

Case Study: Onida Television – The Rise and fall of an Iconic Indian Brand

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Abstract

Onida, a renowned Indian consumer electronics brand, was established in 1981 by **M. A. R. L. K.** in collaboration with the **M. A. L. (Mitsubishi)** group. Onida became one of India's most recognized brands in the consumer electronics sector, especially for its televisions. Known for its bold, innovative designs and advertising campaigns, Onida televisions were a symbol of quality and affordability in the Indian market.

The brand gained massive popularity in the 1990s and early 2000s, competing fiercely against brands like **Videocon**, **Sony**, and **LG**. However, by the mid-2010s, Onida began losing its dominance, facing intense competition and a rapidly changing market. This case study explores the rise, success, challenges, and the decline of Onida's television business, examining the reasons for its shift from being a market leader to a struggling player in the consumer electronics industry.

Company Overview

Onida, headquartered in **Mumbai**, initially started by manufacturing **colour televisions** and gradually expanded into other home appliances such as air conditioners, refrigerators, washing machines, and microwaves. Onida televisions, particularly CRTs, were well-regarded for their durability and performance, earning the brand a loyal customer base.

Key Milestones in Onida's Television Business:

- **1981:** Onida was founded and began manufacturing televisions under the brand name Onida.

- **1990s:** Onida quickly gained market share with its colour televisions and achieved mass recognition due to its **bold advertising** campaigns.
- **2000s:** The brand further expanded its television range, adding flat-screen and plasma televisions to its portfolio.
- **2010s:** With the advent of **LED** and **Smart TVs**, Onida found it difficult to maintain its position as competitors like Samsung, LG, and Sony introduced technologically superior products.

The Rise of Onida Television

Onida's rise in the Indian television market can be attributed to several factors that set the brand apart from its competitors:

1. Unique Advertising and Branding

Onida's advertising campaigns were one of the key reasons behind the brand's success. The brand's iconic tagline, "**Neighbor's envy, owner's pride**", became synonymous with the brand. The campaigns were bold, quirky, and unique, making Onida stand out in the crowded consumer electronics market. The character of the "Devil" in Onida's advertisements became an emblem of the brand, capturing the audience's attention and solidifying its identity.

2. Competitive Pricing

Onida was able to offer quality televisions at competitive prices, which made the brand popular among middle-class families in India. This value-for-money proposition helped Onida maintain its appeal in both urban and rural markets. Additionally, Onida focused on reducing costs while maintaining product quality, allowing the brand to stay competitive against other established players.

3. Technological Innovation

Onida was one of the first companies to introduce **flat-screen TVs** and **plasma TVs** in the Indian market. This helped the brand keep pace with global trends and cater to an increasingly tech-savvy consumer base. In addition to product innovation, Onida was committed to incorporating the latest technological advancements in its televisions, ensuring that consumers had access to high-quality viewing experiences.

4. Strong Distribution and Service Network

Onida built a strong distribution network across India, ensuring its products were easily accessible in urban and rural areas alike. The brand also set up a wide service network, ensuring that after-sales support was available to its customers. This contributed to Onida's image as a reliable and trustworthy brand.

Challenges Faced by Onida

Despite its initial success, Onida faced several challenges that led to its decline in the television market:

1. Intense Competition from Global Brands

By the mid-2000s, global brands such as **Samsung**, **LG**, and **Sony** began dominating the Indian television market. These companies offered more technologically advanced products, superior features, and higher brand equity. Onida struggled to keep pace with the innovations introduced by these global giants, especially in the **LED** and **Smart TV** segments.

2. Slow Adaptation to Changing Technologies

Onida was slow to adopt newer television technologies such as **LED**, **Smart TV**, and **4K UHD**. While other brands like Samsung and LG quickly integrated these technologies into their products, Onida continued to focus on CRT and flat-screen TVs. By the time Onida launched its LED TVs, its competitors had already established a strong foothold in the market with more advanced and feature-rich products.

3. Perceived as an Outdated Brand

As consumer preferences shifted towards premium products with advanced features like **smart connectivity**, **voice assistants**, and **4K** resolution, Onida struggled to rebrand itself. The company continued to be perceived as an “affordable” or “budget” brand, while newer entrants like **Xiaomi**, **OnePlus**, and **Vu** started offering feature-rich, competitively priced smart TVs. Onida’s failure to reposition itself as a premium brand resulted in the loss of its once-loyal customer base.

4. Declining Sales and Profitability

In the 2010s, Onida’s sales began to stagnate as its competitors continued to innovate and attract new customers. The decline in television sales impacted the company’s profitability. This, combined with the increasing debt and operational inefficiencies, made it difficult for Onida to reinvest in its television segment. The brand began losing its market share, and its products were no longer as desirable as they once were.

5. Financial Constraints and Lack of Innovation

Onida’s financial constraints prevented the company from investing significantly in research and development, which was necessary to stay competitive in the fast-evolving consumer electronics market. The lack of innovation in product features and technology made it difficult for the company to differentiate itself from its competitors.

The Decline of Onida Television

By the mid-2010s, Onida's television business had significantly weakened. Despite attempts to enter the **Smart TV** and **LED** segments, it could not regain its earlier success. The brand's inability to introduce cutting-edge features like **4K resolution**, **HDR**, and **Android TV platforms** made it hard for Onida to compete with global brands and new entrants in the market.

Additionally, the rise of **affordable smart TVs** from brands like **Xiaomi**, **Vu**, and **TCL** further eroded Onida's market position. These new brands offered smart televisions at competitive prices, providing superior features at a fraction of the cost of Onida's products.

In 2017, the Onida brand was sold to the **Mitsubishi Electric Group**, marking the end of its prominence in the Indian television market.

Lessons Learned from Onida's Decline

1. Keep Up with Technological Advancements

The case of Onida demonstrates the importance of constantly evolving with technological advancements. Brands need to keep up with changes in consumer preferences, such as the growing demand for Smart TVs, 4K resolution, and other advanced features. Failing to do so can result in a loss of relevance in the market.

2. Innovation is Key to Survival

Innovation is essential for survival in the consumer electronics industry. Onida's failure to innovate and diversify into smart TVs and other next-generation products contributed to its downfall. Investing in research and development and introducing new, disruptive technologies can help brands remain competitive.

3. Brand Repositioning and Image Building

Onida struggled to reposition itself as a premium brand, especially as consumers increasingly sought out high-tech products. Rebranding and repositioning efforts, particularly in emerging markets and product categories, are crucial for maintaining a loyal customer base.

4. Customer-Centric Strategy

Understanding customer needs and offering products that align with those needs is vital. As the Indian market became more sophisticated, Onida should have focused on features like **smart functionality**, **connectivity**, and **premium design** to cater to the changing demands of consumers.

5. Effective Marketing and Communication

Onida's iconic advertising campaign worked well in its early years. However, by failing to sustain its brand's appeal and adapt to the changing advertising landscape, the brand lost touch with its audience. A consistent and dynamic marketing strategy is necessary to keep the brand relevant and engaging.

CONCLUSION

Onida was once one of India's most popular television brands, but it failed to keep up with the rapid technological advancements and changing consumer preferences. While its advertising campaigns and affordable pricing strategies worked in its favor in the early years, the brand's inability to innovate and adapt to market changes led to its decline. The case of Onida highlights the importance of continuous innovation, effective marketing, and a customer-centric approach in sustaining long-term success in the competitive consumer electronics market.

Questions

1. What were the key factors that led to Onida's rise in the television market?
2. What challenges did Onida face that led to its decline in the television market?
3. What could Onida have done differently to maintain its leadership position in the television market?