

THE TOUCH AND FEEL FACTOR

No doubt the online market has caught the consumer's eye for buying products, but there is no denying the fact that consumers also like to touch and feel the product they choose to buy. Catering to this need, many big brands are opening 'experience' stores, reports

Shwetha Satyanarayan

Online to offline sales is a major transition point for any smartphone maker but this year has seen many biggies like Xiaomi, Vivo and Motorola take the offline route. Mobile retail stores are not only influencing buyers to make a better choice, they will also play a major role in capturing distributors' margin in the long run.

Phone makers vouch by touch-and-feel; say retail stores help connect with customers in a comfortable environment. Leading smartphone brand

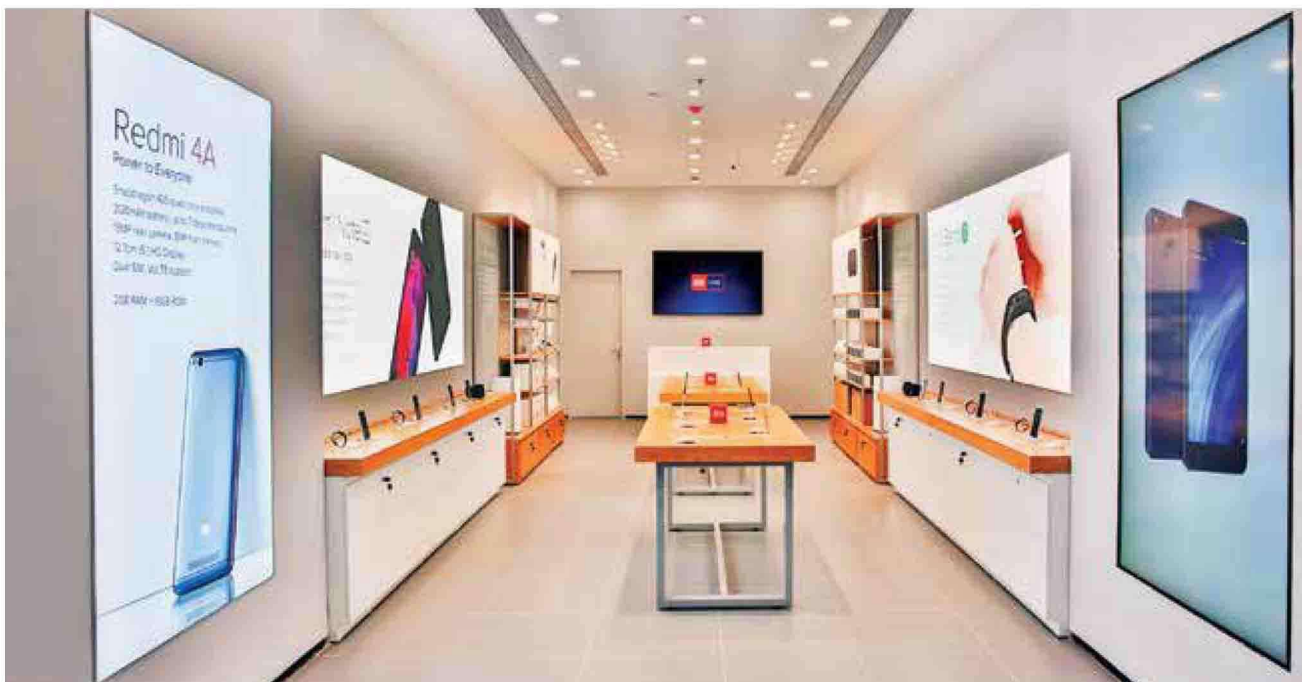
Xiaomi has set a target of 100 experience stores across the country in two years. It's been a year of many firsts and new 'experiences' for giant smartphone makers in India as 2017 has been the year of experience stores. Earlier in the year, if Xiaomi launched its maiden MiHome store in Bengaluru and followed it up with 20 more experience and service stores across India, recently Motorola and Chinese smartphone makers Vivo and Coolpad debuted with offline retailing too.

While the touch-and-

feel experience in mobile retail has won hands down time and again against online retailing, these smartphone makers only restated the obvious – a customer prefers experiencing a phone before making the buying decision. Commenting about big players taking the plunge into mobile retail, Coolpad India CEO Syed Tajjudin said the experience stores create a comfortable environment for the makers to showcase their brand, allow customer interaction and create experiences for them before buying.

"The smartphone industry is at its competitive best and of late it is more like a musical chair. No more than one brand has been able to sustain the No. 1 tag for more than one or two quarters. A customer prefers human touch in the buying process and look-and-feel plays an important role than reviews and tech blogs. Hence, the experience or the retail stores play a key role in connecting with the consumers," Tajjudin adds.

Speaking about Coolpad's retail strategy, Tajjudin maintains that





Phone makers vouch by touch-and-feel; say retail stores help connect with customers in a comfortable environment. Xiaomi has set a target of 100 experience stores in two years

Coolpad's offline stores are not sale points and only focus on customer services. "We showcase newly launched products and upcoming models at these centres, but it is only to help the consumer make an informed choice. Our stores help buyers get a hands-on experience before they buy a product." As the tussle for the No. 1 smartphone tag continues, Tajjudin stresses that they are building customer-centric models and have long-term goals, and they are not doing anything different to capture the market share. "We don't want to be the No. 1 smartphone overnight but prefer steady growth," he says. Coolpad plans to expand its experience stores and will soon launch five stores across India. It's all set to announce its futuristic products shortly.

A DREAM RIDE

While Coolpad believes in steady growth, a Chinese brand, with over a little above three years' presence since its inception, experimented, bet on word-of-mouth and won the number game. Today,

THE NUMBER GAME

Chinese brands, including Xiaomi, Vivo and Oppo, have a combined market share of 54%.

Sharing the top slot with Samsung is Chinese giant Xiaomi

Vivo, which is stronger in the offline market, holds a market share of 13%

While Oppo holds 8% market share, Motorola stands at 7% market share

Xiaomi is labeled as the No. 1 smartphone brand in India, and this journey has seen its own share of ups and down, but mostly ups. From a meagre 3% market share in 2015, the Chinese brand climbed up the charts in the third quarter this year with 23.5% market share. From shipping just 1,00,000 units in 2014, Xiaomi has sold 9.2 million units in just one quarter this year.

TARGET 100

As Xiaomi continues to crash all sale records in India, in May this year it dived into offline retailing and launched MiHome stores. Commenting about their retail strategy, Xiaomi India Managing Director Manu Kumar Jain says, "Offline sales are about 10-15% of our total sales and we expect this to grow to 20-30% in the next few years. In the coming months, we will expand MiHomes and ensure they are profitable before we add more." The company intends to set up 100 Mi Homes in India over the next two years, Jain adds.

MOTO HUB: BACK IN THE FRAY

While Motorola has undergone a revamping and has reintroduced itself in the last couple of years, it has upped the ante with the launch of Moto Hub, a chain of mobile retail stores. The phone makers said that the stores were a key destination for consumers to experience the latest Motorola products, and get a hands-on demo of the entire product portfolio. These stores

also house devices that are available exclusively online.

Speaking about the strategy behind Moto Hub stores, Sudhin Mathur, Managing Director, Motorola Mobility India, states, "Strengthening the offline retail channel is one of the key priorities for us this year. The objective behind launching Moto Hub is to provide easy access of our products to consumers. They can experience the entire portfolio of Motorola products at convenient locations. Both e-commerce and retail play an important role in offering consumers' choice and enabling meaningful experiences."

Motorola has launched in Noida and Mumbai and plans to open 50 stores by the end of this financial year. Mathur reveals, "We are targeting top tier markets for our initial launch. Our endeavour is to reach as many key markets and TG clusters as possible with the current targeted 50 stores. We will plan the second phase once this rollout is complete." ©R