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INTRODUCTION

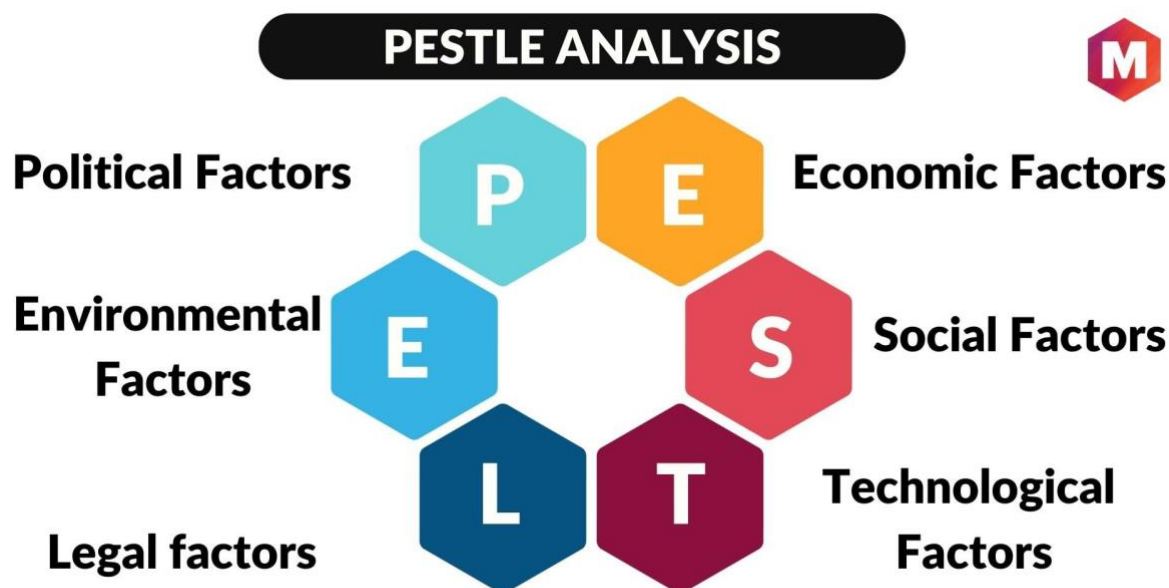
The primary objective of this report is to evaluate both the external and internal aspects of the organization One Plus. This entails conducting an environmental analysis to understand the company's external factors and an internal analysis to identify its strengths and measure its success. The analysis will be carried out using different theoretical frameworks, such as macro-environmental analysis, STP analysis, and marketing mix analysis, among other relevant tools.

About the Organisation

In December 2013, OnePlus (a Chinese Mobile Company) emerged with co-founders Lau and Pei, who had prior experience at OPPO. Observing their colleagues' preference for iPhones over Android phones due to perceived shortcomings, they identified a gap in the market for product-focused smartphones. Currently, OnePlus is engaged in the production of premium smartphones and essential accessories. (S.M. Qumer and D. Purkayastha)

MACRO ANALYSIS OF ONEPLUS (PESTLE)

The PESTLE analysis is a widely used situational analysis tool for evaluating businesses, particularly in dynamic external environments. It helps businesses assess their interaction with the environment and acknowledges that external factors are beyond their control. (Gupta, 2013)



Author: Hitesh Bhasin Website: Marketing91

PESTLE analysis of OnePlus is briefed in the following:

- **Political:**

Favourable tax policies further nurture business expansion. Monitoring industry competition by governmental and political bodies ensures equitable practices, promotes local enterprises through import regulations, and safeguards stakeholders' interests. Embracing trade blocks, OnePlus gathers cost efficiencies, access to talent pools, broader distribution networks, and cross-border knowledge exchange, fortifying its position while propelling industry advancement. Therefore, political factors are **favourable** for OnePlus.

- **Economical:**

For entities like OnePlus, a moderate inflation rate is vital. It cultivates consumer trust, bolsters the economy, and elevates disposable income. Optimal interest rates greatly benefit companies

such as OnePlus, facilitating loan access for expansion and infrastructure growth. This empowers individuals to secure personal loans, driving consumption and sales, thereby fuelling business expansion. Consumer spending trends profoundly impact firms like OnePlus. Elevated consumer spending reflects healthy purchasing power and a healthy economy, propelling consumption. Although OnePlus has made efforts to look at the current economic state, the economic factors seem **unfavourable**.

- **Social**

Higher education levels result in an informed consumer base valuing quality and repeat purchases, aligning with OnePlus' focus on quality. Understanding family size and structure aids in tailored marketing strategies for nuclear-style families, the primary target. The health-conscious trend after the pandemic has influenced consumption decisions, prompting OnePlus to incorporate health aspects in marketing and product features. Considering all the factors like health-conscious customers and an overall rise in education and awareness about smartphones is **favouring** OnePlus.

- **Technological**

The nation possesses a robust technological infrastructure, driving innovation and attracting foreign investment, which benefits enterprises like OnePlus in the Smartphone Market. Extensive internet penetration facilitates direct consumer engagement, enhancing product quality, delivery, and marketing strategies. Leveraging these dynamics, OnePlus establishes its distinctive competitiveness through technological strides, adaptive approaches, and industry expansion, solidifying its global market standing. Overall, it can be concluded that technology is a **favourable** factor from PESTLE for OnePlus.

- **Legal:**

Legal factors are also in **favour** of the company; because, OnePlus places great emphasis on the safety of its employees, continuously seeking to enhance measures. Employment laws necessitate comprehensive contracts, fostering harmonious relationships and clarity. OnePlus adheres to these legalities, educating new hires and conducting workshops to ensure comprehension. Embracing diversity, OnePlus complies with anti-discrimination laws throughout the employment journey, reinforced by diversity training to cultivate a harmonious work culture.

Environmental:

OnePlus in the Smartphone Market has launched initiatives for product recycling and a line of recycled offerings. Concurrently, in sync with the trend of renewable energy adoption, OnePlus, and its industry peers are transitioning to solar and hydroelectric power to drive operations, aligning with broader environmental goals. Additionally, OnePlus operates a small-scale hydro plant for manufacturing, exemplifying its sustainable approach. For such efforts of running a business while saving the environment, environmental factors should be in **favour** of the company.

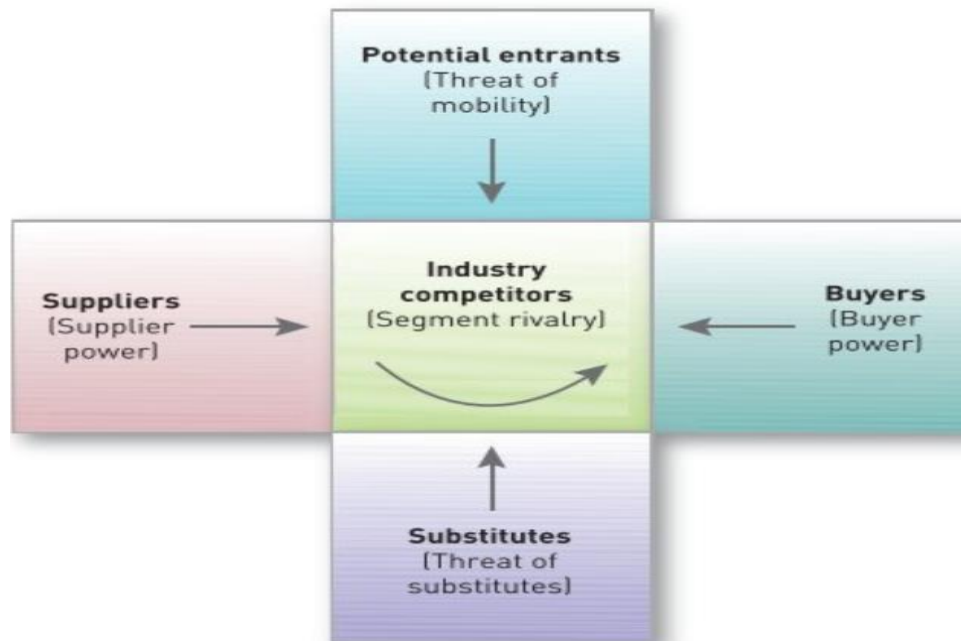
Importance:

- The model assists in evaluating the dynamic and competitive business environment, identifying key factors impacting business performance for developing effective strategies (Johnson et al., 2013).
- By appraising direct and indirect influences on business, the model aids in overcoming challenges and enhancing market positioning.
- It provides insights for strategy, target, and performance updates, leveraging knowledge of market trends and aspects (Dwyer & Tanner, 2002).
- The model supports risk assessment and response strategy development, aligning with organizational risk capacity and attitudes.

Limitation:

- Outcomes might quickly become outdated due to dynamic changes, especially in technology-based industries (Wolfe & Buchwald, 2000).
- Conducting market surveys can be time-consuming and expensive for companies.
- While the model highlights key aspects, a deeper analysis is necessary, using methods like fishbone diagrams, regression, and trend analysis.
- False inputs in research findings can distort the model's outcomes, emphasizing the importance of accurate data.
- Research using inadequate samples can lead to skewed findings, not reflecting the true situation.

PORTER'S 5 FORCES MODEL



Author: Philip Kotler Book: Marketing Management

1. Threat of Intense Segment Rivalry (High Threat)

It ultimately costs the company, when exit barriers are tough to break. Situations like these may lead to wars within the industry for price, battles for aggressive advertisement, and the launching of new products, and will be difficult to compete. (Kotler,2009)

The smartphone market has seen intense competition due to this condition. OnePlus has several rivals offering similar products. Brands like Xiaomi, RealMe, Motorola, Samsung, Oppo and Vivo.

2. Threat of New Entrants (Low Threat)

The threat of new entrants becomes high when entry is easy in the industry. But in the smartphone industry, there are threats like high initial investment, R&D investment, and innovation. In recent years very few companies have been able to make an impactful entrance into the industry. (Kotler,2009)

3. Threat of Substitute Products (High Threat)

An industry is not attractive to many investors and entrants when there are actual and potential substitutes for the product. OnePlus has a diversified range of products but there are ample amounts of substitute products available. (Kotler,2009)

4. Threat of Buyers' Growing Bargaining Power (Moderate Threat)

A segment is unattractive if there is strong bargaining power among purchasers. To protect the business, companies may have to select the buyers who have the least bargaining power to bargain or they have to select a particular niche.

In the case of OnePlus, it has to reduce the price to negotiate with potential customers.

5. Threat of Suppliers' Growing Bargaining Power (Moderate Threat)

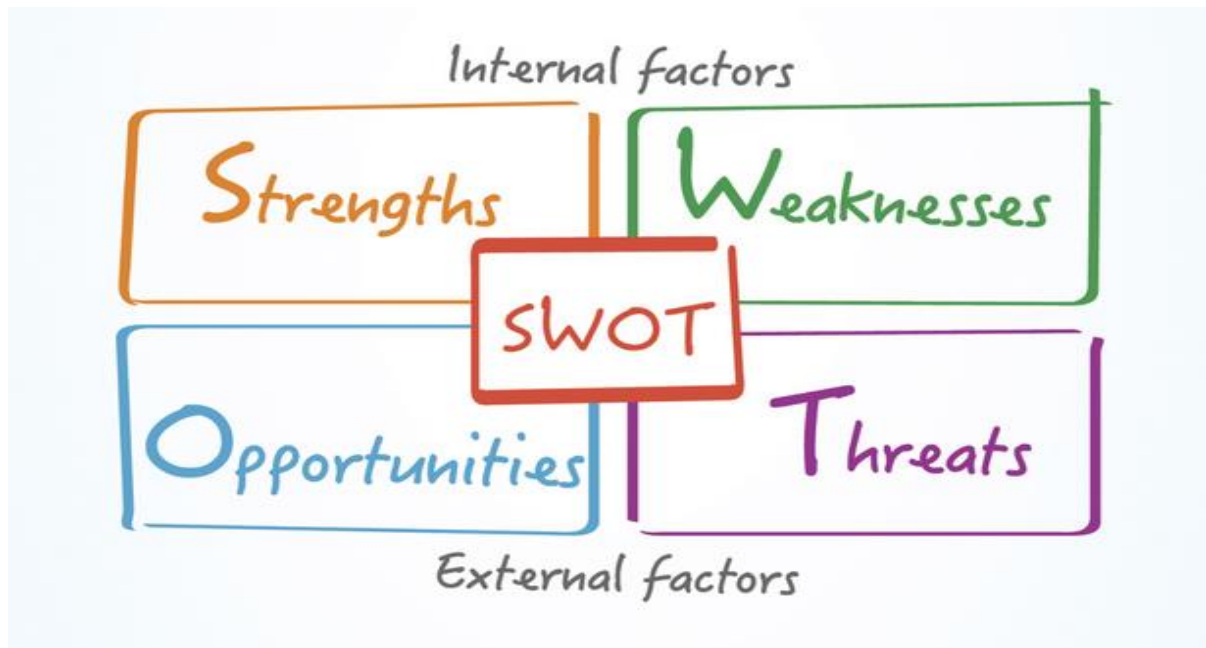
If an industry relies on limited suppliers, they can gain enough power to force companies to raise the overall prices of the products which means they have more bargaining power than the whole industry itself. Therefore, it is advisable to have multiple suppliers to get a fair exchange of trade.

Smartphones' main ingredient is a processor, earlier OnePlus was dependent on Snapdragon only for its processors but recently, OnePlus has also started using processors of MediaTek.

MICRO ENVIRONMENT ANALYSIS

SWOT Analysis

The SWOT analysis systematically assesses internal and external elements to empower prudent decision-making by pinpointing strengths, weaknesses, opportunities, and threats. This methodology empowers businesses to make knowledgeable choices and maintain competitiveness within a dynamic market environment.



Author: 50minutes.com Book: The SWOT Analysis

SWOT Analysis of OnePlus

Strengths:

1. OnePlus demonstrates a willingness to experiment with design and materials, distinguishing itself in the market.
2. OnePlus smartphones are renowned for their exceptional speed and capability, excelling in various tasks from basic video playback to resource-intensive gaming.
3. Recently, OnePlus established an exclusive partnership with Cyanogen Inc., enhancing its Android distribution by incorporating customized variants for its products.
4. Oxygen OS, a unique Android platform developed by OnePlus, differentiates its phones from competitors. Its visually appealing interface garners instant attraction, complemented by extended free OS updates.

5. The company's primary aim is to create smartphones that strike a balance between premium quality and affordability, challenging users to "Never Settle" for subpar alternatives.
6. OnePlus has successfully diversified its offerings beyond smartphones, including clothing, bags, televisions, smartwatches, and other essential accessories, contributing to remarkable growth akin to its smartphones.

Weaknesses:

1. The smartphone's camera exhibits inconsistencies, often resulting in overexposed images. This dissatisfaction prompts customers to favor alternative brands renowned for superior camera performance.
2. OnePlus faces a significant talent deficit, particularly in domains like technology and digital transformation. This deficiency hampers the adaptation of processes to align with advancements in Artificial Intelligence.
3. OnePlus's reliance solely on the online platform Amazon for product sales limits its reach to customers who prefer in-store purchases, hindering market capture.
4. OnePlus's practice of offering a restricted number of products on Amazon, often for very brief timeframes, has led to customer frustration and resentment due to missed purchase opportunities.

Opportunities:

1. OnePlus can explore emerging markets facilitated by novel technological standards and government-backed trade agreements.
2. Significant investments in the online platform offer a fresh avenue for customer engagement. In the coming years, companies can harness this by utilizing data analytics to comprehend customer preferences and cater to their requirements effectively.
3. OnePlus can leverage the rebounding economy and increase consumer spending post a prolonged period of economic downturn and sluggish industrial growth, enhancing its customer base and market share.
4. Introducing innovative features in new offerings presents an avenue to capture a larger audience. For instance, incorporating trending features like wireless charging, absent in current OnePlus phones, can effectively attract a new user segment.
5. OnePlus can tap into the advancements in AI to anticipate consumer demands, target specialized market segments, enhance recommendation systems, and elevate user experiences.

Threats:

1. OnePlus faces formidable competition from prominent players like Apple and Samsung, necessitating its continuous adaptation to emerging trends to safeguard its market standing.

2. The market abounds with budget-friendly smartphones that offer similar functionalities to brands like OnePlus. Competitors like Xiaomi and Realme present formidable alternatives with comparable features at lower price points, posing a significant challenge.
3. Allegations of Chinese brands like OnePlus sharing customer data with Chinese Security Agencies have led to bans in countries like India. Additionally, restrictions on Chinese apps in various app stores add to the challenges.
4. OnePlus engages in global competition with its parent company's products such as Oppo and Realme, leading to intensified rivalry and internal conflicts between the two entities.

STP ANALYSIS OF ONEPLUS

Market Segmentation Strategy:

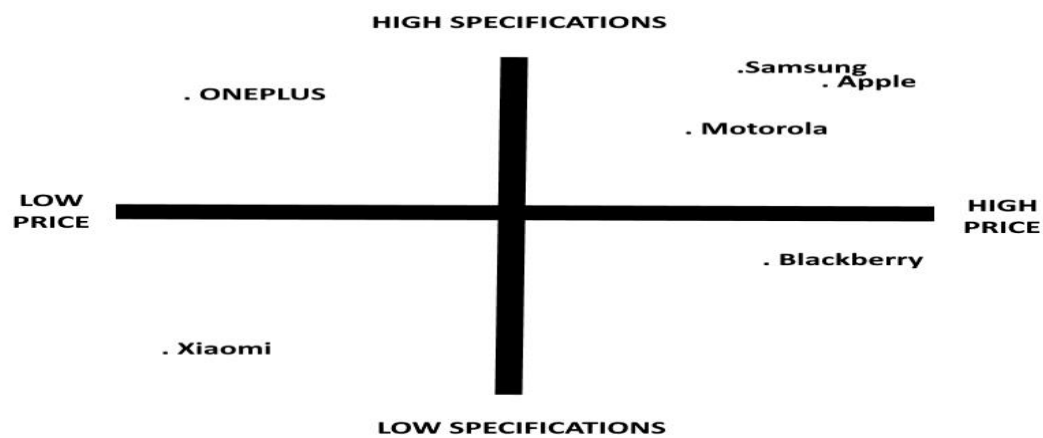
- **Geographic Segmentation:** OnePlus tailored its approach to various regions, optimizing strategies to meet unique regional needs. This efficient approach not only saved resources but also fostered local trust and support.
- **Demographic Segmentation:** While OnePlus didn't strictly categorize users by demographics, their focus was on customers desiring high-quality materials and superior smartphone specifications, regardless of age, gender, or occupation.
- **Psychographic Segmentation:** OnePlus targeted technology enthusiasts, particularly Android aficionados, with their customizable OnePlus ONE product, shaking up the market with its performance-oriented features.
- **Benefit Segmentation:** OnePlus provided exceptional value by offering top-notch specifications, build quality, and aesthetics.

Targeting Strategy:

Identifying target markets is pivotal for a company's success, involving pinpointing potential customer groups within the segmented analysis (MCSORLEY, 2014). Key strategies for OnePlus encompass avoiding direct competition with established smartphone leaders, generating demand through limited product releases, catering to Android enthusiasts, and people with higher purchasing power, and offering attractively priced products (OnePlus, 2014b).

- **Differentiated Targeting**

OnePlus particularly uses a differentiated targeting strategy. To elaborate, OnePlus has a wide range of products. OnePlus has products of different price ranges. People, who are willing to pay a high price, often buy the OnePlus 11 or 10 pro series, of which price starts from 700 Pounds to 800 Pounds. Furthermore, OnePlus has products for customers having lower incomes. Phones like the OnePlus Nord CE 3 light cost only 299 Pounds.

Positioning Strategy:

Source: TheInformedSheep

Positioning is crucial for establishing a distinctive brand image in the minds of the intended audience, and its effectiveness hinges on how the company sets itself apart from competitors within the same market (Janiszewska, 2012). OnePlus adopted a unique marketing strategy centered around two key attributes, Affordable Pricing and High Specifications.

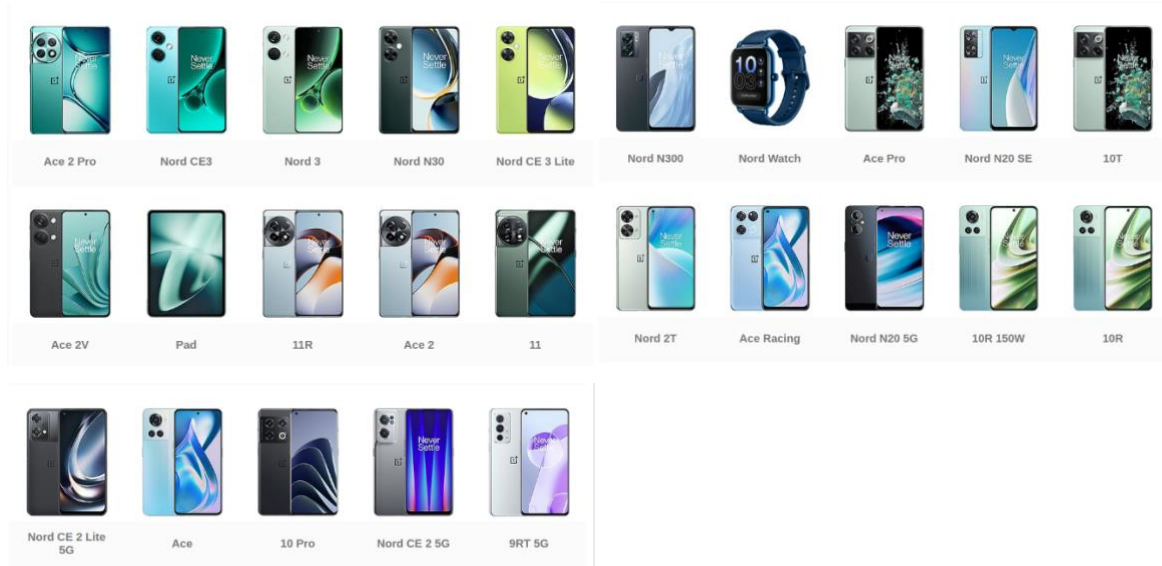
MARKETING MIX- 4PS



Source – On-Demand CMO

Definition: “Marketing mix is defined as a set of controllable marketing tools that a company uses to create a desired response in the targeted market. (The set of these tools is generally referred to as the 4P’s of Marketing, being Product, Price, Promotion and Place.)” (Riaz,2011)

1. Product:



Source: GSMArena

OnePlus has many products like different ranges of mobile phones, tablets, smartwatches, earphones, Bluetooth earphones, smart TVs, Laptops, and merchandise. All these products

cover almost all the niche markets and electronic gadgets. OnePlus is known for its built quality, its premium product designs at all price ranges, and its easy and user-friendly operating system.

2. Place

Earlier OnePlus used to sell its products on only online E-commerce platforms like Amazon and Ebay to cut costs and deliver the products efficiently. However, OnePlus recently has developed its outlets, and now the products can also be seen in other retail outlets and shops.

3. Price

OnePlus has always maintained its reputation of delivering premium products at affordable price ranges. OnePlus is called “Flagship Killer” from the beginning as it provides premium products but chooses to stay in the slightly lower price range.

4. Promotion

OnePlus has a unique promotional strategy. It uses both offline and online promotional tools; offline promotional tools include banners and hoardings, newspapers and magazines, and celebrity endorsements for example Robert Downey Jr. and Amitabh Bachchan. Online promotions are also performed by OnePlus such as digital marketing, Instagram ad campaigns, and social media groups.

RECOMMENDATION- ANSOFF MATRIX



Source: MindTools

Product Development

A gaming smartphone is a new product that can be developed by OnePlus as mobile gaming has been booming in the last decade. Games like PUBG Mobile, Free Fire, and Asphalt are getting popular among gaming enthusiasts. Additionally, these games have their tournaments as well attracting the youth. It seems to be a great opportunity for OnePlus to launch its specification-loaded gaming smartphone.

Diversification (Related):

Processing chips is a vital part of making a smartphone. OnePlus can consider making processors of their smartphones by themselves. It can help the company to cut costs of production and reduce the bargaining power of the suppliers as well, creating a win-win situation for the company. Although, it may be difficult initially, looking at the success of Apple, Samsung, and Google Pixel this diversification is worth trying.

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