

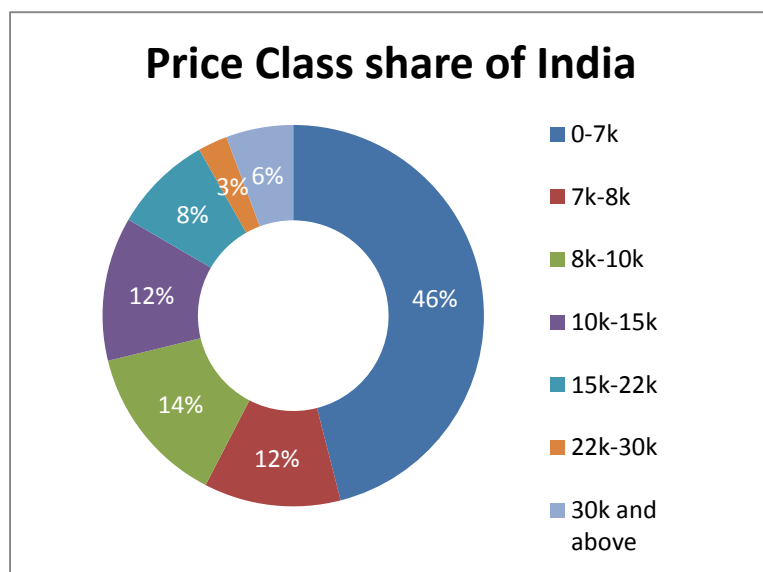
Race to the top- 4G handset market in India

HTC and SONY are absent in the low end 4G LTE handset market. What is the way ahead for them?

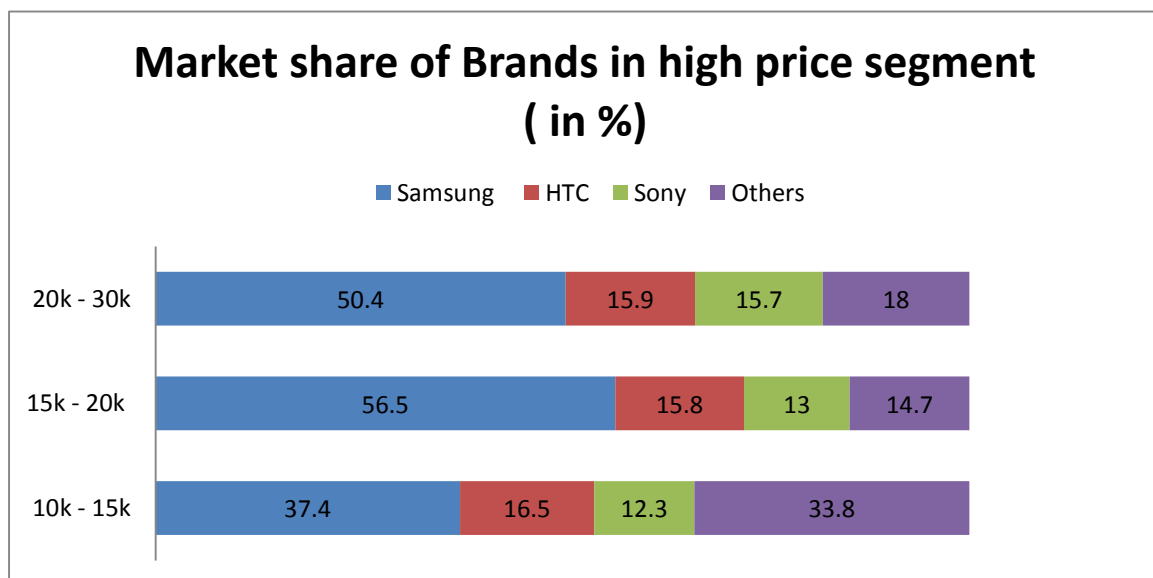
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India is preparing itself for the 4G revolution that will help Indians to connect to the world in a faster, smarter and efficient way. Indian handset market today is flooded with several products ranging from low end feature phone to high end smart phones. However, the growth in the handset market has not been able to inspire well-known brands like HTC and Sony to enter into the low price 4G enabled handset segment. Before we venture into the

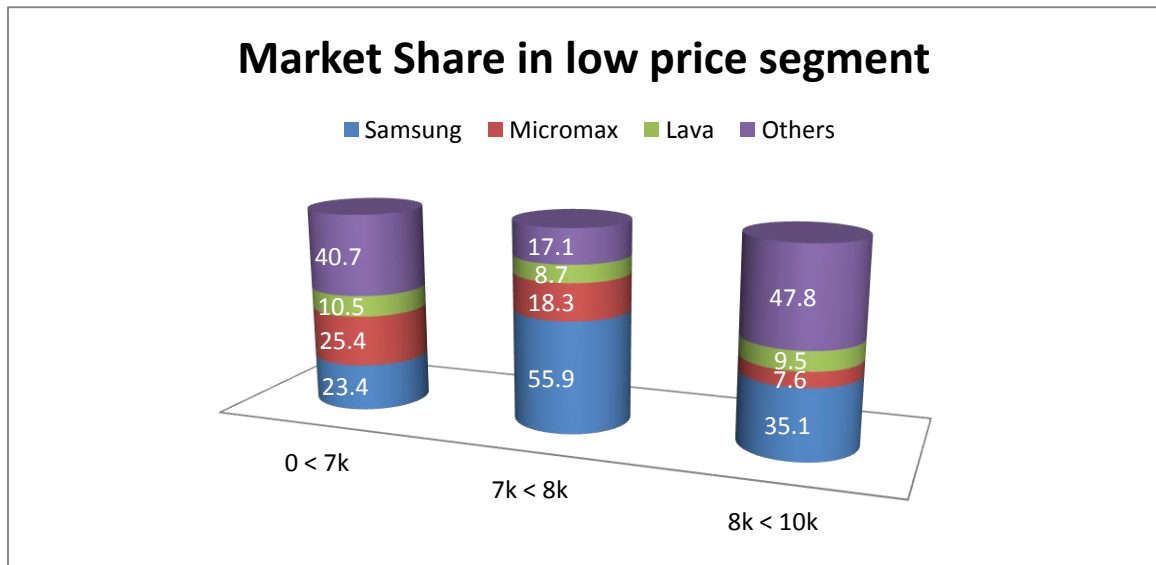
discussion, let us have a close view of Indian handset market.



The high price segment handset market is largely dominated by Samsung, HTC and Sony. Samsung rules this segment, closely followed by HTC. Samsung is also leading the mid-range price segment with HTC and Sony a distant second and third respectively.



However, Indian consumers are price sensitive and thus we see that around 72% of the sale of handsets occurs in the low price segment which is dominated by Samsung, Micromax and Lava. But on the other hand there are very few players with 4G enabled-handsets in this



segment. From a marketing point of view this is the right time for HTC and Sony to focus on C1 and C2 social class as their target group to penetrate in this competitive segment.

Although the price sensitive Indian market currently has a wide range of handsets supporting 4G-LTE, yet these handsets are available at a price greater than Rs. 10,000. A few

Handset	Price (in INR)
Xiaomi Redmi Note 4G	8,000
Xiaomi Redmi 2	7,000
Samsung Galaxy Core Prime	9,800
Moto E	8,000
Lenovo A7000	9,000
Lenovo A6000	8,300
Lenovo A6000+	7,500
Microsoft Lumia 638	8,300
Micromax Yu Yureka	9,000
Micromax Yu Yuphoria	7,000
Xolo LT900	8,000
Xolo LT2000	10,000

of the models of handsets that are currently available in the market in the price range have been listed.

Xiaomi, the Chinese mobile manufacturer is playing big in the Indian market with Xiaomi Redmi Note 4G and Xiaomi Redmi 2. Micromax has also been making headlines with Micromax Yu Yureka and Yu Yuphoria.

Understanding the future prospects of the market, Samsung too is moving ahead to grab a slice of the lucrative low price 4G handset market by introducing Samsung Galaxy Core Prime.

Going further, Digital India is the buzzword not just in India but even in western part of the world, thanks to our honourable PM, Mr Modi. Having said that, IoT will play a crucial link to

the success story of this ambitious project of Indian Govt. As we know IoT i.e. Internet of Things would require not just connectivity between machines but also high-speed Internet enabled Handsets for seamless connectivity. But considering the fact that the fast-growing middle-class cannot afford high-end handsets, we need affordable high speed enabled handsets in the price category of below 10K. So looking at the future, the demand forecast for such handsets is very bright. HTC and Sony can tap this market.

HTC and Sony are already doing great in the high price segment giving good competition to Samsung. But they are absent in the low price 4G LTE handset market. It may be a part of their strategy and if it is so, it seems to be a lost opportunity. Assuming that the 4G tariff plans will be equivalent to 3G plans and the introductory promotional schemes would drive the Indian subscribers to 4G network, it definitely would be a setback for the HTC and Sony as the early movers advantage would give their competitors an edge.

What is the way ahead for them? Looking at the recent trends in the market the low end 4G LTE segment would soon be cluttered. More the delay in entering this segment, higher would be the competition for them from those who have already consolidated themselves keeping in mind the potential 4G growth in India.

It is advisable that HTC and Sony make a move soon, else *'The biggest regrets are not for the things we have done but for the things we haven't done'*.