Business Environment (1 pg)

- No subsidies towards phones; phones are bought at full retail price
- Operators have less power than handset manufacturers (favorable)
- Nokia's large market share and how they achieved that
  - Mimic similar strategy
  - Focus on handsets
  - Developing brand
    - "Unlike the FMCG (fast-moving consumer goods) market -- where the product lifecycle is at least 10 and sometimes 50-100 years -- models have a lifespan of 15-24 months here," says Devinder Kishore, Nokia India's director of marketing. With such a lifecycle, promoting various models would mean watching money go down the drain in a couple of years
    - Build up the importance of OS

Market Size (also Market Potential) 1pg

- India has large market size
- 59% only access the internet via mobile phone
- Growing at an annual rate of 34%
- 72% gaming, entertainment, apps
- Generally spend most of their time browsing the internet
- 44% more 3G users than 2G

Competitors

- Motoral
- Reliance
- Vodafone
- Nokia

Required Changes

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Marketing/Advertisment

Based on the following demographics

- 64.9% male
- Avg age
  - M: 25.6
  - F: 26.9
- In India, looks and appearance play an important role and the new UI refresh

- Highlight **Specs**

- Emphasize **Apps**

- Emphasize **Quality**

The business environment of the telecommunications industry is significantly different than that of the US. In the U.S, we are accustomed to option of having the price of the phone subsidized, but only if purchased with a contract. The telecomm operators have more power/control over the market flow in this situation. In India, however, there are no subsidies towards phones, which are instead bought at full retail price (Blandford, Rafe). This significantly impacts how a handset manufacturer operates and sets prices in the market. Thus, the amount of power away is shifted away from the telecomm operators to the handset manufacturer, because they cannot offer discounts for subscriptions. In addition, people in India do not have to pay for receiving calls or texts, even while roaming (Blandford, Rafe). The numerous amount of factors that reduce the power of the telecomm operators makes the business environment much more favorable for our iPhone to operate in.

Some of the major competitors that also manufacture handsets include Samsung, RIMM, Reliance, Vodafone, and Nokia. Nokia is the biggest competitor in India, having as much as 50% of the mobile market share in 2007. Since then, Nokia's market share has dropped down to about 32%. Samsung and RIMM also held significant shares with 28% and 15% respectively. All three vary in the operating systems that their handheld devices use. Nokia dropped their Symbian OS and has partnered with Microsoft to use their Windows Mobile OS platform. Samsung mostly uses Google's open-source Android OS on their devices, while RIMM uses a proprietary OS. Although RIMM is 3rd in the amount of market share, we do not see them as a threat in comparison to Samsung and Nokia, because of the company's poor management and lack of foresight. Although Nokia still retains a majority of the market share, they are steadily losing market share and will continue to lose more market share as the economy becomes more developed and high-end phones become more affordable.

India has an enormous amount of potential, which is influenced by the country's population, relatively infant industry, demographics, and consumer behaviors. In a The Economic infographic, the graph illustrates significant growth from previous years much larger than the US that China and India have both been experiencing. India is forecasted to have over 900 million subscriptions (The Economist). The telecomm sector is also expected to experience an annual growth rate of approximately 34% (Shetty, Sony). The mobile phone market is still in its infancy since India's mobile infrastructure is not as developed as the US and thus there is still a lot of growth available.

Since Nokia is currently the leading the industry in market shares, it makes sense to investigate how they achieved such success to imitate some of those characteristics. According to an article written by Wharton, Nokia's success was because of the focus on a single product and development of the brand. Samsung is spread out with varying types of products, which splits its resources between the products. Thus part of our strategy for competing would be to primarily focus on the handsets and anything else that supports it, such as mobile infrastructure. Another factor that helped Nokia be successful as it is today in India was brand building. The Wharton article notes that "Unlike the FMCG (fast-moving consumer goods) market -- where the product lifecycle is at least 10 and sometimes 50-100 years – models have a lifespan of 15-24 months here…With such a lifecycle, promoting various models would mean watching money go down the drain in a couple of years" (Wharton). Product models do not have a very long life cycle in India and illustrates that developing a particular model for the long term would not be very effective. According to an article about Symbian (Nokia's former OS) in India, "Mobile phones in India are as much as part of one's appearance as good clothes are. They are material indicators of one's status in society and economic wellbeing", which again highlights the importance of the role of branding. Branding is one of Apple's competitive advantages and could be imitated in our competitive strategy as well. The design of our product would incorporate the same principles of design, which is producing a product that looks pleasing aesthetically. Having a product that looks good and projects a human characteristic that consumers can identify themselves with is crucial to building a brand. Another design principle that we would implement into our products is consistency, which can be found in design, release time, and quality. Consistency within the products will help make it easily identifiable, which in turn increases its perceived value, social status, and economic wellbeing.

Based on the current market conditions and consumer behavior, our marketing strategy would focus on highlighting the features and emphasizing how it fits into the consumer's lifestyle. According to the Symbian article, battery life, camera, and music player "are key factors influencing the buying decision". Our iPhone is has a very well integrated music player that allows them to play any music that has been automatically uploaded to our servers. We will do demos comparing the video and picture quality of the iPhone compared to competing high-end phones to illustrate the high quality parts used in our product. Another key product feature is the easy of use. Unlike other smartphones on the market, the iPhone has been highly optimized for a smooth intuitive experience.

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