

OnePlus rings changes in India

Chinese smartphone maker live-streams a product launch in cinemas for paying audiences, marking a world-first

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OnePlus achieved a world first recently.

On Nov 16, the smartphone maker based in Shenzhen, in South China's Guangdong province, launched its latest flagship 5T model in New York and simulcast the event live on big screens at leading cineplexes in five major Indian cities.

Never before has a live screening of a product launch been packaged as entertainment and sold to audiences. And, even more surprising, never before have tickets (priced 99 Indian rupees or \$1.50 each) for such screenings sold out days in advance via online channels.

Thousands of consumers flocked to cinemas and enjoyed the live-streamed event over popcorn and beverages. They touched and felt the new gadget after the show, socialized with friends and networked with others.

It is reasonable to assume they went home happy and, perhaps, determined to buy the 5T on Nov 21, the day of the early access sale on offline and online channels, or in open sales from Nov 28.

According to a media report, Vikas Agarwal, general manager of OnePlus India, said: "People like to get some friends together for any special occasion. What better way to get friends together than a movie theater experience?"

The report also quoted Gautam Dutta, CEO of PVR Cinemas, a cineplex firm. "We are amazed at the overwhelming response generated from the OnePlus fans with household shows booked quite similar to what we witness for the first day, first show of blockbuster movies."

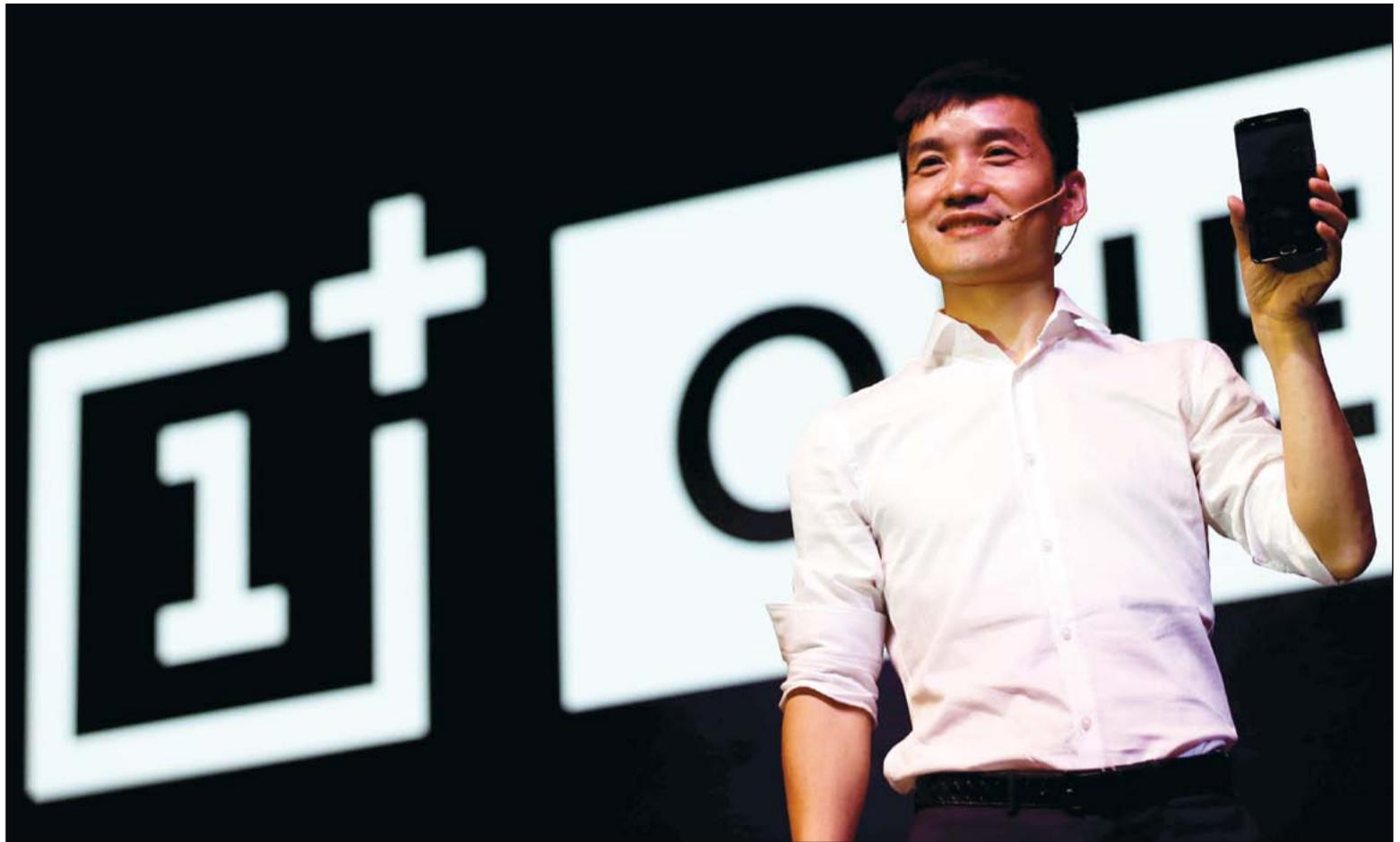
The lineup of Chinese smartphone makers that have hit pay dirt in overseas markets — such as Huawei, Xiaomi, Vivo, Oppo, Gionee — may be long and growing, but none has blazed as brilliant a trail as OnePlus, and in a relatively short time too.

OnePlus now generates 70 percent of its revenue from 32 countries and regions, though the company, with over 700 employees, did not disclose specific financial data.

"From the first day we established OnePlus in 2013, we've been eyeing the global market," said Pete Lau, the company's founder and CEO.

That single-minded pursuit has served OnePlus well. In India, which is considered the jewel in the global smartphone crown and enjoys the "fastest-growing major market" tag, and the United Kingdom, OnePlus is one of the most sought-after foreign brands.

In India, where hundreds of millions of consumers crave affordable



Pete Lau, founder and CEO of China's smartphone company OnePlus, attends the launch of OnePlus 5 in Mumbai, India, on June 22. REUTERS

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PETE LAU
Founder of OnePlus

high-end mobiles, sales of the OnePlus premium smartphone (above \$400) grew by leaps and bounds through the first two quarters of this year, even overtaking Samsung Electronics and Apple at some point.

According to market research firm IDC's Quarterly Mobile Phone Tracker 2017, OnePlus commanded a 62 percent share of online sales of premium smartphones in India in the third quarter, up from 57 percent in the second quarter.

Data from Counterpoint Technology Market Research show that in the third quarter, OnePlus had a 32 percent share in the above-\$450 premium segment in India, with local shipments reaching 400,000 units, capturing second spot behind Apple, which shipped 430,000 units.

OnePlus' latest gadget is seen as sleek and high on features and specs that consumers welcome — face lock, 6-inch full optic, harsh light-adaptive display with 18:9 aspect ratio (for a more immersive viewing experience), enhanced low-light camera technology and fingerprint sensor.

Business Insider, a US technology news website, said in an article: "If you love the design of the iPhone 7 but you prefer Android to iOS, consider the new OnePlus 5."

"The iPhone 7 Plus and OnePlus 5 are two very powerful, beautiful, top-of-the-line smartphones. Their chips and cameras, though a bit dif-

ferent, provide similarly excellent experiences."

Besides offering high-tech features at competitive prices, the Chinese brand rode a successful partnership for online sales with Amazon.in, the global e-commerce giant's Indian website and app. The OnePlus deal with Amazon.com is part of its broad push to expand its presence across high-end markets abroad.

Behind all this phenomenal success lies a cool strategy that is similar to that of domestic peer Xiaomi. But, according to analysts and consumers, OnePlus targets the higher end of the market.

"I often compared our product to a beauty. A good design doesn't necessarily mean a beautiful lady at first sight. Instead, it's better to have a lasting good look," Lau said. "Smartphones should not only be a technological work. Instead, they should be art of high quality."

More importantly, OnePlus smartphones retail at only a fraction of iPhone prices. For instance, the OnePlus 5 prices start at \$479 for the base model, which is \$165 less than the base iPhone 7 price.

This pricing strategy seems to be effective in attracting Indian consumers. A Beijing-based Indian media professional, who requested anonymity, said he bought a OnePlus 5 in September on strong word of mouth. "Indian consumers don't crave cheap products. Rather, they

tend to buy what's considered 'cheap and best'. OnePlus 5 ticks that box."

Neil Shah, research director at Counterpoint, agreed: "OnePlus has been able to cement a strong position in the high-to-premium tier by offering high-spec products at affordable price points compared to Apple and Samsung."

As if he had prescience, Amit Agarwal, head of Amazon India, met Lau before OnePlus' launch in India in 2014. "Exclusivity gives us a license to be honest to each other and openly exchange feedback to improve the customer experience from both sides. Both of us realize that our mutual success is banked on having that kind of relationship," Agarwal told *The Economic Times*.

OnePlus and Amazon strategize together, focusing on how to push forward product innovations. Amazon, for instance, adopted an invite-only model developed in partnership with OnePlus to sell its Echo smart speaker in India.

The high overlap of the two companies' customer groups helps. Up to 50 percent of OnePlus users are Amazon Prime members, and OnePlus is one of the most preferred brands of Prime customers, said Lau.

"OnePlus will step up efforts to expand our presence in (continental) European markets and the United States," he said.

Cheng Yu contributed to this story.