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OnePlus: Crossing the Chasm in the Smartphone Market

In February 2016, OnePlus co-founders Pete Lau and Carl Pei were considering how the firm could build on its early success to become a mainstream player in the global smartphone market. During the three years it had been operating, OnePlus had grown rapidly in the U.S., European, and Indian markets. Its beautifully designed and aggressively priced phones had been embraced by technology-savvy customers. The company now needed to broaden its appeal to mainstream customers to grow and scale its business.

Lau and Pei knew that OnePlus faced a difficult task in finding a way to the mainstream customer's heart—and wallet. Specifically, they needed to address three challenges facing their company: First, how could OnePlus sustain competitive differentiation as its advantage on price and performance narrowed over time? Second, how could OnePlus "cross the chasm"[1] that separated its technology-savvy early adopters from more mainstream customers? Third, how could OnePlus transition from its social-media intensive "guerrilla" marketing strategy to a more mainstream marketing strategy, given its limited financial resources? Forming a growth strategy that met these three challenges would be essential for the continued success of OnePlus in the brutally competitive smartphone market.

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[1] The metaphor of crossing the chasm comes from Geoffrey Moore's influential book *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers* (New York: HarperBusiness, 1991). Moore argued that there is a chasm between the early adopters of a technology product (the technology enthusiasts and visionaries) and the early majority (the pragmatists) because these two groups have very different expectations. To grow beyond early adopters, technology companies need to adapt their product and marketing strategy.

Company Background

OnePlus, based in Shenzhen, China, was founded in December 2013 by Pete Lau and Carl Pei. Lau had previously worked as vice president at Oppo Mobile, which shared common investors with OnePlus. Even though the smartphone market was crowded, the founders saw an opportunity for a new entrant. They believed most smartphones had flaws, including bloatware, cheap plastic hardware, unattractive designs, and high prices. According to co-founder Carl Pei, "Available devices were just not good enough. People are only focused on adding features, not making good products."[2]

From the outset, the company was clear about its intentions: making high-end, user-friendly devices that delivered a better experience at a lower price than any other device in the market. According to Lau, "We wanted to produce a phone that has good build, nice software, and trustworthy quality—a phone that 'never settles.'"[3] At Oppo, Lau had been working on a Blu-ray DVD for the global market but realized it was a niche product. "Smartphones, on the other hand, were a good entry point, especially with the rapid development of the Internet and e-commerce. It was with such an idea and opportunity that we founded OnePlus."[4]

OnePlus launched its first smartphone, called OnePlus One, in April 2014 and quickly found success in India, Europe, and the United States. (The OnePlus One was released in India in December 2014 exclusively though Amazon.) By October 2014, the OnePlus One was available in 34 countries worldwide, and the company had recorded revenues of $300 million.

From the beginning, OnePlus's approach to the market was different from that of other homegrown Chinese smartphone companies. It projected itself as a multicultural company with a goal to build a global brand with a global team. OnePlus did not want to be known as another low-cost Chinese manufacturer selling to emerging markets. Instead, it wanted to become known for its sleek design and high-quality specs, selling directly to customers worldwide. In sharp contrast to other Chinese smartphone manufacturers, 85 percent of OnePlus's sales came from outside China.

The Global Smartphone Industry in 2015

In the fourth quarter of 2015, sales of smartphones to end users around the world totaled 403 million units, a 9.7 percent increase over the same period in 2014, according to Gartner. Inc.[5] Unit sales reached 1.4 billion units in 2015, an increase of about 10 percent from 2014 (see **Exhibit 1**). Sales were expected to remain almost flat in 2016, however, signaling the maturation of the worldwide smartphone market. The most influential players in the market were Apple, Samsung, and Google. Google's Android operating system dominated the smartphone market with 80 percent market share, while Apple's iOS captured 17 percent of the market at the end of 2015.[6] Windows

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[2] Carl Pei, in interview with the authors, February 2016.

[3] Pete Lau, in interview with the authors, February 2016.

[4] Ibid.

[5] "Gartner Says Worldwide Smartphone Sales Grew 9.7% in Fourth Quarter of 2015," *Solid State Technology*, http://electroiq.com/blog/2016/02/gartner-says-worldwide-smartphone-sales-grew-9-7-in-fourth-quarter-of-2015 (accessed June 9, 2016).

[6] Joe Rossignol, "iOS and Android Capture Combined 98.4% Share of Smartphone Market," *MacRumors*, February 18, 2016, http://www.macrumors.com/2016/02/18/ios-android-market-share-q4-15-gartner.

Phone saw a decline in share, and BlackBerry continued its global decline. Samsung was the global volume leader in smartphones but Apple continued to dominate the premium smartphone market with its flagship devices, the iPhone 6 and 6S.

Emerging economies saw rapid growth in the market for affordable smartphones, with volume growth of 18 percent, compared to 8.2 percent in established markets. In emerging economies, the smartphone industry was moving rapidly to e-commerce through online marketplaces such as Flipkart and Snapdeal in India, in addition to direct sales by smartphone manufacturers in China. With the cooling of the previously explosive Chinese market, Chinese manufacturers such as Xiaomi and Huawei were sharpening their focus on international markets. India had emerged as the market with the most growth potential, as smartphone penetration in India was still low, at about 26 percent, at the end of 2015, compared with 51 percent in China.[7]

The smartphone market in 2015 was characterized by the following trends:

- *Bigger screens.* Sales of smartphones with big screens (larger than 5 inches) grew by over 180 percent in 2014 and the trend continued into 2015. The share of these larger devices grew from one-third of the global smartphone market to almost half by the first quarter of 2015.[8] This trend was particularly pronounced in the Chinese market.

- *The rise of 4G.* The rapid decline in the price of 4G smartphones and the widespread launch of 4G networks led to the rapid growth of 4G-enabled devices. This trend was expected to accelerate in 2016, with the impending launch of Reliance Jio Infocomm's nationwide 4G network in India and similar developments in Indonesia.

- *Cheaper handsets.* Chinese smartphone manufacturers were leading the charge for cheaper handsets. As a way to grab early market share, these manufacturers lowered the price of their smartphones without making significant compromises in performance specifications, undercutting established brands Apple and Samsung. By mid-2016, experts predicted, a good-quality 4G smartphone handset would be available for ¥4,000 (about $60).

OnePlus Product Portfolio

OnePlus One

OnePlus unveiled its first product, the OnePlus One, in April 2014 and released it internationally in June 2014 (**Exhibit 2**). The OnePlus One came pre-installed with a modified version of the Android operating system called Cyanogen. The phone featured a high-quality build, a fast processor, an excellent display, and a very attractive price. Promoted as a "flagship killer," it was priced at $299 for the 16GB version and $349 for the 64GB version. Those prices were significantly lower than Google's Nexus 5 and about half of comparable phones, such as the Samsung Galaxy S6.

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[7]   "Mobile Phone Penetration in Asia-Pacific from 2010 to 2015," http://www.statista.com/statistics/201256/forecast-of-mobile-phone-penetration-in-asia-pacific (accessed June 27, 2016).

[8]   GfK Trends and Forecasting, "Four Key Trends in the Global Smartphone Market," September 2015, http://www.gdsinternational.com/events/ngretail/eu/wp-content/uploads/sites/28/2015/09/NGR-EU-12-GFK-Four_key_trends_in_the_global_smartphone_market.pdf.

The OnePlus One was sold exclusively on the OnePlus website, marking a departure from the typical industry practice of selling through wireless carriers. Further, prospective customers had to obtain an invitation to purchase the phone. These invites were distributed through online contests and referrals from existing OnePlus customers. The invite system created tremendous buzz—and some controversy—because customers who wanted to buy the phone could not simply go online and purchase one. They had to get an invite from someone they knew, or even buy an invite in the secondary market, on eBay. OnePlus used the invite system for two reasons. First, the company had a limited supply of phones, so the invite system allowed it to control supply and demand for the phones. Second, the system created the perception of exclusivity and fueled publicity for the fledgling startup with a fantastic phone that was hard to get your hands on. Some potential customers and reviewers bitterly complained about the "by-invitation-only" tactic. Critics called the system everything from "maddening" and "the best smartphone you can't buy"[9] to "odd."[10] *Wired* magazine said it "redefined frustration with an arcane, invite-based ordering system."[11]

OnePlus 2 and OnePlus X

Emboldened by the success of the OnePlus One, the company introduced its second-generation smartphone, the OnePlus 2, in July 2015 (**Exhibit 3**). The company set expectations high by continuing its provocative "flagship killer" label. The phone was priced at $389 (for the 64GB version), almost half the price of rival phones like Apple's iPhone 6 and Samsung's Galaxy S6. The OnePlus 2 continued its predecessor's industry-leading specifications in several aspects, including design, hardware, battery life, and user interface. However, it fell short on a few aspects, including the display resolution and the lack of both NFC (near-field communication) and quick-charge capability.

Although the OnePlus 2 was seen as a very capable smartphone, most analysts felt that it fell short of being a true "flagship killer." A side-by-side comparison of the Galaxy S6 with the OnePlus 2 revealed that although the OnePlus 2 had excellent performance and was aggressively priced, the Galaxy S6 had a slimmer form, a better camera, and more storage, which made its higher price more palatable. See **Exhibit 4** for a comparison of the OnePlus phones against key competitors.

Responding to the criticisms leveled against OnePlus's products and distribution strategy, Pei said, "We misjudged what our main market was and went mainstream too prematurely. We should have stayed loyal to our core users."[12] Still, he believed the criticism was unduly harsh. "If you want to make a great meal, you don't throw every ingredient into it. You balance it and curate it," he said in response to criticism that the OnePlus 2 lacked an NFC chip. "We grew the business quite well despite initial problems, but we need to find the correct positioning for our phones."[13]

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[9]   Brandon Russell, "OnePlus One Review: The Best Smartphone You Can't Buy," *TechnoBuffalo*, July 18, 2014, http://www.technobuffalo.com/reviews/oneplus-one-review.

[10] Aloysius Low, "OnePlus One Review: A High-End Smartphone for Android Experts," *CNET*, May 27, 2014, http://www.cnet.com/products/oneplus-one.

[11] Brian Barrett, "The OnePlus X Is a Steal—And That's Why It's So Hard to Buy," *Wired*, October 30, 2015, http://www.wired.com/2015/10/oneplus-x.

[12] Carl Pei, in interview with the authors, February 2016.

[13] Ibid.

In October 2015, OnePlus launched its third phone, the OnePlus X (**Exhibit 5**). The OnePlus X featured an elegant design and high-quality hardware, but it sacrificed performance to achieve the very affordable price of $249. The OnePlus X came with a smooth glass back that gave it a sophisticated look reminiscent of the iPhone. The performance trade-offs came in the form of a smaller battery, lack of fingerprint sensor (which had been standard with the OnePlus 2), and swappable back covers (which allowed users to change the look of their phones but could damage the non-removable battery it was supposed to protect). The OnePlus X also lacked the newer USB Type-C connector and instead came with the older micro USB port. The OnePlus X, like the OnePlus 2, did not feature NFC, a gripe that critics were quick to remark upon.

OnePlus released a stylish variety of back covers for the OnePlus X, including rosewood, bamboo, and Kevlar. The phone also came in a limited edition ceramic-back version priced at €369 (US$413) and sold only in Europe and India. According to OnePlus, producing the ceramic back involved a laborious 25-day manufacturing process, the first of its kind for a smartphone. The OnePlus X came preloaded with OnePlus's Oxygen OS built on the Android Lollipop OS, 16GB storage, and was powered by Qualcomm's Snapdragon 801 quad-core processor.

As with other phones OnePlus had released, buyers needed an invite to purchase the phone. Despite criticism of this system, OnePlus insisted that it was necessary for it to control costs, manage inventory, and avoid issues related to oversupply and surplus phones.

Competitors

After releasing the OnePlus One, the company conducted a comprehensive customer survey in January 2015 to understand its competition. This survey revealed that most OnePlus customers (84 percent) considered another Android device before purchasing a OnePlus phone. Their brand choices were mostly Google Nexus, Samsung, HTC, and LG, although 16 percent of customers also expressed interest in the Apple iPhone. Only a small number of customers were interested in a device from other Chinese manufacturers, such as Xiaomi (3 percent) and Huawei (1 percent), which was unsurprising to OnePlus; the Chinese manufacturers were focused largely on the domestic market, whereas OnePlus customers were mostly non-Chinese.

Google

Google was a multinational technology company, headquartered in Mountain View, California. Google dominated service in search, cloud computing, and software but also had diversified into consumer electronic products such as personal computers (Chromebooks), tablet computers, and smartphones (Nexus). In the OnePlus survey, 29 percent of OnePlus's customers reported that they considered the Google Nexus 5 phone. However, the Nexus 5 was both more expensive and less capable than the aggressively priced OnePlus One. The Nexus 5 ran on the Snapdragon 800 processor, which was less powerful than the Snapdragon 801 that ran the OnePlus One. In addition, the Nexus 5's 8MP camera was decidedly inferior to the OnePlus One's 13MP camera. All in all, the OnePlus One was a superior phone to the Nexus 5 on almost every specification, except perhaps for the more advanced version of the Android operating system in the Nexus 5.

Apple

Apple continued to stand apart from the competition with its sleekly designed, premium-priced, and proprietary iPhone products. Its latest flagship products, the iPhone 6 and iPhone 6S, were priced well above competing phones and inspired fierce loyalty among customers for their ease of use and excellent user experience. Apple's obsessive focus on design, attention to detail, and outstanding customer service made it the standard bearer in design and user experience. In the eyes of OnePlus's founders, Apple was the smartphone company to emulate, as they felt Apple was the only smartphone maker that was truly passionate about design.[14]

Samsung

Samsung was a multinational conglomerate with a long history of manufacturing in semiconductors, chips, hard drives, and lithium-ion batteries. In recent years, Samsung had ventured into the device business and had found great success with its Galaxy line of smartphones and tablet computers. Fueled largely by the popularity of these devices, Samsung had become the largest manufacturer of mobile phones by volume. Recently, however, Samsung had stumbled with its Galaxy S5, which featured a plastic body and poor build quality. Samsung had regained some of its lost market share with the Galaxy S6 and the Galaxy S6 Edge, its latest generation of flagship phones that won praise for much improved build quality, camera performance, and an all-metal body.

Xiaomi

Xiaomi was a Beijing-based Chinese consumer electronics company that was founded in 2010. It designed and sold smartphones, mobile apps, and other consumer electronics products. It disclosed revenues of $12 billion in 2014. Its flagship phone was the Mi5, released in February 2016. Like the OnePlus, the Mi5 offered flagship features at a very low price. It boasted the Snapdragon 820 processor from Qualcomm, a 16MP camera, a 4MP selfie cam, and a 3,000 mAh battery. Like the OnePlus 2, the Mi5 came with a glass back; the 128GB Mi5 Pro came with a ceramic back. All versions of the Mi5 featured NFC support and a fingerprint sensor that doubled as the home button. These features came at low prices of $305 (32GB), $352 (64GB), and $413 (128GB). Xiaomi was not a core competitor for OnePlus in the United States and Europe, but it did compete with OnePlus in India.

Oppo Electronics

Oppo Electronics Corp. was a Chinese manufacturer founded in 2004 whose major products included Blu-ray players, smartphones, and other electronic devices, such as headphones and amplifiers. The company became well-known as the builder of the world's thinnest smartphones, including the Finder and the R5, which was launched in November 2014. It went on to launch the R7 and the R7 Plus in 2015 and outsold Apple in China during the third and fourth quarters of that year. In February 2016, at the Mobile World Congress in Barcelona, the company showed off its

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[14] Ibid.

impressive Super VOOC Flash Charge, quick-charging battery technology that could fully charge an empty 2,500 mAh battery in 15 minutes. It was a proprietary technology that Oppo intended to put in commercial products in the near future. Like Xiaomi, Oppo mostly competed with OnePlus in Asia, not in the United States or Europe.

Huawei

Huawei, a Chinese telecommunications company, was founded in 1987 by a former engineer as a manufacturer of phone switches. Like OnePlus, it was based in Shenzhen. Over the course of two decades, Huawei had become a multinational conglomerate employing more than 170,000 people in several countries. It manufactured smartphones, tablet PCs, and smartwatches, in addition to a number of other products such as wireless modems and routers, wireless gateways, set-top boxes, and video products. In April 2015, Huawei launched two Android smartphones, the P8 and P8 Max. Huawei also co-developed, with Google, the Nexus 6P, which was manufactured by Huawei and marketed by Google. Huawei was at the forefront in the rise of Chinese smartphone brands in 2015, shipping a total of 100 million units.

OnePlus's Early Strategy

The OnePlus phones appealed to technology-savvy customers who loved the company's elegant, high-quality products and the edginess of its promotional tactics. Customers were willing to overlook the limited availability and eccentric marketing for the beauty of the hardware and the inspiring slogan of "Never Settle." OnePlus believed it could build a global brand by relying on customers to serve as brand advocates. What set the company apart was its determination to place customers at the center of its decisions and activities, from product design to product marketing. As Lau said, "What's most important to us is our customers—it is customers' comments, and listening to them, making the phone easier to use and improving ourselves through customer interaction."[15]

OnePlus aimed to stand out in a crowd of smartphones by branding itself as a user-focused company. Lau and Pei told staff that they wanted users to grow with them, to share experiences and to be a part of the company. The company adopted the slogan "We create together," and with it found a way into the global customer's heart. Even though it was based in Shenzhen, OnePlus clearly wanted to build an international brand. With employees from 19 different countries, the company prided itself on its "open culture" and the desire not to be labeled by any specific country.

The company relied heavily on social media to generate awareness and to drive demand. The company's social media strategy focused on Facebook, Twitter, and Reddit, all of which redirected traffic to OnePlus's website. Traffic directed from OnePlus's social media handily surpassed that of its nearest competitors. The social media activity resulted in the OnePlus website receiving 25.6 million[16] visits in December 2014 from a worldwide audience, just a year after the website was launched. OnePlus followed up the social media marketing with an advertising campaign

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[15] David Rowan, "OnePlus CEO: How To Take an Invite-Only Chinese Brand Global," *Wired*, August 2015, http://www.wired.co.uk/article/one-plus-ceo-interview-pete-lau.

[16] Ariel Rosenstein, "How the OnePlus' Marketing Strategy Made It the Most Desirable Phone in the World," *The Next Web*, March 17, 2015, http://thenextweb.com/market-intelligence/2015/03/17/how-oneplus-ones-marketing-made-it-the-most-desirable-phone-in-the-world.

that poked fun at its competitors (**Exhibit 6**). Tech-oriented sites also helped sustain the buzz by directing their audience to the company's website. By 2016, OnePlus's online community had more than 828,000 members who had posted more than 14 million messages since the community was formed.

OnePlus employed some unconventional tactics to garner awareness. For example, it followed up its bold statements about the OnePlus One being a flagship killer with a provocative first campaign called "Smash the Past" in which fans were asked to destroy their smartphones from competitors for a chance to win the OnePlus One phone. OnePlus was looking to give away 100 phones for $1 each but reportedly received 140,000 entries within a week.[17] The campaign was controversial but OnePlus came away having generated the desired publicity with the campaign drawing attention from fans and critics alike.

Another controversial campaign, dubbed "Ladies First," also drew negative reaction. Women were asked to draw the OnePlus logo on their bodies and submit pictures online. Pei told *Advertising Age* magazine in an interview that the campaign was originally envisioned as a way to get more women involved in tech but backfired. Many fans called it "degrading" and OnePlus pulled it within four hours of its launch.[18]

OnePlus ran contests and giveaways for which the prize was an invitation to purchase the OnePlus One phone. In the spring of 2014, the company ran three consecutive giveaways within 12 days. The giveaways attracted more than one million entries, more than 40,000 new Facebook fans and Twitter followers, more than 400,000 unique website visits, and 31,000 forum comments.

For the OnePlus 2, the company hosted pop-up stands in nine cities globally to display the phones; the New York pop-up drew a queue of several hundred people, a phenomenon usually reserved for Apple product launches. By the time the company neared the launch of the OnePlus 2, customer anticipation had reached a fever pitch. Some 1.6 million people had requested invites to buy the phone. By October 2015, that number had grown to 5 million sign-ups.[19] At an event in New York's Times Square prior to the phone's launch, 600 people queued up just to catch a glimpse of the phone. Normally, such fervor was reserved for an Apple launch, not for a small startup from China that had only launched one other device in its history.

Growth and Scaling—Strategic Challenges

OnePlus knew that the "flagship killer" positioning was not sustainable because it would be difficult to keep creating breakthrough product features. So the company had to think hard about possible ways in which it could create sustainable differentiation. Further, the company needed to broaden its appeal and reach more customers. Pei noted, "We are trying to reach a broader audience, maybe not the mass market, but maybe people who care more about the design of a product."[20]

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[17] Angela Doland, "OnePlus: The Startup That Actually Convinced People To Smash Their iPhones," *Advertising Age*, August 10, 2015, http://adage.com/article/cmo-strategy/oneplus-convinced-people-smash-iphones/299875.

[18] Ibid.

[19] Rob Triggs, "OnePlus 2 Reservation List To Close As Invites Ramp Up," *Android Authority*, October 16, 2015, http://www.androidauthority.com/oneplus-2-reservation-list-to-shut-down-649567.

[20] Barrett, "The OnePlus X Is a Steal."

The strategic approach to broaden the market opportunity for OnePlus would require addressing three questions:

1. What customer segments should OnePlus address beyond its current customer base?

2. How should OnePlus adapt its value proposition and positioning strategy to appeal to the broader market?

3. How should the company go to market in terms of distribution and marketing communication?

Target Audience and Persona

In its early days, OnePlus's core target was technology enthusiasts from two age groups: customers ages 14 to 25 years (teenage to early adults) and those ages 26 to 35 years (adults). The first group used the phone to socialize with friends, listen to music, and engage in social media activities (Facebook, Twitter, and Instagram). The second group comprised the larger portion of OnePlus's target market and had a greater ability to buy the phone and maximize its potential. This group of customers used the phone for everyday activities such as phone calls, Internet access, GPS, and photography and video. In a survey conducted by OnePlus in 2015, half of the respondents said they purchased the OnePlus One because of its impressive features (see **Exhibit 7**). Other factors influencing their decision were an attractive price (33 percent) and design (6 percent). Accessories were not drawing customers in, though; more than half (58 percent) did not purchase any from the OnePlus website. OnePlus users felt that the brand stood for quality and excitement and an innovative and impactful spirit but that it fell somewhat short of being trustworthy, transparent, and customer-centric.

OnePlus's customer research revealed that the majority of its customers were male (90 percent) and highly educated, with 76 percent holding a college degree or higher. They had grown up around computers, smartphones, and the Internet and were mostly interested in technology, movies and TV, music, and gaming. They were regular online shoppers, with 87 percent making an online purchase at least monthly. Most of them were students or worked in white-collar positions in business, engineering, or technology/science/math-related fields and enjoyed talking about and playing with new hardware. Significantly, they read about phones all the time, not just when it was time to get a new one, and were picky about what they wanted. They had a good understanding of smartphone features, gathered from sites such as Android Authority, Gizmodo, The Verge, and Reddit. They wanted the latest technology and good service, but were price sensitive and compared vendors before making their purchase decisions. They were willing to sacrifice elegant design in favor of better specifications (e.g., thicker/bigger phone for bigger battery and protruding camera for better photos). However, even though they read many technology blogs and online magazines, they didn't always understand true engineering. Their perceptions were deeply influenced by expert opinions and reviews.

OnePlus now faced the task of identifying adjacent customer segments that would find its smartphones attractive and would allow it to broaden its appeal. The company believed that traditional methods of segmenting customers by demographics (age, gender, region, etc.) were outdated. Rather, it felt that customers should be segmented by behaviors and motivations. OnePlus believed that its ideal customer persona was someone who preferred substance over glitzy features and who aspired for a better life. This persona also wanted to break free from the

shackles of tradition and to pursue a more authentic lifestyle that had less to do with outward looks and more to do with inner substance and beauty.

To understand the target personas better, OnePlus surveyed 2,000 smartphone customers from the United States. This survey yielded five customer personas that could be potential targets for OnePlus. To validate each persona, OnePlus followed up the quantitative survey with in-depth interviews. The resulting persona profiles are as follows:

Joe, the Tech Enthusiast

Joe is a young professional in his late twenties who graduated five years ago. He is genuinely inspired by technology and typically embraced it earlier than his peers. Always the first one in his social group with the latest smartphone, he sees his smartphone as an expression of his personality as well as a reflection of his hyper-connected, always-on lifestyle. Joe is socially forward, active on social media, and reads technology newsletters and blogs such as Gizmodo, Reddit, and The Verge. He is a fan of FriendFeed but considers Facebook and Twitter relics of the past. He is always searching for the latest and greatest Android device and would consider purchasing one. He is proud of not being an Apple "fan boy" because he feels the Android ecosystem provides more innovation and better value. He cares less about a sleek design and more about getting the right specs, such as more battery power and high-quality photographs. Early tech adopters like Joe comprised about 15 percent of the market, and they were willing to pay up to $700 for a new phone.

Amy, the Design Enthusiast

Amy is a young woman in her late twenties with a passion for creativity. She works in publishing and is willing to pay for premium products. Amy is not geeky, but she appreciates beautiful design and ease of use when it comes to technology. She is a lover of all things Apple and considers her iPhone and iPad her most treasured technology possessions. She not only prefers visually appealing design but also a highly intuitive phone. To her, it's important that it works, that using it is an easy experience, and that it is visually stunning. She does not really care about the processor, nor does she want to invest much time learning how to use the phone and maximizing its functionality. For her, a phone is a status symbol, reflective of her simple but classy taste and passion for aesthetics. Amy enjoys an active lifestyle and exercises regularly. She is active on social media and enjoys staying in touch with friends on Facebook. She awaits the release of Apple products with bated breath. Design enthusiasts like Amy constituted 15 percent of the market, and their average willingness to pay for a new smartphone was $600.[21]

Andy, the Business Professional

Andy is a 40-year-old business executive who works for a Fortune 500 insurance company. For him, a smartphone is a business productivity tool. He uses the phone primarily for getting work done: managing e-mail, staying in contact with business associates and clients, and being productive on the move. He likes devices that are well constructed and secure. He is not excited by apps and games because he considers it a waste of time to watch videos and play games on his phone. He is present on social networks but is not obsessed with always being connected

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[21] When carrier subsidies were taken into account, the cost of an iPhone dropped to $200.

to his Facebook or Instagram feed. He is partial to professional networks such as LinkedIn and likes reading articles posted by the people he follows on LinkedIn Pulse. Andy prefers Microsoft products and owns a Microsoft Surface tablet that he uses for work and travel. He can afford the top-of-the-line smartphone but isn't the first one to stand in line for the latest phones. He doesn't often use media applications such as YouTube, but he occasionally uses Skype and WebEx mobile apps. Andy does not read tech blogs but instead prefers business publications such as the *Wall Street Journal* and other industry-specific journals and magazines. He occasionally goes to the movies and exercises when he has the time. Business professionals like Andy constituted 30 percent of the market, and they were willing to pay $550 for a new phone.

Anya, the Social Teenager

Anya is a precocious 16-year-old. She is a "digital native," meaning she has grown up around technology. She doesn't pay for any of her devices (phones or computers) because her parents purchase them. As befitting a teenager of the digital age, mobile phones, Internet, television, movies, music, and videos play a dominant role in her life. Social networks are important; Snapchat, Instagram, YouTube, and Vine are her media of choice. She likes to read but often is distracted by other media choices such as Instagram and Facebook. She spends up to six hours a day consuming media. She frequently uses social media or watches TV or listens to music while doing her homework. Anya isn't yet aware of e-mail applications or of what productivity is. She quickly becomes bored with her mobile phone and wants her parents to purchase the latest smartphone that she can show off to her friends. Teenagers like Anya represented 20 percent of the market, and their willingness to pay for a new phone was $400, which was what their parents were willing to spend.

Bill, the Baby Boomer

Bill is a 60-year-old late-career executive who is getting close to retirement. Bill is bewildered by all the newfangled smartphones and doesn't see why the younger generation is so obsessed with them. He uses his phone for basic functions such as making phone calls—the way phones were intended to be used! Like other older parents and grandparents, he is not interested in using his phone to watch movies or videos or to play games. Technology doesn't excite him; in fact, phrases like "technology" and "innovation" intimidate him. He wants to use the phone for simple tasks such as calling his family and friends and occasionally sending a text message. He typically uses the same phone for at least three years and considers it a hassle to purchase a new one. Bill does not care for apps and yearns for the old days of simple keyboards and feature phones. He tends to think of modern phones and their functionality as distractions from his basic needs. Bill spends a lot of time watching TV and reading magazines about golf and hunting—his two passions in life. He likes to read more about news and entertainment than about technology. The only social network he uses is Facebook. Baby Boomers like Bill represented 20 percent of the market, and their willingness to pay for a new smartphone was $400.

See **Exhibit 8** for more details and data on the target personas and **Exhibit 9** for an example of a persona profile.

Value Proposition and Positioning

Once OnePlus selected its target customer segments, it would also need to define a value proposition that would appeal to these customers without alienating its current customer base. After much discussion and analysis, the company identified three possible directions in which to elaborate on its slogan of "Never Settle," either focusing on performance, design, or total customer experience.

Performance

The most important smartphone features valued by OnePlus customers were battery life, durability, value for money, storage space, and design (see **Exhibit 10**). One possibility was to continue the "flagship killer" positioning by innovating on cutting-edge features and offering a compelling price point. In this approach, the company could sustain differentiation by creating a few "golden features" in each version of the OnePlus phone to keep people excited. Apple had successfully leveraged this strategy and engineered "just enough" innovation on its phones to build a much-loved brand that kept people excited and coming back. OnePlus potentially could replicate this strategy for its own devices. In this strategy, "Never Settle" equaled feature/performance innovation and represented the status quo. The OnePlus 2 was a step in this direction, as it continued to offer industry-leading performance at a compelling price point. This approach would be consistent with the heritage of OnePlus and its challenge of "Never Settling" for incremental innovation.

The challenge with the performance-based positioning was that it was an arms race that would be difficult to sustain, particularly given the fact that OnePlus would not be commanding premium prices for its phones. Even Apple and Samsung were finding it difficult to keep coming up with breakthrough features, as all leading smartphones already were extremely technologically advanced. OnePlus had already seen its feature advantage relative to competition shrink with the OnePlus 2, leading to a less-than-enthusiastic reception for the second version of its flagship phone.

Design

An alternative approach would be to make OnePlus the "Apple of the Android universe" by focusing on design and craftsmanship. This was a direction that OnePlus had followed with the OnePlus X, for which it had shifted its emphasis from performance to design as a vector of differentiation. Apple didn't always lead with the latest and greatest features but continued to innovate on design to capture the consumer's attention. OnePlus borrowed heavily from Apple's design playbook and mentioned on its website that it went through hundreds of iterations before "finalizing the design that perfected a balance of look and feel . . . creating a seamless, fluid experience."[22] Lau said:

> For example, the screen of OnePlus One was lifted just above the chamfered edge, creating an illusion that the screen was floating on the top. It was beautiful, but I knew that it was just a tiny bit too high and I didn't like how it looked. We decided to lower the screen by just 0.1 mm. [It was a] small yet difficult change and the customers can barely feel the

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[22] OnePlus 2, https://oneplus.net/global/2/design (accessed June 10, 2016).

difference. But I still didn't like it. I wasn't happy about it until it was lowered to 0.05 mm. Sometimes it's just the difference of less than a millimeter that creates the perfect curvature. We always pay attention to the details that no one else cares about and put great effort into it. But it is exactly these details which are easily neglected that leaves a good impression and reminds [consumers] of you.[23]

The design-driven positioning would allow OnePlus to move the conversation away from pure features and functionality to a subtler emphasis on design and aesthetics. This would be easier to sustain because design innovation could take many more directions than pure performance, and it could also be extended beyond phones to accessories and lifestyle products. This approach would also be consistent with the culture of OnePlus and with Pete Lau's passion for superb products. But the challenge with this approach was that OnePlus lacked the brand image that Apple and even Samsung had been able to create. Building a brand that stood for design excellence would take time and would be expensive. Pei and Lau realized that design-focused companies such as Bose, Apple, BMW, and Bang & Olufsen had taken many years to build their reputations. Did OnePlus have the time and the resources to compete on design?

Total Customer Experience

A third approach for OnePlus could be to broaden the meaning of "Never Settle" beyond the device to the entire customer experience. Lau was emphatic that the essence of OnePlus was always going to be about providing good products. He noted, "We will maintain our 'Never Settle' fundamentals, as we believe that the product speaks louder than words. You think about what consumers need first, then you think about how much the product is worth."[24] But OnePlus could expand the "Never Settle" slogan to stand for innovation on various dimensions of the customer experience: design, features, accessories, price, customer service and support, marketing approach, or community. In this approach, the meaning of "Never Settle" would become more of an overarching idea of innovation, not unlike the brand image of Sony in the 1980s. If OnePlus was able to say credibly that it offered the best total experience to its customers, it could become a powerful and sustainable differentiator.

But OnePlus needed to tread carefully if it chose this positioning approach. Given the exclusive reliance on online sales, OnePlus's experience in customer service and product demonstration lagged well behind that of leading competitors. OnePlus forums were rife with complaints about the tardiness of OnePlus's responses and solutions to customer problems. Customer service, which was based in China, used a ticket system to address customer complaints. Unfortunately, the system was not seamless nor very responsive. Customers complained that their grievances had not been addressed for weeks and that even when they were, the problems were not resolved to the customers' satisfaction. Many customers were bitter about the experience and vowed they would not buy another OnePlus phone until OnePlus had radically ramped up the quality of its customer support. Tech enthusiasts were willing to overlook the customer-support issues as inevitable "teething problems" associated with a startup. But mainstream customers would be less willing to accommodate the lack of quality customer service. OnePlus could not expect to be the product of choice for the average consumer without beefing up its customer support.

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[23] Pete Lau, in interview with the authors, February 2016.

[24] Ibid.

Marketing Strategy for Mainstream Customers

OnePlus also needed to retool its marketing communication and channel strategy as it shifted its focus beyond early adopters. In the beginning, the company had relied almost exclusively on news features, online publications, and social media to promote its products, and it had only sold its phones directly to customers on the Internet. This marketing communication and distribution approach had served it well with early adopters, but it would not be enough to reach mainstream customers.

Pei wondered about the marketing communication mix that would allow OnePlus to reach mainstream customers. Could the company afford to communicate only via social media? Or would it need to make a concession to the "old" way of communicating and advertise on TV and in print? If it did, how should it allocate resources across the different media channels? How could it take a "guerrilla" approach to mainstream media? Pei declared that "the U.S. will be a very important market for us this year" and that OnePlus was considering raising awareness by using more traditional marketing strategies to promote its smartphones. "So far," he admitted, "we've only been good at digital and social media."[25] Pei said he realized the United States was a different market, one in which most consumers did not know they could purchase a phone online and unlocked. He said customers typically looked for cultural cues and wondered if a splashy Super Bowl ad would be a good tactic. But would his core early-majority customers accuse him of selling out and bowing to the pressure of adopting a traditional marketing approach?

OnePlus also needed to think about new distribution channels. Although e-commerce would remain the core of its channel strategy, it would need to broaden its distribution channels. The United States was a service provider–driven market, with a large proportion of smartphone purchases being made through service providers such as AT&T and Verizon. Did that mean OnePlus would need to partner with these providers to broaden its access to customers? Would it be better off trying to get into offline retail stores such as Best Buy or online retailers such as Amazon? Electronics and specialty retailers formed the core distribution channel and accounted for 65 percent of mobile sales in 2015.[26] Could OnePlus create its own pop-up stores in malls and other high-traffic spots? Customer accessibility was a problem even in the e-commerce space; the majority of online sales went through established retailers such as Amazon, which accounted for nearly half of all online mobile sales. OnePlus's reach through its own site was only about 10 to 15 percent, leaving as much as 80 percent of the market unaddressed.

Distribution Channels

To reach this large unaddressed market, OnePlus was considering several alternatives for distribution channels.

Online Retailers

In India, OnePlus had expanded its reach through a strategic partnership with Amazon India. It could employ the same strategy in the United States. Instead of going to market through

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[25] Carl Pei, in interview with the authors, February 2016.

[26] Karissa Chua, "OnePlus Transitions Away from Hunger Marketing," *Euromonitor International*, December 13, 2015, http://blog.euromonitor.com/2015/12/oneplus-transitions-away-from-hunger-marketing.html.

retailers, OnePlus potentially could strike an exclusive deal with Amazon to sell and distribute its phones and thereby increase the addressable market. Under this option, its online strategy would be purely through Amazon and OnePlus's own website. This strategy would be consistent with OnePlus's heritage, and there would be no headaches and costs related to physical distribution because Amazon would carry the load. The disadvantage was that OnePlus's bargaining power would be limited by Amazon's superior power in the marketplace. That would translate to lower margins for OnePlus.

Brick-and-Mortar Electronics Retailers

One strategic choice was for OnePlus to create a 250 to 500 square foot store-within-a-store that would have point-of-purchase display products and accessories and merchandising material. OnePlus could create similar mini stores at service provider stores such as AT&T and Verizon. The advantage of having a mini store in Best Buy would be that the store-within-a-store model was already established; Best Buy already had moved strategically in this direction with Samsung and Microsoft. Best Buy also offered the advantage of massive distribution, with 1,400 stores in the United States. The downside was that OnePlus likely would get lost in the clutter of competing stores and brands. Moreover, Best Buy would not be as interested in OnePlus as a strategic partner as it was with Samsung or Microsoft since OnePlus was a small, relatively unknown startup.

Service Providers

Alternatively, OnePlus could opt to open mini stores within larger AT&T, Verizon, T-Mobile, and Sprint stores. The four largest service providers together had more than 10,000 retail stores, which was almost six times the reach of Best Buy. Another advantage was that service providers were focused only on mobile phones, whereas people visited Best Buy for many reasons, not just to purchase a phone. Also, service providers were gaining share on Best Buy. With the United States being a provider-centric market, it made sense for OnePlus to pursue distribution through service provider stores, as well as through its website. The key competitors in the smartphone market, including Samsung, HTC, and LG, were all present in service provider stores, so OnePlus would be the odd man out if it did not seek a place in this channel. The company was aware that Nokia had failed in the U.S. market because it did not pursue distribution through service providers.

The disadvantage of the service provider channel was that real estate in carrier stores was limited, and OnePlus might get only a wall display. Also, it was not clear if OnePlus could have a differentiated presence with several brands jostling for space and attention. Here, too, OnePlus's bargaining power was limited, as it would be one of many players. In addition, it would need to incentivize sales personnel in stores to push OnePlus devices, which would result in lower margins.

Marketing Communication

OnePlus had a limited marketing budget, which meant it would need to make marketing communication investments very judiciously.

Traditional Media

The first decision the company had to make was whether or not to invest in traditional media. One possible strategy in traditional media was out-of-home billboards. OnePlus could use some of its marketing budget on billboards in strategic locations in major cities. The cost of renting a standard billboard varied by city, ranging from $1,000 to $3,000 per month for a smaller city to $5,000 to $10,000 for a larger city, and even higher ($11,000 to $15,000) in cities such as Boston and San Diego. The cost of a billboard in New York could be anywhere from $50,000 to $200,000 for four weeks. A less-expensive option was a digital billboard that could be shared by different businesses and thus would cost less. In some cities, however, digital billboards actually cost more than print billboards. The billboard's advantage was that it was a good way to introduce a brand without getting into too much detail. It also meant less clutter and a more differentiated value proposition. The slogan would also play well on a billboard (#NeverSettle). The call to action would be "Learn more at OnePlus.com."

Another tactic for traditional media was to make targeted media buys with online streaming providers such as Hulu, YouTube, Crackle, and Comcast Stream. OnePlus could partner with these providers for ad placements by producing 15- or 30-second ads. This tactic could be effective for younger customers who spent a lot of time consuming video content from streaming providers. However, the team would need to choose ad buys carefully—perhaps 20 to 40 of them, depending on cost. Would this be enough to drive broad awareness? OnePlus also could buy print advertising in business publications such as the *Wall Street Journal* to reach professional customers. Print media had a wide reach and could reach older customers quite effectively.

Online Media

OnePlus could build on its social media strategy by continuing its guerrilla tactics but also by augmenting earned media (exposure gained through word of mouth) and owned media (such as OnePlus's website, company blog, and social media accounts) with spending on paid media. This last would include online display and search marketing to drive traffic to OnePlus's website. Sites such as Twitter, LinkedIn, Facebook, and YouTube offered advertising options that could help boost the company's exposure. It would also mean continuing with creative promotional tactics—such as OnePlus-created documentary *The Second Album*, which depicted the intense atmosphere at the company offices in the weeks leading up to the One Plus 2's launch—but using paid media to drive traffic to these promotional films.[27]

The question before OnePlus was how much to allocate across each of these categories. Should it, like the average firm, devote about 30 percent of its budget to online media, or did its target segments mean that a higher percentage should be dedicated to it? Allocating spend to traditional media would mean reaching older, more traditional customer segments whereas spending on online media likely would reach younger consumers, who spend a greater amount of time on digital channels. The budget allocation would need to consider the effectiveness of the various media channels, as well as their costs. See **Exhibit 11** for indicative costs of online and offline media buys.

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[27] Julian Chokkattu, "OnePlus' Feel-Good Documentary Goes Behind the Scenes of the OnePlus 2 Launch," *Digital Trends*, June 3, 2016.


Conclusion

OnePlus wanted to avoid being a shooting star, burning brightly one moment and crashing spectacularly the next. The company had to figure out how to become a sustainable multibillion-dollar company while staying true to its early-adopter customers. Lau believed he knew the recipe for sustained success: spending more time and energy on creating a better product should always be OnePlus's priority. He also believed firmly that the company should stay true to its mission of "Never Settle" and not be afraid to take risks in its effort to remain a challenger.

Pei believed that although OnePlus was now in a position to invest in advertising, it would stay focused on building its community through word of mouth. He was also very conscious of the need to protect the OnePlus brand difference. "People liked you because you were different and an outsider," noted Pei. "When you start to employ more of the same strategies as the big guys, why are you different? That's something we're trying to deal with. In essence, we are trying to boil down the few core reasons why people are attracted to our brand and then amplify those reasons. . . . I heard that LG is spending [around] $200 million a year just in the U.S. on buying media. We have nowhere near that; if we used the same strategies as the big guys, we would drown."[28]

The challenge for the company was to retain key aspects of the culture and strategy that had powered its early success while adapting other aspects of the strategy to broaden its appeal beyond its early customers. Making this transition successfully would determine whether OnePlus would be able to cross the chasm.

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[28] Jonathan Bacon, "How OnePlus Is Taking On the Mobile Giants," *Marketing Week*, March 2, 2016.

Exhibit 1: Worldwide Sales of Smartphones to End Users
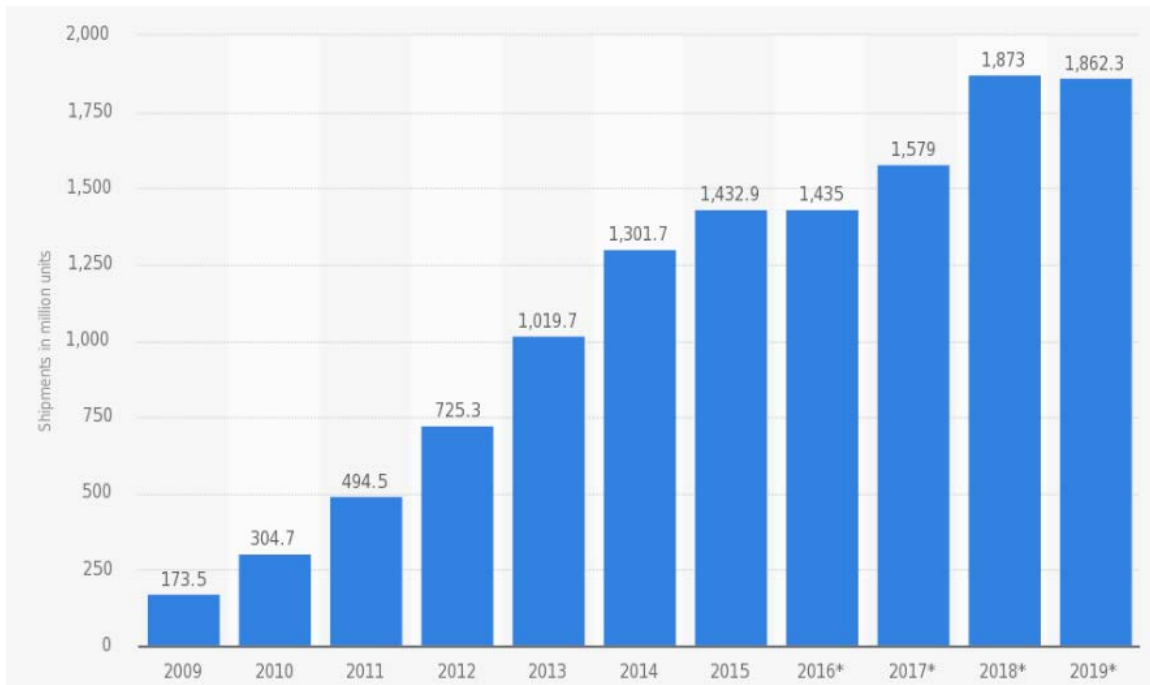
* Projected

Source: Statista 2016, IDC 2010-2015.

Exhibit 2: OnePlus One
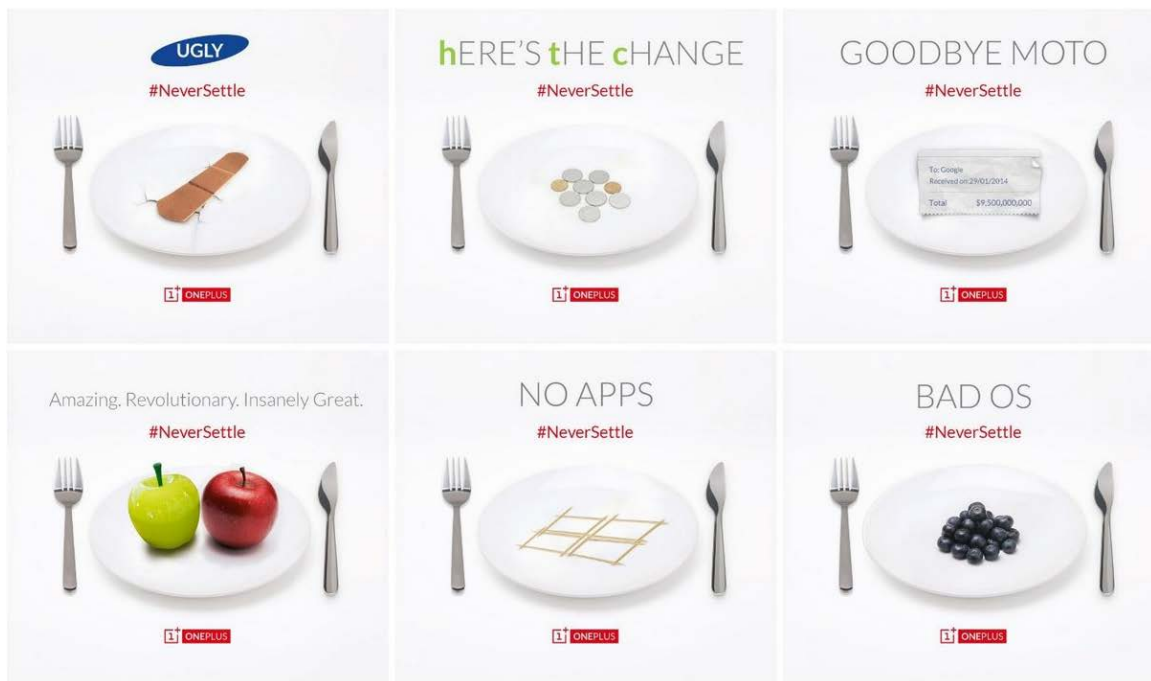
Exhibit 3: OnePlus 2

Exhibit 4: Smartphone Comparison

	iPhone 6S	Galaxy S6	Xiaomi	OnePlus 2	OnePlus One
Weight	143 g	138 g	129 g	175 g	162 g
Storage	16GB, 64GB, 128GB	32GB, 64GB, 128GB	32GB, 64GB, 128GB	16GB, 64GB	16GB, 64GB
RAM	Undisclosed	3GB	3GB	4GB	3GB
Screen size	5.5"	5.1"	5.2"	5.5"	5.5"
Resolution	1920 × 1080, 401 PPI	1440 × 2560	1920 × 1080, 428 PPI	1920 × 1080, 401 PPI	1920 × 1080, 401 PPI
Camera	12 MP, LED flash	16 MP, 5 MP front	16 MP, dual LED	13 MP, dual LED flash	13 MP, 5 MP front
Wi-fi	802.11ac	802.11ac	802.11ac	802.11ac	802.11ac
Processor	Apple A9, 64-bit, clock speed undisclosed	2.1 GHz 8-core Exynos 7420	1.8 GHz quad-core Snapdragon 820	1.8 GHz 8-core Snapdragon 810	2.5 GHz quad-core Snapdragon 801
Battery capacity	1,715 mAh	2,550 mAh	3,000 mAh	3,300 mAh	3,100 mAh
Price	$849	$650	$355	$389	$249
Software	iOS 9	Android Lollipop	Android 6.0 Marshmallow	OxygenOS (Android 5.1)	CyanogenMod (Android 4.4)

Source: Compiled by the authors.

Exhibit 5: OnePlus X

Exhibit 6: OnePlus Advertisement

Source: Ariel Rosenstein, "How the OnePlus' Marketing Strategy Made It the Most Desirable Phone in the World," *The Next Web*, March 17, 2015, http://thenextweb.com/market-intelligence/2015/03/17/how-oneplus-ones-marketing-made-it-the-most-desirable-phone-in-the-world.

Source: Deepali Sharma, "OnePlus 2 Gets Price Cut in India," *Intellect Digest*, March 15, 2016, http://www.intellectdigest.in/oneplus-2-now-available-invite-free-in-india-20955.

Exhibit 7: OnePlus Customer Behavior

"How did you find out about OnePlus?"

- News or online... — 40%
- Word of mouth — 31%
- Other — 9%
- YouTube — 7%
- Facebook — 5%
- Google+ — 3%
- Ads — 2%
- Twitter — 1%
- E-commerce site — 1%
- Instagram — 0%

Other:
Tweakers.net
Reddit
Xda-developers
9gag
TWIT Podcast

"What was the main reason you purchased a OnePlus One?"

- It was an impulse purchase — 2%
- It was a gift for a friend — 2%
- Other — 2%
- I got an invite from OnePlus — 3%
- A friend shared an invite — 3%
- I liked the design — 6%
- It has an attractive price — 33%
- I was impressed by the features — 50%

Source: OnePlus.

Exhibit 8: Smartphone Customer Personas

	Tech Enthusiast	Design Enthusiast	Business Professional	Social Teenager	Baby Boomer
Market size	15%	15%	30%	20%	20%
Demographics	25–39, mostly male	25–39, mostly female	28–50	13–17	50+, seniors
Motivations	Influence others, evangelize	Design, status, aesthetics	Productivity, e-mail, client satisfaction	Entertainment, social connections	Basic needs, safety, connect with family
Lifestyle	Moderate income, college education, technical jobs, tech producers	High income, highly educated, managerial jobs, tech consumers	High income, college education, managerial and executive jobs	Students, no income, voracious tech consumers	Retired or nearly retired, high school or college education, news consumers
Attitude toward technology	Deeply technical, 35% follow tech news	Not geeky but 22% read tech news	Like to use it for productivity	Fluent users of technology, digital natives	Aversion to technology, digital immigrants
Willingness to pay	High	Moderate to high	Moderate	Low (parents would pay)	Moderate to low
Media consumption habits	Facebook, YouTube, Twitter, Tumblr	Facebook, Pinterest, Twitter, LinkedIn	LinkedIn, Google+, Facebook, Twitter	Snapchat, Instagram, Facebook, Twitter, Vine	Facebook, YouTube, Google+, LinkedIn
Phone usage	95% own smartphones, favor Android devices	Apple devices	Android devices	70% own smartphones, prefer Apple and Samsung	64% own smartphones, older boomers prefer feature phones
App usage (top 5)	Meerkat, Periscope, Uber, Evernote, Buzzfeed	Facebook, Pandora Radio, YouTube, Instagram, Netflix	Evernote, Any.do, Pulse, Dropbox, TripIt	Instagram, Snapchat, Facebook, Kik, Periscope	Facebook, Pandora Radio, Yahoo Mail, YouTube, Skype

Source: Compiled by the authors.

Exhibit 9: Persona Profile: Amy, the Design Enthusiast

AGE: 32
OCCUPATION: Publishing Manager
STATUS: Single
LOCATION: Chicago, Illinois
ARCHETYPE: Runner and yoga lover

MOTIVATIONS:

Status
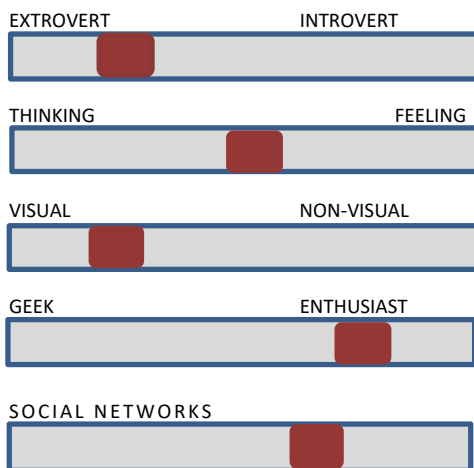
Style

Aesthetics

Visual appeal

Social

LIFESTYLE:

Drives a sporty BMW

Exercises regularly

Enjoys nights out with friends

Likes to try new cuisines

TECHNOLOGY GOALS:

Wants an intuitive, easy-to-use phone

Prefers a sleek device that has lots of visual appeal

Listens to the latest music hits

Stays connected with friends and family via text, e-mail, video (FaceTime), and apps (Facebook)

Although she does not want to bring work home too often, she wants to stay connected with colleagues and be productive on the go

PERSONALITY:

EXTROVERT — INTROVERT

THINKING — FEELING

VISUAL — NON-VISUAL

GEEK — ENTHUSIAST

SOCIAL NETWORKS

BRANDS:

BIO:

Amy works in the creative field and appreciates good design. As such, she has been an iPhone devotee and considers it her most precious possession. She uses her iPhone as her GPS device, to listen to music, to take photographs and videos, and to keep track of workouts. She also uses it to shop at her favorite online stores and to connect with her family on FaceTime as well as for apps that keep her up-to-date on her social and professional networks.

Exhibit 10: OnePlus Brand Personality

Quality Products	6.11 (OnePlus)	6.54 (Smartphone brand)
Young	6.1	4.19
Innovation	6.02	6.09
Making an impact	6	5.78
Exciting	5.96	5.42
Humble	5.11	4.96
Customer-centric	5.1	5.88
Receptive to feedback	5	6.04
Transparent	4.89	5.24
Cheap brand	4.23	4.12

■ OnePlus
■ Smartphone brand

TOP 5
Our customers strongly agree that OnePlus is making Quality Products, and is Young, Innovative, Making an Impact, and Exciting.

BOTTOM 5
The respondents tend to agree the least that OnePlus is Cheap, Transparent, Receptive to Feedback, Customer-Centric, and Humble.

Source: OnePlus.

Exhibit 11: Indicative Costs of Online and Offline Media Buys, 2015

	30-second TV ad in prime time broadcast TV	$112,000
	Average cost of a commercial in AMC's *Walking Dead*	$400,000
	Average CPM for a 30-second commercial on broadcast prime time	$24.76
TRADITIONAL (OFFLINE) MEDIA	One-page full-color front page ad in the *New York Times*	$50,000
	Average CPM of a newspaper	$32
	Cost of four weeks on Times Square's biggest billboard (an 8-story sign on Broadway)	$2.5 million
	30-second Super Bowl ad (2015)	$5 million
	"Brand Story" ad on Snapchat	$750,000
	Average CPM of Facebook ad	$0.25
	Average CPM of LinkedIn ad	$0.75
	Average CPM of Google AdWords	$2.75
ONLINE MEDIA	YouTube pay-per-view	$0.30–$0.10
	CPM for standard in-stream video ad on Hulu	$35
	CPM of sponsored video on Instagram	$30
	CPM of sponsored photo on Instagram. Minimum ad spend is $200,000	$20
	Advertising on tech blogs such as *TechCrunch* (minimum spend/month)	$5,000

Source: Compiled by the authors.