

SITUATION ANALYSIS

COVERING CONTEXT ANALYSIS,
CUSTOMER ANALYSIS,
COMPETITOR ANALYSIS.

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CONTEXT

ANALYSIS

CONTEXT ANALYSIS

Number of smartphone users in India in 2015 to 2020 with a forecast until 2025 (in millions) [1]

MARKET DEFINITION :

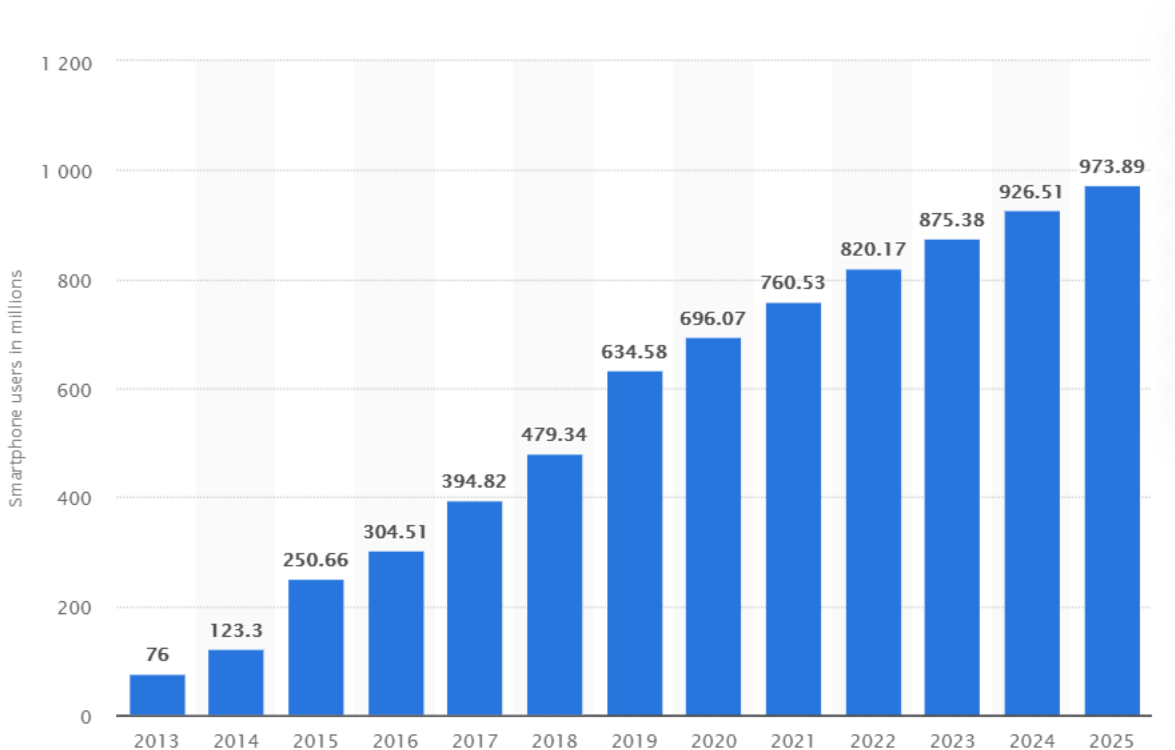
Collection of Customers who want to reap the benefits of Modern Artificial Intelligence in smart devices by-passing the boundaries of language and digital Literacy.

MARKET SIZE : [1]

India is one of the most popular destinations for smartphone companies with as many mobile users as the entire population of the United States. The [number of smartphone users](#) in India was estimated to increase to about 442 million in 2022.

India is the second largest market globally for smartphones after China. About 134 million smartphones were sold across India in the year 2017. India [ranked second in the average time spent](#) on mobile web by smartphone users across Asia Pacific. The combination of very high sales volumes and the average smartphone consumer behaviour has made India a very attractive market for the smartphone industry.

India's smartphone market shipped 152.5 million units in 2019, with a modest 8.0% year-over-year (YoY) growth.



PRODUCT FORM LIFE CYCLE :

The market for AI assisted smartphones that support voice commands in local languages is very much in its **early growth phase**.

In the early growth phase it is important for the marketers to seek to expand the market beyond the Early Adopters and into the mass market.

Greater emphasis should be placed on using promotion to continue building awareness and driving interest in the product form.

ASSESSING INDUSTRY ATTRACTIVENESS

FORCE	ANALYSIS
THREAT OF NEW ENTRANTS	<ul style="list-style-type: none">➤ Sunk costs associated with Ra D, setup are very high.➤ Patents and Licenses involved are high. THREAT : LOW
THREAT OF INDIRECT COMPETITORS	<ul style="list-style-type: none">➤ Many available products specialise in a particular function but smartphone is a combination of these.➤ So switching costs are medium. THREAT : LOW
BARGAINING POWER OF SUPPLIERS	<ul style="list-style-type: none">➤ There are fewer suppliers of key components of smartphones➤ Cost of switching the chipset vendor is medium.➤ Price discrimination by suppliers is medium. THREAT : HIGH
BARGAINING POWER OF BUYERS	<ul style="list-style-type: none">➤ Number of customers or concentration of customers : High➤ Switching costs are low for buyers➤ Due to these there is a high threat. THREAT : HIGH
RIVALRY AMONG FIRMS	<ul style="list-style-type: none">➤ Fixed cost and high exit barriers: High➤ Product differentiation: High➤ Number of firms and Market Growth: Medium THREAT : MEDIUM

ENVIRONMENTAL FORCE ANALYSIS (PESTEL ANALYSIS)

POLITICAL : [\[1\]](#) [\[2\]](#)

- Mobile Phones are at the backbone of the Digital India Movement. Government is especially concentrating on rural areas as they occupy up to 70% of population. Government is pushing hard to make sure that every Indian has a smartphone.
- At the same time the role of political factors in the context of international business has become increasingly significant in 21st century. Higher government and regulatory oversight of technology firms have made it evident.[2]The trade war between India and China might likely affect the smartphone industry as well giving greater chance to Indian Smartphone makers.

ECONOMIC FACTORS: [\[1\]](#)

- In 2020, the situation has only grown worse due to the spread of the pandemic. Covid-19 has caused economic activity to decline in several leading markets of the world, including the Indian Market.
- However, the pandemic has also grown people's dependence on digital technology and their smartphones. While there was a sharp increase in the number of people sticking to their smartphones watching Netflix or engaging on social media, the smartphone industry also experienced less decline in demand as compared to several others like the automobile industry and the aviation industry.
- Though Indian economic condition is not good at present due to coronavirus, it is expected to recover soon.
- Strengthening demand in the rising economies is expected to drive the smartphone industry towards faster growth in 2021.
- Due to the increased dependency on technology this growth might likely be profitable for the new entrants

SOCIO-CULTURAL: [\[1\]](#) [\[2\]](#)

- 50% of smartphones users are under age of 25 and this numbers are expected to raise as the Indian youth feels the desire to stay connected, and social media is becoming a culture that the youth started to embrace.
- Due to the anti-china movement the market share of Chinese Smartphones have declined from 81% to 72%[2]. This gives Indian smartphone makers to increase their market share and make profits.

TECHNOLOGICAL FACTORS: [\[1\]](#) [\[2\]](#)

- Indian population is becoming increasingly becoming tech savvy, especially in these times where everything is restricted to happen online, tasks such as schools are all being held online.
- A lot of R&D is being carried out in the industry on various aspects of hardware and software of smartphone.

- Tech giants like Apple and Samsung have spent billions of dollars on R&D, as technology is not only a major differentiator but also the primary factor driving growth and an important source of competitive advantage for brands.
- Despite the intense R&D in the industry there are no disruptive technological changes.

LEGAL FACTORS:

- Law and legal factors are now of paramount importance in the entire technology industry for successful global operations. Government control and oversight of technology firms, including smartphone brands, grew due to several factors.
- On the one hand, while the growing influence of tech businesses worldwide is an essential concern for governments, on the other, emerging concerns like consumer privacy and data security have also given rise to the need for higher scrutiny.
- Focusing on compliance is vital for operating successfully in various regions around the globe. It is why the smartphone companies have dedicated compliance teams that focus upon complying with local laws in the areas where the business operates as well as international laws that influence the firm's business.

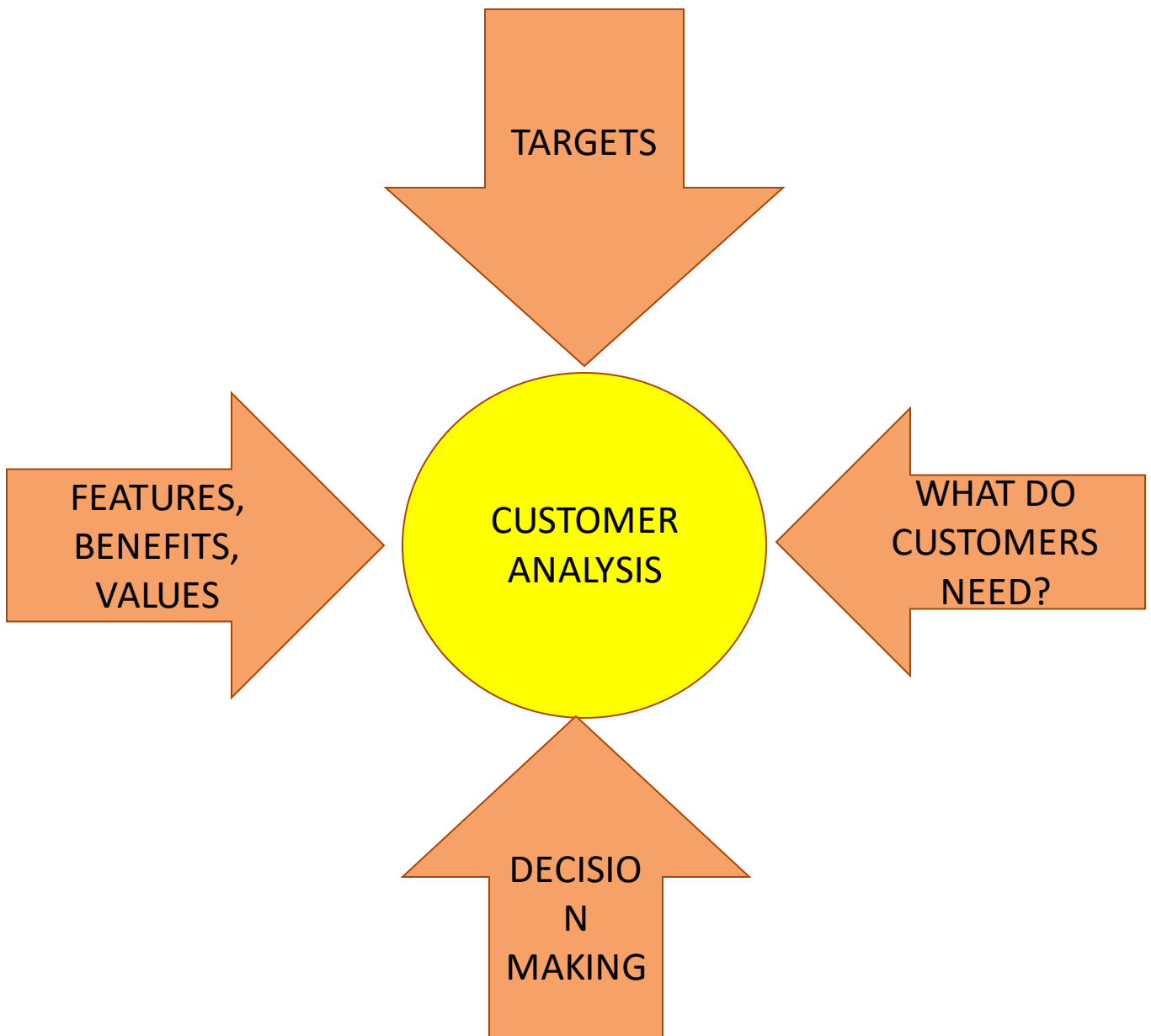
ENVIRONMENTAL FACTORS: [1]

- With the emergence of a conscientious customer who wishes its brand respect social and environmental, Companies must be mindful of the need to ensure that its products pleasure the modern customer.
- Companies have now started to use renewable energy sources as well as water conservation, recycling, and the use of environmentally safer raw material for the production of smartphones
- Environmental impact of business also has a direct effect on their image in the society

CUSTOMER

ANALYSIS

CUSTOMER ANALYSIS



TARGETS:

- ☐ Urban India
- ☐ Old people
- ☐ Differently-abled People
- ☐ Technology Illiterates

WHAT DO CUSTOMERS NEED?

URBAN INDIA:

- Cannot understand English and need their native language.
- Need guidance in using mobile phones
- Help in accessing internet.

OLD PEOPLE:

- Cannot message and use smart phones.
- Need easier way of handling smart phones.

DIFFERENTLY-ABLED:

- Need total voice control of their phone.

TECHNOLOGY ILLITERATE:

- Proper guidance and instructions about the phone.

FEATURES, BENEFITS AND VALUES OF DIGI PHONE:

VALUES:

- The person gets technologically literate and smarter even.
- Will be able to operate the mobile phone in his native language in voice.

BENEFITS:

- Phone will itself align to the native languages and instructions will be converted to native language by itself.
- Time saving as the instructions can be completely handled by your voice.
- Payments and even reading what is on the screen can be handles in your native language.
- Any Indian Language can be learnt.
- Advanced Voice recognition technology.

FEATURES:

- In-built tutorial on phone usage.
- Very easy to use.
- Supports huge variety of Languages.
- High security is offered to your data.

DECISION MAKING:

- Process can be fast and simple.
- The degree of Familiarity and personal importance that are used to decide in a particular solution.
- People can go through the five steps in the consumer decision process.

1. NEED RECOGNITION:

- Recognising the need in having a smart phone.
- Need recognition triggers due to the discomfort faced by old people , technology illiterates, differently-abled people in using smart phones.

2. INFORMATION SEARCH:

- Once the recognition is done, the next step involved is to get the information on required solution.
- Two types of Information search:
 - ☐ Internal Search: Own knowledge usage
 - ☐ External Search: Information collection from family, friends and other external environments.

3. EVALUATION OF ALTERNATIVES:

- After the search , people end up with different brands of smart phones with different features.
- Belief and attitude are the two main factors in this evaluation.
- People give different ratings to different features of mobile phone.
- They decide based on which phone has the best features

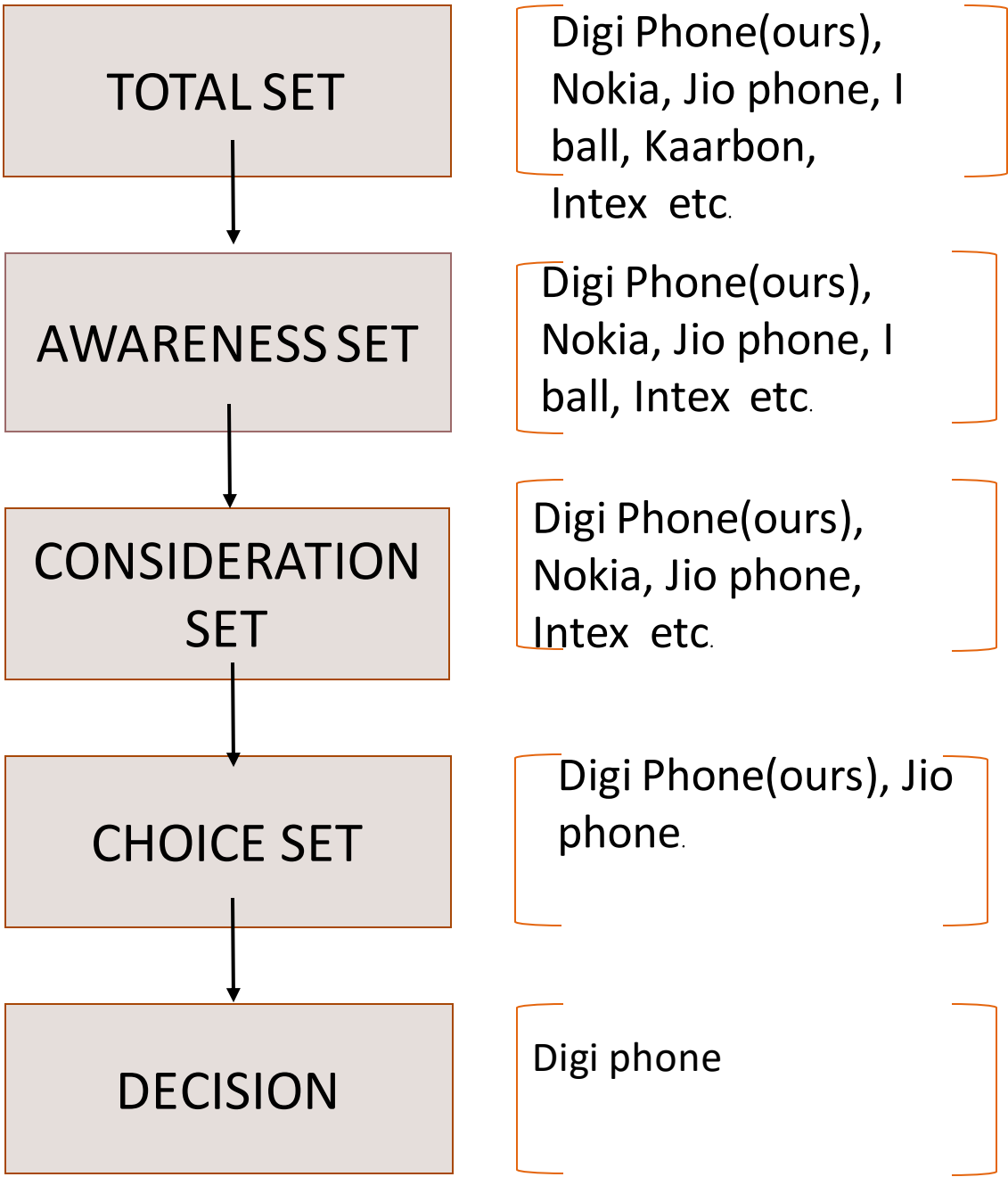
4. PURCHASE DECISION:

- In our case the main decision for purchase is easy to control, operate with voice recognition and supports many languages.

5. POST PURCHASE BEHAVIOUR:

- Post purchase behaviour is how the customer feels , acts and thinks about the phone after the purchase.
- This is when a customer is assessing whether he is happy or not with the product.
- How they feel affects the future purchases of the product.

SUCCESSIVE SETS OF CONSUMER DECISION MAKING:



COMPETITOR

ANALYSIS

COMPETITOR ANALYSIS

S. NO	Type Of Competition	Firm Name
1.	Direct Competitors	Feature Phones like - Nokia Phones & Jio Phone (Basic Models)
2.	New Direct Entrants	Mobile Phones using AI Voice Assistants - Google, Alexa, Cortana
3.	Indirect Competitors	Braille to go(b2g) - Smart Device for Visually Impaired
4	Potential Direct Competitors	Seeing AI app - Microsoft

S. NO	Assets/Resources	Nokia Mobile	Jio Phone
1.	Perceptual Assets	Perceived to be durable, maintenance free	Great trust in the Indian Market for its parent company.
2.	Human Resource	Using digital HR team - Analytics team for improving cultural cohesion, employ satisfactions and engagement	Equips modern analysis techniques for appraisals keeping their employees motivated.
3.	Research & Development	Do not currently involve in NLP, AI Voice Assistant	Currently supports native language, accepts voice commands
4	Organisational Assets	Nokia announced organizational changes to accelerate its strategy execution to focus more on customers.	Strong Operational assets like inventory, cash inflow, inventory

NOKIA COMPETITIVE STRATEGY:

- Nokia's main vision can be found in its tagline - Connecting People. As the Indian market was demanding rough and tough phones, Nokia was welcomed by the Indian Market for its durability and cost effectiveness. Its features like adding torch light was considered to be a major breakthrough for penetrating in the rural Indian Market since Rural India back then had frequent power cuts.
- Nokia's product line is very diverse and is still perceived as a very trusted brand for its durability and battery life. Their major channel for distribution is association with network operators (like Airtel), modern trade retailers like Croma , e-commerce websites like Flipkart, amazon, etc.
- The pricing strategy in its marketing mix was a skimming strategy to skim most parts of the market using a pricing technique which focused on low prices and superior quality in terms of durability and reliability. The prices varies from ₹ 899 - ₹ 49,999. It is built to cover all the social classes of the society. Now Nokia is aligned to develop critical technologies required for the 5G market and positioning itself for long term 5G leadership and hence aligns itself to improve customer focus.
- Features of Nokia mobile : Extremely high battery life - one month, durable, Navigation, music and mini gaming facilities, Dual Sim and handy.

NOKIA VALUE-CHAIN MODEL

SUPPORT ACTIVITES:

BUSINESS INFRASTRUCTURE:

SBU: Mobile phones, Smart Devices, Services and Applications.
Practices: Subject to Finnish laws and regulations, Nokia's articles of Association, Finnish Corporate Govt.

HR MANAGEMENT:

- Employees Rewards and retention programmes
- Training of Development

TECHNOLOGY DEVELOPMENT:

- R&D
- Raw materials improvement
- Testing
- Technical Support

PROCUREMENT:

- Transportation
- Sourcing
- Software Buying
- Media purchasing

PRIMARY ACTIVITIES:

R&D:

Industrial research unit consisting of about 500 researchers, English scientists in seven countries.

INBOUND LOGISTICS:

Materials transportation, inspection, stock control.

OPERATIONS:

Machining, Packaging, Assembly, Computing, Website, Design, Testing, Software Development

OUTBOUND LOGISTICS:

Warehousing, Distribution, Order Processing

MARKETING AND SALES:

Selling, Promotions, Partnerships, Sales

SERVICE:

Technical Support, How-To Guides, Service Manuals, Spare Parts, Application Stores

JIO COMPETITIVE STRATEGY:

- The product is offered in an effort of multi pronged strategy of the parent company JIO. Ambani reasons that more than 500 million feature phone users in India have been left out of the digital revolution since they cannot avail of any benefits of a smartphone, much less the benefits of a 4G LTE smartphone.
- It came up with a device targeted for the feature phone market which can be technically availed for free(Caution deposit 1500 repaid in 3 years).
- This device is targeted more towards first-time mobile internet users, to get them to use the company's online services ecosystem. RJio is targeting the feature phone market and targeting five million sales of the device in a week.
- The company has made its whole bouquet of apps— RJio Apps (such as music, TV, chat, etc.,) available on the device.
- However, considering that this is a feature phone, and not a smartphone that can support a number of third-party apps, comes with only a 2.4-inch screen, Kolla does not expect significant data consumption by users, compared with an average smartphone user.

COMPETITOR ASSESSMENT ANALYSIS

Customer Needs, Benefits & Values	Rank	Necessary Capabilities / Resources				
		Efficient Manufacturing System	Good Distribution System	Software Integrators/Associations	Advanced & Funded R&D	Access to low cost Supply
Command based operations	1				*	
Lower Price	2	*				*
Ease of Using the mobile phone	3			*	*	
Hardware	4	*			*	
Multi-Lingual Translation	5				*	
Low Inventories	6		*			

Customer Needs, Benefits & Values	Rank	Necessary Capabilities / Resources									
		Efficient Manufacturing System		Good Distribution System		Software Integrators/Associations		Advanced & Funded R&D		Access to low cost Supply	
		Nokia	Jio	Nokia	Jio	Nokia	Jio	Nokia	Jio	Nokia	Jio
Command based operations	1							*YYY	*YN		
Lower Price	2	*YN	*YN							*YNN	*YN
Ease of Using the mobile phone	3					*YYN	*YYN	*YYY	*YN		
Hardware	4	*YN	*YN					*YN	*YN		
Multi Lingual Translation	5							*YYY	*YN		
Low Inventories	6			*YN	*YN						