

Indian laptop industry analysis



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Introduction – Technology innovation rapidly changes from last decades to in India. The laptop market is expanding rapidly and develop into a one of the most commercial or profitable market in the world. Indian laptop industry have a very large target market and there are more competition between the companies; they are trying to making an innovative product which is according to the customer needs or price range with new technology or according to the different earnings rank of person and these should motive the consumer who use the desktop instead of laptop and today all the laptop companies trying to expand consumer target market by their satisfying service or quality of innovative product. Consequently the competing companies cover all type of people whether its student, or mature persons or worker and business people.

Global scenario

It is a difficult to say that the first laptop was look like a today laptop or not. The world first laptop didn't look like a today laptop it was too big with high weight but today we have a book size laptop due to the technology expand. In April 1981 the world first laptop Osborne was introduced with 64 K RAM and 4.0 MHz which price was \$1795 and that was the first link of the origin of laptop. Shortly after some year's potential customer of Osborne they stop to buying this laptop and waiting for the new laptop which was coming with new technology and new features that name was kaypro II. New technology and price difference attract the more potential customer because that price was \$ 1595 which was less than previous and also provide a big laptop screen. In this way the laptop technology increasing the laptop market day by day and if we glance on the past laptop industry there are small

consumer target market where they have only some potential customers but today they have bigger consumer market with a new challenging market. After in 1988 Compaq introduced their first laptop Compaq SLT/ 286 with VGA graphics and it was the successful laptop this laptop sale was 53000 units in a one year. Near the 1990 Compaq entering the retail market with the Presario. They provide a first low price laptop and due to this action of price war born , lot of the competitors are plunged in this war, especially IBM and Packard Bell into this market.

The Indian laptop market environment to industry analysis

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Market leader- Hewlett Packard (HP), Dell Computers, IBM, Sony, Toshiba and Compaq, Apple

The Indian laptop industry is rising very rapidly because the consumer work life style is change day by day, consumer needed are increasing they want those type of product which is save their time, money and increasing their work efficiency, also available anytime or anywhere. In simple words we can say that the laptop should only one thing which might work as a human.

Some of factor for increasing laptop sales such as for example where past few decades ago laptop price used to be more than desktop but today laptop price is equal to the desktop price. Technological world today and it cannot be ignored Indian laptop industry has going on path of progress step by step just because due to the expansion of technology in all over the world.

” The business environment of the firm consists of all the external influences that affect its decision and performance. Environment influences can be classified by political, economic, social and technological factor”.

-Robert M. Grant, p. 64

Political factor – Laptop sales are growing very fast in developing countries. Due to the changes of government policies that can affect the growth of sales for instance in 2005, removal of import duties on laptops, India laptop sales growth are increase 94% while they sales more than 350, 000 unit which was really unexpected. India also has other logistics issues which is creating problem for vendors such as Indian tax structure (excise duty, sales tax and Octroi). Many investors found that Indian government has instability politics, corruption, and slow decision making process as well unpredictability on foreign investment or pricing and tax issues faces by Indian laptop companies. Now days Indian market also has increased the speed of privatization so they are try to move into the government own companies for minimize the deficit.

<http://www.indiastrategy.com/polrisk.htm>

Economical factor –

On the other hand Due to the Volatility in exchange rates laptop companies had face many problems in the economy stabilizing. Indian laptop market now progress in the global market. First time in 2005, Indian laptop market sales increasing which more than expected. India has increase the growth of laptop sales 98, 000 comparison to the previous year in 2004 was only 56, 000 units which were rise by 176 percent.(Siliconindia; 14 May2006)

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According to the report of IDC (U. S) In the India Hewlett Packard (HP) holding a market share of 21. 6 percent, has achieve the big part of sales segment while HCL ended up at 12. 3 percent and Lenovo only 10. 3 percent. Economy growth is also important role play in the expansion of the market. These data show the HP hold a massive market in India amongst other competitors companies such as HCL and Lenovo etc. Currency exchange also important factor because most of the Indian laptop companies sales their product globally and the currency going up down everyday that will affect directly to the industry financial condition. Indian industries are escaped to the financial crisis because they are not depended on the export growth. Increasing a laptop growth one of the most factor is duty free import of laptop.

[-http://compareindia.in.com/top-stories/computers/laptop-sales-grow-by-166-percent/16872/0](http://compareindia.in.com/top-stories/computers/laptop-sales-grow-by-166-percent/16872/0)

Social factor-

Social factor such as income level or living condition, cultural, age distribution etc influences the demand of the product. These such influences provide a way to manufacturer the product that how they need to distribute in the different region or cultures because in the India main greatest problem is poverty of population lots of person are unable to buy those types of products but due the changing in living standard, giving a low cost laptop by laptop companies or growth in the educated generation help to companies are expand their market. Brand name is also important role play influence to consumer but today's consumer firstly look a technology rather than brand. According to the Indian cultural perspective laptop sales are mostly rises in

the big festival of such as deewali, Eid, Christmas. For increasing the literacy rate of Indian population the government has started a project for the backward class children.

For the increase product demand or preference. The One Laptop per Child Association, Inc. (OLPC) is a U. S. non-profit organization running an affordable educational device for use in the developing countries such as Africa India etc. . Its mission is “ to create educational opportunities for the world’s poorest children by providing each child with a rugged, low-cost, low-power, connected laptop with content and software designed for collaborative, joyful, self-empowered learning.”

-http://en.wikipedia.org/wiki/One_Laptop_per_Child

Technological factor-

Global Technology development has provided an opportunity to businesses to stable in the market in competitive advantage world. Today consumer decision making is depending on the technology that what technology companies are giving to them. Laptop market share increasing rapidly to the last decades in India and its main reason is changing a standard of windows pattern or price, efficiency of power comparison to the PC market.

Technology innovation- Recently Indian HRD minister Mr. Kapil sibal introduced a low cost laptop which is run by solar power and also including internet browser or media player. It’s expected this device should provide by \$ 35 dollars. Currently the HR ministry are trying to bring down the device cost to \$20 to \$10. IIT and other technical research institution are also research by the team and cover the large sort of problem and potential

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enhancements for minimize the cost of this device to \$10. (www. gurdian. co. uk)

Porter five forces framework into Indian laptop industry

Identify structure variables which influence competition and profitability.

There are many features of an industry that determine the intensity of competition and the level of profitability. For analyzing these factors we use the Michael porter five forces competition framework.

- Contemporary strategic analysis chapter- 3 Industry analysis p. 69

Competition from substitutes

One way to be seen at Indian laptop market there are many competitors which is give a same product than other to consumer. Some of the competitors are globally but some of the domestic such as Sahara, HCL etc. other hand to Indian market perspective today every company giving a similar technology to consumer but its market share are totally depend on price and profitability of the company. The laptop starting rate in India

1. HP Rs35000=£320
2. Sony Rs38000=£350
3. Dell Rs32000=£400
4. Acer - Rs 24000=£300 approx.

But the domestic laptop manufactures such as HCL and Sahara they are competing because they giving a low price laptop which starting rs20000 (£230) to Indian consumer. The more complex the product and the more

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difficult it is discern performance difference, the lower the extent of submission by customer on the basis of price difference.

(Robert M. Grant)

” In 2007, the laptop market grew by 84. 8 per cent with Hewlett Packard (HP) retaining the first place again. They had a market niche of 37. 8 per cent. Lenovo and Acer came in a close second and third respectively. India’s local manufacturers still have a long way to go if they want to make it into the top five. As for now, multinationals laptop companies continue to dominate the market.”(Top Laptops in India)