

# To what extent can BoAt's success in India be attributed to its marketing strategies?

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## Abstract:

This study explores how BoAt's marketing strategies have contributed to its success in India's consumer electronics market. Since its launch in 2015, BoAt has grown rapidly by using smart marketing techniques such as influencer partnerships, digital promotions, competitive pricing, and a strong brand identity. The research analyzes key factors like product innovation, pricing strategies, and customer engagement that helped BoAt dominate the market. It also highlights external factors, such as increased internet usage, that supported its growth. While BoAt's marketing has been highly effective, challenges like heavy reliance on online sales remain. This study provides insights into how smart marketing can drive business success.

## Keywords

Marketing Strategies, Digital Marketing, Influencer Marketing, Brand Positioning, Pricing Strategies, Customer Engagement, Product Innovation, E-commerce Sales, Consumer Electronics.

## Introduction

Imagine Marketing, the Delhi-based company that sells wearables and hearables under the brand name BoAt, is India's number.1 earwear audio brand and The brand has been recognized as the 5th largest wearables brand in the world since December 2020. It stands out as one of the most remarkable brands in the Indian startup scene, and the company was established in November 2013 and their brand was established in the year 2015 by its current chief marketing officer Aman Gupta and chief product officer Sameer Mehta and it generates its revenue by selling products that are audio-focused consumer electronics such as wired earphones, wireless headphones, wireless speakers, etc, which are affordable, durable and fashionable. This company had just started with an initial funding of rupees 30 lakhs, and the founders envisioned creating a lifestyle brand that would provide stylish audio equipment and accessories tailored for millennials. This idea was born with BoAt. The business started off manufacturing and selling cables. It quickly moved into other markets to provide services to over 800,000 clients within a brief span of 4 years. and now stands at a value of rupees 2200 crore and holds 27.3% of market share in the hearable market which was more than its next 2 competitors combined. Astonishingly, they achieved this market position in just 5 years in 2021. The revenue of the company in FY21 was rupees 1511.7 crores with a profit of rupees 78.6 crores with is 61% more than the profits of FY20, here are some mind-blowing facts about the BoAt - boAt claims to receive a new customer every 3 minutes and the firm sells more than 6,000 units daily, which averages to four units every minute.

This essay will focus on marketing topics in business management studies. This research will look into how much BoAt's marketing and pricing strategies helped the brand to conquer the Indian electronic wearable market and crush giants like JBL, Sennheiser and Skullcandy .

The core of the company's marketing and pricing strategies comes from its Co-founder and CMO, Aman Gupta who used to work in JBL as a sales manager which entered the Indian market in 2014. After seeing JBL's massive growth, Aman Gupta was fascinated and decided to enter the Indian electronic wearable market with a vision of creating a lifestyle company that would offer millennials stylish items and audio equipment. The bulk of the company's shares are held by Warburg Pincus, which claims to own 36.48% of the company's shares. Next in line are BoAt co-founders Aman Gupta and Sameer Mehta, who each own 28.1% of the company's shares. Qualcomm Ventures comes in second with 2.6% of the shares, followed by Fireside Ventures with 3.7%. The remaining 1.3% of the BoAt's equity is owned by other unnamed owners. BoAt has also been one of many sponsors of the Indian Premier League by sponsoring 6 IPL teams since 2018. IPL is the most famous sports league in India which started in 2008 and has created a huge fanbase for itself. This extended essay aims to answer the question "To what extent can BoAt's success in India be attributed to its marketing strategies?"

## Literature

## Review

### 1. Pricing Strategies

BoAt used **penetration pricing** to attract customers with low prices and later adopted predatory pricing to outcompete brands like JBL and Sennheiser. This strategy made BoAt a top choice for budget-conscious consumers.

### 2. Digital Marketing and Influencer Partnerships

BoAt leveraged **social media and influencer marketing** on platforms like Instagram and YouTube. Collaborations with celebrities and engaging storytelling campaigns helped boost brand awareness and customer engagement.

### 3. Positioning the Brand as a Lifestyle Brand

BoAt established itself as more than just a tech company by tying itself to culture, sports, and fashion. Building a solid brand identity was facilitated by working with designers and sponsoring IPL teams.

### 4. E-Commerce Dominance

Over **85% of BoAt's sales come from online platforms** like Amazon and Flipkart, allowing cost-effective nationwide reach and rapid market expansion.

### 5. External Factors Supporting Growth

The **Jio wave** (affordable internet) and smartphone makers removing earphones from packaging increased demand for wireless audio products, benefiting BoAt.

### 6. Challenges and Future Outlook

BoAt's reliance on e-commerce poses risks, and competition from brands like Noise and Boult is rising. Future research should explore long-term sustainability and offline expansion.

## Methodology

The data used for analyzing the success of BoAt's marketing and pricing strategy is from secondary sources. Most of the sources are websites, articles, and official blogs from BoAt that provide financial and background information about the company.

To analyze the pricing charts of hearable brands in 2018 and the marketing mix that BoAt has been using, which includes price, promotion, place, and product. We will also analyze the external factors that helped BoAt set a platform to become a billion-dollar brand.

## Product life cycle

Here is a rough timeline of the product life cycle of the BoAt brand:

1. **Introduction:** The BoAt brand was introduced in the Indian market in 2016, with a focus on audio equipment, including headphones, earphones, speakers, and soundbars.
2. **Growth:** The BoAt brand gained recognition and credibility in the Indian market, and the company expanded its product portfolio and distribution channels. The growth stage for the BoAt brand started around 2018 and has continued till today.
3. **Maturity:** The BoAt brand is currently in the maturity stage of its product life cycle. This stage began around 2019-2020 as the brand's products gained widespread popularity, and it achieved a significant market share in the Indian audio equipment market.
4. **Decline:** It is challenging to predict when the decline stage for the BoAt brand will occur. However, as with any product, the BoAt brand will eventually face challenges such as changing consumer preferences, market saturation, and increased competition.

Overall, the BoAt brand has experienced significant growth and achievement in the Indian market in recent years, and the brand is well-positioned to continue its growth in the coming years by focusing on innovation and customer satisfaction.

## Boston consulting matrix

**The Boston Consulting Group matrix is a method for portfolio analysis that helps businesses evaluate their products and services.** based on growth rate and market share. In the case of BoAts, the BCG matrix may be used to assess the various kinds. Here is an illustration of how a BoAt may use the BCG matrix:

**STAR PRODUCT:** BoAt's soundbars, such as the BoAt AAVANTE series, have increased their market share in the quickly expanding home entertainment systems market. These soundbars are popular due to their good sound quality, stylish design, and affordability. The BoAt brand has a few products that have a low market share in rapidly growing markets.

**QUESTION MARK:** BoAt has recently entered the smartwatch market with its BoAt Storm and BoAt Xtend smartwatches. However, these products have a low market share in the rapidly growing smartwatch market, which is dominated by established brands like Apple, Samsung, and Fitbit.

**CASH COW:** The BoAt brand has new goods with a large market share in a market with slow or no growth. Wired Earphones: BoAt's range of wired earphones, such as the BoAt Bass Heads and BoAt Bass Heads 100 series, have gained a high market share in the low-growth or stagnant market for wired audio products. These earphones are popular due to their affordability, good sound quality, and comfortable fit.

**DOG PRODUCT:** It's possible that the BoAt brand may not have any goods in a market with little or no growth that has a small market share. However, if we were to consider some of BoAt's less successful product lines. Premium Portable Speakers: BoAt's premium portable speakers, such as the BoAt Stone 1400 series, may also have a relatively low market share in the low or stagnant growth market for portable speakers. This could be because consumers are less willing to spend a significant amount of money on portable speakers when there are several affordable options available in the market.

### Aspects of Branding

Skullcandy, on the other hand, was only well-known among tech enthusiasts and a limited market group. And then came brands like Mivi and Noise who were barely known by customers and here is where BoAt had the upper hand as they had become far more popular than other brands in the market, this is where the power of celebrity endorsement, advertisements and brand awareness campaigns come in as it brought **BoAt's brand worth As a result, BoAts have significantly outperformed their competitors in the economic category, and consumers base their assessment of a product's worth on two factors: perceived value and tangible value. The true worth of a thing is its tangible value; for example, an earphone with excellent audio has great tangible value, whereas one with poor audio has poor tangible value. Next is perceived value, which is what the name implies—the assessment that the buyer forms based on the way the product is presented to them. When it comes to audio items, only those with trained hearing or those who work primarily in sound or video editing** roles related to requiring trained ears can spot the intricate difference in the audio between two different audio products. In contrast, the naive ears of the general public or most customers will find it difficult to distinguish between two different products because they won't be able to tell the difference in audio quality between two different devices. As a result, the entire audio market is essentially commoditized from the perspective of the consumer, and since there is no additional tangible value for the product that the customer can evaluate, the only way the customer can and will evaluate an audio product, such as an earphone, is by perceived value. and then when customers have to select an earphone of BoAt or its competitors in the economic category, the customers would mostly trust BoAt which was and is being endorsed by many celebrities leading to **Brand awareness**. The only thing that makes a customer buy a product like earphones, even if they are not ardent fans of the celebrity, is the perceived value of the product. Here's some math: if BoAt had been able to charge an average premium of Rs. 200 per product and 16.6 million Truly Wireless earphones were sold in India in 2021, with BoAt holding a 35.8% market share at the time, BoAt would have shipped 59 lakh units that year. Now, if customers paid a premium of Rs. 200 per product because of celebrity endorsements. The importance of creating a perceived value in a crowded, commoditized market is demonstrated by the fact that BoAt has already generated an additional 118 crore rupees in revenue thanks to brand recognition, while the company's FY21 profit was 78.6 crore rupees. Brand awareness is a prerequisite of **brand loyalty** after people are aware about a brand some customers become loyal and people who are brand loyal to BoAt are called as BoAtheads, helps BoAt acquire market share, charge premium prices and it helps prolong product and Brand life cycle.

### Price

Analyzing the Pricing chart of hearable brand in 2018

Range	Companies
Ultra-premium =rupees 15000+	Bose and apple
Premium =rupees 10000-15000	JBL
Sub premium=rupees 5000-10000	Sennheiser
Economic = rupees 1000-5000	Mivi, Skullcandy, noise and BoAt

The ultra-premium wireless category, which included Apple and Bose, had starting prices of Rs. 15,000 and Rs. 17,000, respectively, as can be seen above. Next, we had the premium category. we had JBL starting at rupees 11000 respectively. For sub-premium we had Sennheiser starting at rupees 6400 and last we had the economic category that ranged from rupees 1000 to rupees 5000 we had no giant Price brands. Still, In India, there was significant demand for wireless earbuds, leading to the emergence of four brands: Mivi, which costs between three and four thousand rupees, and The pricing of Skullcandy starts at two thousand rupees. A lot of

local brands, like Boulton, were available at rupees 999 and less, and we had BoAts starting at one triple nine and noise at three triple nine.

Given the abundance of brands in the economic sector, the subject of what made BoAt stand out from the competition and become the market leader by such a large margin is addressed in the essay's remaining sections.

### **Pricing for penetration**

Penetration pricing, which is appropriate for a commoditized market like the consumer electronics market with an emphasis on audio, sets a relatively low price to introduce a new product into the market to gain recognition and market share. As the product becomes established over time, the prices can be raised. BoAt is still priced at a minimum of 299 rupees because of this, a student is more likely to purchase a product from BoAt, and after graduating and having more money, he or she is also more likely to purchase a BoAt product. Now that BoAt has established a strong brand identity as a lifestyle brand, the company is gradually raising its price range to place itself in the upper economic category, which is between Rs. 4,000 and Rs. 5,000. Additionally, BoAt is entering the smartwatch market, which is another enormous market to be entered.

### **Predatory prices**

Reducing prices to drive rivals out of the market because they are unable to compete profitably is known as predatory pricing. These speakers are by far one of the best-rated Bluetooth portable speakers on the market, and one of the most underappreciated factors in BoAts' success was the foundation they laid with an insane product called the BoAt stone. The reason this is such a big deal is that when JBL flip, BoAt Stone gained popularity without any fancy marketing tactics or celebrity endorsements (an additional JBL Bluetooth portable speaker) cost 4,900 rupees, but BoAt Stone only cost 2,499, which was insensitive to the purchasers' gullible ears. Predatory pricing helped BoAt establish a strong foundation for entry and market dominance, and the BoAt sounded as good as JBL. The method is also called "destroyer pricing" due to its extreme aggressiveness.

### **Place**

#### **Online shopping**

**The exchange of goods and services over computer networks, electronic systems, and the internet is known as e-commerce.**

and as of 2021 BoAt, 85.54% of BoAt's sales come from e-commerce platforms like Amazon and Flipkart, which means it sells nearly 9 out of 10 products on the e-commerce platform. The company earns 83.72% of its revenue from selling its products online on Amazon and Flipkart and this had helped the company in many ways such as reaching all over India as e-commerce helps to break geographical barriers, allowing customers all over India to buy BoAt's products, while shops have working hours and are not accessible 24/7 because e-commerce is always available, clients may purchase things whenever they want, which boosts sales and aids in the expansion of the business. expansion from business to consumer, which facilitates direct communication between the company and its clients.

### **Distributors and retailers**

Even though the company has over 20 distributors and its products are offered in over 5,000 retail locations, the offline market only accounts for 20% of the company's sales revenue and sales of its products.

### **Promotion**

#### **Above-the-line promotion**

##### Celebrity endorsements/advertisements

BoAt obsesses over projecting a lifestyle image to increase brand value through product design and celebrity endorsements. In 2019, they continued to sponsor Indian cricket stars and other well-known and up-and-coming personalities, like Hardik Pandya, Rishabh Pant, and Shikhar Dhawan; in 2020, they did the same with Neha Kakkar, Kirara Advani, and Karthik Arayana.

##### Collaboration

Following celebrity endorsements, they collaborated with celebrity designer Mazhaba Gupta to introduce a limited-edition line of quirky headphones at Lakme Fashion Week 2020. They are currently working with BIRA, another popular millennial brand in India, to demonstrate that it is a much more upscale and well-known brand than other brands in the same market and to set itself apart from them. This above-the-line promotion led to an increase in revenue from 239.4 crores in FY 2019 to 700.44 crores in FY 2020 to 1531 crores in FY 2021.

#### **Below-the-line promotion**

##### Guerrilla

##### marketing

**guerrilla marketing** which is also known as stealth marketing uses untraditional, unconventional but creative methods of promotions which is used when companies are on a low budget even though BoAt has a huge marketing budget of rupees hundred and forty-seven crore still they did not leave any stones unturned and used guerrilla marketing which included influencer marketing, digital marketing, email marketing and storytelling through social media marketing (image on the right is from one of the comics from BoAt's storytelling campaigns).

External factors that help boost the electronic wearable market

### Jio wave

The jio wave hit in India in 2016 and two things happened after the launch of jio which was increase in content consumption, this is because before jio's arrival Indian citizens did not have enough internet access that they could consume so much and price of 1 GB data had fallen from 225 rupees to between rupees 12 to 14 per GB .the second thing that happened increased in mid-range smartphone demand and this is because to consume content the customers need a phone due to these two reasons there was a change in the social behavior of the customers such that the customers who used to look at their phones 5-6 times a day, now the same customers now use 40% of their time-consuming content and now because of earphone being a contemporary good to the mobile phone, the demand of earphones also increases.

### Introduction of air pods

After Apple introduced the air pods in 2016 In India, the popularity of wireless earphones suddenly increased, and phone manufacturers stopped including earphones with their phones. Many manufacturers of phones stopped including earphones with their smartphones, and even when they did, the earphones were among the most basic models on the market, failing to meet the needs and desires of consumers. As a result, there was a rise in demand for wireless earphones.

### Findings and Conclusion

Since the start of the essay we have been trying to answer this question “**Research topic: To what extent can boAt's success in India be attributed to its marketing strategies?**”. We have answered this question by analyzing each aspect of the marketing mix which includes price, place, product and promotion and after extensive research and analysis we have reached the following conclusion for each aspect of the marketing mix

The **Pricing** aspect of the marketing mix has been handled very nicely by the firm by implementing of pricing strategies such as **penetration pricing** to help establish the brand and its products in the business, to increase market share and brand recognition and after the brand becomes established over time they could have raised the prices but they chose to use **predatory pricing** in an attempt to force competition out of the industry and to gain maximum market share.

The **PLACE** aspect of the marketing mix is an aspect of concern as the brand dependent on one channel of distribution which is E-commerce which generates

83.72% of its revenue for the brand and is responsible for 85.54 % of its sales, the rest of the sales comes from one-level channels such as distributors and retailers, but E-commerce can also help them in the future when they go for international expansion as it reduces the risk of international marketing.

The **product** aspect is also managed brilliantly as the Brand focuses on expanding its product range which leads to a shorter product life cycle the firm also focuses on creating brand value by spreading brand awareness which in turn creates Brand loyalty and some advantages of having Brand loyal customers and brand value are that it helps firms maintain or improve their market share, it lets them charge premium prices which improves profit Because it extends the life cycle of the product and brand, it serves as a barrier to entry for other up-and-coming companies and is crucial to the company's future success.

The **promotion** aspect of the marketing mix of BoAt is the biggest reason for its success and has helped BoAt stand out from the competition as the left no stones unturned and used both above the line such as celebrity endorsement and collaborations which require a huge marketing budget and under the line promotion such as guerrilla marketing to promote their brand as well as their products.

The **external factors** helped the brand a lot as it created demand for the product they sold as when the jio wave hit it created demand for mobile phones which is a complementary products to most of the products BoAt markets and many mobile phone manufacturers stopped shipping earphones with their mobile phones which again created demand for earphones/headphones .

This Essay answered the question "**To what extent can boAt's success in India be attributed to its marketing strategies?**". *Marketing has played a huge role in the success of BoAt but we cannot pass over the fact that external factors also played a huge role. Both of these aspects together made BoAt the market leader in the audio-focused consumer electronics market*

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