

# Marketing Strategies Adopted to Capitalize Smartphone Market by Chinese Smartphone Companies in Pimpri Chinchwad Area

Thomson Varghese & Dr. Riya Doshi

Indira College of Commerce and Science, Dhruv, 89/2A, New Pune - Mumbai Highway,  
Tathwade, Pune. 411033

Dr. D. Y. Patil Arts Commerce Science College, Pimpri Sant Tukaram Nagar, Pune – 411018.

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## ABSTRACT

*In the last few years the smartphone industry has seen a tremendous change and demand for smart phones has gone very high. With the change in communication medium, updated technology and affordability the quantity of sale for smart phones have gone high. The demand of these smart phones can be seen on large scale among the young generation. These youth form almost more than 60% of the Indian population. These young Indian need updated smartphones but at cheap prices. Chinese companies have capitalized the Indian mobile phone market with launch of various models in affordable price category. The study is related to growth strategies adopted by Chinese mobile companies for expansion in PCMC area.*

**Key Words:** Smart phones, strategies, Chinese mobile phones, Indian market, Pimpri.

## INTRODUCTION:

Technology has become an indispensable part of the modern era. It has become a part of our daily life and it has tremendously reduced the gap of communication in this fast era. With the growth of country comes demand for high tech gadgets and products. India is the country of youths, this youngsters has a high demand for these high tech updated gadgets. This demand is what the Chinese company capitalized. Decade ago Smartphone was labeled with a high price that counts it out of reach of the middle wage family and people. In India the share of household with middle wage are apparently high, with a tight budget in India owning a Smartphone at that time was a dream. Seeing people craving for highly technology bliss Smartphone, Chinese top companies commanded their way in India's market with top rated quality and middle range successful pricing. The introduction of Smartphone has changed the way we use communication devices and the way we used the communication system, the telephones are no more a conversing thing as Smartphone allow but allow one to be updated with the use of internet and captures moments through cameras. These Chinese phones have witnessed a tremendous demand from the craving earning India. It has now become a basic necessity of our daily life.

One growing market for the mobile is PCMC area. Being the Centre for education, information technology large numbers of young immigrants have settled in Pimpri Chinchwad area. These youth have craved for technology and like to keep themselves update with the same. The number of vendors for these Chinese products have risen tremendously in comparison to the last few years. The study is made to understand the marketing strategies and the reasons why Chinese phones found demand and growth in India industry specially PCMC area.

## Objectives of the study:

1. To study strategies used to capture the smartphone markets in Pimpri Chinchwad area by Chinese mobile company.
2. To study advertisement medium used apart from television & radio.

**Research Methodology:** A survey of few mobile vendors in PCMC area was made where Primary data was collected from vendors. Data was also collected from customers who purchased these phones and from customers who were considering purchasing these mobiles.

## Analysis & observations:

Based on the Primary data collected from vendors through interview from convenience sampling method and from customers the following inferences are collected:

- **Sponsoring various festive programs and show etc.:** Companies like OPPO, VIVO, Xiaomi, Gionee etc. sponsors various events arranged in and around the area. This has created an image in the minds of the customers about the product and has induced the customers to the product. Various activities and events of students and children are also sponsored so that the image is also created among the young minds also. Mega sports events like IPL, Pro-kabaddi, and ISL etc are sponsored by these

companies creating a brand name in the minds of the customers. This demand can be seen when the customers visit the store to purchase or check out a phone.

- **Advertisement hoardings & flex:** Large scale advertisements are also made by these mobile phone companies through various media. Hoardings and flex are used on large scale to promote new models of mobile phones. Electronic hoardings are used in various junctions of pimpri area. These advertisements are creatively designed to attract customers.
- **Discounts and commissions:** vendors are attracted by these Chinese companies by way of large scale discounts and commissions on sale of various models. These discounts are also endorsed to customers by way of discounts thus customers being ready to pay for the models.
- **Renovation expenditure: many stores were renovated by the mobile companies.** The whole expenditure of the renovations was borne by the mobile company thus the vendors promote the sale of products of these companies. To endorse the brand of these Chinese companies the company also pays rent to these vendors. Thus the vendor are in profit since the whole store is renovated and the store vendors receive rent for brand endorsement.
- **Availability of spare parts:** availability of spare is also one of the important thing customer's checks before considering the final purchase of the product. Spare parts of these chinese mobile phones are made available easily and at cheap prices. So deterioration or loss by accident can be replaced by this availability of spares. Availability of spars is very easy in pimpri area. Repairs and maintenance of these phones are also very cheap.
- **Multiple phones in small price brackets:** Chinese companies rule the market due to the availability of multiple products in same price category. One company has multiple models in same price brackets making it convenient for the customers to choose from available options.
- **Cheap pricing strategy:** multiple models are available at cheap prices with full packed features making the customer feel value for money.
- **More features at less cost:** Chinese mobiles like OPPO, VIVO, xiaomietc provides high end features and best quality at low prices. Chinese mobiles provide high end features at cheap prices which is provided by other companies at high prices.
- **Freebies:** Freebies are always an attraction in the Indian market and have always been the one of the factor for promotion and large sales. During low sales or slag in the sale these companies provide freebies with mobile phones. Freebies like accessories, vouchers, free sim card with full talktime, etc. these become an attraction for the customers for purchase and thus enhance the growth of these mobile companies.
- **Festive offers and understanding the Indian demand:** festive seasons or days are considered good for purchase of products by indian customers. Indian market see tremendous sale at the time of festive seasons like Diwali, makarsankrati, Daserra, gudipadwa etc. these companies understand the Indian market and launches of new products are usually done during these festive seasons. Large discounts and offers , freebies are also given during these festive seasons attracting the Indian customers.
- **Lack of competition from Indian brands:** One reason for the growth of these Chinese companies in indian market is the lack of competition by Indian companies. The MAKE IN INDIA project initiated by our prime minister can be used and new quality developed indian mobile product need to be developed so that there can be want for Indian products also.

**Suggestions:** Even though the Chinese brands are making good in the market , has created employment and entrepreneurship development , it is drain of Indian money to foreign land. So this should be considered before purchase of Chinese mobiles. Even Indian manufactures should come up with innovative ideas and models and should promote swadeshi products.

**Conclusion:** This study has shown the strategies adopted by chinese mobile companies to adapt and attract the customers in pcmcmarket area. These companies have studied and understood the need of the market the customer and have acted to the same which has resulted in capitalization of market and growth. The growth of chinese smartphones have also given employment opportunities to many , it has become a platform for entrepreneurship development. But is this development or growth of chinese mobile market a boom or a curse for the indian manufacturing is something which needs to be thought about and acted on.

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**A successful man is one who can lay a firm foundation with the bricks others have thrown at him.**

**~ David Brinkley**