

SWOT analysis and Countermeasures of India market environment for domestic mobile phone

Yumei Chu^{1,*}

¹Beijing Institute of Fashion Technology, Beijing, China

*email:1669341879@qq.com

Abstract. In recent years, smart phone market is almost saturated in China, their profit margins increasingly narrow, the major mobile phone companies have been looking for emerging markets. India is regarded as the next blue sea space because of the huge population accompanied by the very low penetration rate of intelligent machines. Only in-depth and meticulous research and analysis of enterprise marketing environment, they accurately and timely grasp the needs of consumers and recognize the advantages and disadvantages of the environment in which the enterprise is, SWOT analysis covers not only advantages and disadvantages of domestic smart phones differ from India, but also consider the opportunities and challenges of the mobile phone market into India. This paper is mainly from the technical level of domestic mobile phone, the degree of economic development in India, the maturity of the electricity business, patent barrier and mobile phone market competitiveness and so on to analyze the Indian mobile phone market. This article attempts to use this method to provide theory Guidance and experience for domestic mobile phone into India.

Keywords: Indian smart phone market, Competitiveness, Domestic mobile phone, SWOT analysis, marketing strategy

1 Introduction

With the further acceleration of the internationalization process, the international competition to become the norm. To face of the embarrassing situation of saturated domestic mobile phone market, the major mobile phone manufacturers must campaign overseas. Now India's entire country is experiencing the rapid development of urbanization and informationization. Although India's current telecommunications infrastructure in the underlying market is weak, it is a good opportunity for companies to quickly enter and grow, and it is a potential foreign markets, Analysis of India mobile phone market environment is imperative.

2 SWOT analysis

2.1 Advantage analysis of domestic smart phones

China's smart phone are gradually improved from the design or internal functions, has rich design and diverse innovation, a large number of models, look more stylish and elegant, large screen, full touch screen, Ultra-thin fuselage and equipped with 5 million, 8 million pixel high-definition. users can not only enjoy the daily call, send and receive text messages and so on traditional Communication services, also can download third party software through the mobile phone operating system. Through wireless network the Internet is convenient whenever and wherever possible. with the world's top hardware configuration but easy to be used, Gradually become the object of young people sought after.

2.2 Weakness analysis of domestic smart phones

2.2.1 Quality and safety risks

Most smart phones existence some problems such as short standby time, slow speed and battery cooling function is not good in China, many users worry and anxiety for technology and quality problems of intelligent mobile because of Samsung mobile phone explosion incident in 2016. In addition, Now though the intelligent mobile phone is powerful, Ali-pay, We-chat online payment is convenient, but these have greatly increased the possibility of disclosure of user information, these all belong to the personal privacy of users, existent many security risks.

2.2.2 Localization disadvantage

Though India is a heavily landed, the competitive environment is relatively complex, domestic mobile phone into India, not only to resist siege from Samsung, Lenovo, such as domestic well-known brands, in addition, there is a powerful force can not be ignored, that is the natural advantage brought by localization. In India, the strongest local mobile phone manufacturers are undoubtedly Micomax, Intex, Lava, they are more familiar with the market, channels and user needs. India's economic conditions are lagging behind, their brand positioning is generally low, the main second and third tier cities, so India's ordinary people will choose the local mobile phone brand. Which Micomax in the local government's policy support, gradually developed into India's largest mobile phone manufacturers.

2.3 Opportunity analysis of domestic mobile phone in Indian market

2.3.1 Economic support

In the Asia-Pacific countries whose mobile Internet development prospects, India is undoubtedly the most representative country. The World Bank's per capita GNI report for 2015 shows that India's per capita national income is \$ 1,590 less than a quarter of China's per capita national income. However, its per capita GDP has risen rapidly in recent years, from 4.3% in 2012 to 6.3% in 2015. The current India has become the world's fastest growing emerging markets and large economies.

2.3.2 patent threshold is low

Selling mobile phones in overseas markets, inevitably risking the risk of serious patents. Compared to Europe and the United States patent barriers, India's threshold will be much lower, but the major foreign companies want to loopholes in this hole is undoubtedly a great risk. An important reason of domestic manufacturers choose India as the first stop of the sea is that the patent threshold is relatively low.

2.3.3 India smart phones showing a rapid growth trend

According to the Pew survey, only 17% of India's 1.3 billion people they are 220 million Indians using smart phones, and more than one-fifth of people do not even have mobile phones. Nowadays, India's mobile phone market is in a time of replacement, people are no longer just for the need to buy mobile phones, they are looking for a higher quality of life, Consumer survey data show the users of Micromax mobile phone Who will have the highest willingness to Replace the phone, 38% of the brand interviewed users said that they are likely to replace the new machine. On the contrary, only 16% of the Xiaomi mobile phone users are likely to replace the new machine within half year. India is now in the conversion period from functional machine to intelligent machine.

IDC data, "quarterly mobile phone tracking report" from the market research firm International Data Corporation pointed out that in the first quarter of 2016, India's 4G smart phone shipments are 15.4 million, Compared with the same period last year increased by more than 6 times. The second quarter of the same year, India's smart phone sales is a sharp increase in total shipments reached 27.5 million, growth of 17.1%. In addition, from the following trends can also be seen, the Indian market demand for mobile terminals increased year by year, although the functional machine occupies the vast majority of the market share, but has shown a downward trend; and intelligent machine market has maintained rapid growth, the formation of a huge contrast, the smart machine market will be the market main force of India in the future. There are expected that India's smart phone will usher in the explosive growth in 2017, by 2018 mobile phone shipments will reach 369 million units.

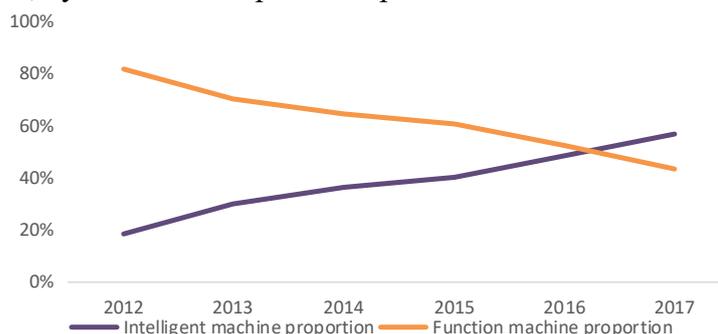


Fig.1. the trend of Indian market intelligence machine and functional machine accounting for (2012-2018)

Source: Rising Sun Mobile Terminal Industry Research Institute Finished data calculated.

2.3.4 India is the next generation of low-end smart phone market

In recent years, although the growing income of Indian residents, but the economic conditions of the masses are not rich, which means that they once bought mobile phones are very cautious , They chose the phone Cost-effective must be high, especially like mobile phones, computers such electronic products, domestic mobile phone to India, we must first learn to play cost-effective.

According to the Indian mobile phone market consumer survey report, in India, consumers are more popular in the price of 5K to 20K rupees between the phone, the popularity of up to 74%. In addition, from the India mobile phone market products distribution, functional machine users accounted for 48% who use of \$100 or less , 43% of users use the \$100-250 mid-range phone, only about 9% of users prefer high-end mobile phones more than \$250. India's smart phones in the future low-end market can not be underestimated.

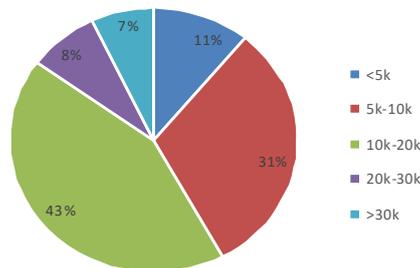


Fig.2.The proportion of the price range of India mobile phone users

Source: 2015 India mobile phone market consumer survey report

2.4 Challenges of domestic mobile phone in India

2.4.1 Backward economy

India as a developing country, although the rapid economic growth, but due to the large population base, uneven development, the gap between rich and poor, the vast majority of the population are poor, lack of spending power.

2.4.2 Indian electricity business channel is not yet mature

Into an emerging overseas markets in India, most of the domestic manufacturers to choose to sell mobile phones online, because the cost of online channels is much lower than the laying of the retail line. Unlike China, There are only Telecom、mobile and China Unicom three operators, Mobile operators market in India can be said to be split, in addition to Airtel, Vodafone two giants occupy about 40% market share, the rest of the market carved up by the 9 operators. In India's major cities, the most commonly used communication network is only 2G/3G network, 4G network rarely seen, Indian electricity business channel is not yet mature.

Although the network penetration rate is very high in India, but due to the limited living conditions and living environment, PC clients are very few. For domestic Internet brands, the traditional Online B2C sales model is difficult to be used in India.

2.4.3 Analysis of Indian Mobile Market Competitiveness

At present, the Chinese mobile phone achieved extraordinary performance in India. Data from a research firm in India show that Chinese mobile phone manufacturers in October 2016 in India's most important 30 cities won 40% of the market share.

The first half of 2016, China's mobile phone brand began to force and rewrite the pattern of the Indian mobile phone market. in India's best-selling brand list, although Samsung's market share in China has fallen out of the top five, different from the India market, Samsung has rooted in India for many years, advantages of offline channels is obvious , so it has been in a leading position in India.

Huawei has always stressed that the high-end market and not optimistic about the low-end market ,on the contrary, Samsung as the world's only rival brand in the high-end market with Apple, but not underestimate the low-end market in the Indian market launch thousand yuan mobile phone. Lenovo as a domestic mobile phone, the best brand ranked second in India and millet rankings comparable. Micromax is all the way down, and Letv and coolpad as a new brand, jumped to the seventh and ninth, While Sony, Huawei, Nokia and ASUS is out of the top ten list. Domestic mobile phone manufacturers market share rose as a whole in India. Today, the Indian market has basically formed Jin Li, vivo, Lenovo and so on Chinese brands and Samsung and India's local brand such a tripartite confrontation situation.

Table 1. india mobile phone brand best-selling ranking change table

2016 H1 Best selling rankings	Brands	Compared to 2015 H1
1	Samsung	constant
2	Lenovo	Up 2
3	Millet	Up 2
4	Micromax	Down 2
5	HTC	Down 2
6	ASUS	Up 1
7	Letv	New
8	Intex	constant
9	Coolpad	New
10	Gionee	Up 1

Source: 2016 Indian mobile phone market analysis report

3 Conclusions

With the domestic mobile phone market saturation, India become the favorite overseas hot market because of its large population and huge consumption potential, but any overseas market internationalization will face grim challenge, patent issues,disadvantages of localization , the choice of channel issues are especially prominent, in addition, in the face of strong competitors such as Samsung, apple and local manufacturers, Chinese manufacturers want to have outstanding market performance, Must seriously study the countermeasures to deal with the problem.

4 Countermeasures and suggestions for domestic mobile phone into the India Market

4.1 Countermeasures and suggestions for localization

To open up overseas markets, the localization problem is the key, Chinese enterprises want to gain a firm foothold in India, on the premise of respecting local culture custom, Can set up subsidiaries and factories in the local. gradually realize the product localization, management localization, human resource localization and localization of research and development.

4.2 Countermeasures and suggestions on patent issues

There were a lot of domestic mobile phone who Suffered patent litigation in India, such as millet and Ericsson, their patent reserves are very limited,the same as the Chinese manufacturers, R & D capability of HUAWEI is well known, the patent reserve is abundant, enterprises should strengthen technological development and innovation ability, at the same time, increase patent reserves, improve their core competitiveness , strengthen the cooperation between each other, Help each other on the patent issue, strengthen competitiveness of Chinese mobile phone manufacturers.

4.3 countermeasure and suggestion of channel problem

The construction of technical facilities in India is backward relatively , to establish a comprehensive sales channels need time, that is not only difficult and the cost is too high, Chinese manufacturers can to cooperate with local sales channels in the early days ,to building their own sales channels with the improvement of infrastructure . Unlike China, India electricity supplier channels are not yet mature, they can take a combination of multiple channels.

4.4 Competitive assault

In the face of many competitors, domestic mobile phone should make full use of Own advantages, learn from each other. Face high-end brands such as apple and Samsung, Chinese mobile phone price is particularly prominent, in India, the economic development lags behind,The residents' consumption ability is limited,Price is the focus of the pursuit,most consumer demand for low-end market, Chinese mobile phone just meet the needs of the market.

Acknowledgement

The paper finally finished, I sincerely thank my paper instructor Professor Ma Lin, he undertook an important task of scientific research, but in the busy schedule, The teacher gave me meticulous guidance in the aspects of paper topic, the paper structure, daily Q & A..she help me to analyze the difficulties, from the intense work to encourage me, let me again and again across the paper problems, across the self, set a life attitude. I would like to extend my sincere respect to Ma Lin. At the same time, I also sincerely thank the teachers of Beijing Institute of Clothing, They are selfless to impart knowledge to us, not only enrich my paper content, But also let me appreciate the true meaning of dedication.

References

- [1]Junying Ou, SWOT analysis of smartphone market environment in China,business strategy,2013(030).
- [2] Dynamic State of India's Smart phone Users Replacement, Market News,2016(334).
- [3] Juhn Curley.Exploresive Growth Continues For India's Mobile-phone Market[J].2006.
- [4] Yongyi Wu,How does China's mobile phone win in the Indian market? Communications industry newspaper,2016(011).
- [5]ZhuYan, India is the next generation of low-end smart phone market, China Electronics News,2014(003).
- [6]Proquest. Consumer Behaviour Toward Information Technology Adoption n 3G Mobile Phone Usage In India[D].2016.
- [7] Yonghua Ling,Domestic mobile phone bloom inside the wall perfume outside the wall,Under the line is short board the India market,Communication Message News,2016(A10).
- [8]Information on <http://tech.china.com/article/20170103/2017010311289.html>, 2017/01/03.
- [9] Mei Hong ,Walking the Indian mobile phone market, Satellite TV and broadband multimedia
- [10] Xiaobo Zhang, Research on Marketing Strategy of Huawei in Southeast Asian Market[D]. Beijing University of Posts and Telecommunications,2010.
- [11] Information on <http://www.199it.com/archives/468585.html>, 2016/05/03.
- [12]Jirong Yuan,Chinese brand mobile phone accelerate the development of India Market,International people's daily,2016(022).