

# MARKETING OF CONSUMER ELECTRONICS

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## Abstract

In this research paper we will see the marketing strategies of the consumer electronics industry. What marketing strategies are adopted by most of the well known consumer electronics company like LG , SAMSUNG, APPLE, MICROSOFT, SONY in the market. Consumer electronics are the electronics used by everyone now and everyday.

## Keywords

Consumer Electronics industry, Consumer behaviour, Market research, Technological development, Promotion.

## 1. Introduction

Consumers plays the main role in your marketing business because they are the ones those who are going to buy your products so your busines remains uplifted. The main role in marketing is to understand that what consumers want and and try to fulfill their requirements . If companies continues to make products without innovating them and without creating a new market then they will keep competing within themselves and a consumer may switch to another brand where their needs might get fulfilled. So to prevent this loss the brand or company needs to understand the consumers requirements and choices in order to remain in hearts of consumers and in the race.

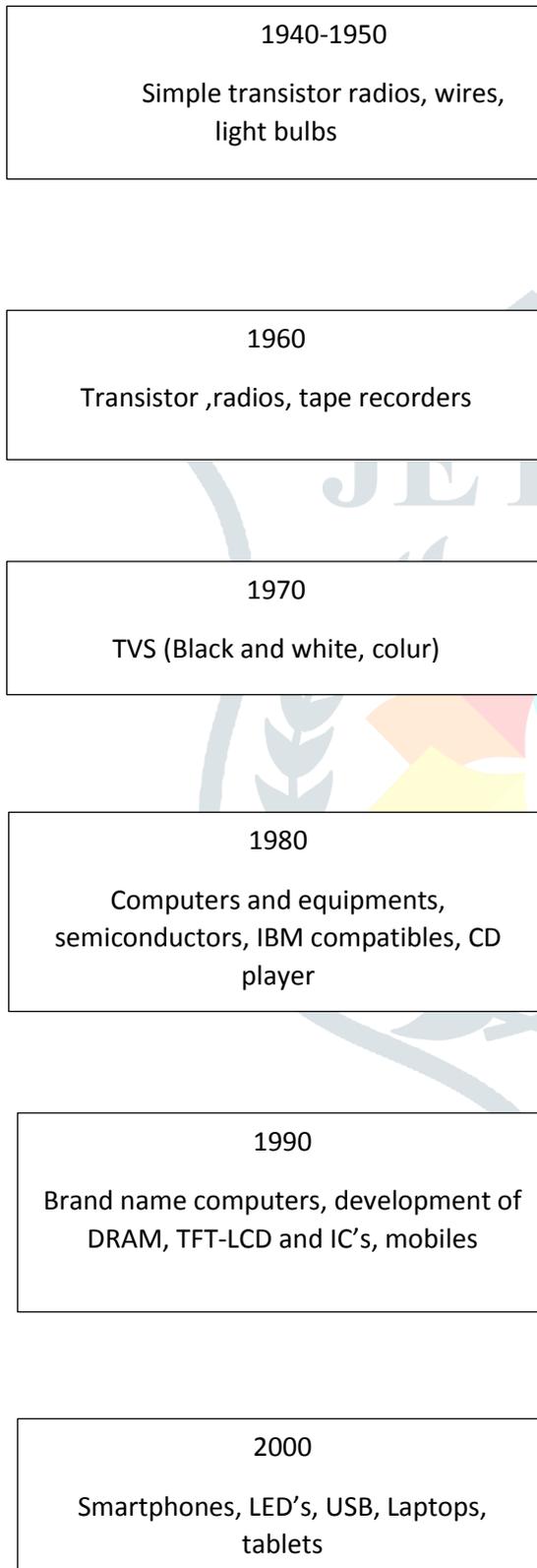
Consumer electronics are the electronic equipments used for everyday life. It includes all the devices which are used for entertainment, communication and home activities. The retailers use various strategies to increase the sales and to promote their brand in the electronics market to enter in the market and to compete with the other competitors in the cut-throat competition. It is basically brick and mortar physical retail store , online stores or both may be. So they adopt the marketing strategy both for the physical shop and online stores too through various schemes and offer applying the marketing mix in the proper way. Now the consumer electronic industry is based on digital technologies making the consumerization of digital and information technology.

### 1.1 History

Consumer electronics industry began in the 19<sup>th</sup> century where it starts from the radio, gramophones and the transistors then it got replaced with the small tv's which were used in the initials , then it got replaced with a bit larger version of it and then the DVD players were in the market and then the list goes on. The consumer electronics were first restricted to the

maintenance and development of communication system but now a large part of consumer electronics is now involved with digital technology. The consumer electronics industry were first government owned till 1984, then it witnessed the rapid growth of the electronics due to the sweeping economic changes in the economy.

## 1.2 Evolution Of Consumer Electronics



## 2. Reasearch Methodology

Research methodology is a specific procedures or techniques used to identify, select ,process and analyse about a topic. In research paper the methodology allows the reader to critically evauate a study overall reliability. We have used the secondary method for this research paper. We researched various articles relating to the consumer electronics, magazines, newspapers, and through online research. This paper includes both present and historical information . the objective behind the research paper is to study the marketing mix, and the factors affecting marketing of the consumer electronics in the market in india.

## 3. Marketing Strategies

As far as it is seen in today's world the consumers are mostly dependent on technology because they buy products online and all thanks to technological innovations. because of more increased innovations in technology it created a difficulty for the tech brands to take the business to next level. . Even in this innovative world most of the tech brands are still unknown to digital marketing strategies which can increase their sales. As per the recent research it concludes that the well techonogically planned marketing companies earns three times more profit than any other company and best part about this is it reduces the normal cost of marketing. the other strategy are

By understanding the market and the audience : it is very imporatant to study the market, survey the market. One should know the target audience they are targeting with the marketing campaign. Should study the electronic niches to target and by identifying the audience match their demand with right services

**Digital marketing** : it includes email marketing and social media marketing. Personalised email marketing is very important marketing tactics nowadays. Many marketers fear to been seen their emails as a spam but if right email marketing guidelines, assure a clean email which can reach your potential consumer.many businesses are investing in social media marketing to grow their audiences. Research shows that 67% of the customers are seeking support from social media platforms.

**Innovation** : Companies are increasingly spending on research and development which is stepping towards the innovation .

**Diversification** : Dealing in profitable segments like dealing in two diversified products like Xiaomi is dealing in smart tv's and mobile phones.

**Outsourcing of technology** : Being competitive in terms of technology on a global platform for the growth in the sector.

### 3.1 Marketing Mix

Marketing mix is putting the right mix of product, or a combination of the place at the right time, and at right price. It is also based on services provided, promotional strategies. The 4 p's is also the idea of marketing mix.

#### Product

A product is an item which is build to satisfy the needs of the customer. The product can be tangible and intangible in terms of goods or services online too. The quality of the product

also comes here. The product goes through various stages of the cycle like introduction, growth and maturity stage. When the sales go down it needs to reinvent the their product through repositioning and rebranding. The products under consumer electronics are televisions, speakers, Ac's, earphones laptops, smartphone,tablets, smart watches; household items like washing machines, grinder, refrigerator, iron; cameras;

### **Price**

While setting the price of the product marketers should consider the value that the product offers there are various pricing strategies like skimming pricing,(where it is the process of setting high prices, it comes from within the company) penetration pricing,(a strategy where businessmen attract the customers by offerings low prices at the initial. The lower prices indicates penetration of the market to take the customers away from the competition.) and neutral pricing.(where the prices are set by the general market with a normal competitive price.)

### **Place**

Product should be positioned and distributed in the place that is easily accessible to the buyers. The distribution strategies includes intensive, exclusive, selective, and franchising. The product should be positioned in the market by identifying the target market. Where the product should be is under the place as in the shops, online, brick and mortar store .

### **Promotion**

Promotion is done by boosting brand, recognition and sales . it includes public relations advertising, sales promotion. Promotion should be done to inform, remind the customer. It is done by advertising the electronics through TV ads, radio broadcasting, print media. Direct marketing is also done meas to generate a response in the form of an order.

## **3.2 Strategies Adopted By Various Company**

### **1. Marketing strategies of LG**

The marketing statergies of LG is very vast. It creates multiple products like mobile phones ‘ TVS’ washing machines. It has developed worlds 8k, OLED display 88 inches in year 2018. U-C LED which was developed by innotek in 2017 which gives worlds highest outputs . this are the new acheivements of the company.

### **Segmentation ,targeting , positioning, distribution strategy-**

Brands has segmented in the form of uses product uses like generation Y like smart phones home appliances and AC's used in urban nd semi urban regions.

This company ones wide variety of product portfolio therefore it has a presence in different segments in technology . This helps company to fulfill consumers need in different segments and target groups.

First the tagline of company was life's good and they changed it to its is possible this highlights the technical advancement of the company. And the best part is they offers eco-friendly artificial based solutions which also consumes less power.

LG group products are available in local and national market distributors such as redington , ingram micro which working in electronics as well as appliances industry . Company has large workforce like more than 220000 employees are working in LG worldwide. The company offers distribution through different network like wholesalers , distributors and also in case of e-commerce, corporate sales company owns sales team.

## 2. Marketing strategies of APPLE

Apple is largest brand in technology industry in brand ranking as well as generation of revenue. Apple introduces many products like Macbook, Ipod, Iphones, Iwatches and others .

### Segmentation, targeting, positiong and distribution strategy –

Apple targets major segments like lifestyle , purchasing power of buyer . so apple is most premium brand and is usually used in urban population.

Apple targets people who are music lovers ,professional, teenagers, and people who can use apple TV and apple watch.

When someone talks about smartphones or laptop that there is no doubt apple comes in mind of every customer because apple is the world's number 1 brand which is top in mind positioning and it is first brand which comes to minds of maximum number of times.

Apple has good retailing setup . They focused on helping customers and making them comfortable using these brand rather than other brand products. Apple has trade partners like ingram micro and redington who are responsible for sales and distribution of the apple brand. Online E-Commerce is also distribution channel of brand. Retail , e-commerce and distribution all the combination gives complete market setup , reach to the brand.

## 3. Marketing strategies of Microsoft

Microsoft American MNC is technology giant which make the life of people globally convenient, comfortable and technically adavnaced by offering them personal computers, consumer electronics and computer software.

### Segmentation , targeting , positioning and distribution strategy-

Microsoft uses two segmentations like demographic segmentation and behavioural segmentation.

As Microsoft has variety of products and service portfolio it uses mix of differentiated and undifferentiated targeting strategy.

Positioning of Microsoft is very good as operating system and several softwares are comes top in mind of custmoers in marke because of their brand value. But regarding Microsoft phones it might happened.

There is wide distribution channel offered by Microsoft for making their product available to customers and help to increase the visibility and awareness of the company.

#### 4. Challenges

1. 65% of the indian population is still lives in villages so they don't frequently use the electronics items.
2. Low awareness of consumer electronics in the rural India.
3. companies need to increase focus on product differentiation to address various segmental specific needs.
4. increase in price wars due to the entry of new players in the market
5. Maintaining Guarantee and warranty schemes. The customers got attracted to the services also so it is important to maintain it.
6. competitiveness in policy environment challeges are the cost of finance, power and a cost of disability of 7-8 %.

#### 5. Practical Implication

The practical implication here is applying various strategies to promote the brand image of the company, profit maximisation and sales promotion . For that the electronic company uses various methods such as :

1. **exchange offers** : we find various exchange offers in the electronic shops, online portal such as flipkart, amazon or in the malls during the Diwali seasons especially. For example, a household item like washing machine, one can exchange it in the offer running in the shop. Due to this, the consumer will get an opportunity to replace their depreciated or damaged goods which will be cost effective for the consumer as they can buy the new product with replacing it with the old one.
2. **stock clearance sale** : Many of the electronic shops give sale of stock clearance. Stock clearance is given on the special occasions like risk of spoilage, closing down of the outlet so the seller will try to clear the stock with a minimum profit or just to recover the cost or in some cases they sale even at loss just to clear the stock. Due to this, the buyer will get an opportunity to buy the product at a minimum cost during the sale. Marketing for clearance sale is based on seasonal fluctuations in demand is same as ordinary sale.
3. **Black Friday sale** : The latest sale observed is black Friday sale. To catch customer's attention after a great diwai sale retailers were gearing up to another awaited sale season i.e black Friday sale.This is a great opportunity to stand out and make e – commerce site more memorable.The players like vijay sales, acroma, phoenix market city offered cashbacks,

discounts upto 70% on Friday and some of them had it till Monday to catch the global market. Everyone gave discounting to the product but what makes a differentiation is a extra benefit like gift code, free shipping during the sale, easy returns, exchanges, or bonuses.

**4. Discounts and Offers :** During the festive seasons like Diwali, new year, or rainy sales many discounts and offers are being offered backed by strong marketing initiatives. Retailers feel that the margin pressure and the growth in sales can be achieved by from the deals and offers.

**5. Financing schemes :** The electronics leaders like LG, SAMSUNG, XIAOMI run zero finance schemes with no processing fees and interest charges on some of the products like TV, mobile phones, laptops, washing machines. Some of the company provides emi facility on their products, credit facilities through credit cards, etc .

## **6. Conclusion**

The power of technology is changing and developing fastly in the world. The consumer electronics gets evolved fastly due to the emerging technology .There are various marketing methods to change the nature of the brand. Marketing a brand is a pillar of every business. Most of the marketing ideas apply to the consumer electronics whether it is a start up or expansion. From this research paper we come to know the segmentation and target market and positioning (STP MODEL) most of the companies apply.

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