

Micromax



**ASSIGN
BUSTER**

1 . Mission Statement MicroVAX, is the 12th largest handset manufacturer in the World (According to Global Handset Vendor Market share report from Strategy Analytics). The Indian brand is reaching out to the global frontiers with innovative products that challenge the status quo that Innovation comes with a price. With an in-depth understanding of rapidly changing consumer preferences coupled with the use of advanced technologies, MicroVAX has been able to differentiate itself from the competitors through innovation and design.

We understand the pulse of the consumer and hence instantly invest into strengthening the product portfolio through R&D and innovative marketing strategies. Our Mission is to focus on innovation, design and using the latest technologies to develop products at affordable prices. Our product portfolio embraces more than 60 models today, ranging from feature rich, dual-SIM phones to QWERTY, touch-enabled smart-feature phones and 36 Android Smoothness's. We also lay special focus on the products to enhance the customer's overall experience with the device.

Most of our products come with innovative packaging and bundled accessories. Globally, MicroVAX caters to a varied target audience having their focus major on the youth. Our overseas product portfolio is tailor-made to suit the needs and aspirations of our growing consumer base in the international markets. 2. Past and Present Strategy Today, MicroVAX aspires to have a presence in every smart device with a screen, which is the strategy behind its expansion into tablets and TV's.

Last week, this column discussed about the secret sauce behind the electrifying rise of Hovels, a dynamic company that has managed to carve a unique space for itself in the global electrical goods business. The focus of this weeks column is a much younger company, but one that could make the growth of Hovels pale in comparison ? albeit in a different industry ? electronic gadgets. I am talking about MicroVAX ? the brand that's been giving the likes of Samsung and Monika a run for the money, at least in India. MicroVAX is the 12th largest handset manufacturer in the world with presence in 14 countries.

In India, it is No. 3 in the mobile handsets space behind Monika and Samsung, is eyeing the No. 2 slot in smart phones and is already No. 1 in tablets! What more, recently, the company announced TTS launch of LED TV's aiming to shake up that segment as well. It is hard to imagine that MicroVAX has managed to achieve all this, considering that the company's entry into mobile handsets space was only in January 2008. Prior to that, MicroVAX ? founded in 1991 ? was involved in myriad businesses such as distributing IT peripherals and PICO devices amongst others, but none of them managed to attain great scale.

However, the wireless PICO business did sow the seed for the idea of diversifying into mobile handsets for the company's founders ? Rashes Augural, Summer Kumar, Rural Sahara and Visas Gain. The first product, aimed at rural customers facing acute power shortage with a battery life of 30 days was a runaway success and as they say ? there's been no looking back since. From less than RSI 50 core revenues Just a few years back,

MicroVAX expects to clock its highest revenues ever this financial year, in excess of RSI 2, 500 core.

CORE MANTRA Today, MicroVAX aspires to have a presence in every smart device with a screen, which is the strategy behind its expansion into tablets and TV's. A multitude of factors has helped MicroVAX achieve its current position, but product innovation at affordable price points has been the core mantra. Be it the launch of dual SIMI phones, QWERTY phones, water-resistant models, attractive designs for women or a tablet for less than RSI 10, 000, MicroVAX has managed to understand the pulse of the local customer and quickly move to address gaps in the market, through innovation.

It took years for peers like Monika to replicate the dual SIMI idea and this is what helps MicroVAX thrive amidst global giants. What more, after tasting success in India, MicroVAX is now focused on replicating the same in other emerging economies in SCARCE region, Africa, west Sat and Latin At-NCAA.

KEY INGREDIENTS Here are few more noteworthy factors contributing to the success of the MicroVAX: Asset light business model: While MicroVAX focuses on the core competencies of product development, design, marketing and branding by having in-house teams, most of the rest, including manufacturing and distribution, is outsourced.

This has helped the company scale up fast. Low working capital: By asking distributors to pay cash upfront before delivery, in return for larger discount margins compared to peers, and leveraging lucrative credit periods from

MOM partners, the company is able to operate with minimum working capital, as a result boosting return on capital employed.

Agility and rapid execution: Time to market new products from concept to launch is about three months for MicroVAX compared to around 18 months for larger competitors
Branding and marketing: What's the point in having a great product at an attractive price point if people do not know about it ? that's the logic behind the massive marketing budget in excess of RSI 100 core. By betting heavily on cricket and the youth segment, MicroVAX enjoys a superior marketing return on investment.

Optimum balance of durability, features and price: With product lifecycle of gadgets and especially mobiles shrinking to less than two years, most customers are not interested in paying for a mobile that'll last forever ? what they want is the latest design and attractive features at affordable price point. But a latest cookie cutter international product with a whole array of standard features may be too pricey and not necessarily relevant to the local customer.

What MicroVAX has managed to do is offer the optimum balance of durability, features and price by keeping their eyes and ears close to the local customer pulse. Extensive nationwide distribution network and after-sales support: MicroVAX has a three-tier distribution network in India, consisting of state-level distributors (60+) , local distributors (800+) and retail outlets (50, 000+) covering almost all the States in the country, including Tier-2 and Tier-3 towns.

In addition, they have set up a large (400+) network of third-party-owned after-sales service centers that offer quick turnaround customer service as a key differentiator. Despite the vast difference in scale, could MicroVAX become the Samsung of tomorrow in the electronics space? Only time will tell. The bad news for investors is that MicroVAX is not yet listed and its attempt to go public in 2011 had to be aborted due to poor stock market conditions. But now that the financial markets seem to have turned a corner, who knows, the company could possibly hit the PIP market again? Better late than never.

MicroVAX adds third screen' to its portfolio; Unveils new range of LED TV's
The largest Indian handset manufacturer steps into home entertainment solutions - Introduces 6 LED TV's, 2 Home Theatres, 1 AD Blue Ray player and SMART Stick (Android dongle) for Smart TV viewing experience Sets up a reduction unit at Rudyard, Attractant with a production capacity of 2, 000 LED TV units per day To make products available in 9 states with a strong distribution network, reaching out to 170 cities MicroVAX, the largest Indian handset manufacturer and the 12th largest handset manufacturer in the world, today announced its foray into the home entertainment segment with the launch of new range of LED TV's, Home Theatres, AD Blue Ray and SMART Stick, the Android dongle which will make TV viewing a smart experience. With this launch, MicroVAX aims to become the new age screen partner for consumers; be it phones, tablets or elevations. MicroVAX has set up a 1 lake sq. Ft. Of manufacturing facility spread over 5 acres, with a production capacity of 2, 000 LED TV units per day at Rudyard, Attractant.

The facility will also double up to manufacture the tablet PC Buffoon and mobile accessories, which in the last 6 months has received tremendous response. Commenting on the launch, Rashes Augural, Managing Director and Co- Founder, MicroVAX, " MicroVAX is increasingly focusing on the smart devices and has introduced a series of Android powered devices in the screen range of 5" to 10". As e move forward, we want to be the Screen partner for our consumers, no matter what the screen size is. As consumer preferences evolve and they want their devices and experience to be smart and personal, we feel the future of TV will depend on user, programming, connectivity and personalization.

Compared to mobile phones, Televisions are a long-term interface and consumers want these to be smart and Savvy© and at the same time have a seamless experience while shifting from one screen to another. With MicroVAX TV's, we aim to partner the growing aspirations of the digital consumers at all levels. 3. Setting Up a Definite Goal Home-grown mobile handset seller MicroVAX is planning to increase its product portfolio across segments that include higher-end smartness and a new tablet PC range. The company will launch nearly four new handsets every quarter. According to Deep Mortar, CEO, MicroVAX will come out with around four smartness priced between RSI 10, 000 and RSI 15, 000 in the next four to six weeks.

Currently, MicroVAX has 12 semaphore models. Two new budget handsets - priced between RSI 5, 000 and RSI 8, 000 - will also be launched in this period. The existing tablet PC anger of three models will be increased to four with one expected to be launched by this month-end. " Our idea is to be a player across all price points and be the No. 2 company in the Indian

market," Mortar told Business Line. He did not rule out the possibility of introducing higher-end models priced at above RSI 18, 000 in the future. MicroVAX is currently the third largest handset brand in India after Monika and Samsung. Globally, it is the 12th largest mobile company.