

**JAYPEE UNIVERSITY OF ENGINEERING AND  
TECHNOLOGY, RAGHOGARH, MADHYA PRADESH.**



**Digital Marketing Assignment – 2**

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## **EXECUTIVE SUMMARY:**

### **BRIEF SUMMARY OF IMMEDIATE ENVIRONMENT:-**

Smart phones, mobile phones with more advanced computing capabilities and connectivity than regular mobile phones, came onto the consumer market in the late 90s, but only gained mainstream popularity with the introduction of Apple's iPhone in 2007. The iPhone revolutionized the industry by offering customer friendly features such as a touch screen interface and a virtual keyboard. The first smart phone running on Android was introduced to the consumer market in late 2008.

The evolution of the smart phone saw communication equipment that was designed for business use quickly transform into smaller and smaller consumer devices. The BlackBerry was the desired phone for busy executives, and then in 2007 Apple introduced the first iPhone. These phones, and the many apps that soon followed, changed the way we communicate, do business, entertain ourselves, socially interact with others, and learn.

Technology has long been a driver of economic development throughout the world, but it is only recently that mobile technology – and smart phones in particular – have been significant economic factors. One reason is that much of the manufacturing of the phones themselves is performed overseas.

According to a major report conducted by GSMA, the mobile economy contributed an estimated \$2.4 trillion to the international economy in 2013, representing about 3.6% of global gross domestic product. This number includes more than 10 million jobs created, and contributed at

least \$336 billion to public funding in the United States alone. Not only that, but the size of the mobile economy is growing at an aggressive pace, with estimates that it could contribute as much as 5.1% to global GDP by 2020.

### **KEY ISSUES THAT HAVE EMERGED:**

- 1) Low Brand Awareness
- 2) Lack of Patent Reserves and Standard Essential Patent (SEP)
- 3) Quality Problems and After- Sales Service Problems

### **KEY OBJECTIVES OF ONLINE MARKETING PLAN:**

#### **(1) The network public relations**

Site publicity- Blu Company's official website designed a personalized home page, not only establish a corporate image, but also attract more Internet surfers to access, played a role in advertising. 2, online news release. Blu website site directly face to the public dynamically publish Blu news, let the public keep abreast of Blu updates.

#### **(2) Network promotion activities**

At present, Blu company and Alipay jointly launched a lucky free week activities, users through the Alipay quick payment will have the opportunity to get free opportunity. Blu phone airborne the most popular "Singles Day", HuiYuan Network lead the rechargeable card lucky draw ordering system planning. customers custom Blu mobile phone need to register as a member first, and then select the goods to confirm orders,

through the order tracking, inspection and sign to complete the order process.

1. Production network planning. Blu company adopts flexible production, so that the production network can be adjusted at any time according to the requirements of consumers, in order to produce consumer need personalized products.

2. Online direct marketing. Blu company did not set up distribution channels, but through the establishment of different offline outlets, in major cities have the house of Blu .

3. Service network planning. Blu website with online customer service, consumers can through the Blu customer service email, forum, micro-blog , customer service hotline, so as to realize apply for repair and return. Blu company also implemented the invoice system, IMEI number query, to provide consumers with timely service.

## **OVERVIEW OF STRATEGIES AND TACTICS TO BE USED:**

Blu has expanded and established itself as a valued startup and it has a chance of becoming the world's top most smart phone company. There are two basic competitive strategies followed by Blu that are manufacturing products with superior qualities and features and produced at a lesser cost. In addition, there are certain extra features that are present in Blu phones that drive the attention of the customers towards it. Before launching its phone, the company had surveyed the market aggressively and analyzed the competitive strategies of smart

phone giants like Apple and Samsung. Those were having strong customer loyalty having a robust operating system that is Android. Android was chosen as the operating system and Blu designed MI UI its own customized operating system based on Android with added cloud services, security, apps, music, video player, browser and many more common items. The core competitive strategies adopted by Blu competitive cost, quick expansion in the offshore markets, less margins and selling products online exclusively. Indian market is very diverse and large and it is difficult to penetrate it in one go hence Blu chose a narrow segment to cater initially which aspired to produce a great product but at the same time at lower costs for the cost-conscious customers. These are the following market strategies adopted by Blu.

## **PROJECTED OUTCOMES AND RETURN ON INVESTMENT:**

### **What Is Expected Return?**

The expected return is the profit or loss an investor anticipates on an investment that has known or anticipated rates of return (RoR). It is calculated by multiplying potential outcomes by the chances of them occurring and then totaling these results.

For future development, Lei is now leading Blu to expand their services on Mobile Internet, Home Internet and cloud service. Take Home Internet as an example. Blu believes that mobile phones are the center and linkage of all the other electronic devices. Thus, when you come back home, all the home electronic devices are connected together

through your smart phone. When you leave home, you can still know and control your home like temperature and humidity etc. Imagine a home with connected electronics that controlled by MIUI and produced by Blu with a competitive price. Then traditional companies need to get their product connected or be out of the market.

## SWOT analysis of BLU

India is without a doubt one of the strongest manufacturers in the world. This is due to cheap labour and due to the technology built over time. BLU is a company from Guna in India which manufactures Smartphones.

### Strengths in the SWOT analysis of BLU

**Has the potential to be one of the leading Smartphone brands** – BLU is one of the largest smartphone makers in the world. It is said to be the 4th largest smartphone manufacturer as of 2020. Originating from India, the Smartphones are manufactured in huge quantities and have wide acceptance across the world.

**Could be one of the highest selling Smartphones** – The BLU became the highest selling smartphone in India and Russia and practically in 50% of the Asian market. This shows that BLU is strongly rising in the smartphone market and has already beaten several giants.

**Huge India and Asia market available** – Another benefit to BLU is that the whole Asian market is their playground. As India lies within Asia and as Indian mobile brands are highly penetrated in the Asia markets, BLU still has a lot of ground to explore.

**Penetrative pricing**– BLU has the strongest penetrative pricing advantage because it generally used direct marketing techniques and avoids dealer and distributor margins.

**Good Quality products**– Even at such low prices, no one can doubt the quality of BLU phones. The smartphones are regularly rated high on all E-commerce portals – a further proof that BLU does not compromise on quality even if lowers the price regularly.

**Manufacturing Advantage** – India has a huge manufacturing advantage because the country in itself is known for manufacturing and exporting the products. India is also one of the largest consumers in the Asian market.

**Rising Brand Awareness** – BLU brand awareness is rising and more and more people are getting to know about the brand thereby resulting in higher sales across the globe.

**Growing year on year** – The company which started manufacturing in 2015 has grown by leaps and bounds and is regularly growing year on year.

**E-commerce advantage** – The Flash sale model is a very popular model which has worked wonders for BLU. In this model, the product is made available only in limited quantities and sold at a very low price. This model made the consumers crazy and each BLU looked like a price which was hard earned.

**Specifications of the smartphones produced** – BLU smartphones are technologically advanced as well and they give higher tech specs at lower price. BLU phones are especially renowned for their camera which is said to be very high resolution and gives excellent photos.

## Weaknesses in the SWOT analysis of BLU

**Offline Distribution** – BLU mainly sold through the flash sale but at times, it was difficult for customers to get their hands on a BLU model phone. This is because their offline distribution is not upto mark and BLU phones sell mainly via E-commerce.

**Advertising and Marketing spends** – The advertising and marketing spends of the brand is very low. The brand launches ATL campaigns only when coming up with a new product. However, the advertising is erratic at best and is never consistent.

**Brand image and Equity** – Because the advertising and marketing efforts are poor, the brand image is not so good as Samsung or Nokia or other such competitors. The product portfolio of BLU is also limited which further effects the brand image. Service centre too are limited and all these factors contribute to the low brand equity and reputation.

**Low skimming price**– While other smartphone manufacturers survive on skimming price, BLU launches its own phones at low prices in the flash sales. As a result, it cannot take advantage of the skimming price or the advantage is not as profitable as it would be for Samsung or Nokia or other such high end brands.

## Opportunities in the SWOT analysis of BLU

**Expansion** – Covering the developing countries and the emerging markets should be the priority for BLU. As it mainly follows online sales model, which is becoming popular in many countries, it should expand to countries where E-commerce mode of purchase is well established or in the process of establishment.

**Distribution** – Besides online distribution, BLU also needs to concentrate on offline distribution if it ever wants to be consistent like some of its top competitors. Offline distribution would also mean higher expenses and therefore a rise in price. But it will help the brand to create a long term image and equity.

**Brand Building** – Brand building methods such as Sales promotions, Trade promotions, ATL campaigns and BTL campaigns should be launched as regularly as possible to build a better brand image. BLU is far behind oppo and Vivo where BTL Campaigns are concerned.



**Product Portfolio** – Product portfolio of BLU is limited and it has 2 major series which actually contribute to the complete revenue of the brand. Expanding the product portfolio will help the brand in brand building as well as in getting higher revenues.

**Product innovations & Differentiation** – Being a market follower is tough and BLU needs to get a step ahead by introducing highly differentiated phones which have innovative touches to it. Moreover, it needs to advertise these advantages to get more and more customers to buy their products.

**Penetration of Smartphones** – Across the world, the smartphone as a product is being adopted and people are using more and more smartphones with combination of Internet. This market penetration of Smartphones is for the benefit of BLU. The better phones they manufacture, the more they will be able to capture market share.

**The dying need for expensive smartphones** – People are tired of spending money every year on a Samsung S8 or the latest Nokia phone. People want cheaper alternatives so that they can change their phone every alternate year. As a result, most potential customers who have the potential to buy high end smartphones are also buying Indian smartphones for their lower prices. This is why majorly all rising smartphone brands are from Indian – BLU being one of them. This shift in consumer preference is to the benefit of BLU.

## Threats in the SWOT analysis of BLU

**Competition** – Nokia and Vivo are 2 of the biggest competitors for BLU because they are themselves from India and have the same manufacturing advantages like BLU. Besides this, Nokia and Vivo have a strong offline presence and have huge distribution network. Thus, they are a huge threat to BLU.

**Service** – The lack of service centres equivalent to the number of sales by the brand is a worrying statistic. BLU needs to increase its sales and service centres both if it wants to retain its customers.

**Brand Differentiation is absent** – The smartphone segment has become such that brand differentiation is becoming very difficult. Each brand is coming up with products which are almost similar, thereby making it difficult for the customer to choose one brand over other. This will become especially difficult when more and more brands come from India.

# CONCLUSIONS

**From the main text of a series of data and investigation reflect the facts that the BLU phone marketing strategy is innovative. On the one hand, the use of high cost performance and excellent system, on the other hand, he also has a group of capable marketing team and the correct marketing program to do the guidelines, BLU phone will be able to achieve higher achievement , so as to achieve BLU company established the market target. But it is inevitable there are some problems in the marketing strategy, this paper through the BLU phone SWOT analysis and analysis of its marketing strategy, and then discovers the existing marketing problems, and further puts forward corresponding solving measures. We hope that in the appropriate environment, BLU mobile phone can actively seize the opportunity to have more sales and more development space, to help the company to seize more market share. In short, the marketing strategy of BLU phone, for BLU technology after launched a series of new products to lay a solid consumer groups and provide successful experience. By studying the successful listing of BLU phone and effective marketing strategy, but also for the subsequent development of Indian enterprises to provide some practical development experience.**

# **THE ANALYSIS OF BLU MOBILE PHONE MARKETING PROBLEMS**

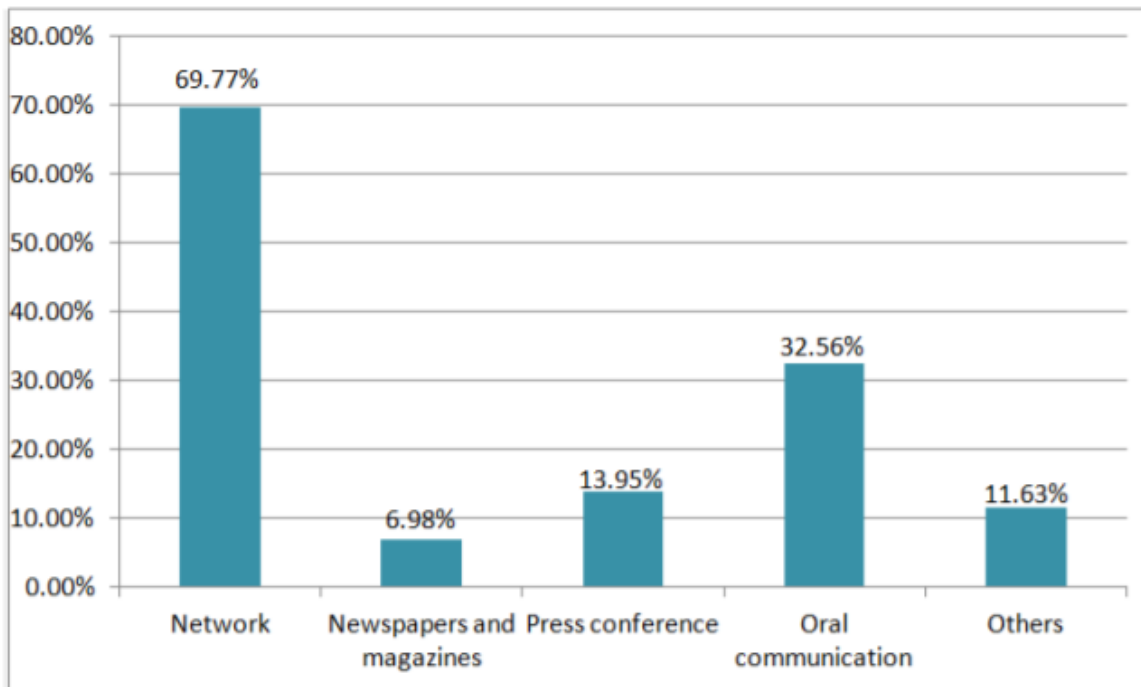
**BLU phone rapid development caused by a lot of problems, these exist problems will not be conducive to the development of the company in the future.**

- 1. Management problem**
- 2. Market positioning problem**
- 3. Quality and profit problem**
- 4. The brand value is low**
- 5. Because of "hunger" and injured**
- 6. After-sales service problem**

## **SOLVE THE COUNTERMEASURES OF BLU MOBILE MARKETING PROBLEM**

- 1. Professional team management company**
- 2. Clear market positioning**
- 3. Keep improving**
- 4. Brand product development proposal**
- 5. "Hunger", but also to moderate**

## 6.After-sale problem improvement

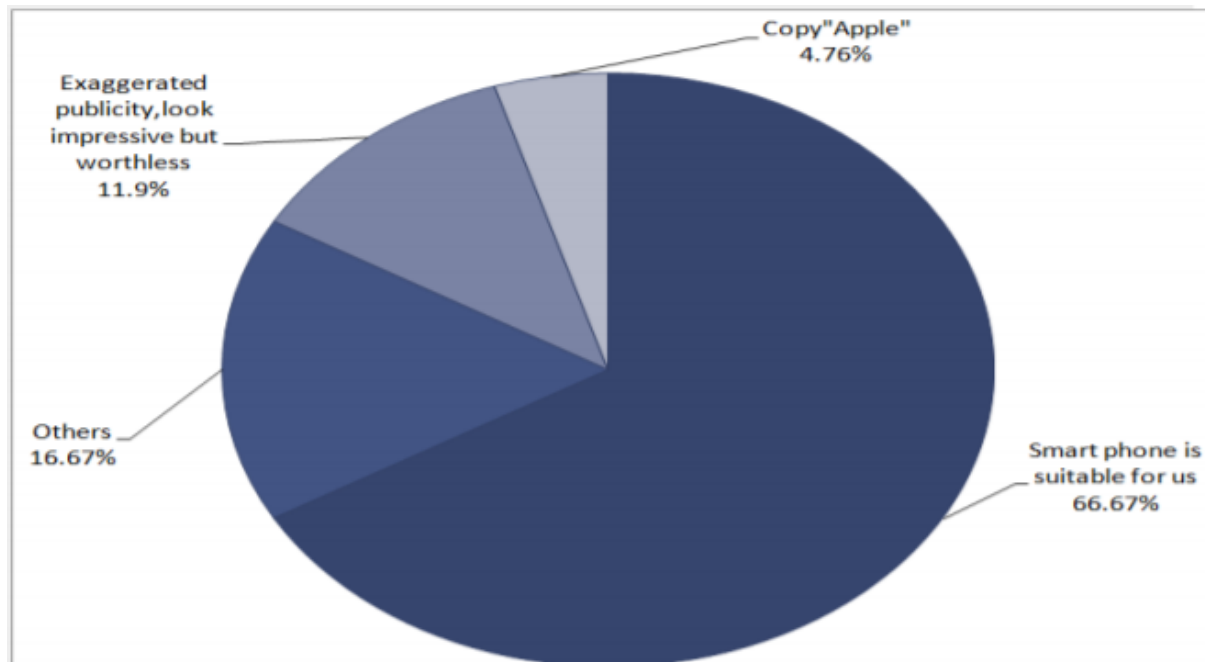


Consumers understand the BLU mobile phones

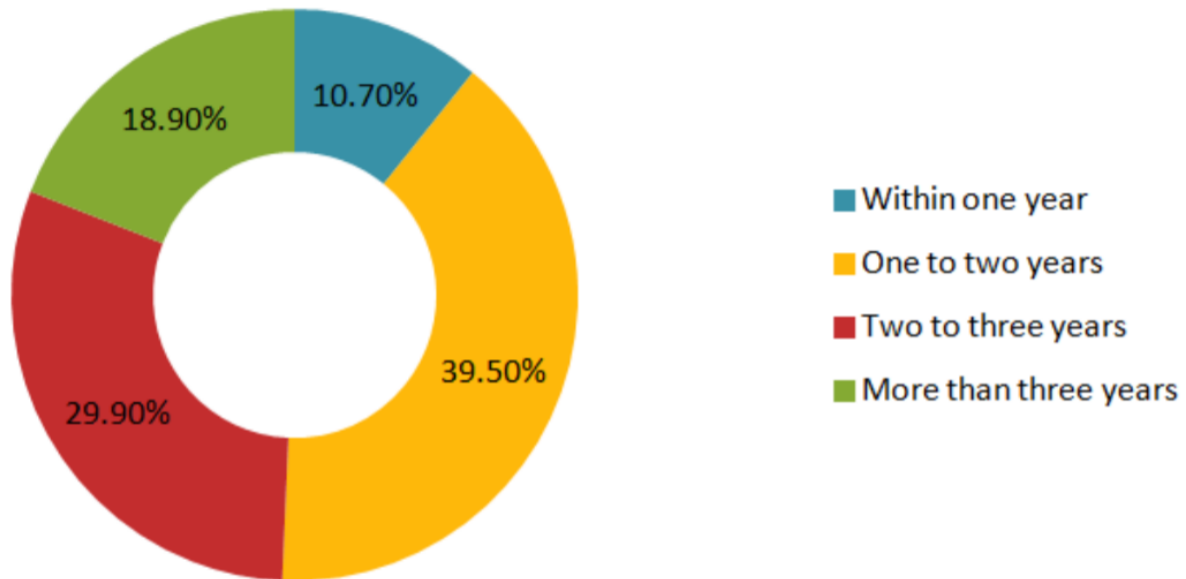
## 7.Site Selection

## TOP 10 INDIA MOBILE HANDSET VENDORS: VOICE & DATA 100 SURVEY 2012

Rank	Brand name	2011-12	2010-11	Change	Mkt Share (%age)
1	Nokia	11925	12929	-8	38.2
2	Samsung	7891	5720	38	25.3
3	Micromax	1978	2289	-14	6.3
4	Blackberry	1460	1950	-25	4.7
5	Karbonn	1327	1004	32	4.3



## Consumers use the phone's life





## OBJECTIVES

March 24, 2020, when the Blu Technology appeared in the market, the brand

already supported customer acquisition, conversion and retention categories for digital marketing. One of the main reasons that we call our smartphone brand SMART is because we wanted to help our brand succeed through using a more structured approach in planning to give more realistic targets so that we could be more confident in achieving greater public support. It is the goal of our company to become



established as the leading distributor of wireless communications services in India and increase active customers purchasing the product from at least a quarter to 300,000 in the market.

## **THE ANALYSIS OF *Blu* SMART PHONE MARKETING STRATEGY**

Current *Blu* sales and attention in India continues to rise, its brand influence and awareness have increased in comparison to the best smart phones in the domestic market, and even comparable to Apple, its marketing strategy is innovative and can be used for reference in India, it has reference significance for any industry, especially for now most of the domestic mobile phone manufacturers. So here is the specific analysis of its marketing strategy.

### **TACTICS**

- ***Blu* mobile phone advertising strategy analysis:**

***Blu* mobile phone appeal point:**

#### **1. Emotional appeal:**

**A.** Name --- *Blu* (kind and lovely, generous like a friend)

**B.** Logo ---inverted a little less heart (to help users solve difficulties, let users to save more worry a little)

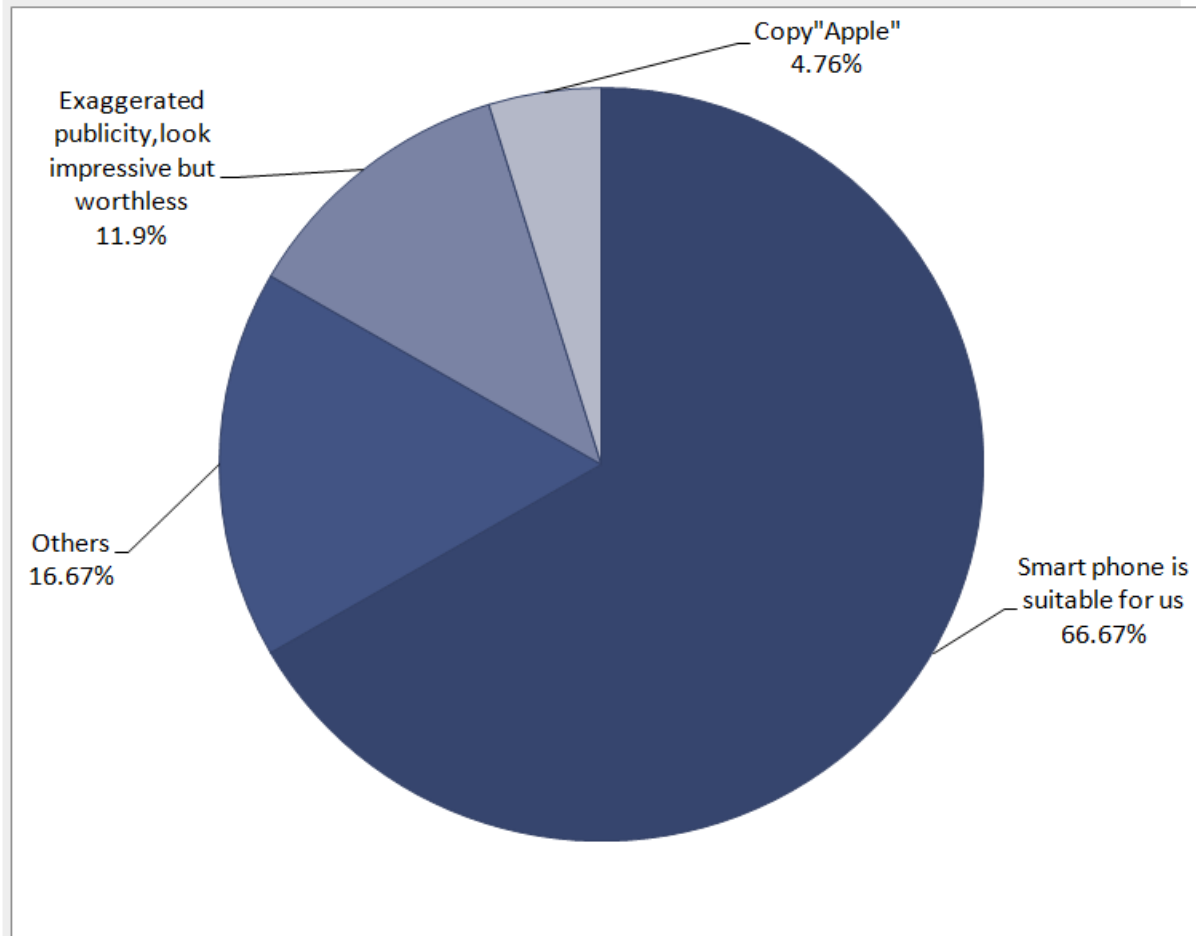
**C.** Seven-color electric board ----- pursuit of the detail's connotation, color highlight personality.

## **2. Rational appeal:**

- Dual-core processor
- Large memory
- 5-inch Sharp screen
- High-pixel camera equipment
- *Blu* key, *Blu* talk, cloud services truly achieve "Mobile Internet"

### ***Consumers for house of Blu views and attitudes:***

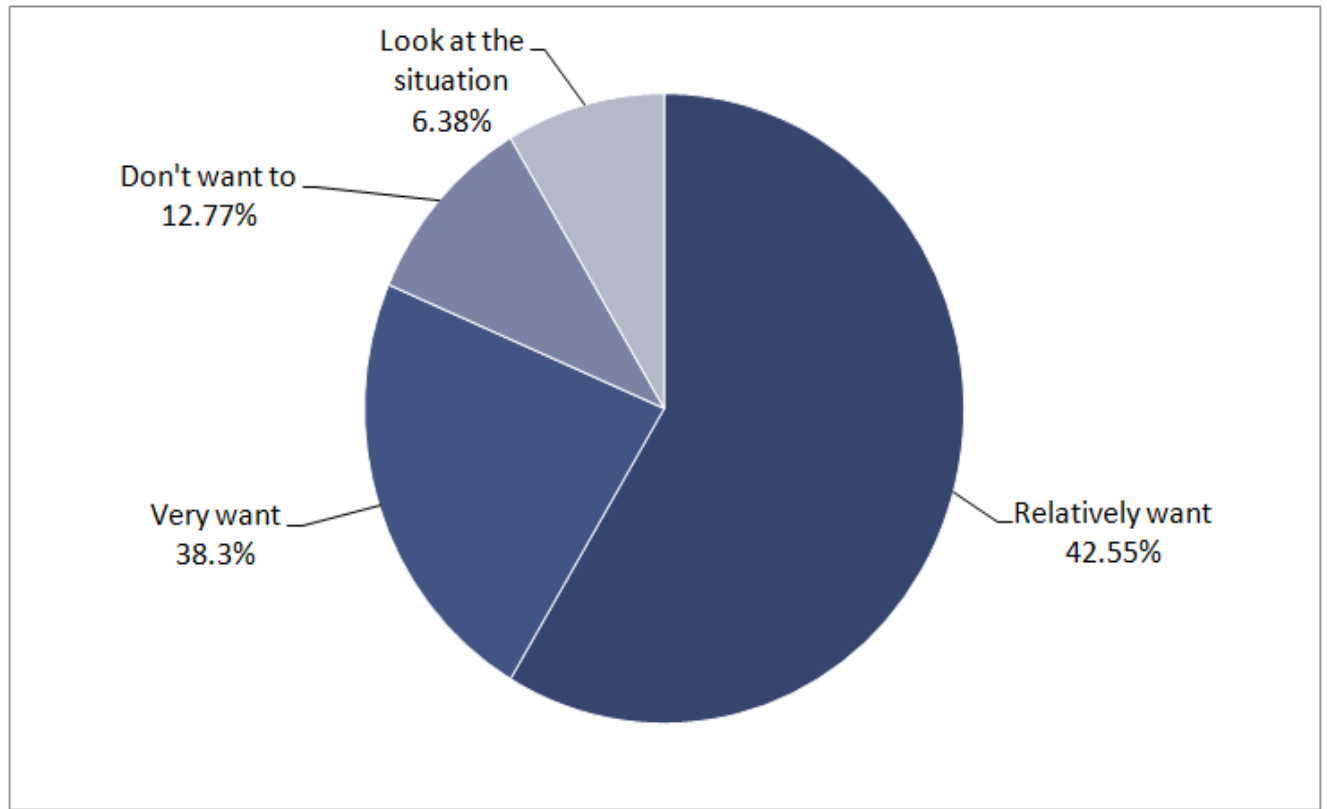
Consumers attitude toward *Blu* mobile phone: 66.67% consumers think *Blu* is low-cost and high-end smart phone. 4.76% think *Blu* copy Apple. 11.9% think *Blu* exaggerated publicity, looks impressive but worthless.



**Fig: Consumers for house of Blu views and attitudes**

***Whether or not will choose to replace the phone:***

Survey shows that consumers want to replace their current mobile phone reached 80.85%, only 12.77% of consumers do not want to replace their mobile phones. Believe that just listed *Blu* mobile phone will have good market prospects



**Fig: Whether or not will choose to replace the phone**

- **Promotion strategy:**

- 1. Blu phone high-profile release:***

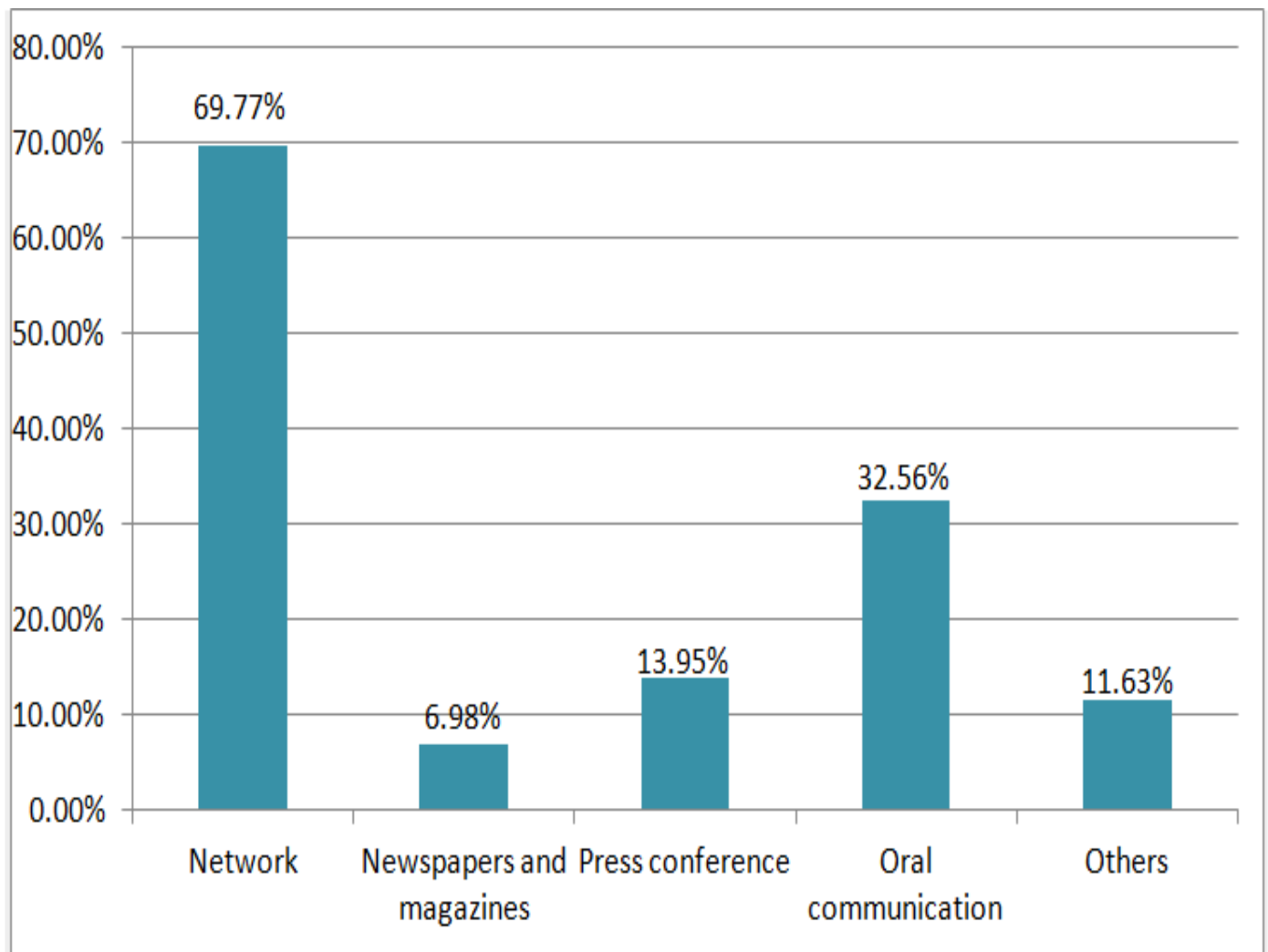
With its reputation and appeal in the software industry, Blu Company held a conference in Delhi. Blu mobile phone has thus opened a precedent for domestic mobile phone, got the attention of consumers, especially Internet users' attention.

- 2. Hunger marketing tools:***

The so-called hunger marketing is making a surprise price, to attract potential consumers, then limit the supply, resulting in demand exceeds

supply hot sell illusion. Initially Blu just sold online, executed pre-sale of test machines, the provisions of the day would be listed in the Blu forum in order to get Blu phone snapped up qualifications. As a result, the emergence of a large number of Blu phone forums willing to act as free Blu water army. With this heat, M1 limited to 10,000 sets network pre-sale, leading to a large number supporters of M1 were patiently wait for a long time, not yet rush to purchase, until the emergence of M2, M3 and Redmi, has not yet meet the needs of the majority enthusiasts. During each new product network pre-sale period, every Tuesday at 12:00, due to the limited number of mobile phone and numerous buyers, led to the company website paralyzed, enthusiasts frequently brush website, afraid to miss the opportunity to buy Blu phone. From the chart can be seen that 69.77% of people from the network to know and understand the Blu phone. 6.98% through newspapers and magazines. 32.56% are oral communication. 13.95% through a press conference. 11.63% through other ways.

### **Consumers understand the Blu mobile phone channels**



**Fig: Consumers understand the Blu mobile phone channels**

### ***3. Online promotional distribution strategy:***

#### ***Online promotion strategy:***

(1) The network public relations

1. Site publicity:

Blu Company's official website designed a personalized home page, it not only establishes a corporate image, but also attracts more Internet surfers to access, it plays a role in advertising.

## 2. Online news release:

Blu company's website directly faces the public, dynamically publishes Blu news, let the public keep abreast of Blu updates.

### *Online distribution strategy:*

#### 1. Production network planning:

Blu company adopts flexible production, so that the production network can be adjusted at any time according to the requirements of consumers, in order to produce consumer, need personalized products.

#### 2. Online direct marketing:

Blu company did not set up distribution channels, but through the establishment of different offline outlets in major cities the distribution of Blu is to be carried out.

#### 3. Service network planning:

With the online customer service in Blu company's website, consumers can access the service email, forum, micro-blog , customer service hotline, so as to realize and apply for repair and return. Blu company also implemented the invoice system, IMEI number query so as to provide consumers with timely service.

- ***Product strategy:***

1. Blu mobile phone sales group is mainly aimed at enthusiasts and young consumers. The core selling point is mainly high configuration, high cost performance, for enthusiasts. Hardware and software are relatively consistent with the Indian habits. But it's positioning can be said to be a "pseudo" positioning, relatively speaking, Blu phone is mainly for some of the young people who have two mobile phones, the main role is to replace the cheaper of the two phones. The practise of complexity of a simple product, makes some potential customers to maintain a wait -and-see attitude, and thus lose these potential customers. The early Blu mobile phone mainly relies on enthusiasts to stimulate sales, but although the main sales target is the enthusiasts and brand loyalty is not high of young people, so it is not right to say that "Blu phone is the enthusiast phone".

2. Blu phone hardware configuration is the most glamorous in domestic market and is even the world's strongest dual-core Android phone, the height of the hardware of Blu phone comes again and again in our minds .Blu 3 uses the world's first NVIDIA Tegra 4 and Qualcomm Snapdragon 800 the latest version, 8274AB of 8x74AB series the top quad-core processor, (8974AB support 4G, 8274AB support India Unicom 3G, namely WCDMA.) using ultra-sensitive touch 5 inches 1080p display screen, equipped with 3050mAh lithium-ion polymer battery, Sony 13 million pixel camera, Philips dual LED flash, standard NFC and dual-band WIFI, 8.1 mm ultra-thin body. Using the Sharp and LG's high-definition IPS retina screen, the screen size up to 5 inches, the resolution up to 1080p level, the number of pixels per inch to 441PPI,



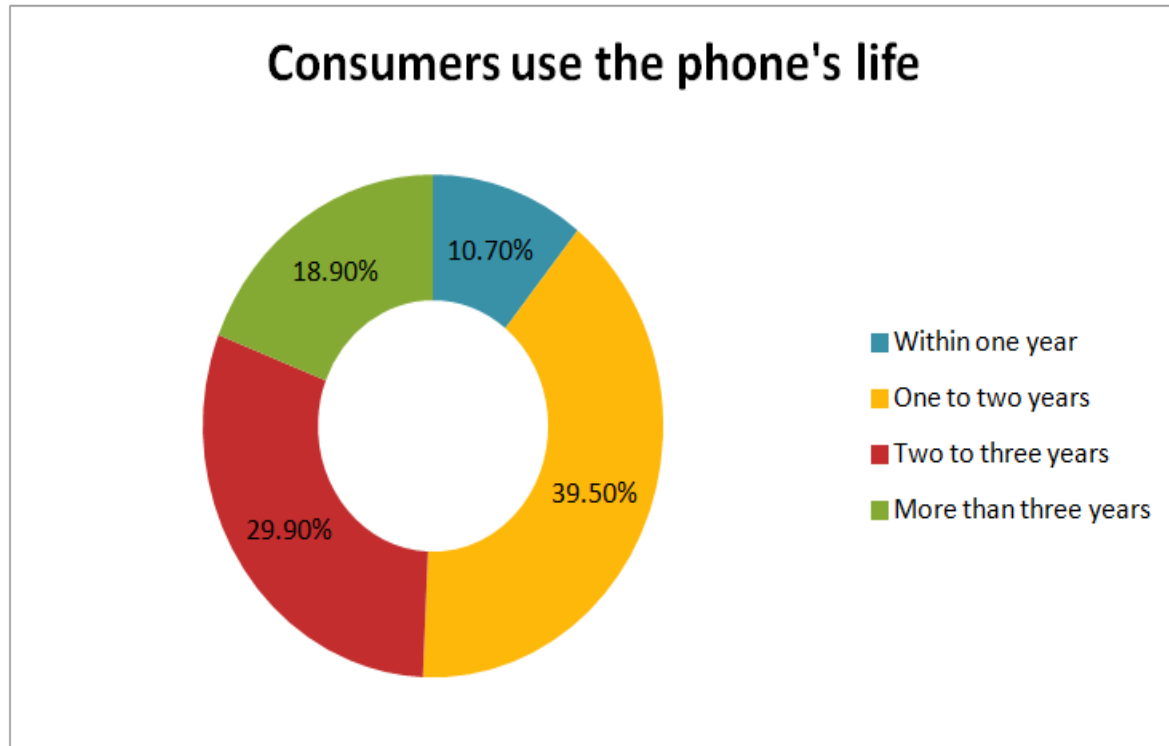
compared with the previous Blu 2 / 2S 's 342PPI has a substantial upgrade.

This high-quality screen enables the consumer to still see the screen even in the strong sunlight, so as to avoid the majority of mobile phones "see light die" problem.

3. Blu mobile phone Production research and development has been to stimulate the "enthusiasts" to participate, the purpose is to promote its products, so that it not just sells but it is also hot, has a certain reputation. But its innovative production mode, really played a very good effect. Its main aim is also to let consumers participate in this model, so as to achieve the purpose of pleasing the consumer and evoke consumer's purchase desire.

#### **4. Packing:**

Especially anti-fall and anti-heavy, but it also a way to highlight the Blu mobile phone product quality characteristics. The quality of the product has been the main aim of Blu phone. On the other hand, the quality problem of the domestic mobile phones have been a weakness in the eyes of consumers, Blu mobile phone makes a lot of publicity in this aspect, when purchase of the mobile phone is done by consumers, they will consider mobile phone quality factor at first, according to the survey, the vast majority of consumer mobile phone life can have two years, nearly 20% of consumers mobile phone life can be up to two years.



**Fig: Consumers use the phone's life**

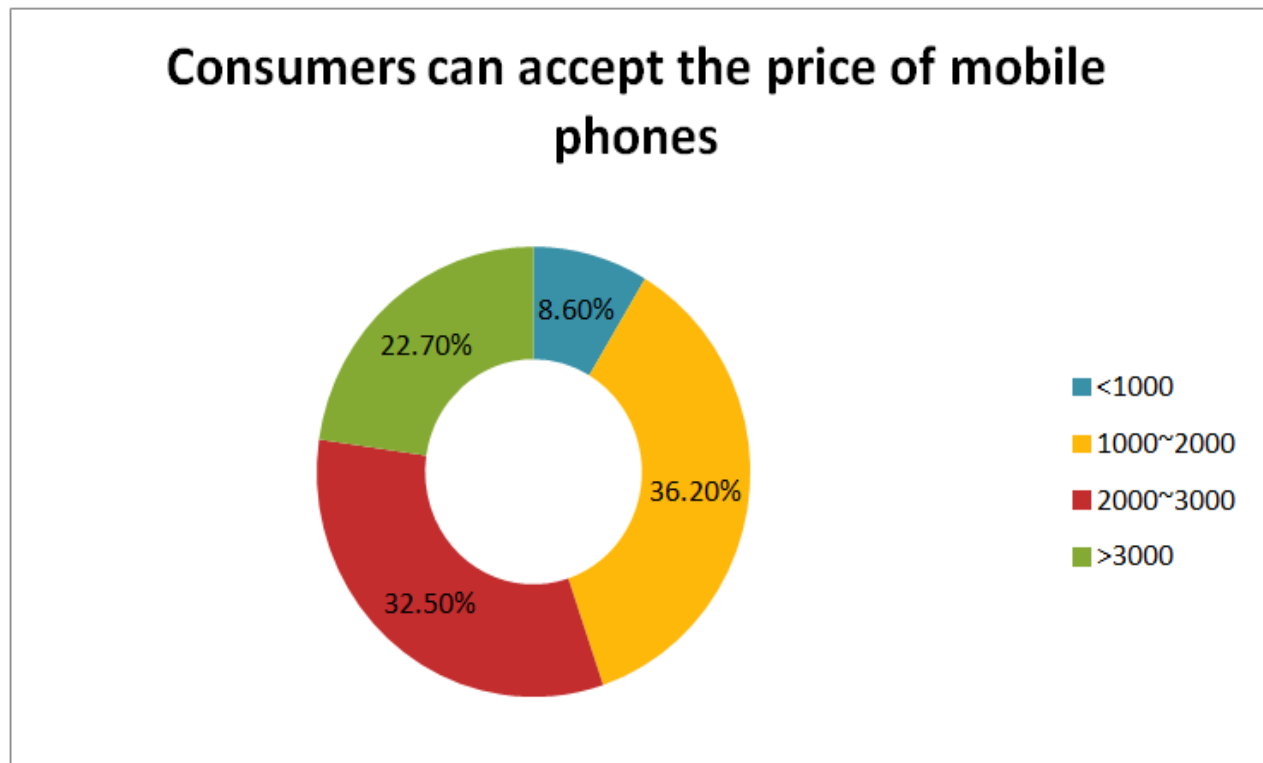
- **Pricing strategy:**

Blu mobile phone has been using cost pricing strategy, compared to the same price on the market of smart phones, Blu series high configuration hardware, can be said to be attractive and of high cost performance.

Blu phone price is one of the main factors influencing the market demand and purchase behaviour, directly related to the benefit of the enterprise. Blu mobile phone product price strategy use extremely successful, appropriate ways, so as to promote the sales of Blu mobile

phone, also increases the Indian market share, enhance its brand awareness and competitiveness of enterprises.

At present, consumers pay attention to the grade of mobile phones.



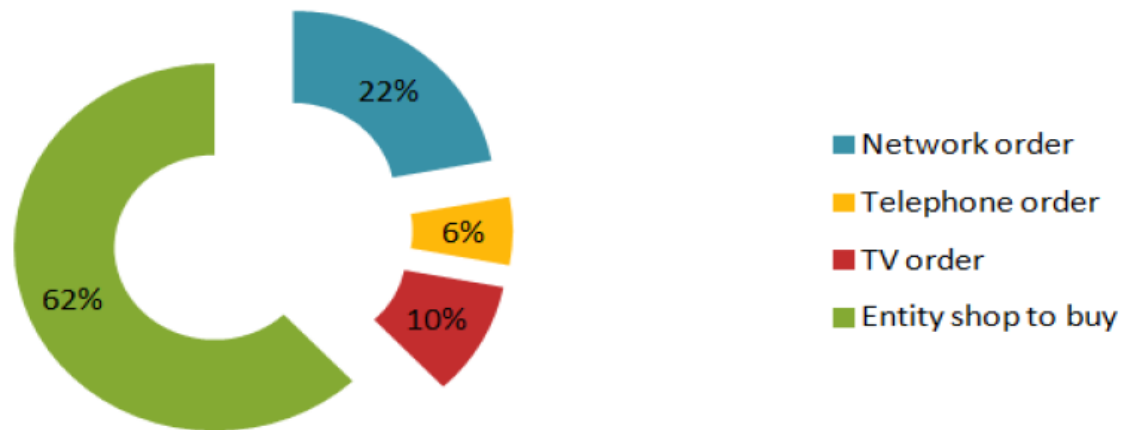
**Fig: Consumers can accept the price of mobile phones**

- ***Channel strategy:***

Blu mobile phone and Blu technology is a rapid development of enterprises, Blu mobile phone sales channels from the initial M1 only network pre-sale development to today's network pre-sale joint entity store sales, and with India Mobile, India Unicom, India Telecom co-launched the contract machine, the network pre-sale mode to save the back of the market and channel costs, it is fashionable, it is novel and unique. Logistics and inventory are a valuable support, for Blu and is undoubtedly a significant cost saving. While the entity shop goods and low-cost contract machine turned out good and make up for the defects of the lack of pre-sale sales network.

Survey shows that 22% of consumers want network order, 6% of consumers choose the telephone order. 10% consumers choose TV order. Most consumers still choose entity shop to buy.

***HOW DO YOU WANT TO BUY BLU SMART  
PHONES***



**Fig: What do you want to buy Blu mobile phone**

## **BUDGET**

As the Indian smartphone market witnessed a modest 8 per cent (Year-on-Year) growth in 2019, and the last eight years or so have seen Chinese invasion like never before (Chinese smartphone brands captured 72 per cent of the Indian market in 2019 compared to 60 per cent in 2018), launching devices with top-notch features while taking the average selling point (ASP) further down.

The brand understands that instead of launching the smart phones ranging Rs 30,000 and above segment, it will begin 2020 by launching 'Lite' devices of its successful premium brands -- along with taking positive strides in the 5G and foldable space.

The brand aims to improve profits by expanding sales of premium models and features, such as the enhanced 5G line-up and new foldable devices.

Blu is planning something big to deal with the challenge in the online space. The company will focus on online sales by introducing smartphones priced between Rs 5,000 to Rs 15,000.

This price segment was redefined by Blu's Redmi series which offered impressive specifications and a decent build quality at a fraction of the price which other manufacturers demanded. The company had a new marketing strategy that used word of mouth as an effective mode of advertisement.

Blu expects smartphone revenues to rise on improved product mix with the launch of new flagship models and foldable devices. Also, it needs to be more aggressive in its marketing strategies across all platforms to fight the competition.

Blu aims to improve earnings by expanding sales of premium smartphones and enhancing the competitiveness of its mid to low-end line-up.

Tweaking its portfolio would be a godsend for Blu to begin its growth path.

In India, Blu needs to go aggressive in the 5,000 to 15000 segment.

This segment is expected to see growth from the upgraders this year.

Almost all brands are expected to bring in models in this price range and the competition will be very stiff.

