

Understanding The Marketing Mix Of Smartphone Market From The Consumer Point Of View

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ABSTRACT: The purpose of this article to understand the marketing mix of the smartphone from consumers' point of view, that is consumers' expectations from a smartphone. This article would help the producers understand the needs and wants of the customers regarding smartphones. The smartphone industry has lot of potential in it and we will witness more technological boom in the near future. And just coming up with a brilliant design will not serve the purpose but solving a particular problem would be more beneficial. So to solve this problem the producers need to understand what a customer wants from his/her smartphone now, that is, more specifications, a better design, a mid-range device, etc. The articles centralize on the fact about creating awareness among the producers about the utility of the customers regarding smartphones, so that the producers could make changes which could satisfy the demand and expectations of the customers regarding smartphones. The article will give you a preview of the competitors and their activity in the market at present. This article would be a great help to the smartphone companies to understand their customers and their needs in a better way.

Keywords: marketing mix, smartphone market, potential in the market, competition

1. INTRODUCTION

The smartphone industry has seen a rapid growth and has made enormous jumps since its inception and particularly in these 5 years we have seen our smartphones getting smarter and more stylish than its early days when the concept of having a smartphone was totally misunderstood by the masses. New and more exciting features have been made possible in the phones which has now neglected the very concept of carrying a laptop which was itself a revolution for people as now they don't need to carry a 2-3-kilogram product when they can do the same thing in a 171 grams' product and which is more portable than a laptop. Now this new innovation which is now kind of heart throb for people but still there are certain requirements which consumer wants to be fulfilled and this is where the smartphone companies needs to look at so that they can lead the market. The centre of this study is on how smartphones have been and will be promoted to the general public and what problems they have faced until now (Ajax Persaud, 2012). With the recent trends in the smartphones we have witnessed a lot of change in people as now we have seen smartphones makings life easier. The global smartphone market has witnessed extraordinary growth in recent years, with the shipments of smartphones rising by 40 percent in 2013 has made the companies more competitive as the bigger market leaders like Apple and Samsung needs to live up to the expectations as they have a set a very high margin for themselves (Aulakh, 2015). And new entrants or small companies need to come up with something new in order to be in the race.

Now this study will not just be about the "two-horses", that is Apple and Samsung but it will also focus on the other capable companies which have proved their worth in recent years like HTC, Micromax, Microsoft, Sony, and others. But still when we actually see the smartphone war somewhere or the other we are also including Android Central and iOS which are the two most famous operating system level.

1.1 Worldwide Smartphone Operating System Market Share:

When we talk about the Market Share of the Operating Systems we will actually bring all the phones having Android on one side iOS on the other and Windows on one side as all the three also have their own respective goodwill in the market so this will also give proper justification to the study. (Wahlberg, 2012)

Period	Android	iOS	Windows	Blackberry OS	Others
2015	82.8%	13.9%	2.6%	0.3%	0.4%
2014	84.8%	11.6%	2.5%	0.5%	0.7%
2013	79.8%	12.9%	3.4%	2.8%	1.2%
2012	69.3%	16.6%	3.1%	4.9%	6.1%

Table 1.1: Market Share of OS

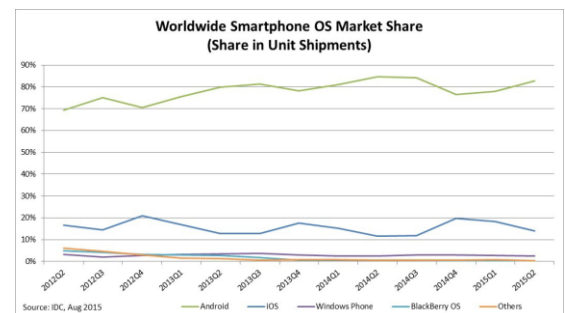


Fig. 1.1 Worldwide Smartphone OS Market Share

1.2 Worldwide Smartphone Vendor Market Share

Now talking about the vendors who are in the production of smartphones we have seen a huge increment in last 5 years and the growth has not been just because flagship models by Apple and Samsung but companies like

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Micromax and HTC has also contributed a lot to the overall growth. If we go with overall growth of smartphone sector it has grown by around 13% in 2015 (Schultz, 1993) (GSM Arena, 2015)(Egham, 2010). As seen previously, Android is dominating the market with 82.8% market share so it is obvious that companies like Samsung, Micromax and HTC will be the leaders.

Table 1.2 Market Share of Smartphone vendors

Period	Samsung	Apple	Huawei	Xiaomi	Lenovo*	Others
2015	21.4%	13.9%	8.7%	5.6%	4.7%	45.7%
2014	24.8%	11.6%	6.7%	4.6%	8.0%	44.3%
2013	31.9%	12.9%	4.3%	1.7%	5.7%	43.6%
2012	32.2%	16.6%	4.1%	1.0%	5.9%	40.2%

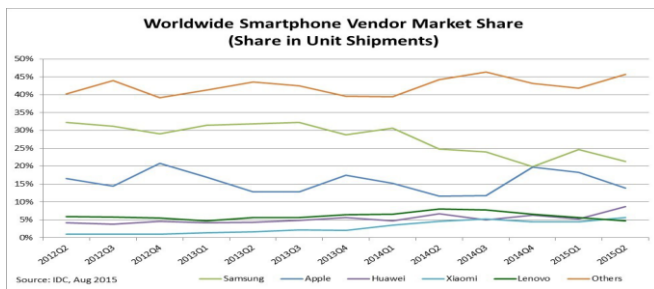


Fig. 1.2 Market Share of Smartphone vendor

2. REVIEW OF LITERATURE

1. (Nature Methods, 2010) stated about the pace with which smartphone industry has entered people's life and now have become the most important thing for them over the time. He explained the change which has been brought in this industry in the near future when now it is used to solve the tiniest of problems whereas just 10 years ago it was used for mere communication. From a mere device of connecting people to people, it has now become a device that connects people to the world. Now this article specifically takes the example of an iPhone which is considered to be the father of smartphones on how the User Interface has changed from its inception. The author has also DE marketed the other operating systems in his own words.

2. (M Solomon, 2006) stated that cell phones are turning out to be progressively critical in the impacting and purchasing procedure of items and administrations. Attention to the brand bought (through presentation publicizing and informal organizations) was assembled by 52 for every penny on PC, and practically as high on portable (45 for each penny). Traveling through the trip, 78 for every penny of respondents inquired about an item on a PC, and 54 for each penny by means of portable. Drawing closer the last responsibility to buy, 80 for each penny of respondents selected to complete the exchange on the PC

and a critical 34 for every penny made their buy on versatile. The examination demonstrates that 38 for every penny of respondents utilize their cell phone in-store and of this gathering 55 for each penny say they will direct a web seek in-store around a specific item or administration, while about half (49 for each penny) complete value correlations with different retailers while moving.

3. (Armstrong, 2001) Consumer buying behavior refers to the buying behavior of the individuals and households who buy goods and services for personal consumption. Consumers around the world are different in various factors such as age, income, education level and preferences which may affect the way they avail of goods and services. This behavior then impacts how products and services are presented to the different consumer markets. There are many components which influence consumer behavior namely; cultural, social, personal, and psychological. Consumer behavior is the study of when, why, how and where people do or do not buy products. This article has got a very sound connection with smartphone needs of people as it is now considered to be the most important necessity in today's world.

4. (Mele, 2015) stated how smartphones have overtaken every other necessity market over the year. As he states that every person in United States now owns a smartphone, but his main agenda was not about how smartphones have grown. His main agenda through this article to explain how companies are coming up with new marketing strategies which have helped them in both ways be it cost-cutting for them or profit maximization. But his main marketing strategy was E-Mails which though sounds very subtle but is the most cost effective way to lure people buy their phones.

5. (Ajax Persaud, 2012) stated how marketing has become innovating in past few years and how smartphones are leading the market. Smartphone adoption by consumers is increasing exponentially, and presents marketers with many new opportunities to reach and serve customers. This article was a proper research paper on the innovation marketing and was of great help.

3. RESEARCH DESIGN

TITLE: A Study to Understanding the Marketing Mix of Smartphone Market from the Consumer point of view

SCOPE OF STUDY:

Our research will generally be centralized on understanding the Marketing Mix of Smartphone Market from the Consumers' point of view. Through this research we are trying to help the Smartphone companies to understand the actual needs of the customers so that the companies can come up with the best possible device.

STATEMENT OF PROBLEM:

- Most important Marketing mix out of the four
- The actual demand of consumer
- Areas that smartphone companies have to cover
- Changes required in the design of the smartphone

RESEARCH QUESTIONS:

- What are the advancements in the industry?
- What are the techniques and methods implemented in the industry?
- Which is the most important Marketing Mix out of the 4 P's while talking about the smartphone industry?

OBJECTIVES:

- To understand the advancements in the smartphone industry
- To know the recent techniques and methods that have been implemented in the industry in the near future
- To come up with the most important Marketing Mix out of the 4 P's so that the companies can centralize their production keeping that particular Marketing Mix

IDENTIFYING VARIABLES:

INDEPENDENT	DEPENDENT
Demand of the consumer	Areas that companies need to cover
Most important Marketing Mix	Changes required in the design

CONCEPTION MODEL:

INDEPENDENT	DEPENDENT
How demand of the consumer changes with time?	How will companies determine the area for improvement?
Which is the most important Marketing Mix?	How will companies determine the changes required for the design?

HYPOTHESIS:

- HA1= the concentration is more on effectiveness rather than efficiency
- HA01= the concentration is more on efficiency rather than effectiveness
- HA2= don't keep in touch with changing times and become outdated
- HA02= keep in touch with modern technology and are updated
- HA3= customers may not like the products
- HA03= customers may have positive views for the products

DATA COLLECTION:

PRIMARY SOURCE	SECONDARY SOURCE
Respective outlets of the companies	Online Journals
Sales Man point of view	Review of the Smartphones
Customer Survey	Newspapers
Retail outlets	Official Websites

PLAN OF ANALYSIS:

- Financial Statements
- Census Scale
- Recent project brochure
- Faculty Questionnaire for 10 people
- Online Survey for general public

LIMITATIONS OF THE STUDY:

- Information could be limited
- Topic is too broad
- News articles would be limited so we have to stick to the journals

- The project could be very lengthy and we have to be very selective with what to take and what not to take

4. DATA COLLECTION:

We have chosen certain ways to collect the data in order to know more about the smartphone industry. Initially we thought of only going with review of certain literature and not more than that but when we actually studied the topic in detail we came to know how the smartphone industry has grown in last 5 years. Keeping that in mind, we thought of coming up with different data collection ways such as Visiting the company outlets and the retail stores and know what they feel the customers want so that we can transfer that news to the companies through our article. We also went for some Faculty members interview through a Questionnaire and an Online Survey for the general public. We also went for some secondary sources like Online and Offline Journals which were quite beneficial for our Research.

4.1 DATA ANALYSIS AND INTERPRETATION:

The data analysis was the part where we were very successful as we got a fair amount of response from the general public and we have some up with lots of final analysis according to the assumptions we made initially. The Online Survey was generally filled by students from 16-31 and that was our Target group.

4.1.1 Most preferred company to buy a smartphone:

COMPANY	PERCENTAGE
Apple	38.10%
Samsung	33.33%
Microsoft	2.38%
Micromax	4.76%
Others	21.43%

Table. 4.1.1 Consumers demand for the smartphone

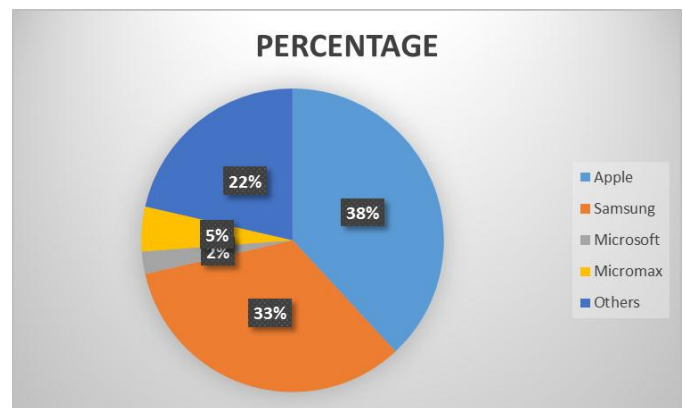


Fig. 4.1.1 Consumers demand for the smartphone

INTERPRETATION:

From this we came to that apple still holds the popular market as for now and it's the most demanding smartphone what reason we will suggest for this growth would be the Brand image of Apple and being one of the most stylish and full of specifications Apple is now not only the choice for status conscious people but even students as have seen

that most of the answers were given by the students who chose Apple as their first choice.

4.1.2 The most important criteria while buying a smartphone

CRITERIA	PERCENTAGE
Specification	68.24%
Brand	22.36%
Price	8.24%
Remote availability	1.18%

Table 4.1.2 Smartphone criteria in demand

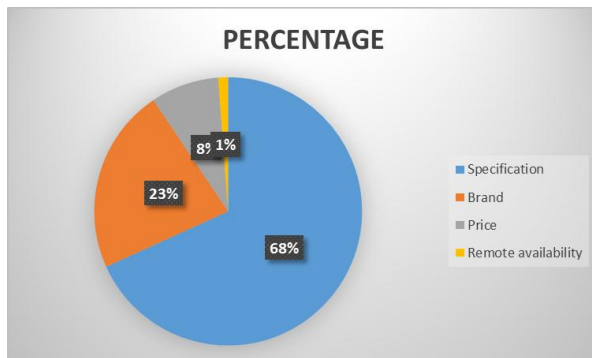


Fig. 4.1.2 Smartphone criteria in demand (Specification clear leader)

INTERPRETATION:

With this question we were sure to get a very stiff competition among all our options because these are the options why people buy smartphones today but we were shocked to see more than half of our respondents look into the specifications of the phone. Now this is pretty obvious that the consumers now don't need a fancy phone rather they would route for a phone with full of specs and this should be the most important area for the companies to take care of. Now brand image is also something which doesn't lag behind and 23% of people think of brand value rather than specs. This also assures that Apple and Samsung due to their huge brand value would be able to lead the market for a long time now.

5. FINDINGS AND SUGGESTION

With this article we wanted to come up with the best possible marketing mix that the companies have to take care of in the near future and so they could be successful. Now this was a very good moment to see that now people don't really care more about money but rather they care about the specifications which actually makes the phone complete but the Brand image Apple and Samsung has created will be something which cannot be easily brought down as seen in this article. Now we also know for the fact that these two companies will have a kind of a shared monopoly for the next decade or two so it would be very beneficial for the other companies like HTC, Micromax, etc. to actually work on their specifications as last 4-5 models of both the phones have lagged behind thus giving Samsung to take over the mid-range section too thus making it the company everyone wants. Now taking about further suggestions to one's who will be doing the similar topic. The

two requirements for the researchers in this article would be the Global touch to the article and also the recent additions.

CONCLUSION

In a nutshell, smartphone industry has a market structure of oligopoly. Smartphone also have several factors of demand that we should not overlook like the ease of using factor, availability of applications and the display of the smartphones, not to mention the other factors such as trend, age group, allowance and so on. Furthermore, we can conclude that smartphone have elastic demand. We used questionnaires that was done by 85 people in and out of Bengaluru. The questionnaire included the basic age group requirement and things about the phone which they like and some ranking questions. We also got some output from that as we came to know that Specification is the most important thing companies have to take care of. Through this article we improved our surveying skills so that our respondents could have a deeper understanding of our survey. So the data was more reliable and relevant. We also learned our data collection skills through this article. We hope that both readers and smartphone companies can gain benefits from our article from our research. The companies should focus on the main factors of demand of the product. Taking the information and using it in a better way would be the success of this article. We would at last thank everyone who have indirectly helped in this article. We would specially thank our Marketing Management Teacher Professor Praveen Babu who gave us the chance of conducting this research which was very informative to us and would be informative for everyone who read it.

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ANNEXURE

Marketing mix

1. What is your age?

- less than 15
- 16 to 30
- 31 to 45
- 46 to 60
- 60 and above

2. which company do you prefer while buying a smart phone?

3. which is the most important criteria for you while buying a smart phone?

- Specification
- Brand
- Price
- Remote availability

4. how would rank the specification that comes with the smart phone companies?

<input type="text"/>	Apple
<input type="text"/>	Sams
ung	
<input type="text"/>	Micros
oft	
<input type="text"/>	Micro
max	

5. where would you rank the advertisement that comes with the smart phone companies?

<input type="text"/>	Apple
<input type="text"/>	Sams
ung	
<input type="text"/>	Micro
max	

<input type="text"/>	Micros
oft	

6. where would you rate the pricing strategy of the smart phone company?

	Affordable	High	low	Premium
Apple	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Samsung	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Microsoft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Micromax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Does the packaging of the smart phone matter to you?

- yes
- No

8. How do you come to conclusion for buying a smart phone?

- Research for a long time
- Brand recognition
- promotion or offer
- Referrals from relatives

9. How often you buy smart phone?

10. where would you like to buy your smart phone?

- Online portal
- Retail store
- Company outlet