

# Laptop: marketing and comprehensive study flashcard



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. A Comprehensive Study of the Laptop Industry in India on the Basis of Different Marketing Concepts Comprehensive Study of the Laptop Industry, Marketing Management Executive Summary “ The sales of notebook PCs grew at 46. 4 percent QoQ, crossing the seven lakh mark in a single quarter, for the first time” 1 The above statement is one that fills the laptop industry, as also the entire electronics industry, with hope and optimism for the future. In the last year (2008), the laptop sales in India doubled. 2 This makes the laptop market a lucrative industry indeed in India.

The potential for growth in this industry is immense, as shown by the growth figures stated above. And due to the presence of multiple growth opportunities, this industry is burgeoning ahead without looking back or halting. Though the growth potential in the laptop market is tremendous, so is the competition. In this market there exist at least 6 major players: HP, Lenovo, Dell, Sony VAIO, Acer and HCL; as also many smaller but niche players like Toshiba, Panasonic and Apple. This tremendous competition has led to a mad scramble for a larger portion of this ever-growing pie, i. . , the laptop industry. In this attempt to increase one’s market share, each company has come out with innovative strategies to attract more customers. The purpose of this project is to compare the major players in laptop market vis-a-vis their strength, weakness, opportunities and threats, talk about their marketing strategy using different methods of analysis like the STP, 4P and 5C and finally to identify the Product Lifecycle of laptop generically and of each product separately. On the basis of our studies we drew some conclusion regarding the target of each company.

For example, companies like Lenovo, Dell and HP offered products to the entire range of customers, ranging from the premium segment to the entry level customers. Companies like HCL and Acer primarily dealt with the lower segment of the laptop industry, dealing with cheaper models and hence reaching out to masses. And finally, Sony VAIO targeted the niche premium market, branding itself as a higher end laptop and working on its snob value to attract customers. We also studied how this target segment affected all marketing decisions taken by the company, ranging from its pricing, distribution channels, promotional strategies and its positioning. We also studied the other important factor affecting market decisions, the position of the product on the lifecycle. Finally, on the basis of our secondary research, we drew certain conclusions for each company. We compared the conclusions across each company.

From being the sole domain of business executives and on-the-move businessmen who could work away from home or office, it steadily made inroads into the consumer market. One of the first major markets which started consuming laptops was the educational sector, especially MBA students who sang the virtues of the portable device which gave them the flexibility to work without the hassle of wires. Slowly, ordinary consumers also saw the power of a laptop. Portability, rather than mobility has emerged as the 'number one' driver for the sustained growth in the laptop industry.

Given the choice of portability, flexibility and ease of use and narrowing of price-performance gap that once existed between portables and desktops, consumers are almost overwhelmingly inclined to buy notebook PCs. Today, the laptop industry in India is steadily moving towards a low cost approach.

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In a manner similar to the Tata Nano, Indian scientists have come up with a new laptop that promises to revolutionise the market with a price as low as 10-20\$. Built in with 2 GB memory, wireless connectivity and low power consumption, the laptop could prove to be a harbinger of new tidings for the industry.

The laptop industry is growing by leaps and bounds in India; by 12-13% in 2009. Hewlett Packard (HP) retained the top slot with a market share of 37.8 per cent, while Lenovo occupied the second position and Acer third.

Notebook PC sales in home and 'Small Office and Home Office' (SOHO) segments grew by 166 per cent and made up 43 per cent of the total business. The next largest contributors were enterprise and education segments. The major players in the laptop category are: • • • • • Hewlett Packard (HP) Sony Acer Computers HCL Dell Computers Lenovo A summary of the various Growth Drivers 3 •

Indian Laptop market is now in sync with global market. It was in 2005 that sales of laptops surpassed the sales of desktop computers for the first time in India. The Laptop market is growing at a fast rate because of change in work life of consumers. As the need for "anytime anywhere" access to information is increasing, the sales of Laptops are also increasing. 3 •

<http://www.naukrihub.com/india/fmcg/overview/laptop/> Group 10 Page 5

Comprehensive Study of the Laptop Industry, Marketing Management •

Other factors that are responsible for the increase in sales figure are reduction in prices and affordability.

Laptops are now sold at approximately half the price at which they were sold two years ago. Laptops prices are now almost at par with the desktop computer prices. Another very important factor is duty free import of Laptops as a personal baggage that has helped a lot in increasing the penetration level of the product among the consumer population. Awareness about laptops has also increased over the years. • Summary of the Various Marketing Concepts used to Study the Laptop Industry Here we will briefly talk about the different analysis tools used to study the laptop industry: • SWOT Analysis is the Key Component of Strategic Development.

It can prompt actions and responses. Successful businesses build on their strengths, correct their weaknesses and protect against internal vulnerabilities and external threats. They also keep an eye on their overall business environment and spot and exploit new opportunities faster than competitors. SWOT analysis is a tool that helps many businesses in this process. SWOT analysis is based on the assumption that if managers can carefully review such strengths, weaknesses, opportunities, and threats, a useful strategy for ensuring organizational success will become evident to them. STP Analysis: Segmentation, targeting, and positioning together comprise a three stage process. We first (1) determine which kinds of customers exist (segmentation), then (2) select which ones we are best off trying to serve (targeting) and, finally, (3) implement our segmentation by optimizing our products/services for that segment and communicating that we have made the choice to distinguish ourselves that way (positioning). 5 Market Mix or 4 P Analysis: Marketing decisions generally fall into the

following four controllable categories: Product, Price, Place (distribution) and Promotion.

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that centre the four P's on the customers in the target market in order to create perceived value and generate a positive response.

6 • • 1. Product- The term " product" refers to tangible, physical products as well as services. Here are some examples of the product decisions to be made:

- o o o o o o 4 Brand name
- o Styling
- o Quality
- o Safety
- o Packaging
- o Repairs and Support

[http://www.000ventures.com/business\\_guide/crosscuttings/swot\\_analysis.html](http://www.000ventures.com/business_guide/crosscuttings/swot_analysis.html) 5

[http://www.consumerpsychologist.com/cb\\_Segmentation.html](http://www.consumerpsychologist.com/cb_Segmentation.html) 6

<http://www.netmba.com/marketing/mix/> Group 10 Page 6 Comprehensive Study of the Laptop Industry, Marketing Management

- o Warranty
- o Accessories and services

2. Price- Some examples of pricing decisions to be made include:

- o o o o o o o o Pricing strategy (skim, penetration, etc. )
- o Suggested retail price
- o Volume discounts and wholesale pricing
- o Cash and early payment discounts
- o Seasonal pricing
- o Bundling
- o Price flexibility
- o Price discrimination

3.

Place- Distribution is about getting the products to the customer. Some examples of distribution decisions include:

- o o o o o o o o Distribution channels
- o Market coverage (inclusive, selective, or exclusive distribution)
- o Specific channel members
- o Inventory management
- o Warehousing
- o Distribution centers
- o Order processing
- o Transportation
- o Reverse logistics

4. Promotion- n

the context of the marketing mix, promotion represents the various aspects

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of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response.

Marketing communication decisions include: o o o o o Promotional strategy (push, pull, etc. ) Advertising Personal selling & sales force Sales promotions Public relations & publicity Marketing communications budget • Situation Analysis or 5C: In order to profitably satisfy customer needs, the firm first must understand its external and internal situation, including the customer, the market environment, and the firm's own capabilities. Furthermore, it needs to forecast trends in the dynamic environment in which it operates. A useful framework for performing a situation analysis is the 5 C Analysis.

The 5C analysis is an environmental scan on Group 10 Page 7

Comprehensive Study of the Laptop Industry, Marketing Management five key areas especially applicable to marketing decisions. It covers the internal, the micro-environmental, and the macro-environmental situation. 7 1.

Company o o o o o Product line Image in the market Technology and experience Culture Goals 2. Collaborators o o o Distributors Suppliers Alliances 3. Customers o o o o o o o o o o Market size and growth Market segments Benefits that consumer is seeking, tangible and intangible.

Motivation behind purchase; value drivers, benefits vs. costs Decision maker or decision-making unit Retail channel - where does the consumer actually purchase the product? Consumer information sources - where does the customer obtain information about the product? Buying process; e. g. impulse or careful comparison Frequency of purchase, seasonal factors Quantity purchased at a time Trends - how consumer needs and preferences

change over time 4. Competitors o o o o o o Actual or potential Direct or indirect Products Positioning Market shares Strengths and weaknesses of competitors . Climate (or Context) o o o Political & regulatory environment – governmental policies and regulations that affect the market Economic environment – business cycle, inflation rate, interest rates, and other macroeconomic issues Social/Cultural environment – society’s trends and fashions 7 <http://www.netmba.com/marketing/situation/> Group 10 Page 8 Comprehensive Study of the Laptop Industry, Marketing Management o Technological environment – new knowledge that makes possible new ways of satisfying needs; the impact of technology on the demand for existing products.

Group 10 Page 9 Comprehensive Study of the Laptop Industry, Marketing Management SWOT Analysis The SWOT analysis is on the strengths, weaknesses, opportunities & threats of an organisation. Below is the description of SWOT analysis of laptop companies in India. HP STRENGTHS • Leadership Position • Strong Financial Condition • Diversified Product Portfolio • Innovation • Massive Retail Presence WEAKNESSES • Internal Control Issues • No Aggressive Investments in R&D Expenditure OPPORTUNITIES • Emerging Markets • E-Commerce Expansion • Restructuring of Internal Structure

THREATS • Low Margins • Intense Competition IT • Slowdown in economic conditions in USA & EUROPE After its merger with Compaq it became the world’s biggest computer company in the world. Company is doing business in many countries including the ones that are developing and under-developed. Being a large company gives HP many advantages like <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>



dominating the market & using the economies of scale. The Compaq merger would give the company an edge over Dell in the low-end PC market. This was clearly an attempt to dominate the entire range of the computing equipment market.

Also the merger increased HP's dependence on the high-volume, thin margin PC business, and brought it into direct competition with Dell. Hewlett-Packard generated a lot of money in cash flow from its operations and increased its cash and equivalents. Debt levels are also very low. This is a great advantage which enables the company to increase its investments. HP always recognized the need to compete in global markets. Product diversity of the company is another big advantage that enables the company to hold its position even in the times of recession. Company has a large product span.

The Company has a long history of inventions and innovations. Research and Development (R&D) is focused on key growth areas. It has massive retail presence. HP has a problem of positioning itself, because it has too wide a portfolio. It competes with Dell in the low and mid-range PC business, against Sony in the consumer electronics segment, and against IBM in the enterprise. All of these three competitors are focused on their industries. Thus controlling all aspects is very difficult for the management. The Company is not investing at the scale at which it used to spend earlier. This may become a huge setback in future.

Group 10 Page 10 Comprehensive Study of the Laptop Industry, Marketing Management The Company is also taking an active role in developing the

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capacity in India. They are targeting customization & costs of Laptops are adjusted as per the needs of customers. The extensive use of E-Commerce has increased the demand for computer peripherals & laptops especially for its easy carrying capacity. Today in most of IT & other companies the stress is made on using laptops as the configurations available are same as the PC and laptop has the option of carrying it easily to home also so that work doesn't hamper. The Laptop business is large.

The Dell's efficiency in its delivery model is widening the gap between Dell and the rest. Margins in this business are thinner, and the industry consensus is that if you're not purely in the PC business, then stay out of it. This is precisely what IBM did. The group faces intense competition. It competes in terms of price, quality, brand, technology, reputation, distribution and range of products, among other factors. The group faces stiff competition in laptop markets from Dell, Acer, HCL, Sony and Toshiba Corporation, among others. Intense competition would adversely affect the revenues and profitability of the group.

The whole world is going through the tough times of recession and it has affected this industry also in a big way. The investments have been curtailed due to lack of funds. It might become a threat for the Company in future.

LENOVO STRENGTHS • • • • • Innovation Leadership Good Service Event Sponsoring Low production cost Strong Research & Development

WEAKNESSES • • • • • Late entry into related markets Weak Brand Image High delivery time Low inventory turnover OPPORTUNITIES • • • • • Growing

notebooks markets Expansion into emerging markets Association with

government and companies. THREATS • • Intense competition Firm's Little growth

Lenovo owns the greatest track record for innovation in the PC industry and remains committed to innovation in its products and technology. While it needs to be cost-effective, innovation can drive business and add value for customers. The Company has Best-in-Class Service. It has 24/7 Technical/Sales Support centres across the globe. Lenovo was the TOP Sponsor of the Olympic Games and provided the technology hardware for these Games in 2 Group 10 Page 11 Comprehensive Study of the Laptop Industry, Marketing Management Industry, 008. It has also sponsored “ “ Kaun Banega Crorepati-2” and film “ Corporate” in India.

Nearly every aspect of the management of the Games, from gathering and storing participant data to displaying the scores, was dependent on hardware provided by Lenovo. It gave Lenovo an upper edge as compared to other competitors. Compared to its competitors, Lenovo has advantage in terms of production as its major production units are placed in countries like China, India and Mexico, where wages are low and cost of production per unit es is low. Lenovo is very much focused in R&D, and from time to time it brings out new ovo innovative products. It also has helped Lenovo in building its brand.

For example: Lenovo X300 is one of the thinnest and lightweight laptop currently available in the market. Lenovo made a late entry into related market to broaden its relatively narrow product portfolio. Over the years, the group operates through narrow portfolio which is heavily dependent on

enterprise market. However, declining demand in this market forced the group to make a late entry into consumer, and expand its enterprise portfolio. Now, it is providing few models for consumers with low prices compared to its enterprise products. By contrast, enterprise the group's competitors including Dell, HP, and Acer had a broader portfolio.

The group's late entry into related markets will take time to provide a base for growth, while narrow product portfolio decreases its cross selling opportunities and synergies between different product opportunities technologies. Lenovo has a relatively weak brand image compared to its competitors. The group's major competitors including Dell, HP, IBM, Apple, Acer and Sony, which have a strong brands, and excluding Acer all of them are ranked among the top 100 Best Global Acer Brand list published by InterBrand. Lenovo's weak brand image is competitive disadvantage, as it makes the group's penetration into new markets difficult.

The order delivery time in Lenovo is around 3 weeks. This results in customers waiting for a longer time. Lenovo has high inventory turnover ratio of 35 40 days, which is very high compared to its competitors 35-40 specially dell whose inventory turnover ratio is approx. 6 days. It gives and undue advant advantage to its competitors. Despite the slowdown in the overall PC market, the notebooks sales are forecast to grow in near term. While the desktops shipments are forecast to contract and notebook are expected to record growth in 2009.

Lenovo entered the rapidly growing notebook market with IdeaPad rapidly S series notebooks in September 2008. This will allow the group to take

advantage of the growth opportunities. Growing notebooks market will provide steady revenue flows for the group in near term. The group has been expanding its presence in major emerging markets, been such as Russia, Brazil, India, China and Turkey, in recent times. The group continued to Group 10 Page 12 Comprehensive Study of the Laptop Industry, Marketing Management protect and build upon its strength in China, while expanding aggressively into emerging markets such as Brazil, India and Russia.

In March 2009, the group took a major step in enhancing the development of emerging markets by creating two new business units: emerging markets and mature markets, focusing on respective markets. Through the new organizational structure, the group intends to leverage synergies that exist among similar markets sharing similar dynamics in customer buying behaviours, product trends and go-to-market approaches. Expanding presence in emerging markets will allow the group to scale up in coming years. The Chinese Academy of Sciences, a state-controlled high-tech research institute is one of the highest shareholders in Lenovo.

Due to which it is protected and has high influence in Chinese government policies compared to its competitors. Lenovo has strategic tie-ups with companies to whom it sales its products. For example, Cisco provides each of its employees a Lenovo laptop. Lenovo commitment to provide exclusive services to its customers has helped it in gaining strong position in business segment. Intellectual Property agreements like with Microsoft has helped Lenovo in bringing down the overall cost of its products while maintaining high standard of service. The group faces intense competition in all its business segments.

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It competes in terms of price, quality, brand, technology, reputation, distribution and range of products, among other factors. The group faces stiff competition in laptop markets from Dell, HP, Acer, HCL, Sony and Toshiba Corporation, among others. Moreover, Acer's acquisition of Gateways and Packard Bell made it the third largest PC supplier in the world, further intensifying the competition. In the consumer market, the group faces stiff competition from Dell, HP, Acer, Apple, Sony and Asustek. Intense competition would adversely affect the revenues and profitability of the group.

Lenovo bought IBM's PC division when it saw that its worldwide growth was stagnating. Over the years it needs to accept changing market scenarios and change company's strategies to grow in laptop market. DELL • • • •

Strengths Mass Customization Low Prices Reliability, Service and Support Latest Technology • • • • Weaknesses Difficult to order for novices Time lag between ordering and delivery Highly Dependent on Suppliers Losing out because people can't touch and feel the product Threats Decreasing price difference among brands Low market share in the Indian market Keeping pace with technology • • Opportunities Increasing knowledge and necessity of computer and laptops Increasing demand from Indian and Chinese markets Increase in number of internet users • • • Each Dell system is built on order and parts are purchased after the order has been placed. Thus each product is customized for the user. Traditionally, using the direct sales method, Dell used to cut out on the cost of the middlemen and pass on the advantage to the customer. Group 10 Page 13 Comprehensive Study of the

Laptop Industry, Marketing Management This resulted in low cost of the machines.

Dell's direct customer allows it to provide topnotch customer service before and after the sale. Due to lack of presence of indirect distribution channels, the latest technology is passed on to the consumer much quicker in case of Dell. Novice, home users, people with less knowledge of internet and computers find it difficult to order as no retail shops are available. Any purchase may take from 3 to 7 days depending on the city to which the product has to be delivered. In India, people are uncomfortable buying goods without having a touch and feel of the good. So, Dell loses out because of relative absence in retail shops.

Since it orders for components after receiving the order, its delivery is highly dependent on component suppliers and any delay in the supply of a component may have a domino effect on the total supply time. As number of second time buyers' increase, they would most likely prefer Dell's custom made computers because with increase in knowledge, the customer would feel the need for additional features. As a major part of sales occurs on the internet, with increase in number of internet users, Dell should increase its sales. There is an increasing demand for laptops and the strong growth potential in Indian and Chinese markets.

Dell had a great advantage in terms of cost but the decreasing price difference among different brands poses a threat to price conscious customers of Dell. The fastest and latest products are always in demand. So dell would have to keep up with the technological advancements to be able

to compete. Dell has a low market share in India , about 7% in 2008. The cost advantage has also not reflected in India where it is considered primarily a premium product. The setting up of factories in India should bring down the costs but the low market share a concern for Dell. SONY VAIO

Strengths • Innovations in the functions with aesthetics and style • Wide variety in sizes and designs • High-end security features • Sony's technology superiority • Excellent Distribution networks and service centres

Opportunities • Brand Equity • Superior styling • The tag line of Closer t o yourself indicates a personal touch. • Integration of Sony's existing technical innovations and superior technology • Intoduction of Ultra -Mobile notebooks

Weaknesses • Premium Price • The fan tends to be noisy • Relatively short battery run time • Does not have products in price ranges to attract customers across the spectrum

Threats • With the market downturn, people increasingly looking at cheaper options • Other brands such as HP and Dell bringing in aesthetic changes provides competition to Vaio's USP • Sony's declining market share in the electronics industry can reflect on the performance of Vaio • With the increasing commoditisation of the laptop market, Vaio's personalization may be a deterrent Page 14 Group 10 Comprehensive Study of the Laptop Industry, Marketing Management The Sony name was created by combining "SONUS," the original Latin for "SONIC," meaning sound, with "SONNY," denoting small size, or a youthful boy.

It was chosen for its simple pronunciation that is the same in any language. Sony's laptop range is marketed under the brand name of Vaio. The Home-



use PC “VAIO” series was first launched in July 1997. Renowned for taking an innovative approach to product development, they have produced stylish, compact laptops aimed at the home and business user who wants to combine the latest functionality with fashionable good looks. It is positioned as a premium range product and is priced in the higher range among laptops.

Sony wants to focus on the niche premium market rather than cater to a mass market. This differentiation is apparent in its pricing strategy. They do not have a cheaper range of laptops, but rather focuses only on higher end products. Another important aspect of Sony VAIO is the technological superiority. The laptop range always incorporates the latest in Sony’s product improvements, be it TFT screens or camera quality. VAIO also focuses greatly on the aesthetics of a laptop, providing sleek good looks.

They also provide customised designs, the sleek pocket notebook or P-series and the VX series, touted as the thinnest laptop in the world, to cater to the style and size conscious. The Vaio marketing is based more on product differentiation and plays on a laptop being an extension of oneself, rather than a mere commodity. And finally, Sony VAIO also looks to leverage itself on Sony’s existing network of distribution centres as well as Sony World Outlets, thus having a good reach in the market. ACER

Strengths • Operational Efficiency • Improved economies of scale • Booming consumer demand • Aggressive pricing strategy • Strong global logistics  
Weaknesses • Low profit margins • Multiple brands • Perception of a low-cost brand • Insufficient attention to the Chinese market • Limited product

portfolio for midsize business Threats • Price Decline in Mobile PC's • Excessive reliance on Western Europe • Entry of Dell into indirect sales; Samsung and Nokia into consumer mobile PC's • Profit margin squeezed by sales to telecom service provider

Opportunities • Economic downturn • Booming Chinese markets • Reaching out to multiple consumer segments through numerous product types • An emerging mid-size business market Group 10 Page 15 Comprehensive Study of the Laptop Industry, Marketing Management Acer is renowned for the development and manufacture of sophisticatedly and intuitively designed, easy to use products. Focused on marketing its brand-name IT products around the globe, Acer ranks as the world's No. 3 vendor for total PCs and No. for notebooks, with the fastest growth among the top-five players. Acer has always developed a low-cost strategy which has helped maintain operational efficiency. The tighter control on overhead costs has helped it gain improved economies of scale. It has a strong relationship with its suppliers which have enabled it to establish a strong base in China, India and other resilient Asian markets. In these markets, an aggressive pricing strategy has been particularly suitable to face the economic recession and a rapidly changing market scenario.

Unfortunately, this very low-pricing pitch has been a source of concern for Acer which in India is perceived as a low-cost PC provider. This perception unfortunately translates into an image of a low-quality product. This coupled with multiple brands has diluted its overall brand value. Also, Acer has had an excess dependence on the Western Europe market which has led it to slightly ignore the Chinese markets. But the economic downturn has proved <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>

a boon for Acer which has intensified demand for low-prices. Also, its huge product portfolio can effectively be leveraged to reach out to multiple consumer segments.

Moreover, Acer is making an effective entry into the mid-size market and Chinese competition. HCL

- Strengths Strong Brand Recognition Deeper Market Research
- Weaknesses Lack of significant international presence
- Opportunities Steady growth in IT spending
- Threats Intense Competition

HCL Infosystems has strong brand recognition. The company shares the HCL brand with HCL Technologies, which is one of the leading IT companies in India and part of the HCL Enterprise. The company's brand was recognized by various agencies for its solutions and customers satisfaction.

HCL Infosystems was ranked first in IT services, third in desktops and fourth in servers by DQ-IDC Customers Satisfaction Audit 2008-09. It has promoted its products through various channels to build market recognition. The company's strong brand recognition provides a competitive advantage by allowing it to bring new products to market with greater success. Its distribution and retail network reach across India includes HCL Touch, a network of 505 company owned customer touch points and enhanced service capacity that reaches out to over 4000 towns across the country.

It also offers a range of digital lifestyle products in partnership with leading global ICT brands, including Apple, Cisco, Ericsson, Kingston, Kodak, Konica Minolta, Microsoft, Nokia and Toshiba. It also has India's largest vertically integrated computer manufacturing Facility. The Company's broad portfolio

Management of offerings for laptops and reach provides cross selling opportunities as well as diversifies its operations.

HCL Infosystems lacks significant international presence compared to its competitors. Over the years, the company's operations have been concentrated in India. Despite having significant technology capabilities, the company has not been able to expand internationally. As result, it generated less than 10% of its total revenues from outside India in FY2008. By contrast, the company's major competitors in laptop market HP, Acer, Sony and Lenovo have established a significant international presence, spanning across the globe.

Lack of international presence deprives the company the chance to expand its scale of operations and diversify its operations to mitigate business risk. Despite the worldwide economic slowdown, the India IT expenditure is forecast to record steady growth. The worldwide IT spending is forecast to decline by mid single digit in 2009, while Indian IT spending is forecast to grow at mid single digit. Although, the forecast for the Indian market is well below 2008, the positive outlook in 2009 signifies its growth potential. HCL Infosystems is one of the leading providers of laptops in India.

Steady growth in IT spending will provide steady revenues for the company in near term. The Company faces intense competition from several large players. In laptops market, it competes with international players such as HP, Sony, Dell, Acer, Lenovo and Asus. Additionally, more and more international players are targeting developing markets such as India, as the developed economies' have slowed down. This is further increasing the competition.

Intense competition will affect the company's operating performance and market share in coming years.

Comparison of companies on basis of SWOT analysis  
Company HP Strengths  
Leadership Position Financial Condition Diversified Product Portfolio  
Innovation Massive Retail Presence Innovation Leadership Good Service  
Event Sponsoring Low production cost Strong Research & Development  
Weaknesses Internal Control Issues No Aggressive Investments in R&D  
Opportunities Emerging Markets E-Commerce Expansion Restructuring of  
Internal IT Structure Threats Low Margins Intense Competition Slowdown in  
economic conditions Lenovo Late entry into related markets Weak Brand  
Image High delivery time Low inventory turnover

Growing Intense notebooks competition markets Expansion into Little growth  
emerging markets Association with government and companies. Group 10  
Page 17 Comprehensive Study of the Laptop Industry, Marketing  
Management Dell Mass Customization Low Prices Reliability, Service and  
Support Latest Technology Time lag between ordering and delivery Highly  
Dependent on Suppliers Losing out because people can't touch and feel the  
product Sony Vaio Innovations in the functions with aesthetics and style  
Wide variety in sizes and designs High-end security features Sony's  
technology superiority Premium Price The an tends to be noisy Relatively  
short battery run time Does not have products in price ranges to attract  
customers across the spectrum Difficult to order for novices Increasing  
knowledge and necessity of computer and laptops Increasing demand from  
Indian and Chinese markets Increase in number of internet users Decreasing  
price difference among brands Low market share in the Indian market  
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Keeping pace with technology Brand Equity Superior styling The tag line of Closer to yourself indicates a personal touch.

Integration of Sony's existing technical innovations and superior technology

Introduction of Ultra-Mobile notebooks Economic downturn Strong

competitors Declining market share Increasing Commoditisation Excellent

Distribution networks and service centres Group 10 Page 18 Comprehensive

Study of the Laptop Industry, Marketing Management Acer Operational

Efficiency Improved economies of scale Low profit Economic margins

downturn Multiple brands Booming Chinese markets Price Decline in Mobile

PC's Excessive reliance Western Europe on

Perception of a Booming low-cost brand Reaching out to consumer multiple

demand Insufficient consumer attention to the segments Aggressive Chinese

market through pricing strategy numerous Limited product types Strong

global product logistics portfolio for An emerging midsize mid-size business

business market HCL Strong Brand Recognition Deeper Market Research

Lack of significant international presence Steady growth in IT spending Entry

of Dell into indirect sales; Samsung and okia into consumer mobile PC's Profit

margin squeezed by sales to telecom service provider Intense Competition

Summary: Each laptop company in India have its unique strengths,

weaknesses, opportunities & threats. HP India is on the leadership position

and leveraging on this strength. The financial condition of HP is also strong

and thus is ready to invest in forthcoming diversified projects. It has a

massive retail presence. Lenovo is thriving on its low production cost. It has

also strong R & D department which comes regularly with innovative

products. Dell believes in mass customisation. Sony has a lot of varieties pertaining to aesthetics & styles. It has superiority in technology.

Acer is thriving on strong pricing strategy. HCL has strong brand recognition in India. The major weakness among all laptop companies is pricing. They all are facing stiff competition and in order to grab major market share every company tries to provide quality product at cheaper rate. All companies have opportunities in India as it is an emerging market. There is a huge market which is untapped. It has customers in every segment. To satisfy customers companies are coming with varieties of products. The stiff competition among these companies is a major threat for everyone.

The continuous innovation in products & its distribution along with correct pricing strategy can only lead a company to be a market leader in future. Group 10 Page 19 Comprehensive Study of the Laptop Industry, Marketing Management Marketing Strategy (STP Analysis) HP Segmentation: The age of the desktop PC appears to be over as laptop, moves ahead with consumers having interest for light-weight computers in stylish designs for use at home, in cafes and on the train to work. On both price and performance, laptops are so competitive.

While laptops used to cost more than double that of a desktop with equivalent processing power, advances in technology and economies of scale have dragged prices down so much that little price differentiation exists today for most consumers looking for a daily use PC. To keep their growth coming, HP and others vying for laptop dominance are increasingly looking to segmentation, taking aim at the wide range of computer buyers.

You can get notebooks at every inch size from 5-inch to 20-inch. ”

Segmentation comes in both form and substance. In the former, few companies offer a bamboo-cased laptop for the environmentally conscious.

HP has tied up with designer Vivienne Tam to release the “ world’s first digital clutch,” a notebook designed to look like a woman’s handbag. On the more technical front, companies are offering an ever wider range of specialized laptops in varying sizes, processing speeds, wireless capabilities and prices. Battery life is also coming into play, with HP recently announcing that one of its notebooks had broken the 24-hour barrier. 8 HP is trying to capture all segments. It is continuously innovating and regularly come with newer ideas for each segment.

HP set about remaking its marketing operation under a new approach toward results-based, data-driven, customer-centric marketing. Targeting: It was yet another sign that the former dominance of desktop PCs is fading as wireless advances and lower prices make laptops the preferred option for millions of PC users around the world. Things have reached a point where the price difference is no longer as pronounced as before for many consumers, and the average person is more likely to choose the option that offers him portability over the one that doesn’t.

The runaway success of lowcost mini notebooks, initially derided by many industry watchers but now one of the fastest growing categories, could foreshadow a coming boom in products offering a wide range of prices and functions. Faster boot-up times and features such as touch-screens are also being touted as companies try to convert former desktop users and build



new markets. Positioning: In order to grab a major share in notebook market HP bought Compaq. This is a decisive move that accelerates their strategies and position them to win by offering even greater value to their customers and partners.

In addition to the clear strategic benefits of combining two highly complementary organizations and product families, they have created substantial shareowner value through significant cost-structure improvements and access to new growth opportunities. " The company went through a 100-day " Achieve More with Less" initiative to consolidate systems and redundancy. In one example, HP went from using 106 different ad agencies to two. Similarly, the company underwent " Operation One Voice" <sup>8</sup> <http://www.abs-cbnnews.com/technology/01/07/09/laptops-dominate-desktop-pcs-face-obsolence>

Group 10 Page 20 Comprehensive Study of the Laptop Industry, Marketing Management taking marketing to all customer touch points of the company, thereby reinforcing the company's brand. The operation has reduced total spending by more than 10% while doubling spending on brand building and demand creation. <sup>9</sup> LENOVO Segmentation: Segment Marketing: In segment marketing Lenovo has segmented laptop market on the basis of needs and usage. 1. Lenovo for home and small business: It comes under the banner of Value line notebooks. It consists of G series, E series, and B series.

Value line notebooks are designed considering budget constraints, though providing well equipped, smartly designed notebooks for reliable and secure computing at affordable prices. 2. Lenovo for Business: It comes under

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ThinkPad laptops, which consists of SL, R, T, X, W series and X series tablet. These are build for business usage, providing features like advanced processors and graphics, data-protection systems, ultra-thin designs and extra long batteries. 3. Lenovo for User experience: It comes under IdeaPad Series, which consists of S, U and Y series.

These are feature rich, sleek, lightweight and yet powerful laptops with premium quality and latest technology. Local Marketing: Lenovo provides telephonic customer support and chat customer support in 15 languages. It also has strong customer support centres across all major cities in the world including India. Individual Marketing: Lenovo offers customers to configure their laptops while buying computers from internet and shops. Customers can configure notebooks while balancing their needs and budget. Geographic segmentation: Lenovo has executive headquarters at Morrisville (USA) with principal operations bases at Beijing and Singapore.

It has research centres located at USA, China and Japan with four sales headquarters at North Carolina, Paris, Beijing and Singapore. Lenovo also has various manufacturing centres located at China, India, Mexico and Poland. Targeting: Targeting consists of two processes. First one involves analyzing each segment in terms of revenues and potential growth. Second process includes choosing one or more of these segments which a company wants to target as potential customers in the view of a company's skills and strengths. Laptop industry is growing over the years in each segment and each one is attractive in terms of revenues.

Lenovo is covering full market segments from home to small business usage, Business usage and special user experience features. This is essentially done because of significant market potential of each of the segments and leaving anyone will be like leaving great share of revenues for competitors. 9

<http://searchcrm.techtarget.com/news/1014993/HP-lets-marketing-direct-strategy> Group 10 Page 21 Comprehensive Study of the Laptop Industry, Marketing Management Positioning: Lenovo has positioned itself in different market segments by providing different features according to need of each segment.

For example, home to small business segment laptops are relatively cheaper compared to other segment laptops considering basic computing needs. On the other hand business segments laptops are designed considering the needs of data protection, high performance and high usage. User experience laptops are built with features considering multimedia (gaming, music, chat etc.) needs, aesthetic needs (ultraportable and stylish finish etc.). By providing best customer support, they have positioned themselves apart from others in market. DELL Segmentation: One aspect of Segmentation was mentioned in the customer heading of the previous section.

The other way of differentiating is through the buying process as primarily relationship (consumers with ongoing purchases) or transactional customers, (consumers making 1 purchase at a time) broken down into the following segments Group 10 Page 22 Comprehensive Study of the Laptop Industry, Marketing Management • US Market (Relationship = 60%): Business-global, enterprise, large corporate accounts, federal government, education, state & local government • Small/Medium Businesses (Relationship = 30%): <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>

Preferred account division, Business systems division • Consumer Business (Transactional = 10%): knowledgeable buyers. 0 Targeting: Earlier Dell's main focus used to be on large corporations with secondary efforts on small and medium sized businesses. In addition, they targeted the global consumer directly, but with minimal effort. Dell mainly focused on the segments that are already knowledgeable about computers. Recently Dell has started targeting the consumers who are not knowledgeable about computers as well. It decided to enter the retail space recently. It entered into agreements with Wal-Mart worldwide and with Tata Croma and Staples recently.

Dell India will focus on the small and medium enterprise (SME) and consumer sectors by launching notebooks that come with pre-loaded choice of operating software, rich connectivity options and game changing products. Positioning: Back in 2001, Michael Dell used to portray his company as " the good guy", the Robin Hood of the computer industry offering more for less. Their mantra was " better, faster, cheaper" using brand name components, build to order manufacturing, and customized customer service, which led to high quality and more powerful computing power.

Dell had a reputation for " effectively entering product markets where core proprietary elements had become standardized and undercutting existing players based on price. " Dell's strategy was to choose the best in class providers (like Intel and Microsoft) for each component and leveraging their scale investment in R&D Now that Michael Dell is back at the helm, changes are visible. Dell is trying to re establish itself as the premier brand. It has reasserted its historically close ties to chip king Intel by taking machines  
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using rival Advanced Micro Devices' chips off its virtual shelves and selling them only in retail outlets.

It has been trying to maintain its position by using kiosks in shopping malls as a new outlet for its traditional position that combined convenience with top quality service. What remains to be seen is that whether they can pull this change in strategy off without falling in the category of low cost commodity products. Sony Vaio Segmentation: Breaking a market of varied potential customers into subgroups of customers with similar needs, desired product benefits and purchase behaviors. 11 Sony believes in segmenting population along demographic and psychographic parameters.

Based on this Sony broadly divides the population into the following categories: 12 • Affluent 11 Dell case study by Todd Beals [http://www.marketingteacher.com/Lessons/lesson\\_segmentation.htm](http://www.marketingteacher.com/Lessons/lesson_segmentation.htm) 12 <http://www.londremarketing.com/documents/STP10082008.pdf> 10 Group 10 Page 23 Comprehensive Study of the Laptop Industry, Marketing Management • • • • • • CE Alphas (early adopters of technology at any age) Zoomers (55+) SoHo (Small office/Home office) Families (35 to 54) Young Professionals /DINKs (Double Income, No Kids; 25 to 34) Gen Y (under 25)

Targeting: The market segment or segments toward all marketing activities will be directed. 13 Sony generally targets the affluent and the tech savvy. Their focus is more great looks and the newest features rather than economical packages. They realised that older shoppers buy too and hence their focus is on zoomers and boomers, i. e. , people in the higher income group. 2 Sony is clear about its target consumer segment - households with

annual income above Rs 5 lakh. Unlike the market leaders, it does not target households between Rs 1 lakh and Rs 5 lakh. 4 This is primarily possible because VAIO is one of the premium products of Sony, which itself is a premium player in the electronics market. VAIO seeks to offers Indian consumer's access to notebooks that go beyond computing to provide the innovative technologies, personal entertainment and style needed to make a notebook a true mobile companion. 15 Positioning: The art of designing the company's offering and image so that they occupy a meaningful and distinct competitive position in the target customers' minds.

A product's position is the way the product is defined by consumers on important attributes - the place the product occupies in consumers' minds relative to competing products. 16 Sony achieves this positioning by its range of advertisements that focuses on the aesthetics and technical superiority. The product itself offers a distinctive look and this helps distinguish it from other laptops. This provides VAIO with a snob effect, and hence desirable by the upwardly mobile. Its strong focus on aesthetics makes it desirable by the style conscious.

Also the fact that VAIO incorporates Sony's newest technologies like high definition screens into its features makes it a top choice for the tech savvy. In comparison to its competitors, Sony VAIO promotes premium products. They do not operate in the lower range and does not offer economy products. They only offer the best technologies, thus maintaining its position in the market as a high priced, high benefit and high technology product. In order to strengthen its position and market share in India, Sony has

identified what it calls the three pillars of its strategy: Brand enhancement, <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>

channel development and local talent development. [http://www.marketingteacher.com/Lessons/lesson\\_targeting.htm](http://www.marketingteacher.com/Lessons/lesson_targeting.htm)

<http://spoonfeeding.wordpress.com/2009/08/18/mktg-sonys-like-no-other/> 15

<http://www.indiantelevision.com/mam/headlines/y2k4/nov/novmam59.htm> 16

[http://www.marketingteacher.com/Lessons/lesson\\_positioning.htm](http://www.marketingteacher.com/Lessons/lesson_positioning.htm) 14 13

Group 10 Page 24 Comprehensive Study of the Laptop Industry, Marketing Management The company has earmarked Rs 200 crore of investments for marketing communication and Brand enhancement.

They have strong products and are prepared to bring innovative products one after the other On channel development, Sony says it has a good countrywide coverage with 240 exclusive brand stores across 72 cities and presence in over 4, 000 multi-brand outlets. Now what they have been focusing on is to brush up the quality of display, demonstration and the whole retail experience at the outlets. The third pillar of Sony's growth strategy is local talent development focused at nurturing employees as local leaders.

Currently, the company has around 750 employees but most of the top positions (around 20) are held by expatriates. The company hopes to replace these positions with Indians in the next few years. 17 Acer Segmentation: Acer has always targeted the cost-conscious consumers, who have been its major growth drivers. Of late, it has made an effort to move from its traditional position to target a more quality-conscious consumer segment. Recently, post the acquisition of Gateway in the US, Acer has announced the launch of two global laptop brands into the Indian market as part of its worldwide multibrand strategy.

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Acer India announced that it would be launching the two brands into the Indian PC market targeted at distinct segments. 1. Gateway: The core group here is one that looks for a reliable brand that can offer simple, easy-to-use devices, with which they can identify and acknowledge their own personality. Trends and Lifestyles are the reference segments. The style conscious Gateway brand is targeted at the premium segment of the market. With the availability of Gateway in India, Acer will now be able to deliver tailored products for different customer segments in India. 2. Machines: This targets the core value customer, those who adopt a strictly pragmatic approach and expect that a PC is predominantly an efficient and worthwhile instrument. The decision was based on extensive research and analysis throughout Europe, US, Asia and Australia designed to identify various user segments, understand the reasons that generate consumer purchases, key technology drivers and identifying what the current brand perceptions were. The study identified a new generation of users: emotional consumers. Acer also felt that a PC brand aimed at gaining share in today's market must respond to end users' requests.

Hence they opted for the new multi-brand strategy where it sets user targets and identifies the ideals these users aspire to, and then develop products & brands that reflect their desires and needs 17 <http://spoonfeedin.wordpress.com/2009/08/18/mktg-sonys-like-no-other/> Group 10 Page 25 Comprehensive Study of the Laptop Industry, Marketing Management The classification of users purchase attitudes took Acer into the second stage of its multibrand strategy: the definition of the brand value propositions, preserving each



brand's identity and personality therefore avoiding any overlap or cannibalization between them.

This gave them the confidence to go ahead with the proposed launch of the two brands. Targeting: Acer, in India, has succeeded in giving an alternative to HP and HCL to the Indian customers while ensuring it fulfils their quality and aesthetic needs in addition to functionality and pricing. Having leapfrogged to the third position by unit sale in a rapidly expanding notebook computer market, Acer India Pvt. Ltd now aims to increase sales further. The Indian unit of the Taiwan computing company clocked sales of Rs1, 200 crore in 2007, a jump of 38% over the previous year, and is targeting Rs1, 800 crore revenues this year.

The increase in the market share can be credited to Acer's renewed retail strategy and branding in India. Acer has been aggressive in building its brand image in India. It signed up Hrithik Roshan<sup>18</sup>, a popular Hindi film star, as its brand ambassador to promote its products when rivals Hewlett-Packard India Sales Pvt. Ltd and Lenovo, had movie celebrities Shah Rukh Khan and Saif Ali Khan, respectively, endorsing their products. The advantage of having a brand ambassador like Hrithik Roshan was that he helped in brand recall and in associating Acer with high quality.

Branding helped Acer lose its negative baggage of being seen as not so superior brand as others (HP, Lenovo and Dell). With a brand ambassador like Hrithik Roshan, Acer started being equated as a reliable and quality brand. This branding in turn helped sales. Earlier Acer had a good product line and quality service, but lacked brand recall value which was now made

available through the endorsements. Encouraged by the results, Acer decided to increase advertising spending spread over print, television, Internet and film media to Rs70 crore in 2008-09 from Rs40 crore in 2007-08.

Positioning: Wistron Corporation, which was the design and manufacturing arm of Acer, was established as a separate legal entity in 2002. In 2006, Acer also spun off BenQ (Bringing Entertainment and Quality to life) as a separate company that would focus on digital lifestyle products. Thus, now Acer has started focusing purely on sales and marketing of the products under the Acer-brand. With this corporate restructuring, Acer also did one more change to its business-focus: it moved from a direct-oriented business to the indirect, channel-driven model. Acer surpassed Dell as number two PC giant recently.

Acer that plays mostly with netbooks and low cost notebooks has maximum of revenues flowing in from this segment only. The strategy to play with ultra portables has really paid off Acer and it has managed to grab 14% of market share. The numbers indicate that it is closely following HP and is just next to it. But the real surprise package is that Acer is managing all these numbers more or less without any channel program. The company is purely following consumer oriented strategy by 18 <http://www.icmrindia.org/business%20Updates/micro%20casestudies/Business%20Strategy/Acer%20Growth%20Strategies-Business%20Updates>.tm Group 10 Page 26 Comprehensive Study of the Laptop Industry, Marketing Management releasing consumer products and not involving channel program. To keep channel involved, the company releases business product suite once in a while. 19 Acer has <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>

surpassed Dell by following the strategy that Dell used to follow - direct to customers. The company is making a move to retail outlets rather than going via channel partners. However, this is yet to be made clear that once market rebounds and users make a shift in their focus, will Acer be able to keep up the momentum.

In such a scenario, the analysts expect that Dell could regain its position and in fact can enjoy a strong hold with its intensive channel program where as Acer could be wiped off from the scene. After having overtaken Lenovo, Acer now aspires to attain No 1 position by dethroning Hewlett Packard by 2010. The worldwide team has pulled up the sleeves in achieving this goal and has increased its investments in marketing to create a better visibility, and in resources and an efficient support system. HCL Segmentation: HCL has been an Indian entity and has always targeted the Indian consumer only.

It hopes to achieve the image of a quality product from an Indian company. This has been helped by a strong image fostered by its parent company HCL Technologies. It has not approached any one segment so far but in the past few years, it has been making a conscious effort to reach out to newer consumer categories. The ME range of laptops has been targeted at the style-conscious youth. The series offers a wide price range that is hoped to appeal to every price segment. Targeting: Unlike its other competitors, HCL has always been stuck with a predominantly Indian image.

So to keep up with competition, HCL has tried to keep up with the latest in technology. HCL is providing consumers stylish, jazzy and powerful laptops keeping in mind the needs and demands of the Indian consumers. Hence, it

has come out with a series of ad campaigns which bring out its global appeal and image as a brand of repute. This has helped it to target its main consumer; namely the youth which holds the majority decision making power. Positioning: The key HCL drivers are its promise of slim looks, light weight and power. It is famous for making the slimmest and lightest laptops in India.

They also include high technology power and good colour options. Thus, we see that HCL has been positioning itself as a brand that promises the best of both worlds: style and performance for the upwardly mobile and the reassurance of a strong Indian brand with great customer service for the older generation. To ensure further visibility, HCL has invested sufficiently in HCL Digilife stores and campaigns in tier-II and tier-III stores where it has a strong brand recall. 19 <http://itvoir.com/portal/news/Corporate-News/Can-customer-oriented-strategy-help-Acer-to-maintain-thelead-over-Dell-5-915.sp> Group 10 Page 27 Comprehensive Study of the Laptop Industry, Marketing Management Comparison of Companies based on STP Analysis Company Hp Segmentation Segmenting the market based on price and features of laptops Targeting All segments Positioning Positioning in each segment by providing wider range of prices, technical & aesthetic features and reducing cost structure of the company Lenovo Segmentation based on business, home and experience. Also based geographical area on All segments Positioning based on wider range of prices, unique features and best in class customer support Dell

Segmenting the market by geographical area and consumer buying process

Large, medium and small business segments. Now also targeting <https://assignbuster.com/laptop-marketing-and-comprehensive-study-flashcard/>

knowledgeable consumers and retailers Positioning in all segments by providing better value for money in less time, reducing cost structure, top quality customer service and branding Through advertisements that focuses on the aesthetics and technical superiority, providing high quality products, and using brand enhancement, channel development and local talent development Building brand through advertisements, providing laptops in much less price compared to competitors

Sony Vaio Segmenting population based on demographic and psychographic parameters Targets the affluent and the tech savvy people who can afford to pay high prices for differentiated products Acer Majorly Based on price, but now based on quality too Targeting the price conscious customers and who look for quality products in less value HCL Indian Consumers, but now based on age(youth segment) Targets Indian consumers and youth Positioned as Indian brand promising to provide good products and services. Now also trying to provide slim, sleek and designer laptops to attract youth segment

Group 10 Page 28 Comprehensive Study of the Laptop Industry, Marketing Management Marketing Mix Decisions (4 Ps Analysis) HP Product: Product line in Laptop category includes Business notebooks & personal notebooks. The prominent categories in Business notebooks are Compaq Evo, HP Mini, HP ProBook & HP EliteBook. The categories in Personal notebooks include HP Omnibook, Compaq Presario, Pavilion notebooks, DV series, G series, HP Mini. HP provides laptops at varied price categories to cater the needs of different segments. It always comes with newer ideas to make its products more in demand.

Price: HP is setting the standard in the notebook industry with the best combination of advanced features and extremely competitive prices. HP continues to stay at the forefront of the notebook market with exceptional prices and features. HP has also been making extensive changes to its distribution strategy in an effort to reduce distribution costs and boost earnings. Place: HP markets its products to households, small to medium size businesses and enterprises both directly, via online distribution, consumer-electronics and office-supply retailers, software partners and major technology vendors.

HP Services partners with marketleading technology companies and channel partners to give one greater choice and help them deliver innovative solutions targeting customer specific needs. HP has one of the world's largest channel partner networks, with 70, 000 partners worldwide.

Wherever one goes, one will find a firm carrying the HP logo on their behalf. Promotion: The promotional campaign utilized viral marketing, sophisticated visuals, and its own web site. Some of the ads featured well-known personalities.

Rather than show a bunch of talking heads, each advertisement showed a neck-down view in which the endorser, aided greatly by graphics, visually showed how they used HP products. These companies use the strategy which relies on how their business customers view and rate their products, this strategy helps them to get constant feedback about their products, and then they try to achieve customers' requirements and give products the support needed in order to establish a strong support system. This strategy also helps to strength the relationship between the company and clients.  
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Lenovo Product: In terms of product, Lenovo offers a range of laptops with different features and quality. ThinkPad series is robust and secure while IdeaPad series is stylish. Value series laptops are built for home to small business usage providing a perfect mix of features and price. It also provides option to configure its products and choose different accessories like printers, headphones etc. from a wide range of products. Price: Lenovo laptop's price ranges from Rs. 20000 to over Rs. 150000, which shows wide range of prices for customers.

It is possible because Lenovo has low production cost for its products as it has manufacturing facilities present in countries where wages are low, like India and China. It also gives facility to configure the laptop, so users can remove features they don't want and add which they need, so they don't need to pay for unwanted features. Group 10 Page 29 Comprehensive Study of the Laptop Industry, Marketing Management Industry, Place: Lenovo has manufacturing units at different parts in the world, e. g. China, India, Mexico and Poland.

This serves in reducing the manufacturing and delivery cost of laptops in different parts of the world. Lenovo sells its products through internet and shops. Major Majority of its sales comes from USA and China but other markets (like India) are also growing. Currently, Major sales of Lenovo products happen through retailers. But it is also focussing towards sales through internet and discount chains like Wal Wal-mart. Lenovo Wholesaler Retailer Consumer Promotion: In India it has promoted its product through various channels like media and direct advertising through malls and shops.

Lenovo's