

The Power of Marketing Strategy- "A Comparative Analysis of HCL Infosystem & HP"

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ABSTRACT

Computer hardware market is highly competitive and dynamic today. With strong players operating, the key message is "Survival of the fittest". The names like "HCL Infosystem" and "Hewlett-Packard Development Company" strikes first to the mind when one talks of Computer hardware. It is surprising how these brands have continued to retain position of 'Market Leaders' for such a long period of time. This descriptive research undertaken is aimed at understanding the various variables affecting the marketing strategies of HCL Infosystem & HP. Secondly, SWOT Analysis is used for gathering information about HCL internal and external environment to identify its strength and weakness and the future opportunities and threat. Lastly, this research is a deliberate effort on the part of the author to compare & analyze the marketing strategies of the two giants of the Indian IT Industry.

1. Introduction

India has built up valuable brand equity in the global markets in Information technology. It has been the most preferred destination for business process outsourcing (BPO), a key driver of growth for the service sector. It has the readily available English speaking technical workforce next to US. The emerging four broad sectors namely IT services, software products, IT enabled services, and e-businesses are providing a number of opportunities to Indian companies. The annual growth rate of India's software exports has been consistently over 50 percent since 1991. No other Indian industry has performed so well against the global competition.

But India can lose out on the software advantage that it has build up and its future potential, if it fails to look on the other front i.e Hardware Industry. The hardware revolution is necessary for the continued high growth of the software industry.

India is facing a lot of serious issues that hampers the Growth of hardware industry like lack of local availability of input raw material, ever changing government policies, inconsistent sales tax structures in different states, high

interest rates, customs duties on capital goods, poor infrastructure, inordinately long and variable transit times all add to uncertainty, delays and increased costs.

Going forward, if the government and the hardware industry proactively decide to work together and solve issues regarding duty concessions, and the other avoiding issues, the Indian hardware industry could definitely go up.

2. Objective

1. To study and analyze the marketing strategies of HCL Info systems Ltd.
2. To study and analyze the marketing strategies of HP.
3. To make a comparison of the marketing strategies of the two Giants of Indian IT sector, i.e. HCL and HP.

3. Research methodology

The Research Design of the present study is Descriptive. Secondary Data is collected from various Online sources including e-journals mainly from the websites such as Google Scholar, SSRN, J-store, relevant literatures and through discussions.

4. Literature review

Topic	Name of author	Year	Objective	Research design	Findings
The Indian software services industry-	Ashish Arora V.S. Arunachalam	1999	To find out the factors required to sustain the Indian Software industry performance, given the rapid growth in the demand for engineers and the relatively inelastic supply of engineers.	Exploratory	Not only the available pool of human capital is sufficient but factors like , acquiring better software project management capability and deeper knowledge of business domains, and reducing costs are important.
Origins and Growth of the Software Industry in India	Rafiq Dossani	2000	The paper aims to find out the evolution of India's software industry.	Descriptive	Domestic entrepreneurship help the industry's origination, survival and innovation during a time when the state used policy to promote SOEs and to crowd out the private sector.

The Globalization of the Software Industry: Perspectives and Opportunities for Developed and Developing Countries	Ashok I Ashish Arora	2004	To explore the determinants Leading to the spectacular growth of the software industry in some non-G7 economies.	Descriptive	It is unlikely to pose a long term threat to American technological leadership. Instead, the U.S. economy will broadly benefit from the growth of new software producing regions. The U.S. technological leadership rests in part upon the continued position of the U.S. as the primary destination for highly trained and skilled scientists and engineers from the world over
Indian Software Industry: Growth Patterns, Constraints and Government Initiatives	Chandana Chakraborty & Dilip Dutta	2002	The objective of the study is to examine the organization and size of the Indian software industry. Secondly to find out India's recent strategic national policy and initiatives for strengthening its position in the software-driven information technology sector in the world.	Exploratory	The analysis in this paper reveals that foreign participation in terms of joint venture corporation or subsidiary organization still remains limited in the Indian software industry. The industry is represented mainly by the private domestic limited companies. Also, a majority of these firms are engaged in contractual programming and designing activities.
India's Disadvantages in Software	K.G. Radhakrishnan	2005	To analyze the disadvantages Indian software industry have and solution to overcome it.	Descriptive	The very structure of the Indian software industry, focused on low-end services, is disadvantaged in the long run. The indigenous base of the sector is not sufficiently developed to sustain software export. Software exports themselves provide inflated magnitudes, and the major items exported are devoid of future potential

5. Analysis

Analysis is carried out with the help of secondary data and primary data to arrive at the correct picture of the IT market. Analysis of industry as a whole and comparative analysis of HCL with HP will be highlighted.

Company Profile of HCL

A publicly Traded company HCL Infosystems Ltd is one of the pioneers in the Indian IT market working in various segments comprising the domestic IT products, Business consulting and outsourcing services. Its 2018 revenue is US\$9 billion with a direct support force of over 2000+ members and operational at 300+ locations across the country. It is the largest such human resource of its kind in the IT business.

SWOT Analysis of HCL is done to look at the internal and external factors that affect its business-

1. STRENGTHS:

- HCL INFOSYSTEMS draws its strength from 29 years of experience in handling the ever changing IT scenario.
- Strong customer relationships.
- Ability to provide the cutting edge technology at best-value-for-money.
- An excellent service & support infrastructure.

2. WEAKNESSES:

- The company needs to evolve a comprehensive plan & strategy to make inroads into a part of middle class & upper middle class.
- Lack of production centers in India makes the product costlier as most of the parts have to be imported.

- Lack of R & D centers also makes it difficult to launch new products over here.

3. OPPORTUNITIES:

- The present rate of growth of the Information and technology Industry & a large potential available in these areas provides excellent opportunity for the company to widen its market.
- With the fast growing economy the pricing strategy needs to be tackled with care as it can decide upon long term decisions of the company.
- Globalization is yet another opportunity, if followed effectively & promptly.

4. THREATS:

- It is natural that threats from the existing as well as new entrants will affect the present turnover & Market share. The nearest competitors having the identical product range are the greatest threat to the Company.

MARKETING STRATEGIES of HCL INFOSYSTEMS

They market their product and services under the tag line "We make IT possible to save money as well as time." It acts as a single window for providing a full bandwidth of services specifically designed to meet complete IT needs of its customers. It stays competitive in today's dynamic business environment by finding new ways to reduce costs while maximizing the value of technology and personal resources. Following are the 6 S it uses to have a competitive advantage -

1. SOLUTIONS: The one stop shop solution center for all your IT needs, customized to meet and scale with your unique Business needs.

2. **SERVICES:** A range of value added services in IT infrastructure operations and management.
 3. **SUPPORT:** Pan-India footprint of support and logistics locations. Over 260 Direct service support locations. Technically sound workforce of over 1700 certified professionals.
 4. **STANDARDS:** World Class Quality standards maintained for PPP (People, Processes & Performance). Alliance with global technology leaders.
 5. **SAVINGS:** We help you find new ways to reduce costs & "do more with less" by maximizing the value of your technology and personal resources, thereby reducing your total cost of ownership(TCO).
 6. **SATISFACTION:** Complete Satisfaction for the customers through the HCL 6S offering that enables one to maximize system uptime through rapid response and resolution services, thereby optimizing your IT investments.
2. Small and medium business – HP having market-leading positions in datacenter and office computing, and the imaging and printing market serves business customers worldwide to provide specialized expertise, a complete portfolio of products, solutions, and services, and a simplified ownership experience.
 3. Enterprise – HP collaborate with large customers to build an Adaptive Enterprise to provide enterprise storage and IT services management.
 4. Public sector, health & education – HP serves the technology needs of public sector by alliancing with governments, educators, healthcare providers and others working in the public interest to lower their costs, increase efficiencies and serve their citizens, businesses and other government agencies better.

6. Conclusion

Even though HCL & HP are the market leader now, but with increasing competition from Indian as well as foreign brands like Epson, Xerox, Samsung they should realize that customer is the 'king' and should make continuous efforts to identify and fulfill consumer needs. The only way HP/HCL can combat this competition is by continues innovation and creativity in terms of differentiation in its products and other promotional patterns like advertisement, sales promotion scheme, publicity etc. with its various variants.

Findings show that HP is targeting both individual and industry consumers and If one talks about consumer behavior, people consider HCL as the best. As far as consumer preference for brand is concerned, HCL tops the list whereas HP is known for its good awareness about the promotional activities conducted by HP Infosystems.

As now the Indian I.T. market currently appears to be at a crossroads, where I.T. marketers are attempting to change customer perceptions of their brands and where specific buying motivations appear to be replacing generalities. It's smarter to think about emotions and attitudes, if marketers are to do a better job of marrying what a HP/HCL offers to the consumer's image of the offerings.

7. Recommendations For HCL and HP

- Computers have become the utmost priority in modern times. Therefore it is a good opportunity for the companies like HCL & HP to explore the maximum market opportunities.
- HP and HCL combined together constitute the bulk of the market share in India.
- Company distributors seems to be successful in making bulk of the Sale with company outlets. But companies should also focus on other channels as well.
- Both the company needs to work more hard on its pricing strategy to satisfy the remaining customers who Don't buy their products.
- HCL tops in consumer preference for brand whereas HP is known for its good awareness about the promotional activities conducted by HP Infosystems.

Company Profile of HP

A NYSE listed company HP becomes a major player in the computer industry in the 1980s by providing a full range of products and services in Computer hardware, Computer software ,IT services, IT consulting. HP completes its merger transaction with Compaq Computer Corp. in 2002 . HP moves up the Fortune 500 listing to No. 13.

HP continues its tradition of innovation with the introduction of a new array of computing products. Foremost among them is the HP-35, the first scientific handheld calculator, which ushers in a new era of portable, powerful computing. HP makes its entry into the printer market with the launch of inkjet printers and laser printers that connect to personal computers. HP technology now ranges from consumer handheld devices all the way to some of the world's largest and most powerful supercomputer installations .

Marketing strategy of HP

HP work on its tag line stating **"DOING WELL BY DOING GOOD"** They have a huge customer base targetting small and mid-sized businesses to enterprises to public sector customers with an extensive portfolio of market-leading solutions specifically designed to meet the needs of each customer segment. They invest a huge amount in their Research and Development by opening its central research labs for inventing new technologies to improve the customers' lives, change markets, and create business opportunities. . Their marketing strategy to offer products, services and solutions is focused on 3 parameters namely high technology , low cost and deliver the best customer experience. No other company has the portfolio, people and expertise to deliver on all three. Moreover, It has a significant presence in Following markets -

1. Consumer – They are the leaders in handhelds, notebooks, printers and cameras – focused on delivering simple, rewarding experiences to hundreds of millions of customers.

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