

### **What is the company's marketing and branding strategy in India?**

Our brand philosophy is that our products redefine life in every way. The core value that drives our brand and also set it apart from the competition is cutting edge technology, apart from value for money and committed after sales service.

Karbonn Mobile entered the market in April 2009 and we made our product available in Tier 2 & 3 cities through distributors and local retailers. After establishing a strong hold in the semi urban market, we launched our products in metro cities as well.

As per the Gartner report "Market Share: Mobile Communication Devices by Region and Country, 3Q11," Karbonn Mobiles is the top most Indian Mobile Brand. Being an Indian mobile company and facing aggressive competition from international brands that had a strong hold in the market, we have been able to penetrate deeper than mobile brands with conventional marketing formats. We have the edge of innovative brand building strategies like interacting with the consumers at ground level, strategic tie ups with high visibility events, understanding the Indian consumer psyche effectively and developing products according to their needs.

Value for money and youth are the key factors driving positioning of all the mobile brands in the market. So, with respect to our competition, we wanted to be very different in terms of positioning. Our brand positioning is "Redefining youth".

### **What do you consider the USP of the company vis-a-vis competition?**

Innovations like popularising dual-SIM phones, providing affordable android phones and others prove a point of the business leadership of the brand.

While other competitors harp either on branding or product range, Karbonn maintains a balance between branding and product range and has one of the most consistent offerings in the market which focuses on product and the brand thus achieving a greater consumer connect.

Technology is the prime focus for us and providing technologically advanced products is our main forte. With cutting edge R&D, Karbonn mobiles are launched keeping in mind various factors like design aesthetics, target audience, location specifics and expected feedback on the product range.

A research and development mechanism which customises products for specific markets based on pre-entry research, local dealer network and brand appreciation by locals, is again a first by Karbonn, which provides better understanding and a deeper penetration into the native market by the brand.

### **What are the company's future plans and investments for Indian market?**

For this year we are planning to step up our marketing expenditure by 30 per cent. We spent over of Rs 1.50 billion last year and this is expected to touch Rs 1.95 billion this year.

This sum will be spent on product development and brand promotions. We aim to change the face of the Indian mobile phone market with our quality handsets and intend to be amongst the top three mobile phone brands by next fiscal.

We will explore strategic tie-ups like actively engaging as a part of brand licensing with brands that are closely related with the young audience and bring forth the experience of such brands.

Over the past financial years, our market share has increased from 3 per cent in FY 2009-10 to 6 per cent in FY 2011-12 and is expected to reach 10 per cent by financial year 2012-13.

Also, the sales volume has increased from 3 million units in FY 2009-10 to 10 million units which are expected to reach around 20 million units in financial year 2012-13.

We recently forayed into the smart phone segment and the response is overwhelming. We also introduced a complete new range of smart feature phones. We will be focusing on OS vendors to develop unrivalled technology for our consumers for entry into tablet segment, Also there is an active engagement planned with mobile chipset vendors.

India is the fastest growing mobile market in the world. To increase sales in our addressable markets, we have launched our handsets in various important countries of South Asia. In very near future, we are also planning to launch ourselves in Middle East and African markets.

To tap these markets, we resort to customise products as per the countries' local requirements, complying with local regulatory authorities' norms, robust distribution channel and after sales services and localised marketing strategies.

Also, we are focusing on creating a demand driven market by launching three to four models every quarter. This business model enables the brand to understand consumer needs and offer products specifically suited to them.

### **What is the biggest challenge confronting the company?**

India's mobile handset market is quite cluttered with international brands having a strong hold on the consumers. Creating your own place in such kind of a market is not that easy where first you face aggressive competition, second you have consumers who are loyal to their brand and third meeting the ever changing demands of Indian consumers. After realising all these challenges we devised a strong strategy to enter into the market and built a strong, dedicated and loyal distribution channel.

We targeted consumers in tier 2 and 3 cities who are price conscious and ready to experiment with a new brand provided with best features in low prices. Our strategy worked and we were able to create faith of the people in Karbonn mobiles. To sustain that faith we provided them a

dedicated team for after sales services and low turnaround time for any of their query. We are adopting the same policy in metros as well and receiving a great response.

Besides the ground level approach we also invested heavily in research and development to churn out innovative and unique features in sync with market trends. We also invested in various associations, consumer promotions etc.

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