

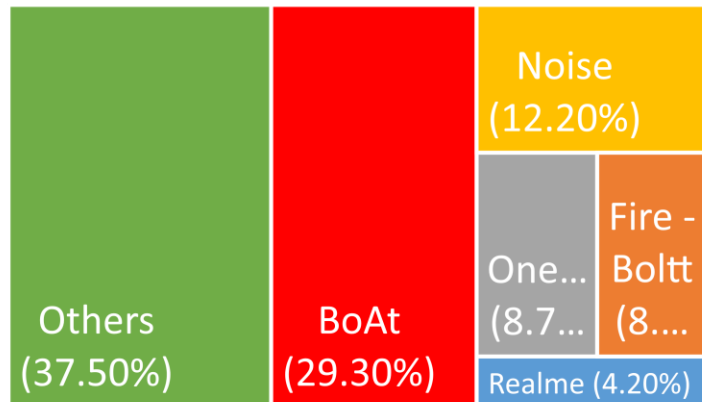
Analyzing
boat's
Competitive Advantage

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boAt's Industry Structure – Wearables & Speakers

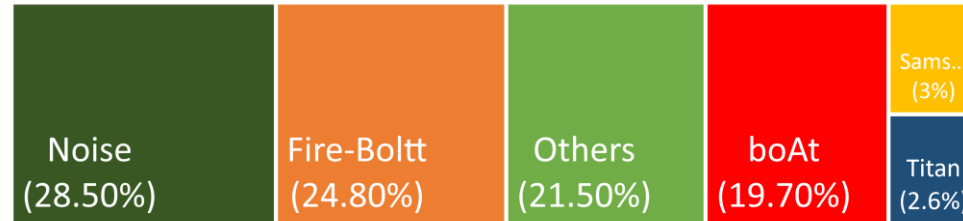
The Indian wearables & speakers markets are oligopolies; however, they have certain tendencies that resemble a monopolistic competition

Indian Wearables Market



Product Categories

Watch/ Bands
27.4%



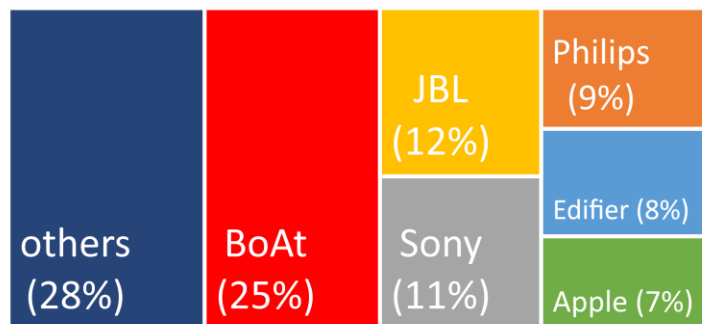
Ear Wear*
72.58%



Characteristics

- Market controlled by few competitors
- Slightly differentiated products (most features similar)
- Similar pricing, firms tend to differentiate via brand
- Easy market entry & exit
- Customers have limited knowledge

Indian Speakers Market



Product Categories

Smart Speakers

Home Speakers

Portable Speakers

"All these earphones look the same to me. I purchased XYZ just because it's a better brand."

- A customer voice from primary research

* Ear wear data is only for TWS (Truly Wireless Speaker) ear buds

Sources

1. <https://www.idc.com/getdoc.jsp?containerId=prAP50249723>
2. <https://www.idc.com/getdoc.jsp?containerId=prAP49605222>
3. <https://www.counterpointresearch.com/india-tws-market-shipments-85-yoy-2022-top-5-spots-taken-indian-players-first-time/>

boAt's Competitive Advantage

Contrary to popular belief, BoAt derives its competitive edge not merely from its affordability, but predominantly from its formidable brand & customer loyalty

Applying the VRIO framework over resource capabilities relevant to BoAt

Resource Capability	Comment	Valuable	Rare	Difficult to imitate	Organized	Competitive implication
Product & Tech.	Products made by non-exclusive manufacturers	✓	✗	✗	✓	Competitive Parity
Intellectual Property	Most IP is non-tech, marketing related	✓	✗	✓	✓	Competitive Parity
Unique Resources	No control over unique resources	✗	✗	✗	✗	Competitive Disadvantage
Exclusive Partnerships	JV with Dixon to take advantage of Government schemes (PLI, MII); not exclusive	✓	✗	✗	✗	Competitive Parity
Brand Name	32% market share, partners with top celebs	✓	✓	✓	✓	Sustained Competitive Advantage
Pricing	Pricing at-par with competitors in the affordable segment	✓	✗	✗	✓	Competitive Parity
Customer Loyalty	~30% repeat customers	✓	✓	✓	✓	Sustained Competitive Advantage
Switching Costs	No ecosystem, commoditized product	✗	✗	✗	✗	Competitive Disadvantage
Human Capital	Skilled employees, but replaceable	✓	✗	✗	✓	Competitive Parity
Org. culture	Satisfactory work culture	✓	✗	✓	✓	Competitive Parity
Leadership/ Mgmt.	Satisfactory leadership, Aman & Sameer are highlights, focus on unit economics	✓	✗	✓	✓	Competitive Parity

- <https://economictimes.indiatimes.com/industry/cons-products/electronics/locally-manufactured-1-mln-units-of-various-products-in-q1fy23-boat/articleshow/93587014.cms>
- <https://www.techradar.com/news/boat-makes-moves-to-shift-manufacturing-from-china-to-india>
- <https://www.boat-lifestyle.com/>
- <https://amazon.in/> (for pricing, feature related comparisons)