

Marketing project on smartphones assignment

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The expected growth of wireless data traffic from 2012 to 2015 as predicted from Cisco systems Inc. Will Increase by 2600% & expected Investment by US firms In the G market from 2012 to 2016 Is \$53 billion. The smartened industry is set to change in 2013. Emerging Asia-Pacific will 2012. The smartened market is changing from an elitist high-end device pool to a segmented mass-market ocean of handsets. Smartness are continuing to expand in capabilities and reliability alike. Mobile devices are changing the way enterprises do business, allowing for a more remotely accessible workforce.

The mobile ecosystem is a huge factor in the success or failure of a smartened platform. Currently, Apple's iOS and Google's Android are dominating the market. However, Microsoft's Windows Phone is looking to rebound to a competitive position after partnering with Nokia. The major trend in the Smartened industry is the emergence of Huawei, ZTE and Lenovo among the leading smartened vendors. A year ago it was common to see previous market leaders Nokia, BlackBerry and HTC among top five but Huawei and ZTE have made significant strides to capture new users with their new devices running on Android operating systems.

This study discusses the major market dynamics and technology trends that are shaping the smartened industry, while also driving growth. Key questions that we had to raise in order to address our goal are: – What is the historical background of industry and what is driving the success of smartness as a whole? – What factors determine the success for products of three major vendors including Apple, Samsung and Huawei? – What marketing

instruments are used by industry leaders including pricing, promotion and placement? What factors are affecting the pricing of smartness?

How successful they were? As a goal our research provides strategic marketing recommendations for Hawaii, one of the fastest growing vendors in this industry. 2. 0 Industry Background (nick. 1 h page) Many observers consider the year of 1994 as the birthday year of the industry known today as “ smartness industry’, though the very early references go even earlier up to 1973 when Greek inventor Theodore George “ Ted” Phrasebooks introduced the idea of combining phone, data capabilities and display in one device. The first marketed device was Vim’s handheld communicator called Simon.

First prototype was introduced in 1992 at the COMDEX trade show in Las Vegas and distribution began two years after by Bluebells Cellular carrier. The price was started at \$899 for the device with service contract and there were sold approx. 50, 000 units total. The main intentions and value propositions of the IBM-South Bell were adding convenience and freedom of mobile data access. However prohibitive cost and lack of infrastructure were restrictive factors for growing but it didn’t stop many industry players who foreseen the great potential of the mobile data computing.

The next appeared in 1996, the first mobile web browsing device equipped QWERTY keyboard and many other revolutionary functions. Nokia remained actually the only player on this segment with series of updated devices that was growing slowly till the 2002 when breakthrough happened and few vendors almost simultaneously announced brand new class devices those

mark off lightweight, multitasking, color displays and other function we can find in modern devices.

The term “ Smartened” itself didn’t appear till 2007 when Swedish company Ericson introduced their concept as “ Smart Phone”. Nevertheless, the different terms, such as “ communicator” or “ sousaphone” refer to device known today as a “ Smartened”. The fine definition of this term doesn’t exist but we can consider smartened today as a device with voice and data capabilities which able to run third-party software. From the very begin, the value for the customers was UN-doubtful by providing tremendous flexibility and allowing them to make a maximum from their time.

The concept of mobile computing implies the main drivers of demand – miniaturization but continuously added features, growing mobility and data connection speed. Thus, fast emerging of technology both in computer field with faster processors, cheaper memory, better software, and in unreal engineering with longer lasting batteries and new abilities in wireless signal transmission pushed emerging of smartness significantly. In 2003 the company called Android Inc. Today’s indubitable market leader was founded, with intension to develop “ smarter mobile devices that are more aware of its owner’s location and preferences”. One year after, in 2004, Steve Jobs, the CEO of Apple Inc. , conceived an idea of multi-touch screen, the new way to interact with mobile device and hired the group of engineers to investigate the idea in the project that was called “ Project Purple”. Their efforts ended up with iconic phone device. Extremely easy to use, sleek and packed with multimedia features, phone was highly appreciated on the market.

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Some observers refer to this moment as critical moment in the industry, when the smartened became largely targeted not only corporate customers and specific professionals but the mass auditory that was crucial for the industry. While the technical features in the phone were great but not extraordinary, the new approaches to handle user experience with tough policy for software stability and usability with accent to “humanity’ rather “programming” became truly break- wrought on the market.

That time Finish Monika almost monopolized the market with their ass-series, Simian-based smartness and enjoyed more than 65% (Fig. X) market share but since then its figures felt constantly essentially because of inability to catch up the trend toward “humanity’, long developing cycle and bureaucratic and cumbersome internal corporate governance that impede of creating new products or emerging new ideas. One year after introducing of phone, in 2008, Android Inc. Acquired by Google Inc. In 2005 and few technologies companies such as Samsung and Qualm Inc. Armed Open Handset Alliance with a goal to develop open standards for mobile devices. Two years after, the market was hit by first commercially available Android-based device, ETC Dream and this moment commemorated the start victorious march of this platform currently dominated on the market. Current State Analysis Apple and Samsung have rightfully dominated the smartened industry headlines for past couple of years but recently couple of Chinese smartened handset maker Hawaii and ZIT had disrupted the status quo as they quietly started making inroads in both their domestic and foreign market.

In North America and Western Europe these companies have mostly made their mark at the low end of the market while in China they have occupied the middle tier position behind the foreign brand names. In 2012, the Hawaii and ZIT announced very aggressive growth targets where Hawaii: From 16 million smartphones shipped in 2011 to 60 million in 2012 & ZIT: From 11 million smartphones shipped in 2011 40th million in 2012. In recent Gardner forecast in 2012 estimated that approximately 50% of smartphones will be sold in developed market (North America, Western Europe, Japan & other mature Asia/Pacific region).

The population in mature markets only comprises of 15% of the current total of 6.8 billion people worldwide. By 2016 portion of smartened consumption in mature market will drop to 29% and emerging market will consume 71% of total 1.6 billion smartened units. This indicate a huge potential for smartened market growth in emerging countries including China, India, Eastern Europe, Latin America, South East Asia, Middle East and Africa. A big number of consumers in these regions does not have \$300 budget to buy mainstream premium smartened but rather have \$50 or less to select basic or utility device.

The current year mark first time where market could see \$50 smartened appear in the emerging countries. While Hawaii and ZIT are putting pressure on the established brands in the developed markets, they are finding similar pressure from another Chinese company Leno. In 2012, smartened production by Chinese local manufacturers was estimated to be 182 million units and will grow to a 538-million-unit market by 2016. This is part of the

critical supply ecosystem that will drive smartness to be a global 1.6-billion-unit market in the next five years.

Our analysis indicates that there are two types of marathons in the market today: Utility or Basic and Premium Smartened. Utility/ Basic Smartened screen is smaller, lower resolution, fewer pixels per inch. Application processor: low-end (less than 1 GHz), lower quality graphics processing unit, primarily integrated solutions. Connectivity: typically 2.56 and 3G. Camera: typically 2 megapixels or 3 megapixels. Price: typically around or lower than \$150. Premium smartened screen is larger, higher resolution, more pixels per inch. Application processor: dual-core and quad-core, leading graphics processing unit.

Connectivity: G/G, latest Wi-Fi, Bluetooth, and GPS navigation. Camera: high-video. Price: typically over \$150. The figure represents top 5 smartened vendor shipment in IQ 2013. According to the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, vendors shipped a total of 418.6 million mobile phones in IQ compared to 402.4 million units in the first quarter of 2012 and 483.2 million units in the fourth quarter of 2012. The worldwide mobile phone market grew 4% year over year in the seasonally slow first quarter of 2013 (1Q 3) as smartness outshipped feature phones for the first time.

In the worldwide smartened market, vendors shipped 216 million units in IQ, which marked the first time more than half (51.6%) the total phone shipments in a quarter were smartness. The market grew 41.6% compared to the 152.7 million units shipped in IQ, but 5.1% lower than the 227.8

million units shipped in SQ Following table represent the Smartened Vendor unit shipment and market share with year over year change from 1 QUO to 1 QUO. Hawaii and LAG has almost doubled their market share in last year with 94. 1% and 110. % Smartened Vendor IQ Unit Shipments IQ Market Share IQ Unit Shipments IQ Market Share Year-over-year Change Samsung 70. 7 32. 7% 44. 0 28. 8% 60. 7% Apple 37. 4 17. 3% 35. 1 23. 0% 6. 6% 10. 3 4. 9 3. 2% 110. 2% Hawaii 9. 9 4. 6% 3. 3% 94. 1 % ZIT 9. 1 4. 2% 6. 1 49. 2% Others 78. 8 36. 4% 57. 5 37. 7% 37. 0% Total 216. 2 100. 0% 152. 7 41

Great Smartened War over IP Protection Issues The smartened industry is facing wars or smartened patents licensing & litigation is ongoing businesses battle by smartened manufacturers including Apple, Google, Samsung, Microsoft, Monika, ETC and Motorola.

Companies' primarily use patents to prevent their inventions from copied by competitors and also in order to secure or increase their perspective marker share while slowing competitor's progress. Since 2010 the number of Lawsuits, counter-suits and trade complaints based on patents and design in the market for smartened and devices based on smartened has increased significantly. Google makes money from advertisement and does not charge for Android operating system that brings Smartened hardware to life and device manufacturer. Google let other vendors to modify the operating system.

This makes life hard for vendors of closed proprietary platform such as Apple and Microsoft. In March 2010 Apple sued ETC, a Taiwanese maker of smartened. In Cot. 2010 Microsoft field a lawsuit against Motorola and Oracle a maker of business software sued Google directly over a different issue

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concerning how Android uses Java programming language. Some expect Apple and Microsoft to sue Google which is unlikely as Google does not earn any money with Android which makes it difficult to calculate any potential damages award and patent royalties. Innovation, which is the base of this industry 4. Apple Smartened Analysis Apple's smartened shipment volume hit new first-quarter high level thanks in part to the phone 5, with volume growing 6. 6% year over year. However, last time the phone maker posted a single-digit year-over-year growth rate was SQ. The phone maker has held the second spot in the smartened rankings for the past five quarters.

Executive Summary At every new product launch, Apple secures enormous attention, in part due to Apple's cultivated mystique. When Apple launches new phone ad into a new market every competitor rightly re-evaluates its product strategy.

At the same time Apple is missing out on a chance to court as many as 2. 8 billion new smartened customers, many of them in Asia, as wireless-service providers balk at conditions imposed by the Phone maker and drag their heels in signing on as partners. The phone slowdown has broad consequences for Apple, which gets more than half its sales from the product. The stock has declined 36 percent since reaching a peak in September. Product Apple's proudly uses its operating system – phone SO. Apple has a competitive advantage that is impossible for others to match quickly.

As Apple now describes itself as a mobile device company, it could take the same platforms and use them to leap-frog into further new mobile device categories. Apple's product portfolio is limited. Instead of offering a handset <https://assignbuster.com/marketing-project-on-smartphones-assignment/>

for every segment as built a single model with general appeal. Such lack of variation also helps third parties embrace both Apple's software ecosystem -?? via the Apple App Store – by providing a homogeneous platform that they can target and its hardware ecosystems, via cases that work on any phone or other accessories that connect with Apple's standard dock connector.

Apple phone tend to deliver both strong, real benefits and fewer barriers to adoption than competitors. Apple's products fight in congested waters, but its design innovation repeatedly delivers tangible and visible differentiation. The phone touch screen's glass finish levered greater robustness and finger-friendly design than prior resistive screens. Recently Apple launched its phone chic is the lightest, fastest & thinnest phone ever which comes with 4-inch retire display, 8 hours talk time, HAD recording, ultraist wireless.

It contains features like cloud which allows you to access your content on all your devices. It offers built-in APS you use every day and all the intuitive technology -?? like Multi-Touch and Sir. With every free ISO update comes even more capability for your devices. So right out of the box phone offers more than 200 new cranking out revolutionary products... ND then creatively destroying them with something better. Pricing Apple phone is positioned as a premium product. Apple's always commands premium than the market on the prices of its smartness. Phone remains unique in its reach offers its state-of-the-art technology to the people who want to be associated with the brand and its experience. Apple's entry level phone which is phone 4 sells at \$500. Promotion Apple has been investing heavily on its advertising but majority of promotion happens from publicity. Apple's new ads for the phone 5 performed extremely well among U. S. TV viewers. The top two phone ads – <https://assignbuster.com/marketing-project-on-smartphones-assignment/>

one that portrays the new inorganic photo feature and another that reveals the new headphones – ranked among the top three mobile phone ads year-to-date.

Those ads out-performed their two counterparts from Samsung which mixed Galaxy S III features with a playful spoof of the Apple fan boy lines. Apple has a special ability to communicate directly with customers. To use an phone or to buy music, APS, requires an tunes account. Almost all accounts have an associated credit card, providing Apple with modernization abilities that rely on few others and are not specific to the mobile channel or any other. Apple leverages this ID for other services, such as Mobile, and has 125 million accounts it bills directly.

Apple's online retail store and growing number of physical stores provides a further direct customer relationship. Place Apple phones have a global presence but it more present in North America, Western Europe and the developed parts of Asia than in other parts of the world. Though it is still a market leader in North America it has started aggressive marketing in the emerging economies like Russia, China, Brazil, India, Middle East etc. With the recent drop in share price, analysts are recommending that Apple should launch its cheaper erosion of phones especially catered to emerging markets.

5. Samsung Smartened Analysis Samsung maintained the position it held at the end of 2012: the undisputed leader in the worldwide smartened market. By the end of 1 IQ 3, Samsung shipped more units than the next four vendors combined. The company revealed its highly anticipated Samsung Galaxy SO and is scheduled to be launching its Tizzy smartness later this year. The analysis of the ups suggests that Samsung has been most effective

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in its Unlike some of its competitors, Samsung uses Android, Google's popular open-source SO – it eschewed its own less popular SO called Bad, which it had used for launch of its first generation smartness.

Android has not only given Samsung a free platform that rivals the user-friendliness of Apple's ISO, but also has allowed them to tweak the system to their liking, while offering seamless connection to other Android based goods. Also, Android is the only other platform that has a collection of APS comparable to Apple's App Store. Samsung product portfolio is very vast. It sells entry level smartened to very high end. In addition, it also offers a range of similar devices in various sizes to see which sells best. This is one of those high-cost undertakings that most companies shy away from.

But Samsung ability to produce display, memory, processors, and other high-tech parts gives it a flexibility that is almost impossible for competitors to provide. While Apple's approach has been fewer models, each of them exquisitely designed, Samsung is to try everything and to act fast. As an example, when Samsung realized that there were several customers that liked the Galaxy S III but for the screen size, as it was large for customers in some markets, it introduced the Galaxy S III mini – the Galaxy S III mini has exactly the same eaters and specification as that of Galaxy S III but has a 4" screen size.

Pricing Samsung prices its products aggressively whether these are entry level smartness or its high-end Galaxy smartness due to its commitment to developing the best possible smartened solutions to suit all lifestyles and budgets. In some markets such as in India where phones sell without

contracts, thanks to its extremely aggressive pricing strategy, people across social strata are now flaunting Samsung smartness – Samsung offers entry level smartness for as low as \$100.

In markets such as Canada where most phones are sold with contract, Samsung offers with a three-year contract a Galaxy S Glide for the basement price of CAD, a G Galaxy SSI X for CADDY, or a top-of-the-line Galaxy XIII for ACADIA. Promotion Samsung has been investing heavily on promotions as well as advertising. For example, at the time of launch of the ' phone 5 in the Canadian market, it offered the Galaxy S III on specials – in some cases for CAD with a three-year contract, compared to phone g's ACADIA price tag with the same plan. Samsung has been investing heavily in advertising as well.

In 2012, Samsung spent \$401 million advertising its phones in the US as compared to Apple's \$333 million. They marketed the smartness aggressively – including ads that poked fun at Apple while dubbing Samsung devices “ The Next Big Thing”. The heavy ad spending has also been coupled with investments in In-store advertising as well as training for the carrier sales representatives that help close the sale. Samsung is very active in social media as well. Its muff draw me a dragon, I counter with kangaroo' incident was an evidence of this.

It made potential consumers believe that Samsung cares for its customers. Place Samsung smartness have a global presence. Its penetration is higher in the merging Asian market where it has been selling consumer durables for more than a couple decades and has been a popular household name. In

fact, with the introduction of its smartened, Samsung brand value has increased considerably in majority of these markets. 6. 0 Hawaii Smartened Analysis Hawaii Technologies was founded in 1987 by Rene Zingier with registered capital of ARM 21000 as a private company now owned by its employees.

A Hawaii Device, subsidiary company of Hawaii Technologies, is part of the consumer business group. Hawaii Device (referred to as Hawaii in this research) is one of the manufacturers aging a name for itself: in just a few years it has grown from an unknown, branded for communications service providers (Cups) company into one of the largest manufacturers of Android devices in the world. Hawaii is not small fish anymore in this big pond of Smartened devices companies.

It is a large Chinese corporation with core business in telecommunication equipment and recently overtaken Ericson to become the largest telecommunication equipment manufacturer in the world and now aggressively competing with Cisco in networking equipment. SQ market share data showed that Hawaii was ranked as the eighth as a smartened vendor and the Ruth as a manufacturer of Android devices. The strength, weakness, opportunity and threat (SOOT) analysis examines Hussein's prospects for extending its growth in the mobile devices market to become the first Chinese brand among the top five smartened vendors.

Hawaii is new to Smartened but has made great strides recently. In smartened business Hussein's core competency has been providing white-label product to service providers. According to research firm ' DC, in the last

quarter of 2012, Hawaii was third in smartened sales behind Apple and Samsung. Employees, plucked from the best universities in China, are seen as the key to Hussein's success. Over 10 per cent of the firm's revenues are spent on research and development, with 70, 000 or around half of its employees working in this part of the business.

Hawaii wants the world to know it is determined to single-handedly fly the flag for a nation whose tech firms have historically been known as copycats rather than innovators. Hawaii now has 23, 000 patents which it hopes will stand it in good stead for the future. Our survey of component suppliers suggests that Hawaii is on a par with Tier 1 vendors in terms of technology, having a deep understanding of bile technology: including product design and RFC integration, and how best to use it to make good quality devices.

This contrasts with some other Chinese companies that still focus more on cost. In addition, Hawaii has invested in cloud services and produced an in-house customized Android user interface known as Emotional U', to enhance the user experience on its smartness. Hawaii claims it to be the fastest smartened in the world & is also working on Beyond LET technology which could offer speeds of up to gasps to cope with the rising flood of global data, although this is still at a very early stage.