy Of Apple Products"- M. Ugarthi Shankalia And, Murugan Ramu, 2018.
- B) "Re-Birth Of Nokia In 2017 - An Empirical Study Of Nokia's Nostalgic Marketing Strategy With Special Reference To A Pre-Launch Scenario In India"- Pawan Kalyani, 2017.
- C) "The Analysis of Xiaomi Mobile Phone Marketing Strategy"- Hanhui Huang, Niopat Jitphrasong, 2017.
- D) "Innovation And Competition In The Smartphone Industry: Is There A Dominant Design?"- Grazia Cecere, Nicoletta Corrocher, Riccardo David Battaglia, 2014
- E) "Strategies Adopted By Mobilephone Manufacturers To Attract More Customers In Smart Phone Industry"- Dr. Fareeha Zafar, Arooj Zahra, Ammad Khan,
- F) "A Study On Marketing Strategy Analysis Of Samsung Mobile" - P. Rajeswari, R. Aruna
- G) <https://Telecom.Economictimes.Indiatimes.Com/News/Wont-Waste-Money-On-Sponsoring-Sports-And-Mega-Events-Realme-India-Ceo/70294219>
- H) <https://Www.Communicationstoday.Co.In/How-Realme-Established-Itself-In-India/>
- I) <https://Www.Counterpointresearch.Com/India-Smartphone-Share/>
- J) <http://Www.Forbesindia.Com/Article/Special/Nokias-Smartphone-Woes-Persist/53425/1>
- K) <https://Dazeinfo.Com/2019/07/09/Apple-Iphone-Sales-India-2019/>
- L) <https://Brandyuva.In/2019/08/Marketing-Strategies-Of-Vivo.Html>