

Indian Smart TV Market: A Case of Realme's Entry

Brij Mohan Taneja

Flipkart Internet Private Limited, India

Sandeep Puri¹

Asian Institute of Management, Manila, Philippines

Abstract. The case describes Realme's plans to launch its smart TV in India amidst multiple smartphone makers and electronics giants in the fray. In March 2020, Realme, a Chinese startup, announced the global debut of its smart TV in India in the second quarter of 2020. Followed by Realme India CEO Madhav Sheth's predictions that the company would be disruptive with its aggressive pricing and would clock ₹30 billion in sales from the 20 new product categories it planned to launch over the year. His assurances came on the back of good growth in 2019, where Realme earned ₹147 billion from the sale of 15 million smartphones. This case tries to analyze the steps Realme took to reach its goals of doubling its sales revenue in 2020, becoming one of the Big Five manufacturers by 2021, and achieving the sale of 1 million smart TVs in India by December 2020. In the face of stiff competition and pricing, what go-to-market strategies can Realme adopt for the e-commerce launch of its smart TVs? How would it segment, target, and position its smart TVs?

Keywords: VRIO framework, segmentation, targeting, and positioning (STP), brand positioning bull's eye, go-to-market (GTM) strategies.

1. Introduction

In March 2020, India's fourth-largest smartphone maker, Realme, a Chinese startup, launched its smartphones Realme 6 series and the Realme Band, a highly anticipated fitness tracker. It also announced the global debut of its smart TV in India in the second quarter of 2020. Earlier in February, Realme India CEO Madhav Sheth disclosed the growth in the smart TV market in India. Sheth revealed Realme's aim of ₹30² billion in sales in 2020 from the 20 new product

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1. Lead author: This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Realme or any of its employees.
 2. ₹ = INR = Indian rupee; all currency amounts are in ₹ unless otherwise specified; US\$1.00 = ₹72.15 on March 1, 2020.

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Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

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categories it planned to launch over the year. In 2019, Realme earned ₹147 billion from the sale of 15 million smartphones and was looking to double that revenue in 2020. Sheth stressed that Realme's aggressive pricing policy would make it a disruptive player in the smart TV category in India. He declared the company would diversify into wearables and the smart home category, including smart speakers, soundbars, smart home appliances, and smart TVs, and even made all its smart products in India in the future.³ Further, he announced that Realme would provide smart TVs with the finest quality sound, picture, and design and that users could control their smart TVs with the Realme Link app, the hub app for all Realme Internet of things (IoT) devices.⁴

Launched in 2018 as a direct competitor to the other Chinese smartphone major, Xiaomi, Realme competed with Xiaomi on price points and segments across product and category lines (i.e., smart TVs, fitness bands, financial credit, etc.).⁵ Realme followed Xiaomi in online and offline sales and competition in the smart TV budget segment, now heating up with almost all smartphone manufacturers in the fray. As Realme aimed to sell 1 million smart TVs in India by December 2020,⁶ what should its go-to-market strategy be for the e-commerce launch of its smart TVs in an already crowded market space? With the company aiming to be one of the Big Five manufacturers by 2021,⁷ what should its segmentation, targeting, and positioning strategy be for the smart TVs?

2. Company Overview

Shenzhen Ruiermi Mobile Communication Company Limited (stylized as "realme" in English; Chinese brand: Realme), a smartphone manufacturer, was established on May 4, 2018 (National Youth Day in China) by Sky Li (Li Bingzhong) in Shenzhen, Guangdong Province, China. A technology brand,

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3. Writankar Mukherjee, "Realme to launch smart TV by April," *The Economic Times*, February 24, 2020, accessed on August 22, 2020, <https://economictimes.indiatimes.com/industry/consumers/electronics/realme-to-launch-smart-tv-by-april/articleshow/74275454.cms?from=mdr>
 4. Nadeem Sarwar, "Realme smart TVs to launch first in India, CEO Madhav Sheth teases imminent arrival," *Gadgets 360*, March 5, 2020, accessed on November 2, 2020, <https://gadgets.ndtv.com/tv/news/realme-smart-tvs-india-launch-soon-teases-ceo-madhav-sheth-imminent-debut-2190420>
 5. Rounak Jain, "Xiaomi vs Realme: India has become the battleground for two Chinese companies," *Business Insider*, Jan 10, 2020, accessed on April 2, 2020, <https://www.businessinsider.in/tech/mobile/article/comparison-between-xiaomi-and-realme-smartphones-smart-tvs-and-payments-app/articleshow/73191205.cms>
 6. PTI, "Realme aims to sell 1 mn smart TVs by Dec in India," *Economic Times*, May 25, 2020, accessed October 8, 2020, <https://telecom.economictimes.indiatimes.com/news/realme-aims-to-sell-1-mn-smart-tvs-by-dec-in-india/75979641>
 7. Antoine Engels, "Exclusive: Realme aims to be one of the Big Five manufacturers by 2021," *Nextpit*, accessed October 8, 2020, <https://www.nextpit.com/exclusive-realme-big-five-manufacturers-2021>

Realme aimed to provide high-quality smartphones and IoT products. The company intended to cater to young users by creating trendsetting products using the latest technology and best designs. Realme motto “dare to leap” reflected its aim to provide the best products at the most affordable prices to attract the youth. Realme’s belief in the concept of daring to leapfrog in the areas of technology and design to bring newer products, features, and experiences for its consumers by staying true to its real self, breaking out of its comfort zone, and challenging the view that seniors pioneer change was to convey to everyone that it was ready to take on the future.⁸

In January 2020, within a year of being founded, Realme had already explored 22 markets across the world, including China, India, Indonesia, Philippines, France, Spain, Italy, United Kingdom, United Arab Emirates, Russia, Vietnam, Thailand, Malaysia, Pakistan, and Egypt.⁹ Realme gained rapid and immense popularity and became a household brand in the Indian smartphone market right after its India launch in May 2018. Realme products had a profound impact on the minds of consumers and the market as a brand known for its “power” and “style”. It even received several awards of recognition soon after entering the Indian market (see Exhibit 1).¹⁰

EXHIBIT 1: REALME INDIA’S JOURNEY 2018-2019

2018	
May	<ul style="list-style-type: none"> • Realme 1 launched • Highest-rated mobile phone on Amazon's Best Sellers list, with a high score of 4.5 out of 5
August	<ul style="list-style-type: none"> • Realme 2 released • 200,000 units sold in 5 minutes, breaking the sales record for mobile phone products on Flipkart
September	<ul style="list-style-type: none"> • Realme 2 Pro and C1 released • 4 months since its founding, Realme has more than 1 million loyal users
2019	
January- February	<ul style="list-style-type: none"> • 4 million users • 1 million satisfied users of Realme C1 • 50k users on Realme community
March	<ul style="list-style-type: none"> • Guinness world record for the longest mobile sentence using 1024 Realme3 phones
April	<ul style="list-style-type: none"> • New bestseller Realme 3 • 6 million users and the first pop-up store opened in Delhi • Launch of first exclusive Realme fan store
May	<ul style="list-style-type: none"> • 100,000 users on the Realme community • No.1 smartphone brand by CyberMedia Research India
June-July	<ul style="list-style-type: none"> • No.1 smartphone brand on Flipkart for first time • Campus stars program introduced • Photo expedition - First ever and 4th largest smartphone brand • Fastest brand to enter Global Top 10
September	<ul style="list-style-type: none"> • No.1 quality smartphone brand • No.1 bestseller on Amazon • Sammie Award, photo expedition • Alan Walker- chief earbuds officer and Twitter- Shark Awards

8. “Who are we,” Realme, accessed on November 22, 2020, <https://www.realme.com/brand>

9. “Overseas market,” Realme, accessed on October 26, 2020, <https://www.realme.com/in/brand>

10. “Milestone,” Realme, accessed on November 22, 2020, <https://www.realme.com/in/brand>

October	<ul style="list-style-type: none"> • 1 million smartphones sold in 1 day in #realmeFestiveDays • 17 million units sold • 3rd largest smartphone brand in India • 7th global rank and global shipment growth • World's fastest-growing smartphone brand
November	<ul style="list-style-type: none"> • Smartphone category leader on Flipkart 46.7 percent share • C2- best performing smartphone in India • Disruptive Brand of the Year • The budget smartphone of the year below 20k Realme XT • Headphone of the year- Realme Buds Wireless • Exhibit Awards for Budget Smartphone • Launched India's Fastest Charging Flagship • Created Realme's customized UI and Dainik Jagran Awards
December	<ul style="list-style-type: none"> • 5 Pro Digit Award and News 18 Awards • Mobility India Awards and 20th Official fan meet in Patna • DOD Digital Awards, Smartprix Awards, and Mr. Phone Award

Source: Milestone, Realme, accessed on January 26, 2021, <https://www.realme.com/in/brand#event>

3. Marketing and Distribution Strategies of Realme

Realme innovative spirit was not only restricted to its products, but it also spilled over into its marketing strategies. While BBK Electronics (Vivo, Oppo), another Chinese giant, took the sponsoring of mega sporting events to make inroads into the Indian market, Realme took a community-driven approach to tap the millennials. It utilized its funds to build its product portfolio and add to innovations rather than sponsoring mega-events as part of its brand strategy. Realme adopted a “low-margin, high-volume strategy” to keep its profit margin between 4 and 5 percent and backed the economies of scale as part of its growth expansion from a pricing standpoint.¹¹ While from a distribution point of view, it focussed on e-commerce from the start, targeting 70 percent from online sales and 30 percent from offline sales for its product portfolio. The others (Vivo and Oppo) were mainly offline-focused, with investments in channel marketing and offline distribution.¹²

As part of its community-building, Realme relied on the mass connection of some famous Bollywood celebrities such as Ayushmann Khurrana to reach out to their target audiences. Khurrana was Realme's first brand ambassador on board in September 2019 as Captain Realme India. Khurrana was said to have joined the campaign because he identified strongly with the brand's ‘dare to leap’ motto. The brand wanted to tap into Khurrana's standing as a youth icon who had dared

11. Tina Gurnaney, “Realme's brand strategy to be focused on product and building communities: India CEO,” *The Economic Times*, July 19, 2019, accessed on November 1, 2020, <https://telecom.economictimes.indiatimes.com/news/wont-waste-money-on-sponsoring-sports-and-mega-events-realme-india-ceo/70294219>

12. PTI, “Realme sells 15 mn handset in 1st yr. of operation, targets to double it in 2020,” *The Economic Times*, December 15, 2019, accessed on November 1, 2020, <https://economictimes.indiatimes.com/tech/hardware/realme-sells-15-mn-handset-in-1st-yr-of-operation-targets-to-double-it-in-2020/articleshow/72664915.cms?from=mdr>