

Micromax and its internationalisation

[Business](#), [Marketing](#)



REPORT ON MICROMAX- ITS INTERNATIONALIZATION (Telecommunication Industry) A Project work Submitted By: Ambrina Khatoon (MAT 140097) Rethu Kumari. K (MAT. 149180) Submitted to: Prof. RICCABONI MASSIMO Faculty of Economics University of Trento In the Partial Fulfillment of the Requirement for Degree of Masters In International Management (MIM)

Abstract Starting from the presentation of the main key figures describing Micromax Inc in 2010, the case goes back to the history of this player with a particular attention to the vision, mission, values and principles inspiring its growth path to reach its global ambition. Finally, a special focus on the competitive strategy that Micromax uses to outsmart its biggest competitors to kick-start their journey towards global reach.

About the Company Micromax is a telecommunications company based in Gurgaon, Haryana, India. It is a manufacturer of wireless telephone handsets. Micromax has 23 domestic offices across the country and international offices in Hong Kong, USA, Dubai and now in Nepal. Micromax is on a mission to successfully overcome the technological barriers and constantly engender “ life enhancing solutions”. The company’s vision is to develop path-breaking technologies and efficient processes that incubate newer markets, enliven customer aspirations and continue to make Micromax a trusted market leader amongst people. The Micromax ideology stems from its rooted belief in “ Innovation” and delivering “ nothing short of the best”. History Micromax made its debut in 1991 but its presence has been felt majorly in few previous years. Serious developments and rise was seen in the year of 2008 when the company entered Indian Cell phone handsets market. Company entered market in March 2008 in which it had a market share of meager 0. 59%

average Micromax Inc. has recently seen a rise in market share. Micromax is the largest Indian domestic mobile handsets company in terms of units shipped during the quarter ended March 31, 2010 and the third largest mobile handset seller in India as at March 31, 2010. On March 31, 2010 the company registered the market share of 6.24% for that quarter, which grew from 0.59% in September, 2008. Micromax became the fastest growing mobile brand in India for the fiscal year 2009-10. Handset sales have grown by 123.48% from 1.15 million units in the quarter ended June 30, 2009 to 2.57 million units in the quarter ended March 31, 2010. Micromax also sells data cards to service providers in India which includes India's leading operators like AirTel and BSNL. Being first and Being best Micromax has a lot of "first" to its credit on their versatile product portfolio and on which they have been the "best" too outsmarting even the top players in mobile market. They were the first to introduce:

- Lightest touch screen smart phone.
- Handsets with 30 days battery Backup
- Handsets with Dual SIM / Dual Standby,
- Handsets Switching Networks (GSM - CDMA)
- Inspirational QWERTY Keypad Handsets
- Operator Branded 3G Handsets
- OMH CDMA Handsets, etc.

Strategy for a Niche With complete advertising and marketing strategy sketched out, the company has an optimistic outlook for the telecom consumer space. Having presence with more than 40,000 stores across the country, the company plans to have an aggressive market incursion to reach out to its customers through 70,000 operational stores in the coming year. One of the aspects that contribute towards the substantial monthly growth of Micromax is its 80% sales in the rural areas. Micromax is building a strong presence in the rural market,

where the prominence of both subscribers and operators is rapidly increasing. They are now progressively moving towards establishing its foothold in the competitive urban towns as well. Micromax Informatics Limited created a niche for itself in the telecommunication industry with young enthusiasts as its anchor. Micromax ventured into the telecommunication industry with an end-to-end solution of Fixed Wireless Devices and Wireless Data Cards. After delivering upon the technology of fixed wireless-powering desired products in the year 2008, the company forayed into one of the most predominant genres of telecommunication Mobile handsets. Since then it has received commendable response for its unique and interesting handsets. Innovation, Cost-Effective, Credible and an Insightful R&D, have now become synonymous to Micromax in the telecom vertical. Today Micromax has become a brand which people relate and look up to for realizing their individual device preferences and other out-of-the-box solutions. Rookie in the land of colossal leaders To position Micromax as the Leading Indian Brand setting new technology benchmarks for the mobile phone industry in the country committed to provide the customers with cutting edge technology at pocket friendly price. Result: Major headlines generated

- ¼ Business Bhaskar: Micromax to invest 250 Cr
- ¼ Times of India- 3G Phones to cost less than Rs 5000 soon
- ¼ Financial Chronicle- Micromax plans Rs 50 Cr design centre in Beijing
- ¼ Hindustan Times- Mobile phones will also be remote controlled in near future-Rahul Sharma
- ¼ Living Digital — "We create new segments using technology" - Rahul Sharma, COO, Micromax
- ¼ Business standard- Micromax Looking to dilute minor stake
- ¼ Navabharat Times- Mobile phones-an important part of your

lifestyle if¼ Economic Times- Local Mobile phones get upwardly mobile
• Micromax challenges Samsung, LG in mobile phone stakes – and it has
10% market share, putting it at No. 3 behind Nokia and Samsung, which had
12-13%. The success of Micromax prompted US private equity group TA
Associates to buy •less than 20%• of the firm for around \$45 million
(Rs210 crore today) in December, valuing it above \$225 million and
indicating confidence in its growth potential. This kind of a whopping deal,
that too for a company which is only around 2 years old in the mobile
handset industry is phenomenon. It is also estimated that the firm will close
the fiscal with sales at around Rs1, 500 crore. The Brand Micromax has now
started gaining acceptability not only with the consumers but also with the
images, which now has started portraying it with a positive image. On top of
all these, one interesting internet survey revealed that it is Micromax' s
brand which tops the search list when compared to that of the searches of
Apple' s Iphone. Until very recently, Micromax was seen as a second grade
brand with hardly any brand value. But with the recent reports listing the
figures in the company' s favor as well as the huge branding done by the
company itself along with the interesting product portfolio has taken the
brand to a respectable position. And the position is still very promising for
the future. For a company which still has not been listed on any exchange, a
turnover of about 1500 Cr. can be termed as huge. Certainly the company
has the potential to be a threat to the foreign giant as it has been successful
in studying the Indian consumer mindset better. Strategic Marketing As
Micromax tagline says “ Nothing like anything”, they do the same in terms of
their marketing strategies too. Micromax also looked at distribution in a new

way, standing by its cash-only model. While rivals offered a 60-day credit line, Micromax refused to give credit. •If the distributor does not buy your handsets, there is no pressure on him to sell them. At the same time, Micromax offered to supply distributors regularly to keep inventories down. So, distributors didn't have to shell out large amounts upfront or have a lot of money locked in. •If they give a distributor 1, 000 handsets and ask him to sell them over a month, he will worry about his daily sales, •But if we supply less, demand will be close to equal or more than supply. –

Micromax managed to make dealers pay in advance by offering them more margins. Though it is not a new strategy to offer such kind of discounts for advance payments (cash discounts), but to make a retailer accept such an offer is indeed a remarkable feat. Micromax has 34 super-distributors across India. Unlike a Nokia or a Samsung, it doesn't interact with the 500-plus sub-distributors. Neither does it intervene in how the super-distributors sell or place the products. •They offer our super-distributors a 15% margin, which is higher than the industry average of 10%–. Some of Micromax competitors, who do not want to be named, say the company fares poorly on after-sales. •It addresses a segment that is comfortable with the use-and-throw philosophy. Also, the company's claim of 450 service/care centres are inflated, – says an executive with a rival telecom firm. Nokia and Samsung have 900 and 800 service outlets, respectively. To increase penetration in the Indian telecom market, Micromax also partnered with telecom operators such as Aircel. For better accessibility and prominence in the market, Micromax has come up with 150 experience zones (exclusive stores) across the nation, in addition to ensuring bigger presence at the multiband stores.

Brand Building Strategy Micromax has shelled out a whopping Rs 100 crore for its brand building initiative. It is targeting a wide base of new and existing subscribers, using a 360 degree media approach via multiple platforms. It has allotted Rs 60 crore for ATL (above the line) advertising, of which print will take the maximum share, followed by TV and radio. Another Rs 40 crore will go into the BTL (below-the-line) initiatives. The communication has been launched in the beginning of 2010. In 2009, the campaign was mostly product centric but this year, the efforts will be to create a brand that is aspired by all. Consumers have already experienced Micromax as a handset. Now, it is time for the consumers to remember 'MICROMAX' the brand. In to the Top 3 According to the Telecom Regulatory Authority of India (TRAI), market penetration for wireless phones in the country is at 49.6% with approximately 584 million users as of March 2010, up from only about 2% in 1995. " It is estimated that overall mobile teledensity in the country will reach approximately 95% by 2014," " And with penetration in rural areas being much lower than [in] urban [areas], the next phase of growth will undoubtedly come from there." The expected growth provides some of the explanation for the plethora of homegrown mobile handset vendors including Karbonn, Spice, Lava, and even domestic consumer electronics giant Videocon that have inundated the Indian market. Some started as regional vendors, but have developed into pan-India players. The government's ban on cheaper gray market phones with no identifying International Mobile Equipment Identity (IMEI) number may have been primarily responsible for the sudden spawning of local vendors. But IDC's numbers suggest a deeper shift in industry dynamics. The number of local players grew to 28 and

registered a combined market share of 12.3% in 2009, up from five players with less than 1% combined share in 2008. In fact, within 2 years span Micromax replaced LG of Korea as India's third-largest GSM handset vendor with a market share of 6%. Nokia was first with a 62% market share and Samsung is second at 8%. Furthermore, to get the picture right, the latest data says that Despite retaining the No 1 position in the country, Nokia currently had a market share of 30.3% at the end of calendar year 2010, down from 46.3% at the end of 2009 and 56.2% at the end of 2008, respectively. South Korea's Samsung retained the No 2 position with a market share of 12.2% at the end of 2010. What is astonishing is the growing presence of emerging homegrown brands. Together, they have gobbled a 24% share of the 160-million (units) handset market at the end of 2010. They sure have come a long way from the less than 1% share they had in March 2008. " When they entered this space, it was a virgin market dominated by 'Tier A' brands. They wanted to create and become leaders in a new vertical. Today, 70% of our sales come from rural areas, "- According to Vikas Jain, co-founder and business director of Micromax. The Challenge The increase in India's value-added tax has compelled players to further cut prices in some states. However, " between the established players and the new ones there is still a 30% gap in the price on a feature-to-feature comparison. That's a big gap. So even if the big players lower their prices, they will feel the pinch. But price is exactly the kind of differentiation that Micromax's tries hard to avoid. " Price war is not their approach, if it was then they would have address the 35% of the market segment where Nokia adds most of its customers with lower-priced handsets. "They want to draw

the customer by highlighting the product, not the price." Brands will not win additional market share purely based on the cost of their products. " Prices of phones fall quite rapidly anyway. Broadening your product line is not a price war". The fact that multinational corporations offer cheaper models doesn't mean they are going to lower the prices of their other phones," he says. " The real challenge here will be the innovation." Combat of Innovation Industry observers believe that value-added services might be the tipping point for attracting new handset customers in rural areas. Micromax, for example, offers a lower-priced device priced for non-urban markets that can also be used as a "universal remote" or a " gaming device", and has developing phones that also function as " mosquito repellants". Additionally, the company is planning to bundle insurance services with handsets. " They are developing a concept where, once a person buys a handset, he can get insurance for the handset and for himself," " In rural areas, people are not inclined to insure themselves, but if it is available free of cost, they are very interested. Large sales volumes make it easier to negotiate with insurance providers". Samsung has launched the world's first solar-powered phone, which also includes a " mobile prayer" feature that provides hymns and wallpapers for different religions. Nokia's Life Tools gives farmers crop prices and weather predictions for a nominal monthly fee. The Indian market has been a unique learning ground for vendors of all sizes. Companies developed their product lines knowing that the phones would be used for a lot more than just talking, with features that would combat some of the barriers to bringing technology to consumers in rural areas and those at the bottom of the economic pyramid. Mobile devices came equipped with long

battery life (as much as 30 days); built-in flashlights (a lifesaver during frequent power outages); loud audio and video players (because of noisy environments); larger displays, and expandable memory. Other features include multiple address books (for shared users), dust and dirt-resistant keypads, regional language interfaces and pictorially clear icons to simplify use for consumers who can't read or write well. As we have seen so far Micromax, though small vendor has been a tough competitor to the giants of the mobile market industry and has acquired a sizeable market share of the giants in a very short duration and been in the Top 3 list. Can Micromax outlast competition? In the past, others such as Motorola, Sony Ericsson and LG have occupied the third position, but all have given way sooner than later. Only Samsung managed to move ahead to come in at the second place and it is not resting on its laurels because they are doubling the business and they don't look at competition as a threat but they look at the market opportunity. In an indication of its ambitions, Micromax expected to move up the ladder to be the No. 2 by the end of the fiscal year 2010. But it has still not been successful so far. Micromax believes themselves as the first-generation entrepreneurs. A lot of blood and sweat has gone into it Micromax's success. But staying on at the top can prove to be even more difficult than getting there, as TCL and Haier's vanishing from the same market proves. Is too much done, too fast? At present, Micromax has more than 25 GSM and two CDMA products that have already been bundled with BSNL and MTNL for 3G devices. Sources say that Micromax is doing pilot projects with leading handset companies Airtel, Tata DoCoMo and Aircel. Can Micromax keep improving on its performance? It is important for Indian

handset brands to have a presence in the semi-urban and urban markets in order to keep growing. Rural is not such a big phenomenon, so they also have to sell in urban areas. Micromax's 30 days battery backup and dual SIM technology works for both rural and urban area. Similarly, Nokia is also coming up with bicycle mobile charger. It was available in some countries earlier also and will be coming to India soon. The Nokia bicycle charger comes with a charger, bottle dynamo and a phone holder. This mobile charger will be fixed on the handle of the bicycle and will work on the same mechanism which we use to light the bicycles. No electricity is required to charge the mobile using this method and it is handy for those who love cycling, chatting and listening to music at the same time. Mobile users who forget to charge their mobiles in the night do not have to take their morning rides on bicycle without music. So its target is both the rural and urban area. Micromax's revenue from its urban market is a meager 15 per cent and continues to rely on innovation and smart brand activity to drive up market share. Retail points will also have to be increased to remain a serious contender in the long-term stakes Nokia, for example, reaches more than 190,000 retail points. Micromax's 55,000 retail points are comparable with Samsung's 50,000, but they know ramping up of retail is essential. Some other costs could hurt a new player such as Micromax. Samsung and Nokia have Aamir Khan and Priyanka Chopra as their brand ambassadors, and Micromax decided to sign up Akshay Kumar (Bollywood stars). Another ambitious bet was when it bagged the title sponsorship for the recently concluded India-South Africa cricket series. Things are going good for Micromax till now. When people were thinking what would be the next move

of Micromax, that's when they announced their journey to going global. Micromax Goes Global Micromax Mobiles which managed to turn a lot of important heads when it became the third largest mobile phone seller in India seemed to be in full throttle and that's when they started their global journey. Micromax's initial step in the international market was in Nepal. They launched 18 different models of handsets in the market, with price range of Rs 2, 100 to Rs 13, 000. All the models are unique and rich in features including music touch phones, utility phones and life style phones, said Micromax that claims to cater to different consumer segments through products in multipriced segments. Micromax's foray into Nepal comes close on the heels of the company rolling out operations in Sri Lanka, Bangladesh, Hong Kong, U. S., and Middle East which includes United Arab Emirates (UAE), Sultanate of Oman, Kuwait and Qatar as well. Micromax currently exports its handsets to Nepal, Sri Lanka, Bangladesh and the Middle East countries, and we would enter into Brazil market soon. Micromax has been the leader in entering new markets. It is well on its way to create a presence in all SAARC countries. It also plans to set up shop in the whole of Africa after their foray into Brazil. Micromax specialized in entry- level and mid-segment handsets priced between Rs1, 800 and Rs2, 400 when it started selling the devices in 2008, confining itself to small towns and rural areas in the first 12-18 months. Encouraged by its success, the firm expanded to larger cities and now has a distribution network of 55, 000 retailers, which it plans to scale up to 70, 000 by the end of March as part of its strategy to raise sales to 1. 5 million handsets a month. Micromax is planning to expand its range in keeping with new market demands. It is readying several highend handsets,

including phones that will run on Google's Android and Microsoft's Windows Mobile operating systems. All these markets are of huge size and holding enormous potentiality. Market analysts are of the opinion that these markets are now in the similar position in which India was, a few years back. So these promising markets are still in the stage of expansion. Their policy to woo customers in these new markets will basically remain the same as in India. That is to sell phones loaded with numerous features at dirt-cheap prices. A significant problem that the Indian companies are most likely going to face in these new markets is the problem of distribution. So the first challenge ahead of them is to get a proper distribution network in place. So, what is the current trend of Brazil mobile market? With whom would Micromax compete this time in Brazil which is a foundation of their global acquisition? Would it try to take out Nokia's market share in Brazil too? If so, how well would Nokia be prepared to face it and what strategy would Micromax bring into play?

Brazil mobile market Brazil is the world's fifth largest country both by geographical area and by population. Brazil saw a significant growth in its new mobile subscriptions as it grew to 187 million in July 2010, the telecommunications regulator Anatel revealed. Earlier by March 2010 reports say that, 1.89 million new subscriptions were added in the month of July, an increase of 1.02% compared to June. Brazil has recorded 13.06 million new users in 2010. Omar Salvador, senior analyst at Pyramid, an author of the research, said: "Brazil and Mexico represent a significant proportion of the region's mobile subscribers, accounting for 49 per cent of the total." — As reported on Aug 23, 2010. Anatel found that the 100 percent penetration mark was reached in October when just under three million new

subscriptions were recorded, bringing the total to 194, 439, 250 and a teledensity of 100. 44 lines per 100 inhabitants. Of the total number of mobile phones, almost 80% are prepaid and the remaining 20% are postpaid. These figures represented an 11. 77 percent growth from last year, when the service recorded 20, 479, 882 and an increase of 10. 92 percent in teledensity. In October, 12 Brazilian states already had more than one mobile per capita: Distrito Federal, Sao Paulo, Mato Grosso do Sul, Rio de Janeiro, Rio Grande do Sul, Goias, Mato Grosso, Santa Catarina, Rondonia, Esp rito Santo, Paran  and Pernambuco. The growth could be attributed to a few factors " Firstly prepaid tariffs and secondly low cost handsets mean that the cost of ownership of the mobile device has reached a point where mass market take-up is possible." However, average revenue per user is lower than developed economies. Mobile phone take up is very high because it's the primary technology in Brazil. In 2009 broadband penetration was 22 percent, basic internet was 25 percent and PC penetration is 30 percent per household." The market is driven by cheap handsets. The total number of phones, 159. 82 million (82. 19 percent) are pre-paid, while the remaining 34. 63 million (17. 81 percent) are post-paid contract customers and Smartphone' s usage is not so popular. Phones are used for text messaging, basic web access and phones calls. Pyramid Research revealed that alongside Mexico, the South American giant represents the largest opportunities for the region' s mobile market, accounting for half of the region' s sales. According to the researcher, the region' s mobile handset market has undergone a transformation with users upgrading from regular phones to modern feature-packed handsets. Battle for niche in Brazil

Brazilian cell phone market has international brands such as Nokia, Motorola and Apple as well as local brands as Evadin. Brazilian mobile communication market mainly has four standards (GSM, CDMA, TDMA and WCDMA) and about 90% are GSM users. GSM cell phones are the main products in Brazilian cell phone market. In 2008, Brazilian cell phone market introduced 253 new cell phone models, among which there were 195 GSM cell phones, 56 WCDMA cell phones and 2 CDMA cell phones. In the first half of 2009, Brazilian cell phone market introduced 142 new cell phone models, among which there were 116 GSM cell phones and 26 WCDMA cell phones. As one of the BRICs, Brazilian cell phone market focused on medium and low-level cell phones. Considering functions, most users tend to buy cell phones with cameras and Bluetooth. Brazil hasn't engaged too much in the global economy and it hasn't been affected by the global financial crisis severely. Brazilian foreign trades account for about 22% of GDP. To stimulate domestic demands, from February 1st, 2009, Brazilian government improved the lowest monthly wage standard from 415 BRL (about 174 USD) to 465 BRL (195 USD). Current trend of Brazil's mobile market The Current trend of Brazil's mobile market shows that people tend to use mobiles for text messaging and basic web access. So the market focus is on the low-end customers seeking cheap mobiles. But that's what Micromax needs to seek a niche in Brazil's mobile market. People tend to exchange handsets for new models after a year or two. High-end customers often tend to get costly mobiles for more features and luxury. Micromax has capability of getting in to the rural market and low-end users where they can sell mobiles with latest innovative features at affordable price and also hit the high-end customers

with luxurious mobiles like Android based and windows based mobiles. And to find its position in the Brazilian market Micromax would target Nokia once again, since Nokia has tough competitors to compete with due to its unaffordable price than the other low cost mobile handset providers in the market. Competitors of Nokia are Samsung, Ericsson, Gradiente and Lucky Goldstar (LG), all located at the Manaus Industrial Pole. Suppliers in Brazil sold more than 10 million handsets in 2000, and expect growth of 22 percent in unit sales this year. This growth will encourage new players, services, and features in the Brazilian market. More than half a dozen vendors currently sell handsets in the Brazilian market, led by Ericsson, Motorola, Gradiente and Nokia. Nearly 65 percent of Brazilian subscribers have handsets that use the TDMA standard, since TDMA was the technology first adopted by the majority of Brazil's cellular operators. Vendors that have strong TDMA products have had a major advantage. This is particularly true for Ericsson, which is the overall market leader. In Brazil, the GSM market represents 28%, while the CDMA grasps 30%. Most still uses TDMA (41%), and there are cellular AMPS (analog) active in the country but the growth curve of TDMA is practically nil (not to mention the AMPS) while the CDMA and mainly to the GSM going up. Gradually, the TDMA tends to disappear. And with strong commercial appeal of new operators, the number of GSM users exceeds the CDMA soon. Roaming readiness and fraud prevention are two advantages of GSM technology. It is the most used technology; with 73% of the world market is in Europe and its global point stronger. A new variable will be added this year as PCS auctions are completed and new carriers begin their build-out of the GSM standard which dominates Europe. ANATEL,

the Brazilian regulatory body seems determined to bring new players in by making GSM a viable technology. Siemens and Alcatel have plans to enter the Brazilian market with an offering of GSM phones, and Nokia and Ericsson will undoubtedly also offer phones based on that technology (GSM). Nokia has also launched the Nokia E51 Smartphone on the Brazilian market. This compact model features simplicity of use, rapid access and easy integration with essential day-to-day applications, according to the Finnish handset maker. In addition to a FM radio and music player, the quad-band GSM/3G device includes a 2 megapixel camera and can integrate with corporate telephony systems. Micromax would be excited to use this opportunity to introduce them in Brazil mobile market with its innovative feature-filled product line-up at an affordable price. From the above stats it is evident enough to assume that Micromax's target is Nokia's market share. One of Micromax's greatest successes has been a feature that allows phones to handle multiple accounts through which it bagged up considerable market share of Nokia in India. The way that the dual SIM market had taken off raises one particular question- Is the current trend sustainable over a long-term. According to Nokia, the largest player in the handset market, this phenomenon is a characteristic of an Emerging market something whose sustainability is not guaranteed. This is evident from the fact that Nokia still has limited models (C-100 and C-200) to offer in the dual-SIM segment. However, many analysts still remain bullish on the sustainability of the dual SIM-enabled handset market and I happen to second their opinion. The mobile telephony market in India is dominated by youth and rural segments, for which the low price of the device and low telecom tariff of the operator is

the deciding factor. Unlike the developed world, where most handsets are locked and are sold through operators, they still follow a model in which handsets and SIM cards are often sold separately. Given such a scenario, the Dual SIM handsets offer much choice and flexibility to those consumers. There's clearly strong demand for this feature in the developing world, and at the moment much of it is being met by the new players. This is directly related to the decline of Nokia's share in the handset market but it can only compete with these players if it offers a dual-SIM feature too. So, Nokia will also introduce its own dual-SIM phone soon. Survival of the fittest

Nokia has operated in Brazil since 1991 through distributors and since 1996, with its own offices. Nokia employs 1,500 people in Brazil at offices in São Paulo, Rio de Janeiro, Salvador, Belo Horizonte and Brasília, and at the cellular phone factory in Manaus. It supplies TDMA and CDMA devices for all consumer segments in the country. It also serves the corporate market, with solutions for GPRS and GSM segments, mobile Internet, and professional radio systems, in addition to a series of IP products and services for corporate security. In 1997 Nokia had a tiny participation in the Brazilian market but now has 50% of the market, having passed Motorola. Cell phones penetrate only 15% of the Brazilian market, compared to 90% in Nordic countries. In Europe 7 of 10 people have a cell phone, and sales are falling. For this reason, while the global crisis has affected sales, Brazilian revenues are high and strategic because the company sees great potential for growth in Brazil. Regardless of how ready consumers in each of these markets are for navigation, it is clear that the boom in smartphone ownership will inevitably be accompanied by a boom in ownership of navigation-capable

devices. Within the navigation market, this phenomenon is becoming known as the ‘Nokia-effect’. Nokia has over 40% share of the smartphone market in these three emerging markets, and is now pre-fitting the vast majority of their smartphones with free maps and navigation software. With annual smartphone sales in all three markets expected to surpass 60 million by 2015, it is clear that for most consumers their first experience of navigation will be ‘free’ via their smartphones. Therefore, companies that have traditionally relied on selling navigation in developed markets will therefore need to re-evaluate their strategies for emerging markets. There were 12.1 million mobile handsets sold in Brazil in the second quarter, 11 percent more than in the year-earlier period, according to Gartner. The figure covers only sales to end users. ¼ Nokia was the market leader, with 3.9 million units sold and a 32 percent share. Last year, the company sold 3.4 million phones and had 31.4 percent market share. ¼ In second place was Samsung, with 2.9 million phones sold and 24.2 percent market share. ¼ LG fell from second to third place with 2.5 million units and 20.7 percent market share. A report in Macworld based on the Gartner data estimates that around 90,000 units of the Apple iPhone were sold during the quarter in Brazil, down from 108,200 a year ago. Apple's share of the Smartphone market fell to 8.5 percent from 17.2 percent last year. Nokia playing its part for survival Nokia has decided to open a development center for open-source cell phone software in Brazil. Nokia chose Brazil because of the strong support and acceptance that GNU/Linux has in the Brazilian IT sector and in the federal government. Nokia announces the start of offering Nokia 5800 Comes with Music, which brings to Brazil the revolutionary music download

service, by which consumers will be able to download millions of tracks unlimitedly. Nokia 5800 is the first product to receive the service, a 3.2" widescreen touch screen model. By purchasing the device, customer is immediately entitled to enable the Comes with Music service and start exploring and downloading more than three million tracks of international and Brazilian artists, unlimitedly, for one year. Nokia also officially announced in Manaus, the start of production and distribution for the Brazilian market for their first smartphone with Symbian 3 ^, the Nokia N8. The Manaus plant was one of three chosen to produce the device - the other two are in Finland and China.

Nokia Seen With Widespread Product Weakness • Nokia's product weakness is widespread and taking longer to resolve than expected." Nokia has enjoyed a significant scale advantage but that advantage no longer exists. Nokia's product differentiation is not sufficient to maintain margins and share, and given its strategy of defending share near-term with pricing and higher marketing, this could result in structurally lower margins. Increased smartphone competition could negatively impact Nokia's ability to charge higher prices for its smartphones. Earlier, Nokia decided to continue with his go-it-alone strategy and back Symbian OS and MeeGo. While Symbian has been declining in share over the past two years, Android OS has rapidly advanced. They believed using Android would affect Nokia's ability to distinguish itself from other innovations. But now they are either going to stick with their own MeeGo (unlikely), or make the jump to either the Android or Windows Phone 7 OS for all future smart phones. Whichever choice they make, Nokia throwing in with either Android or WP7 will greatly bolster the market share of the favored company because Indian

people getting into the retail outlets for buying Nokia phones, but they come out with either a Blackberry, Samsung, or a Micromax because of the Android technology in them. Why Didn't Nokia Use Android? Because it would be like giving up and Nokia felt that that would be going down without a fight. Nokia knew that it had arrived much too late to the Android party and also knew it was already a crowded space. Creating a standout Android phone would already be difficult given the years other companies had invested and even more difficult given the maul of Android phones available. But most important to Nokia was that they didn't want to lose the Smartphone wars to Apple and Google without giving it an honest fight. Choosing Android would mean that they'd become a bit player in a two-horse race (Apple vs Google). Choosing Windows Phone means they're hoping to turn it into three. Would Micromax exploit its rival's weakness? Since Nokia is having considerable weak points for its survival in the Brazil mobile market, media is on the go to know whether Micromax would use this opportunity to grab hold of the Nokia's market with its unique product line-up for both low-end and high-end consumers. With a 35-person research and development team who churn out designs and prototype of new mobile phones – some radically different, some only slightly so, Micromax really has the potential to niche itself in this new venture. Probably the luminous market research team is still digging out more info about Brazil market and planning a firm strategy for the upcoming challenges in the Brazilian market.

Conclusion With its innovation driven product line-up, aggressive marketing strategy and creative idea of bringing technology to all around the world at an affordable range makes Micromax unique in the survivor list of the mobile

handset industry. Micromax is getting popularity as affordable, long battery backup and quality mobile manufacturer. It understands the real needs of people. It provides the best quality, equipped with latest technology mobile phones at affordable prices with easy availability. Nokia, which is known for its strong marketing strategies, is not able to dominate Micromax in domestic mobile market. So, Micromax is grabbing market share from Nokia by giving Indian consumers what they want: inexpensive, quality phones with long battery life. One of Micromax's greatest successes has been a feature that allows phones to handle multiple accounts. Micromax, an Indian mobile production house is beating world Finnish mobile giant in each and every field from mobile production, mobile outlets to advertising. The Strategic approach by Micromax against their competitors is very powerful in terms of R&D, advertising, market segmentation, brand positioning and pricing. Hence now it's targeting the International market too with the same strategies. Though it is a struggling market leader, it has tapped the Indian market in large proportion whereas Nokia has gained Competitive advantage because of their wide cost range of mobile phones and technology.

Consumers think Nokia is a user friendly mobile as the phone operations are very easy. Nokia is still coming up with new technology to compete in the market for upcoming generations. References http://en.wikipedia.org/wiki/Micromax_Mobile

<http://www.scribd.com/doc/36969903/Micro-Max-strategy> <http://www.micromaxinfo.com/> <http://perceptprofile.com/micromax.htm>

<http://www.scribd.com/doc/27211502/Micromax-Mobile>

<http://www.scribd.com/doc/44586538/Micromax-Final-1-1> <http://www.scribd.com/doc/36135514/Micro-Max>

<http://www.businessworld.com/micromax-and-its-internationalisation/>

<https://assignbuster.com/micromax-and-its-internationalisation/>

[in/bw/2010_03_26_The_Dark_Horse.html? offset= 1&max= 1 http://www.businessworld.in/bw/2010_03_26_The_Dark_Horse.htm http://www.techtree.com/India/News/Micromax_Goes_Global_Enters_Bangladesh/551-112320893.html http://mobigyaaan.com/micromax-enters-srilanka http://www.starbytecomputers.com/blog/2010/10/micromax-modu-worlds-lightest-touchscreenmobile-price-features-specifications/2089/ http://www.thehimalayantimes.com/fullNews.php? headline= Micromax+brings+new+models+& NewsID= 270590 http://www.efytimes.com/e1/51890/Micromax%20Enters%20The%20MiddleEast%20Market.htm http://www.itu.int/ITUD/ict/newslog/Brazil+Mobile+Market+Adds+23+Mln+Subscribers+In+March.aspx http://wirelessfederation.com/news/? s= brazil+mobile+phones http://www.uv10.com/brazil-mobile-market-is-booming_18626048/ http://www.techeye.net/mobile/cheap-handsets-mean-more-phones-than-people-in-brazil http://findarticles.com/p/articles/mi_m0OQC/is_3_2/ai_100508537/ http://news.reportlinker.com/n03739452/Brazil-Brazil-mobile-phone-sales-grow-11-in-Q2.html# http://www.watblog.com/2010/12/01/nokia-still-reluctant-on-adopting-dual-sim-technology/ http://www.businessweek.com/magazine/content/10_34/b4192036523358.htm http://gadgetgoat.net/home/which-technology-is-better-gsm-or-cdma-1766/ http://www.sbd.co.uk/uknews/post/Developing-navigation-strategies-for-Brazil-IndiaRussia.aspx http://www.pluggd.in/nokia-market-share-india-297/ http://www.casestudyinc.com/nokia-emerging-markets-strategy http://www.casestudyinc.com/nokia-strategy-india http://online.wsj. https://assignbuster.com/micromax-and-its-internationalisation/](http://www.businessworld.in/bw/2010_03_26_The_Dark_Horse.html?offset=1&max=1)

[com/article/SB127296947929886511.html? mod=WSJ_latestheadlines#articleTa bs%3Darticle http://www. livemint.](http://www.livemint.com/article/SB127296947929886511.html?mod=WSJ_latestheadlines#articleTabs%3Darticle)
[http://www. livemint.](http://www.gigaom.com/2010/04/26223418/Nokia- launches-phones-to-fight. html)
[com/2010/04/26223418/Nokia- launches-phones-to-fight. html http://gigaom.](http://www.gigaom.com/2010/04/26223418/Nokia- launches-phones-to-fight. html)
[http://www. talkandroid. com/2010/10/21/nokia-revises-symbian-strategy-as-smartphone-sales-](http://www.talkandroid.com/2010/10/21/nokia-revises-symbian-strategy-as-smartphone-sales-improve/)
[http://www. talkandroid. com/29767-nokia-considering- next-os-](http://www.talkandroid.com/29767-nokia-considering-next-os-meego-android-or-windows-7/)
[http://ic-technews. com/mobile-gadgets/3444-](http://www.ic-technews.com/mobile-gadgets/3444-nokia-bicycle-charger-for-mobiles-set-for-indianmarket-in-march)
[nokia-bicycle-charger-for-mobiles-set-for- indianmarket- in- march](http://www.telecompaper.com/news/nokia-e51-arrives-on-brazilian-market)
[http://www. telecompaper. com/news/nokia-e51-arrives-on-brazilian- market](http://www.telecompaper.com/news/nokia-e51-arrives-on-brazilian-market)
[http://techwek. com/2010/10/20/worlds-lightest-touch-screen-phone-from-](http://www.techwek.com/2010/10/20/worlds-lightest-touch-screen-phone-from-micromax-inindia/)
[micromax-inindia/ http://www. livemint. com/2010/02/08221833/Micromax-](http://www.livemint.com/2010/02/08221833/Micromax-challenges-Samsung-L.html)
[challenges-Samsung-L. htmls](http://www.livemint.com/2010/02/08221833/Micromax-challenges-Samsung-L.html)