



INTERNATIONAL JOURNAL OF TRENDS IN EMERGING RESEARCH AND DEVELOPMENT

INTERNATIONAL JOURNAL OF TRENDS IN EMERGING RESEARCH AND DEVELOPMENT

Volume 2; Issue 2; 2024; Page No. 179-184

Received: 14-12-2023

Accepted: 29-01-2024

Study of different types of marketing strategies of mobile industries

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Abstract

Mobile industries experienced significant growth in the 20th century, driven by innovations in product design, software improvements, and enhanced performance features. Today, India is the second-largest smartphone market globally, following China. Effective marketing strategies are crucial for companies to meet sales targets and drive growth. In 2017, approximately 124 million smartphones were sold in India, with sales rising to over 161 million in 2018. This research paper analyzes the various marketing strategies employed by different companies in the industry.

Keywords: Mobile, marketing strategies, marketing, strategies

Introduction

In the current landscape, communication has undergone a dramatic transformation with the introduction of revolutionary technologies such as smartphones. The telecom industry stands out as one of the fastest-growing sectors within the Indian economy. This sector features a diverse range of participants, including both new entrants and established players with a longstanding presence in the Indian market.

The Indian telecom market clearly differentiates between high-core service providers and emerging brands. Notably, Indian companies are not only active within domestic markets but are also expanding their reach globally. The telecom industry in India commands approximately 15% of the overall market share within the Indian economy.

This research study provides an in-depth analysis of the smartphone market's potential within the Indian economy. It offers a comprehensive overview of this market segment by evaluating leading market players, their product offerings, and the strategies they have implemented. The study examines various factors influencing the market, including consumer buying behavior, market share, innovation, and product development.

Additionally, the research investigates the strategic

approaches adopted by different market participants, identifying factors that either facilitate or hinder their growth. The smartphone industry has witnessed significant expansion in recent years, with smartphones quickly becoming market leaders following their introduction in India. These devices offer unique user experiences due to their multiple features, such as ease of use, lightweight design, high-resolution displays, and the ability to perform a variety of tasks through a single device.

Historically, Indian consumers have been highly price-sensitive; however, this has evolved with increasing disposable income and improved living standards. Modern consumers demand more than just the traditional 4 Ps of marketing; they expect well-designed and executed strategies that capture their attention. Factors such as situation analysis, marketing tactics, budget, operations, and timelines are crucial in this context.

The urban market in India is growing and has reached a mature stage concerning feature phones, making it an attractive segment for smartphone manufacturers. Companies must establish a strong value proposition to appeal to potential customers. Furthermore, the rise of open-source operating systems and collaborative ecosystems is expected to significantly influence market dynamics.

Materilas and Methods

This section reviews the existing literature provided by various researchers, scholars, and analysts on the topic of interest. It synthesizes previous studies to establish a foundational understanding of the concepts related to our research topic.

First, it is essential to define marketing as a process involving several sub-processes: analyzing market conditions, planning accordingly, and implementing these plans effectively to achieve organizational goals. Successful marketing requires managing product prices competitively to meet organizational objectives (Kotler and Armstrong, 1987) ^[1].

Marketing strategy is a critical component for the effective operation and success of any organization. These strategies are developed through thorough market and customer analysis, and are subsequently implemented to achieve the organization's goals (Kotler, 1999) ^[2].

A marketing strategy can be understood as a structured approach to engaging customers and leveraging opportunities efficiently to maximize outcomes from limited resources (Baker, 2008) ^[3].

In the realm of online marketing, the internet serves as a primary channel. Online marketing is increasingly advantageous due to its lower costs, which can influence pricing strategies (Fleischner, 2007) ^[4]. Various forms of online marketing include email marketing, performance marketing, social bookmarking, banner advertising, and affiliate marketing.

Offline marketing, while less dominant today, remains relevant. Historically, offline marketing methods included print media and audio-visual advertising. Although online marketing has overshadowed many traditional methods, offline marketing continues to play a significant role.

Objectives

- Marketing Strategy of Smartphone Companies
- To study marketing strategies used in India by mobile industries.

Research Methodology

In any research project, the third section-Research Methodology-details the methods and procedures employed to carry out the study effectively. For this research, which focuses on smartphones and their marketing strategies in India, this section will outline the methodology adopted to ensure the research is conducted successfully.

This section will describe the specific techniques and approaches used to gather and analyze data, offering insight into how the research objectives were achieved. It will detail the processes involved in data collection, analysis, and interpretation, ensuring a comprehensive understanding of the methodologies that underpin the research.

Data Analysis

In this section, the research methodology will employ a case study approach to analyze two leading global smartphone companies: Apple and Samsung. The analysis will begin with a comprehensive overview of the global telecom industry, setting the context for understanding the broader market dynamics. Following this, the focus will shift to an in-depth examination of Apple and Samsung, evaluating

their marketing strategies, market performance, and competitive positioning. This approach will provide a detailed comparative analysis of the two companies within the context of the global smartphone market.

Industry analysis

This section will provide a comprehensive analysis of the smartphone industry in India. It will encompass a detailed examination of the industry's evolution, key market players, future prospects, and the critical factors that consumers should consider when purchasing a mobile phone.

Indian Telecom Industry

The telecom industry in India has a long history, but mobile services were introduced around 25 years ago. A significant turning point came in 1994 with the announcement of the National Telecom Policy. Initially, mobile phone adoption was slow, with approximately 0.05 to 0.1 million new subscribers added monthly during the first 5 to 6 months. By 2002, the number of subscribers had grown to 10.5 million. In recent years, there has been exponential growth in the number of mobile users, reaching approximately 500 million in 2018. It is projected that the number of smartphone users in India will exceed 800 million by 2022. Initially, the high prices of mobile phones placed them out of reach for the average consumer, leading to significant sales through grey markets. However, the situation has changed considerably. Government reductions in import duties have made mobile phones more affordable, increasing consumer interest in purchasing from authorized retailers rather than grey markets. This shift has led to a substantial decline in the dominance of grey markets in the mobile phone sector.

The mobile market has seen significant expansion over time. Initially, the market was dominated by a few key players such as Samsung, Motorola, and Ericsson. Over the years, several additional companies have entered the market, including OnePlus, Apple, Xiaomi (Redmi), Vivo, and LG, among others.

Smart phone and its Evolution

The advanced iteration of mobile phones, known as smartphones, offers a range of features not available in traditional mobile phones. Smartphones stand out due to their exceptional connectivity and diverse functionalities. They operate on various operating systems, each tailored to different devices, and include features such as web browsers, email access, QWERTY keypads, organizers, and touch screens. Essentially, smartphones combine the functions of a personal digital assistant (PDA) with those of a standard feature phone, catering to needs such as gaming, chatting, networking, and messaging.

The smartphone was first introduced by IBM in 1992 under the name Simon, followed by Samsung's next-generation model in 1996. Other prominent smartphone manufacturers include HTC, Apple, Samsung, and RIM (BlackBerry). Smartphones are categorized based on their operating systems into four main types: Symbian, Research in Motion (BlackBerry OS), iOS, and Android. Microsoft also developed a category initially known as Windows Mobile, which later evolved into Windows Phone, though it is now less prevalent. Globally, the telecom market has experienced

substantial growth, though this growth has been relatively slower in India compared to European and American markets. However, as smartphone prices continue to decrease rapidly, a growing number of consumers are shifting their focus towards these advanced devices.

Market Players

Several companies dominate the smartphone market, including Samsung, Apple, OnePlus, Vivo, OPPO, and Xiaomi (Redmi).

Samsung: As the leading smartphone company in India, Samsung holds a significant market share of 24%. Despite a slight decline due to the entry of Xiaomi, OPPO, and OnePlus, Samsung remains a dominant player in the Indian market. Its smartphones run on the Android operating system and are well-regarded for their reliability and brand trust.

Apple: Renowned globally as a major computer and technology giant, Apple has also made its mark in the smartphone industry. Known for its seamless user experience, Apple's smartphones operate on the iOS operating system. Apple was the pioneer of the touchscreen iPhone, which combined the functionalities of an iPod and a phone. However, the iPhone faced challenges in India due to the complexity of its touchscreen interface.

OnePlus: This brand is favored for its durability, high-quality camera performance, and octa-core processors. In recent years, OnePlus has faced challenges with poor marketing strategies and high pricing compared to the features offered.

Vivo: Operating on the Android OS, Vivo is popular for offering affordable smartphones, typically priced between ₹10,000 and ₹15,000. While its devices are user-friendly, they often have a shorter lifespan, averaging around 12 to 15 months.

OPPO: OPPO gained prominence through its sponsorship of the Indian Premier League (IPL). Also running on the Android OS, OPPO provides cost-effective smartphones with essential features, catering to a wide range of consumers.

Uses of Smart phone

A smartphone is a versatile device that integrates multiple functionalities into a single compact package. It serves as an all-in-one tool for various applications, including gaming, web browsing, and direct internet access. Beyond these primary functions, smartphones offer additional features such as music players, high-resolution cameras, Wi-Fi, Bluetooth, and more. They also include several built-in tools, including a calculator, calendar, notepad, currency converter, address book, and video calling capabilities. Additionally, smartphones support a range of applications that enable users to book train, flight, and hotel reservations online, manage their accounts, track investments, and handle personal bills and finances.

Factors to be taken into consideration while buying a mobile phone: The selection of a mobile phone is highly personal and varies from individual to individual. However, there are several common and essential factors that most people consider when choosing a smartphone. The primary factor is the price, which must fit within the individual's budget. Other important considerations include the phone's design, the features it offers, the operating system it supports, its weight, battery life, and size. Additionally, the supported technology—such as GSM, LTE, or VoLTE—along with whether the phone supports single or dual SIM modes, can influence the decision. Brand reputation also plays a significant role, as many consumers prefer to choose a trusted and reliable brand.

Future of smartphone: The smartphone industry has experienced significant growth in recent years and is anticipated to continue expanding at an accelerated rate in the near future. Currently, India ranks second globally in the telecommunications sector, with China leading the market. The Indian telecom industry is poised for further growth with the introduction of more affordable mobile phones that support 5G technology. While 5G-enabled smartphones are currently available only at higher price points, it is expected that such devices will become accessible to a broader segment of the market by 2022. As the younger generation increasingly embraces internet and technology, there is anticipated growth in demand for smartphones and the integration of Artificial Intelligence.

Revenue and earnings in the smartphone industry are projected to see substantial increases over the next five years. This growth is driven by heightened interest from various companies seeking to capitalize on higher profit margins. With the telecom sector reaching rural areas, there will be a growing demand for handsets that offer essential business features at affordable prices. The industry saw revenues of approximately INR 550.05 billion in 2016, up from INR 255.91 billion in 2010. Since 2016, the smartphone market has expanded significantly, with user numbers approaching 500 million and expected to exceed 895 million units by the end of 2022.

Case study of Samsung

This section presents a comprehensive case study of Samsung, aimed at analyzing the company's perspectives and marketing strategies that have propelled its success in the Indian telecom market. The analysis includes a SWOT assessment to evaluate Samsung's strengths, weaknesses, opportunities, and threats, a PEST analysis to explore the Political, Economic, Social, and Technological factors influencing the company, and an evaluation using Porter's Five Forces model to understand the competitive dynamics within the industry. Together, these analyses provide a thorough understanding of the strategic factors that have enabled Samsung to achieve and maintain its prominent position in the Indian market.

Company overview

Samsung, a longstanding telecom manufacturer based in South Korea, was founded in 1938 by Mr. Lee Byung-chul.

As a multinational corporation listed on the New York Stock Exchange (NYSE), Samsung entered the Indian telecom market in 1969, coinciding with the industry's inception in the country. Despite the challenging conditions of the time-when mobile phones were costly and call rates were high-Samsung's aggressive strategy facilitated its growth. The company's commitment to innovation and market expansion allowed it to navigate these early difficulties and establish a significant presence in the Indian telecom sector.

Samsung and Indian Smart phone industry

Samsung has adeptly understood the preferences of the Indian market and has tailored its handset offerings to meet diverse consumer needs. Recognizing that smartphone users generally fall into three categories-information seekers, entertainment enthusiasts, and communication-focused individuals-Samsung has strategically launched various models to cater to each segment. The company's approach began with the introduction of the SGH-100 in India, which was well-received and marked the start of Samsung's successful penetration into the Indian telecom market. This targeted strategy has enabled Samsung to address the specific desires and requirements of different user groups effectively.

Variety of handsets launched: Most common series of smart phones by Samsung are Galaxy S series, Galaxy Note series, Galaxy Grand series, Galaxy A(Alpha) series, Galaxy M (Mellenials) series.

PEST analysis

PEST analysis throws light on four prospects which are political, economic, social and technological respectively. The PEST analysis of Samsung is presented in this section.

Political: Under political constraints, Samsung had to take these into consideration in the launch of 4G which is a revolutionary change in telecom industry.

Economical: Economical factors are important to keep into consideration because its downfall will somehow lead some negative impact on sales.

Social: Samsung has tried to manufacture sets according to requirements of people fulfilling the social constraint.

Technological: Samsung had always been technically advanced and continued to be meeting the expectations with its new and innovative handsets.

Analysis through Porter's model

The analysis of market competitiveness and attractiveness is conducted using Porter's models. First, Porter's Generic Strategy Matrix is employed, which outlines three core strategies for achieving market success: Segmentation, Differentiation, and Cost Leadership. The Segmentation Strategy is broad in market scope, whereas Differentiation and Cost Leadership are more focused, with Differentiation offering unique value and Cost Leadership emphasizing low operational costs. Second, Porter's Five Forces Analysis is applied to evaluate Samsung's market dynamics. According

to this framework: the threat of new entrants is low due to high barriers to entry; competitive rivalry is high, reflecting intense competition; the bargaining power of suppliers is moderate, indicating a balance of influence; the bargaining power of buyers is also moderate, influenced by brand and product differentiation; and the threat of substitutes is low, with few alternatives that match Samsung's offerings in quality and features.

SWOT Analysis

SWOT analysis is a fundamental tool for assessing an organization's internal and external environment. It examines four key elements: Strengths, Weaknesses, Opportunities, and Threats. The SWOT analysis for Samsung is outlined below:

Strength: In India Samsung is the leading brand having the highest market share. Its relations with customers and having largest network for selling and distribution are its major strengths. It has a past of above 90 years in telecom industry which is also one of its strengths showing its investment in R&D.

Weakness: Major drawbacks faced by handsets of Samsung are that they lack in style, slow in technological advancement and adoption, heavy in weight, supports Android operating system, quad core processors, comparatively bad voice quality and lesser user-friendly interface as compared to other phones such as Apple.

Opportunities

There are many opportunities for Samsung as the technology is continuously advancing and this is the main point where the company lags. So, it should try to be as technologically advanced as possible. It can also work out with the looks of its handsets so as to make them more stylish. Then they can also try to enter into some newer markets.

Threats: The major threat to Samsung is of the Chinese handsets which are offering features similar to those of Samsung's handsets and are offering them at relatively cheaper prices. Some more phones of lower prices are offered by OPPO also.

PLC of smart phone of Samsung

Various phases/stages in the lifecycle of any product are presented under the PLC. These phases or stages of Samsung smart phone are discussed below:

Development Stage: In the development stage the product that Samsung is about to launch is displayed a week before that so as know the feedback of people over the product and to feed it into their knowledge.

Growth Stage: The growth of Samsung is also seen to be appreciable as the sales and margin for them are high which points out to the fact that the demand of Samsung's product is good.

Maturity Stage: This stage focuses on the success of the product which is good for Samsung's products as it is

mostly seen doing minor changes of colors and some other small features so as to extend this stage.

Decline Stage: The decline stage is the thrown-out stage of any product where its place has been overridden by some other newer products and in this stage Samsung starts working with newer and technologically more advanced products.

Marketing and formulation of strategy

Samsung is a prominent and well-established brand in the Indian mobile phone market, making its marketing strategies crucial for maintaining its success. The company's approach focuses on leveraging its current strategies, handset production, and expanding its business geographically. Samsung employs a price skimming strategy for its smartphones, initially setting high prices to target early adopters before gradually lowering them to attract a broader market.

In 2006, a survey ranked Samsung as the 6th most valuable and influential handset brand globally, and by 2016, it had risen to become the third-largest smartphone seller worldwide. To thrive in the Indian market, Samsung adapted its strategies to meet local needs, including designing handsets specifically for Indian consumers. This customer-centric approach, combined with extensive promotional efforts for new product launches, has significantly enhanced public awareness of its offerings.

Samsung has also made substantial efforts to make its products accessible to rural populations, thereby increasing its market reach and popularity. The following analysis covers the Four P's-Product, Price, Place, and Promotion-that are fundamental to Samsung's marketing strategy.

Product: There are a huge variety of products as offered by Samsung and these possess many features and also are available in multiple designs which made Samsung to be such a successful brand of date.

Pricing: The pricing of products are also kept quite reasonable which made them accessible to major population in India. The range of products is between INR 12000-50000 which has been fixed keeping in mind the purchasing capacity of Indian people.

Promotion: It works hard for the promotion of its products and is done via TV, bill boards, newspapers, posters, dummies, etc. Some distributors were also given training for their promotion.

Place: Samsung has reached to a normal man and its products are readily made available to its customers via a process of company to distributors followed by redistributors and then ending up with customers.

Marketing strategies

There are numerous marketing strategies which are adopted by Samsung and are discussed below:

Cost Differentiation

Samsung's pricing strategy is notably competitive, making its prices difficult for other brands to match. By maintaining

reasonable pricing, Samsung effectively pressures competitors to either lower their own prices or adopt less favorable strategies. This approach not only solidifies Samsung's market position but also creates a challenging environment for rivals, often resulting in beneficial outcomes for Samsung.

Product Differentiation

In order to keep in reach of customers and to stand still in front of customers, the company started its own electronic stores with almost every electronic appliance available in the world. This was done because it is believed that by 2014 the downloading of applications from stores directly would hike up to \$6.67 billion. It has always lacked in the adoption of any technology in time so it signed up with Microsoft.

Case study of apple

This section gives the case study of the company Apple. Its detailed discussion is presented here. Some points which are focused are the SWOT analysis of the company, its marketing strategies, factors which lead to the failure of this company in India.

Company overview

Apple Inc. is a very well-known brand worldwide and is a multinational company based in America. It gained the actual pace and height of its growth since past 20 years. This company was founded by Mr. Steve Paul's Jobs who is the existing CEO of the company along with some of his friends or colleagues. The era that the company covers is the manufacturing as well as marketing of laptops, mobiles and also music players and associated software. Leading products which took the world towards newer technology of smart phones are the iPhone and iPod of Apple which have their remarkable position. The company has entered into various other parts of the same market as it also sells some other accessories such as head phones, speakers, printers, and application software and storage devices.

Marketing Mix

Products There are numbers of products launched by Apple. The most recent and advanced products in the category of iPhone which are iPhone 12, iPhone 12 pro, and iPhone 12 pro max. These are quite popular in the international market. They have their variable prices of 89k,1.07lakh, and 1.27lakhs respectively.

Promotion In America the promotion of its products is done by Apple itself and is started at least a month before the product was about to launch while in the country of our concern India, these promotional activities are not done by Apple itself. This work was handed over to its license holders such as Airtel and Vi ltd (Vodafone-Idea). Methods adopted by these organizations for promotional activities are printed advertisements and billboards. Airtel promotes the product of Apple by Airing its commercial advertisements on TV for a month while Vi ltd. uses mobile bill envelopes in order to make consumers aware about the product (Mehra and Ghosh, 2008)^[5].

Price and Place The pricing for different products of Apple are comparatively higher and it chose Airtel for its products' promotion in India. There was no clarity of prices among people about the iPhone 3G model and are promised to be in

between the range of 31000 and 36000. The most recent iPhone launched i.e., iPhone 12, 12 pro and 12 pro max are priced at 89 thousand to 1.20 lakhs. When the selling of Apple products is considered, they were sold at the same as that fixed by Apple which left them with zero profit earned (Kanzode and Mankotia, 2008) [6]. A monthly investments facility is also made available by Vi ltd. to its customers by doing a tie-up with some banks such as ICICI, and Axis Banks on 6 to 12 months basis.

SWOT analysis

Strength: As far as strengths of Apple are considered, they are its best operating system (iOS), its best touch screen feature, is stylish and modern looking phones. Recently it launched its multiple touch screen feature which is the only one of its types. The basis of marketing for Apple is online, i.e. via internet with the help of which the company was able to make savings of nearly 400 million and the customers of Apple are very loyal which adds up in to its strengths a lot.

Weakness: There are many weaknesses those Apple possess as far as Indian market is considered. Numbers of stores selling dedicatedly for Apple are very less. Battery backup of these mobile phone are not very appreciable. Since the prices of its products are higher, then the drawback is that these products are not available in grey markets also.

Opportunities: As this company is has been continuously popular for its attractive and innovative features in handsets. Latest it launched its MacBook pro which are easy to operate and understand and can generate more customers. It is the very first company to incorporate the internet access in phones and also 5G features which are going to be the maximum demanded ones in the nearby future.

Threats: Samsung, OnePlus and Google are the companies which are offering major threats to Apple because they are making iPhone available at comparatively cheaper rates. There is one more threat for this company which is the contravention of trademark between Cisco and Apple and this can hinder the growth to certain extent.

Reasons for failure in India

A significant factor contributing to Apple's struggles in the Indian market was its decision to entrust Vi Ltd. and Airtel with the responsibility of selling and promoting its products. These companies lacked experience in handset retail and had limited connections with the distribution network in India. Additionally, Apple's strategy of restricting sales to its exclusive stores hindered its reach, making its products accessible primarily to the upper-middle and higher classes. The high cost of Apple's products further alienated potential customers, exacerbating its difficulties in the price-sensitive Indian market. This underestimation of the Indian market's potential has been a considerable obstacle, impeding Apple's growth and future opportunities in one of the world's most rapidly expanding markets (Mehra and Gupta, 2008) [5].

Conclusion

In the introduction, we outlined the project's objectives, the smartphone industry, and the research methodology. The literature review covered marketing strategies, smartphone functionalities, and the significance of innovation. Following this, we detailed the research methodology. The analysis consists of three parts: first, an industry analysis focusing on the Indian telecom sector and the smartphone market; second, a detailed examination of Samsung, including its market overview, segmentation, and Porter's Generic Strategy Model; and third, an analysis of Apple, highlighting the company's overview, its competitors, and the reasons behind the iPhone's limited success in India. The conclusion synthesizes the findings on the smartphone markets for Samsung and Apple.

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