
Mobile Telephone Market in China



Hogeschool Van Utrecht

International Class for Engineering Product Design

Supervisor: A.Honders, Cheng guang, J.Degewij

Li Yan

Mediatheek HvU



0300 525 3052

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Introduction

According to the estimation of China's Information Enterprise Ministry, the total amount of mobile users would be over 200 millions, new users reach 5.5 millions and new additional consumption RMB 100 billions. China's mobile communication market had surpassed that of USA in July 2002 and has become the largest in the world. But the popularization rate of mobile telephone in China was about 11% which had a great distance with that of 40% in developed countries. Although the market developing space has been very large and the market share of China-made mobile is increasing, some specialists have point out at the same time that the mobile market has been facing the pressure of more supply but less demand as great market opportunity does exist.

Then, how to change such favorable opportunity into the profit increasing point for industries?

Today, following the process of centralization of world economy, millions of industries are competing severely in each market and how to survive themselves in the competition and then to enhance their market share rate and strengthen themselves has been a matter of the utmost concern for industries at any moment. Market segmentation is a powerful means for industries to discover market investment space and develop marketing strategy. The confirmation of objective market can make industries most effectively use limited resources in the most competitive market and change the market opportunity into industries' profit. Clear market positioning can make industries show their products' physical properties more visually and creatively, show the fresh and impressing individuality and image of their products different to other industries', and hence to occupy the proper position of their products in the market.

In China's mobile market, there exist problems of severe competition of similar quality of products, products and their promotion and advertisement without new ideas, a close battle of price with fire and smoke rising and one by one wrong judgment on market decision made by lots of mobile manufacturers from subjunctive thought. If industries cannot view through the market opportunity, do really from the view point of consumers and take relative marketing strategy concentrating to objective consumers on the basis of using and adjusting their resources, the mobile industry will follow the same old catastrophic road of price fighting on which color TV and VCD have already gone through, facing a cold winter. And today, demands of consumers have changed a lot and various industries have entered the marketing transforming period, so the mobile industry has to take more advanced and practical marketing strategy to avoid falling into the old trap of price fighting in which the core is the product.

Knowing deeply about the present situation of mobile industry and having combined relative knowledge studied, I am writing this paper. Yet, I am not capable enough, there

must be something wrong or errors in my writing, warmly welcome criticism and suggestion from my beloved teachers and classmates, and much thanks.

Chapter 1: The Analysis of Present Situation of Mobile Telephone Market in China

Applying STP strategy, industries have to do the segmentation of the market efficiently first which needs the necessary analysis of the market tendency. In this chapter we'll simply analyze the present situation of mobile telephone market in China.

1.1 The Analysis of General Development Tendency of Mobile Telephone Market in China

China's mobile market is in a rapid developing stage, the general development tendency is towards good. In 2001, although the world economy growth was slow, China's communication industry developed still quite fast. In that year, China's total amount of mobile users reached 145 millions and in May 2002 the amount reached 172 millions. From January to May of 2002, mobile sales amount had reached 50% of the whole year of 2001. According to the evaluation of China's Information Industry Ministry, in 2003 the total amount of mobile users would be over 200 millions, new users reach 5.5 millions and new additional consumption RMB 100 billions. In July 2002, China's mobile communication market had surpassed that of USA and become the largest in the world. But the popularization rate of mobile telephone in China was about 11% which had a great distance with that of 40% in developed countries. Although the market development has been very large and the market share of China-made mobile is increasing, some specialists have pointed out that the mobile market has been facing the pressure of more supply but less demand.

1.2 Analyses of Brand, Market Occupation Rate and Its Market Positioning

At present there are more than 30 mobile brands, nearly 40 manufacturers in China. Foreign brands are MOTOROLA, NOKIA, ERICSSON and S MSANG as the main and China-made ones are BIRD, KEJIAN, TCL and KONKA. In 2002, the first six brands on sales quantity are relatively MOTOROLA, NOKIA, S MSANG, SIEMENS, BIRD and TCL which had about 70% of the whole market share. Investigation showed that with the flag of "Science and technology are essentially for the people" the leading position of NOKIA in the global mobile market had been strengthened a bit and its mobile sales quantity increased 2.4% than that of the year before. Measuring in the delivery amount of product contributors and retailers, in 2002 the market occupation rate of NOKIA mobile was 36.1%, in 2001 it was 35.06%. Its opponent MOTOROLA, taking the lead in advocating the idea of "intelligently deducing and existing everywhere", slightly shorten the distance with NOKIA and had an increase of market occupation rate from 14.9% to 16.8%. Among the other 5 mobile manufacturers, Sony Ericsson's market share increased

to 5.5% in the last quarter of the year while in the 3rd quarter was 4.9%, which were still lower than 7.1% of the market occupation rate in the year before. The No 3 S MSUNG of Korea was the fastest in the increase of the global mobile market whose market occupation rate of the year was up to 10.1%, higher than that of 7.3% in 2001. German SIEMENS' market occupation rate was 8.5% in 2002 and 7.3% in 2001.

In 2002, China-made brand mobiles got better achievement and their market share was up to 22% and in 2001 that was 15%. KEJIAN-mainly facing the international market, TCL-upholding the national flag and BIRD- the war craft between mobiles all entered the line of the first tens and changed the situation of foreign brand mobiles commanding the market. But, at the same time, the competition in China's domestic mobile market has been at a white heat. Mobiles of various models, functions and prices can be seen in the market, which attracts the eyes of most consumers. And it is not easy for a consumer to buy a mobile fitted to his own use because some mobile manufacturers are not clear to the segmentation of consumers and uncertain to the positioning of products.

1.3 Analyses of Consumers and Their Purchasing Behavior

In fact, consumers know very clearly their own demand specialties, they fully understand their own consumption demand, purchasing ability and consuming feeling. But the information connecting system for both supply and demand parties is not perfect and information between consumers and manufacturers is not symmetrical, which result in lots of products' dull sales. Different consumer has different demand specialty and needs different mobile. Only on the basis of carrying out market segmentation according to consumers characteristic, giving products accurate market positioning, continuously transferring unanimous information through various kinds of means of promotion and publicity in a unified voice towards objective consumer mass and shooting the arrow at the target, can we achieve the success in the mobile marketing battle, attack competitors and enhance our own competitive ability.

We have to do segmentation and positioning according to the professional characteristic and consumption feature of mobile users, grasp the consumers' needs with the concept that the first impression is not easily changed and the accurate positioning and then win the consumers' approval. Therefore, it is very important for market researchers to promptly, accurately and objectively hold and analyze information shown by consumers when choosing products. In the marketing theory, such concrete information is divided into geographic target, population statistic target, psychological target and behavior target according to the content included and the angle and means viewed. With the help of these targets, consumers can be divided into different consumption groups.

Having entered 1990's, with the Engle coefficient of city population lowing down, factors influencing consumption demand are not limited in the price of product and the

income of consumer, which are more relative with substitutes, mental prospective and favorite of consumers. Market researchers have found that price has not been the only factor deciding products sales. Consumption mode has shown the distinguishing characteristic of multi-element, multivariate and the worse loyalty to brands. And, consumption markets are getting more and more segmental, in which competitions are more and more severe, and manufacturers' market risks are getting higher. Therefore, recent years experience has given lots of manufacturers a deep understanding that in traditional segmental markets paying too much attention to those geographic or population statistic variants easily measured could hardly grasp markets accurately.

1.4 Analyses of Industries and New Distinguishing Characteristic in the Mobile Market

The market scale and profit space of mobile telephone are broad. In 2001, the yearly mobile sales in China's market were 4.655 million sets, but the popularization rate was only 11.2%. Compare to that rate of 30% in developed countries, there is still a large increasing space. Although the competitions are severe, well operating mobile manufacturers still have larger profit space. China's mobile market was very large, it was easy to have 5.5 millions of new users, with which the total amount of mobile users would break up 200 millions and become a real mobile superpower. 2002 is the year in which the competitions between mobile enterprises were the most serious, various kinds of social capitals were coming together to share this "cake" and there would be a big variation in this field in 2003.

✚ Mobile Sales Will Still Be Increasing

ERICSSON Corp. pointed out, in 2002 new added mobile users were 190 millions the world over, mobiles sold out were 395 million sets and the total amount of users reached 1.125 billions. ERICSSON believed that the number of mobile users would keep the tendency of continuously increasing. It was expected that in 2003 the new added users would be 165 to 180 millions, which was tally with the evacuation of 390 million sets of mobiles by ERICSSON. In 2003, estimated global mobile sales would be 430 million sets.

According to NOKIA Corp.'s primary evaluation, the whole market sales amount of mobile telephone in 2002 increased more than 5% than that in 2001. The percentage would reach 10% or more in 2003. And the number of global mobile users will be expected over 1.5 billions.

✦ The Mobile Market Will Be Coming into Transforming Years

Fashionable outlook and adaptable function have become the basic tendency for product development. Pay attention to experience and emphasize individuality have been the distinguishing characteristic. Brand marketing and winning from service have become the sure choice in enterprises' competitions. Broaden in depth and width and manage in chain have been the developing road in products circulation channels.

➤ **Fashionable Outlook and Merged Function Have Become the Basic Tendency for Product Development**

Investigation showed that the outlook satisfactory degree of mobile products was commonly high, the satisfactory degree of product weight, outlook color and shape were all over 70%. Outlook design was one of the focuses of mobile market competition. Creativeness and differentia are the keys to win the competition. Fashionable outlook was the basic requirement of individual consumption. And functions merge together was the basic tendency for product development. Merged function asks for mobiles merging into other digital products to form mobile multi-media terminal on one hand, and together with computers and home electric appliances to breed the "application of digital and code".

➤ **Consumers Experience and Individuality Emphasize Have Become the Distinguishing Characteristic of Mobile Consumption**

The presenting out of the idea of "application of digital and code" has speeded the penetrations of IT technique to every field of everyday social life. To meet consumers experience and emphasize application individuality have been the core content of personal information terminal and social information service. The merged function is the prelude of technical competition. The year was the key year of technical competition, not only included the advantage of technology, but also the practice and merge of technology. Knowing the dial signal through light or sound, down-loading rings and pictures, adjustable screen background, recording and sending multi-media message etc to meet consumers' demands and practices will be finally accepted and approved by consumers.

➤ **Brand Marketing and Winning from Service Will Be the Sure Choice in the Competition between Enterprises**

The change of market situation shows as the transformation of the center market competition and the rationality of costumers' mind getting. At present, in China's domestic market the core of competition has begun from products to brands and from the known of to the fame of products, which is a great change in brand marketing.

➤ **Broaden in Depth and Width and Manage in Chain Have Become the Creative Road**

Investigation showed that the sales network covering the whole country with large centralized selling ground is not only favorable to know about consumption demand and to support the service to consumers, but also helpful to get the advantage in competitions as well as to meet the needs of consumers' experiences.

✚ **Professionals' Analyses: The Price of Mobiles Lowing down Can Be Seen Unavoidable**

Although the function of future mobiles will be more and more such as Sony-Ericsson Communication Corp. and MOTOROLA have already presented out new mobiles with the function of video recording, professional analyzers attended this International Radio Communication Conference in France all believe that the price of mobiles will continuously lowing down.

The head of Market Department of Sony-Ericsson Corp. said, when being on assignment, that accompanying the more sever competition on the market, this year's lowing down range of mobile price would be about 10% in average. Even there will be minor market fluorescent in the demand for mobile; manufacturers will still face great pressure on price. In the contrary, if the price of mobiles has been sliding down continuously, the average range of price dropping will probably reach 15%.

Chapter 2: The Segmentation of Mobile Telephone Market

2.1 The Concept of Segmentation and Its Importance

Why do we have to carry out the segmentation to markets? If an enterprise can supply all the products or services needed by consumers or the enterprise has enough resource to supply above ones, then there is no need to do segmentation to market and also no need for marketing. But in fact, the above conditions are impossible to get, therefore the segmentation is the primary basis for enterprises to efficiently meet the requirements of consumers. And, the market segmentation is also the basis of confirming objective market, products positioning, brands positioning and marketing planning.

SEGMENTATION is a very important idea of market marketing, which was put out by Mr. Wender Smith in 1956. At that time, in American market the buyer party had already taken the maneuvering position. To meet the variety of needs from consumers and win in the serious market competition, it was necessary to carry out the segmentation to markets. Segmentation means the process in which through market research and according to the differentia of consumers' needs, purchasing behavior and purchasing hobby etc to divide some product market into several groups of consumers. The segmentation is helpful for enterprises to produce real products fitted and needed by consumers, to find vacuum area in markets and carry out marketing strategy program with objective and target.

Market segmentation at the same time is the most important part enterprises' strategically marketing activities, which is the base for enterprises to know the market and its competition and to do the final decision. If enterprises cannot do the accurate market segmentation, they cannot also make the relative efficient decision. Today, following the centralization of the world economy, there are millions and millions enterprises competing severely in markets everyday. How to survive themselves and how to increase the occupation rate in the market is the focusing problem for every enterprise at any moment. The market segmentation is a powerful means for enterprises to find the investment space in markets and develop their relative marketing strategy. Through the market segmentation, enterprises can find the blank point in markets and develop rapidly new products to meet the needs of markets, which is the best way for enterprises to strengthen themselves promptly and to broaden their business continuously.

Anyway, as the core the marketing strategy for enterprises, market segmentation creates conditions for enterprises to find their own market and establish their own competing advantage, the importance of which has been paid attention to by more and more enterprises.

2.2 The Administrative Level of Segmentation of Mobile Market

The market segmentation is a kind of effort to increase the accuracy of marketing objective, which can be divided into three levels: segmentation marketing, compensation marketing and lack compensating marketing. In a common marketing, the seller will produce, distribute and promote its single product in a large scale towards all buyers. Henry Ford had typically carried out this market strategy. He supplied T type black cars to all customers without the difference of their different demands. Traditional popular marketing view believes that he could create the largest potential market for his cost of product was the lowest which changed into lower price for sale and thus got better gross profit. The multiplicity of surplus economy, advertising media and distributing channel have made more difficult the marketing mode of "everyone fitting one kind" to exist. It is no doubt that someone is saying that popular marketing is going to death. Many companies are giving up popular marketing and change to adapt the segmentation marketing on one the three levels.

✦ The Segmentation Marketing

Some company adapted the segmentation marketing knows that buyers' desires, their actual purchasing strength, their social position and their purchasing attitude and hobby are different. And the company does not want to make a set of product for every individual customer, so the company let stand alone the segmentations forming the market. For example, NOKIA mobiles are divided into four segmentation groups: 1. NOKIA 88 line such as 8850 and 8810 etc, which positioning is high grade product targeting to high class market for bosses, GMs, CEOs etc whose mobiles do not change a lot for mobiles have been the symbol of their social status. Such type of mobiles does not lower down their price and their presentation cycle is relatively long. 2. NOKIA 8 line such as 8210 and 8250 etc, which belongs medium class product with fashionable individuality targeting to a consumption group of people who are fashionable and particular about life taste and have modern life individuality, have certain consumption ability, change their mobiles more often, chase new products with modern technique and pay attention to their life quality. 3. NOKIA business 6 line and 7 such as 6210, 6150, and 7110 etc, which mainly targets to business men with more outside activities, the function of which is powerful as with large storage volume, long stand by and on wet line time, anti-vibration and water-proof and management of daily business. 4. NOKIA popular line—line 5 and 3 such as 5110 and 3310 etc, which mainly targets to young people of 20's whose consumption ability is not so strong but they pay attention to prices and outlook design and shape and the additional function of playing game and easy changing mobile's shell with a color one. Such mobiles are of low price. Among the opponents of NOKIA, only MOTOROLA can do the similar things such as L line targeting to business personnel V line belonging to the symbol of social status, P line the fashionable individuality products and T line the popular type. Mobile products are personal consumptions, only to stand out their individuality, meet different demands of objective consumption masses and pay sharper individuality to all products of different kinds, can win the competition at last.

✦ Lack Compensating Marketing

The market segmentation can only know bigger mass group, for example: student group, business men and house wives etc. Lack compensating is to confirm some group more narrowly. Simple speaking, it is a small market whose demand has not been met well yet. The common way to confirm lack compensating market is to re-segment the segmentation market or to confirm a group of few people combined together for special interest. For example: we can see that a special consumption group—the students mobile group which have no income and job but have tremendous consumption potential power have been an active mass in mobile consumption market. But the students group has problems of changeable minds, low loyalty to brands and big differentiation to brands to which business men feel headache. And the group of students in general can be divided into two parts: one chasing fashion and having paying ability to change mobiles frequently and the other living dull and still and without enough consumption ability. Businessmen should do further segmentation in the students market to find profitable chance.

The segmentation market is quite large which attracts lots of competitors while the lack compensating market is quite little which attracts only fewer competitors. The lack compensating market is interested in by competitors not powerful enough. Managers of lack compensating know very clearly their consumers' demands and then likely to pay overflow price. For example, S MSUNG Corp. using the character of Chinese chasing high grade products, upgrades the functions of their mobiles to make consumers loyal to their products believe that on the function of mobile other mobile manufacturers cannot compare with it. So the mobiles of it are high in China's market. The special features of an attracting lack compensating market are as following: in this market consumers have a set of needs which are clear but complicated, consumers are willing to pay overflow price to the company which can supply them the most sacrificed needs, "lack compensator" should have required technique to serve the lack compensating market which has a high or special demand, and lack compensating market has to have enough scale, profit and growing potential power.

✦ Individuality Marketing

The last market segmentation is "segmenting to man" or "specialized marketing" or "one to one marketing". Today, the marketing from enterprise to enterprise is systemized, from which manufacturers make supplies to every big customer, deliver products and send account. At present, some new techniques—special computer, data bank, robot production and prompt media as e-mail box and fax machine etc make companies to think that specialized marketing become able which is called popularized specialization which has an ability to design for person and deliver to him to meet every consumer's demand on the basis of mass production. Now in the consumption market such as holiday and computer, there appears a new system of consumers making products, in which

consumers can take part in the designing of product. It is not hard to imagine that in the near future specially making mobile for a person will be realized.

2.3 The Program of Segmentation of Mobile Market

The market segmentation is the process of dividing a market of different quality into some small markets of same quality. Through correct market segmentation, not only different needs from consumers can be met but also the economic profit of enterprises increase. As the process the market segmentation has following steps:

2.3.1 The Investigation Stage

It is the stage to choose the range of product or market related to the task and objective of some enterprise, which supplies to organize investigation and demarcate relative markets, especially to investigate the potential consumption mass to confirm needed consumers to whom enterprises present their service and products. When confirming consumers mass, enterprises must know their own advantage and disadvantage and check their possibly possessed resources and then do the choices as following: the width of service product line, types of consumers, geographic range and the link of value chain involved by enterprises. The successful market segmentation means that enterprises meet the demands of present and potential consumers in the clear marketing segmentation, which asks enterprises must know the attitude, favorite and chasing interest of consumers.

2.3.2 Analyzing Stage

Using the research and investigation result by applying relative theory, mathematic method and analyzing data with computer and other means, researchers find out relative markets and confirm their scale and property.

2.3.3 Segmentation Stage

When choosing segmentation market, enterprises cannot follow a fixed method but create new to establish competing advantage of differentia. Therefore, enterprises have to establish the best segmentation base, the first step of which is to list out every kind of potential and useful standard. For example, when choosing consumers mass some enterprise may consider the following: age stage, sex, using rate, professional type, buying ability and loyalty etc. Having listed these data, their importance must be evaluated to pick out the most important ones. Using the following standards we carry out the market segmentation:

1. The Segmentation According to the Factors of Population and Social Economy

The population factor includes age, sex, people number in a family and life circle etc. And the social economy factor includes income, education, social stratum and religion and race etc. For example, if according to the life circle of consumers to divide markets, we can divide the life circle into six stages of single, young married, young with full load i.e. less than 40 but at least cultivating one child, middle age with full load i.e. over 40 and at least cultivating one child, old and employed i.e. over 40 and still working but children independent and old and retired. To consumers in different life circle, their demands are quite different. So that enterprises can on that basis find relative objective markets and supply consumers needed products and services.

2. The Segmentation According to Psychological Factor

Psychological factors of influencing the behavior such as living attitude, life style, individuality and consumption hobby can be the basis of market segmentation, especially when it is difficult to divide clearly the market segmentation according to the population and social economic factors, combined thinking about the psychological factor as the special feature of life style etc of consumers will be helpful to it. Many service enterprises are more and more trending to using the psychological factor to do market segmentation.

3. The Segmentation According to Geographical Factor

It is the method of market segmentation according to the geographical position of consumers working and living. Because of the influence of geographical environment, natural climate, local customs and the developing level of economy, the consumption demand in a same district has some similarity, while in different districts people have formed different consumption customs and hobby. Therefore, the geographical factor has been the condition of market segmentation, for this method is simple and clear which is favorable by more service enterprises.

4. The Segmentation According to the Interest of Consumers

Consumers buy some items of service because they can get some interest from them. So the market segmentation can be done according to the chasing to different interest in the purchasing process by consumers. This method is different from the other methods mentioned before; it slides to the reaction of consumers but not products' buyers themselves. For example, customers want to get different interest from different mobile manufacturer, some want to get products of high function and well service from big companies strong in research and development, others want to get products of good in multi-function merging and still some ones want to get fashionable mobiles in low price. Some company can choose one or two types of such customers and supply special service according its own resource.

5. The Segmentation According to the Loyalty of Consumers

Consumers can be divided into types of loyalty of firm, medium, transferable and changeable. Mobile manufacturers pay attention to all kinds of consumers. On one hand they want to know the distinguishing characteristic ones of firm and medium loyalty, their behavior and social status and to increase their loyalty. On the other hand, they will take measures to stimulate those of transferable and changeable loyalty and make them to change towards becoming firm loyalty ones.

6. The Segmentation According to Promotion Reaction

This is the method of market segmentation according to consumers' reaction to promotion. Different consumer's reaction to the promotion activity as advertisement, sales presentation, in-door showing and exhibition etc is quite different. Most customers will show great interest to commodity exhibitions. So manufacturers can link the style of exhibition with interested customers and build better relationship with them. Once customers show their loyalty to some service enterprise, they will not easily change their loyalty even they seldom meet an unsatisfied service of the enterprise.

7. The Segmentation According to Service Elements

Knowing about the view point and reaction of consumers to different elements in products of enterprises will be helpful to enterprises designing reasonable product mix. Normally there are three problems needed to think about in the segmentation according to elements: First, are there customer groups asking for different services? Second, can enterprises let their own products differentia? Third, do all products need the same level service? Through measuring buyers' view point of the importance of service to different customer, manufacturers can shoot the arrow of their best products at the target of different segmentation market to meet the desire and request of buyers.

2.4 The Demand for Effective Segmentation

There are many ways of the segmentation to a market, but not all of the segmentation are effective. For example, you may divide mobile customers into tall and short ones according to their height. But it is nearly of no relationship between buying and their height. Therefore, an effective segmentation must have the following distinguishing characteristic:

1. The Measurability

The special feature degree of differing the size of segmentation market and the purchasing ability must be measured. Some segmentation varieties are hard to measure. For example, when the segmentation variety is sex, consumers of different sex have quite difference to mobiles' shape, weight, size and color. But if we use the variety of mobiles' function to differ consumers, that will be very difficult, because they are nearly the same.

2. The Enough Amounts

It is to say that the scale of segmentation market should be large enough to get enough degree of profit. It is valuable to design a set of marketing plan for a segmentation market to achieve a large enough group of the same quality. For example, at present market environment to produce special mobiles for people without thumb is not profitable.

3. The Approachability

It means the degree of effectively arriving the segmentation market and serve for it. Some market has great profitability which has a great attracting force to enterprises. But if some enterprise does not have the ability to supply products and relative services, its approachability to this market is very low.

4. The Differentia

The segmentation market can be differed in its idea and has different reaction to different marketing plan. If the reactions of young and middle-age women to mobiles sales are generally same, this segmentation market had better not to going on.

5. The Possibility of Plan

This is the degree of the plan of segmentation market supplying products and services be carried out effectively. Even an excellent plan, if cannot be carried out to the full, will not bring profit for its enterprise.

2.5 Problem Existing in the Market Segmentation to China's Mobile Enterprises

To find the real market opportunity in the business ocean has to carry out broad and serious market research and investigation. The world well-known enterprises such as MOTOROLA and SIEMENS etc all take detailed market research as the lead of the development of products. China's enterprises did not pay attention to the market research in the past, they used to the way of putting into in a hubbub and liked to see what did others produce and then do the same products as well without knowing the thought of consumers and the developing tendency of the industry. They only knew the present profit and were lack the confidence of future demands for markets. So China's enterprises must deeply know the market situation, grasp the condition of consumers, industry environment, brands' quantity and sales amount etc, and know through clearly the opportunity and measure their chance in markets. Broad and a great amount of research can make enterprises know clearly about the demands of consumers and seek new market opportunity according to the demands. In the large scale promotion and advertisement activities of international well-known enterprises, each core of content has been the result

of market research, especially emphasized distinguishing characteristic of products has been the focus got from several questionnaires to consumers.

From above we know that China's enterprises should seriously and carefully carry out the market research and make market segmentation be helpful to enterprises themselves and will win the competition at last.

Chapter 3: The Choice of Objective Market

3.1 The Evaluation of Segmentation Market

Marketing practice has proved that the target of market segmentation is to find objective market which can bring profit for enterprises. On the basis of market segmentation enterprises choose one or more segmentation markets fitted their own products and make pointing market mix strategy, and then can get better economic profit. Through choosing market segmentation, enterprises can supply special products and the relative marketing mix to the objective market, meet consumers' needs and requirements more effectively and keep on the loyalty of consumers.

In the segmentation market there exist great opportunities which do not fit all enterprises. So that, after carrying out the market segmentation, enterprises must evaluate the segmentation market and then find out the objective market. Therefore, before confirming the objective market, it is necessary to analyze and evaluate the sub-one of segmentation market first. The main points are as following:

1. The Analysis of Market Potential Amount

The main base of market segmentation is the differentia demand of consumers. So the scale of segmentation is depended mainly by the quantity of consumers and their purchasing ability. At the same time, the potential power being great or small should be considered carefully. BUICK GL8 car-business cabinet on land has become the leading business car in China, which is the result of grasping the blank point in business car market.

2. The Analysis of Enterprises Their Own Distinguishing Characteristic

Analyzing companies' objective and usable resource can or cannot meet the requirement of segmentation market is important. If the development in some segmentation market does not meet the company's long turn objective or even part meets this objective, there are still lot of things to think about as if the company has the needed technique and resource in winning the competition in the market. China's HAIR Corp. has got great achievement in the washing machine and air conditioning markets through the segmentation of markets, because HAIR its own has the advantage on home electric appliance and if in the racing car market it will not get success.

3. The Analysis of Competing Advantage

To analyze if there exist powerful competitors in the divided segmentation market is also important. If competitors are few and the barrier into the market is light, this is a good

opportunity to the enterprise. Or if there are some competitors in the market, but they are weak, the enterprise can also choose such a market as its objective market. On the contrary, if the competitors are strong in actual strength and the competing is serious, the enterprise must pay some for entering and developing in the market. If the enterprise wants to win the market really, it must develop the advantage of overcoming other competitors. If it cannot create such advantage, this segmentation market is of no use.

4. The Analysis of Profitable Condition

The sub-market of segmentation should bring expected and reasonable profit for the enterprise, which is the target of the enterprise and the reason for doing so. If in some segmentation market there exist potential replacing products or the products are easy to copy, such cases will make great compact to the enterprise's products and also make this segmentation market loose its attractiveness. For example, if some enterprise specially manufactures microscopes for universities' laboratories and gets good result. But once such microscope is replaced by a whole new technique's one, this enterprise has the danger of sliding down.

The evaluation to segmentation market can help enterprises to find objective markets and make enterprises lift their competitive in the objective market by centralizing their resource and better meet the demand of consumers in the objective market to realize the enterprise's profit.

3.2 The Confirmation of Target Market

The target market or objective market is the special market of one or some chosen by enterprises for themselves on the basis of market segmentation for meeting existing and potential objective consumers according to them own managing conditions. This covers two meanings: one is the target market being profitable, the other is that the enterprise has competitive in this market and thus changes the profitability into its profit in this target market.

Choosing a segmentation market as its own entering objective, enterprises must think about many factors. But the size of segmentation market, its special demand and the degree of meeting such demands by other enterprises or the enterprise its self, and if the enterprise has enough resource to meet this demand is the extremely important factor. Generally, judging a segmentation market can or cannot become the target market has to follow the following standards:

1. **Measurability:** The scale and special feature of the segmentation market can be measured.

2. Profitability: The volume of the segmentation market can make sure the enterprise get economic interest.

3. Approachability: The enterprise has enough resource to go near the segmentation market and get a certain market share.

4. Easy Reactivity:

If the reaction of a segmentation market to the marketing strategy has no difference with that of others, it is not necessary to take it as a independent market. For example, if the passengers in an airplane have the same service demand it is not necessary to divide the seats of planes into the first class business class and economic class.

Through the market segmentation enterprises will finally choose one of the following strategies: 1. Enterprises decide to get into one of the segmentation markets. 2. Enterprises choose several segmentation markets and make different marketing strategy for them. 3. Enterprises decide not to carry out the process of market segmentation but to supply their service products to whole markets. This case taken place may be that the market is too small to do segmentation or may be the enterprise has already got the leading position in the market and re-choose parts of the market may make the result of lowing down its profit. 4. Through the segmentation market the enterprise finds that there is not any sub- market is workable and thus decides to give up this market. And then from the new demands of consumers in the target market, its ability and its competitors those three aspects, the enterprise make its concrete marketing strategy of products, price, channels, advertisement, promotion and service etc.

3.3 Problems Existing in Choosing the Target Market to China's Mobile Enterprises

The correct choosing of target market is the key for the success of enterprises' positioning. But in China, there exist many problems in this link.

Enterprises commonly consider whether going into or not the market only from the view of the market itself such as investment return rate, the degree of severe competition and market needs and requirements etc but do not see that if they have the resource and ability of entering the market and their possessing and potential advantages. The present situation on markets is that seeing that it is profitable in the mobile market many enterprises are penetrating towards this industry and trying to share this "cake". And then appear TV factories, computer enterprises and even many other enterprises irrelative with mobiles in the mobile market, the result of which is bad.

Chapter 4: The Positioning of Mobile Telephone Market

4.1 The Meaning of Market Positioning and Its Importance

After the market segmentation and target market confirmation, how to enter and occupy the confirmed target market becomes the most important thing for enterprises which is the problem of product positioning in the target market i.e. the "P" problem.

The concept "positioning" first appeared in a paper in the magazine "Industrial Marketing" in June 1969 by Mr. AL Rice and Jack Trout. Its appearance produced great response at once in American marketing area and spread quickly over the world. The two great specialists pointed out that the positioning takes the product as its starting off point such as a commodity, a service, a company, an organization and even a person etc, but the positioning object is not the product but the thought of potential consumers. That is to say that to confirm a proper position for the product in the mind of potential consumers and creatively make an individuality or image different to other products but sharp and impressing for the enterprise's own product and make this product have a confirmed and proper position in the market. Positioning is not the essential changing to the product itself, but the emphasizing the discovery to the market. In fact, it is a psychological effect and its result produced is that potential consumers are how to know a kind of product.

The positioning of products in markets is the enterprise and its competitors are in which kind of position, but the confirmation of this position cannot do as one pleases. Marketing planners must do the correct evaluation and the SWOT analysis to the positions of themselves and their competitors at present, the needs and demands of consumers and the product property of their own company, and then to make sure the objectiveness of the market positioning, because the consumers become more and more rationality and finicky can choose their favorable products according their hobby, knowing to product brand and its enterprise, economic ability and consumption mind in the counts of various finds of similar quality and function. In such a condition of buyers' market, If the enterprise want to win the competition, it can only take relative marketing strategy according to different consumption groups to make the product be in the first place in the consumers' mind. For example, Hong Kong Goldlion Corp's slogan is "Goldlion—men's world". The Corp. makes its product closely positioning in successful young men and make it the symbol of social status and success. Several decade of years passed, its product has kept increasingly good sales and become a classical powerful brand in men's costume. It is true that positioning is to sell concept which is its individuality that may not have any relationship with Product's physical property and function. The advantage of positioning marketing lies in that this positioning concept going deeply into the minds of consumers and forming a kind of patent without anybody realizing it. It is a special competing key force to enterprises which is connected together with enterprises' products, brands, culture, managing ideas and core price value to form enterprises' firm and unbeaten core

competing force. For example, in the mobile market various positioning marketing can be seen every where. The same is to sell mobiles, but NOKIA plays advanced science and technology, emphasizing that science and technology are essential for people. But MOTOROLA presents new key points of "MOTO", enforces the propaganda to fashionable mobiles and put out the coolest and newest mobile V70 with every effort, the slogan of which is "the world is being different because of me". And TCL carries the flag of new image of China's mobile, which sells the national enthusiasm of consumers and attracts lots of consumers' buying.

4.2 Problems Existing in Positioning of Mobiles Made in China

Now return and see the market segmentation and product positioning of some China-made mobiles. Some are without segmentation and positioning, but want to present a common kind of mobiles fitting all consumers, the chance of which has gone away forever. Except that NOKIA 5110 creates a legend a kind of mobile for common use in China's mobiles market, in today's market of seeking for fashion individuality this common use mobiles are not suitable any more. Some are of no segmentation but the positioning being in an equivocal way. In the outlook, they are for men, but in the function design females consumers' special biological demands are considered in detail. Some positioning to high grade of users do not have relative advanced and practical functions. The product positioning of mobile manufacturers and the mind positioning of consumers do not equip seriously and products' UPS is not in the same line with consumers' buying requirement. The theme of brand and product's propaganda are changing everyday to confuse consumers' choice, the result of which is the core value of brand loosing and products are more unfamiliar to consumers at last, and finally the market occupation rate is lowering down.

4.3 The Administrative Level of Market Positioning Strategy

In the modern market marketing science, the positioning described is a multidimensional process, which includes three relative levels: product positioning, brand positioning and company positioning. The three levels restrain each other, influence each other and promote each other.

➤ **The Strategy of Product Positioning**

The product positioning is to position some concrete product in the heart of consumers to make them have a similar demand of thinking about that brand of product. For example, some consumer wants to buy a mobile, he first thinks of MOTOROLA, NIKIA and SAMSUNG these three famous brands and when thinking of these three ones he will

associate them with that they are international well-known communication group corp. and leaders of the mobile industry. The result is that if consumers want to buy mobiles, they cannot help thinking of the products of best quality of these corporations. When they reach the retail terminal, the shapes, colors and sizes are everywhere there, the mind occupation and visual impulse influence deeply the loyal consumers, so these corporations win the marketing victory that is not at all surprising.

The product positioning is the basis of all kinds of positioning. Because companies final sales are products, and consumers' confirmation to companies is also through products as media. Without the sharp image in consumers' mind, there will certainly not be the sharp image of brand and its company.

➤ **The Strategy of Brand Positioning**

Products are closely related with their brands. Most consumers' confirmation to products begins from the confirming the brands of products.

The brand positioning must be on the base of product positioning and is realized through product positioning. But once the brand positioning gets success and sets up in consumers' mind, it will be independent and long lasting. The brand as an invisible capital will show alone its value apart from the product and its value is much higher than the product itself.

➤ **The Strategy of Company Positioning**

The company positioning stands in the highest level of positioning. The company must at first position its products and brands and then set up its nice image in the public. And as the last step, the company positioning has the strengthening function to the former two steps. Just as, having used NOKIA mobiles, users will keep the good memory of "science and technology are essentially for the people". This kind of positioning is the great invisible capital. But the range and content of company positioning are much broader than the former two ones.

4.4 Principles Must Be Followed in Market Positioning

From the administrative level of market positioning we can see that it covers the product positioning, brand positioning enterprise positioning and strategy positioning such unified managing activities, the orientation of which is towards the mind of consumers and the channel of positioning is those principles must be followed in the market positioning, i.e.:

1) The Principle of Consumers' Guiding

The centre of positioning is in the mind of consumers. To grasp the mind of consumers more accurately, the positioning strategy will be more effective. However, because of the influence of physiological and other reasons, consumers' method of accepting information shows the following special features: First, the brain of consumers' is not a big container; the information that received is limited. So if enterprises have no memorizing point, it is easy to meet resistant and reject from consumers. Second, consumers have the tendency of arranging incoming information in order according to steps; the information closer to the front is easier to influence people's behavior, especially the information in the No 1 place. As mobiles have the following order in most of people's choosing: MOTOROLA, NOKIA, S MSUNG, ERICSSON, SIEMENS, China-made mobiles and other brands. Therefore, the key of successful positioning is to meet with the mind of consumers, make the transferring information become the real concerning point of consumers and thus occupy an area in their mind.

2) The Principle of Differentia

The successful market positioning has to transfer special information of the enterprise or its brand to consumers through every kind of media or channels, make the differentia clearly show out before the front of consumers to attract the attention of consumers. The differentia in positioning mainly comes from the following aspects:

Quality: Does your products' quality have more advantage than other ones'? They are more durable? Any guarantee?

Beautifulness: Can your products meet the demands of consumers' chasing fashion and current or special aesthetic appreciation?

Convenience: Are your products more convenient when using? More easily in operating?

Comfortable: Can consumers achieve more comfortable enjoyment when accepting products' service?

Price: Is the price of your product cheaper than others'? Is it attractive as the product itself?

Service: Have you're the much more perfect service over other competitors?

Interest: How many interest and benefit van your products bring to consumers?

Generally speaking, the differentia of that needed by consumers and supplied by the enterprise than other one's, it controls more advantage of positioning and its product image shows more outstanding. An enterprise cannot has the differentia with competitors on many aspects, even one item is outstanding it t will win the victory similarly.

MOTOROLA and NOKIA are the brands of high fame on the market, but the interest point of product they emphasizing is different. The interest point of MOTOROLA aiming to objective consumers is little, slight and light etc, but that of NOKIA is no radioactive.

3) The Principle of Individuality

The special characteristic is formed by two sides: Rational function and perceptual symbol. In today's perceptual consumption time, when choosing products consumers consider the practical function in rationality and at the same time they evaluate the individuality shown by different product. Only when this individuality shown meets their own idea of value, they will finally choose that product.

MOTOROLA Corp. has given sharp individuality positioning to each item of new product when appeared on the market, such as C289 designed for targeting to young people chasing special individuality, whose new viewpoint and ringing is its new product idea different to other one's and its current in function of "self recording ringing sound" and "background lighting of seven colors" has become the young playing and cool group's individuality symbol and mark of social status. V730 mobile more fully shows the understanding of MOTOROLA to individuality function, the specialty of which is its added Kara OK function of more strong enjoyment ability and super-large colorful screen, timely changing picture sight and ever new changing songs that can give people strong feeling of KTV and increase the interests of consumers promptly. All the products of MOTOROLA are around fashion and enjoyment, supply individuality design for consumers and make them have the mind feeling of "The world becomes different because of me" naturally.

Therefore, the principle of individuality asks the market positioning having new ideas and being different to others even some individuality is different with the product itself and given by people, but if only it gets the approval of consumers will it be a most powerful weapon of beating down competitors and winning the heart of consumers.

4) The Principle of Dynamic Adjustment

The market is changing, technique, product, competition and consumers etc are changing. In the mobile market new techniques are continuously appearing and the taste of consumers is changing every moment. The technical development is guiding the mobile market advancing unceasingly, the result of which the life circle of mobile market becoming shorter and shorter, some new types of mobiles developed by some manufacturers become the products out of date, the profit of manufacturers is getting less and less and the marketing policy has to adjust according the changing of markets.. For example, a new type of mobile is presented in 7 days in the international mobile market, NOKIA produces a new type of mobiles every 23-day and TCL has formed a 10 doctors group specializing in the researching and developing mobile products.

The principle of dynamic adjustment asks enterprises to give up the tradition of using stop as a means of moving, the quite positioning thought of waiting at one's case for the fatigued competitor and to keep guard the high sensitive to the surround environment and adjust their strategy of market positioning promptly. Such as, HAIR an enterprise producing refrigerators at the beginning has enlarged to a one manufacturing all home electric appliances which is the adjustment of company's positioning strategy. The

precious stone attacking strategy of TCL is the adjustment of product positioning strategy.

Facing various consumers of different demands, any enterprise cannot meet the demands of all consumers; it can only get some special ones as its service object. The traditional market segmentation and positioning are to meet the needs and requirements of consumers and lack of the consideration of enterprises themselves, the analyses of competitors' conditions and strategies, thus make wrong decision on this positioning. The modern market positioning is on the three aspects to consider together the new demand of consumers, enterprises' ability and the competitors, and decides the new mode of enterprises' creation.

Chapter 5: Analyses of Cases and Suggestions

5.1 Analyses of Successful Cases of MOTOROLA

Today's market environment has changed a lot basically; every industry is facing the pressure of surplus of products. Is the market really in the state of surplus economy? Our result got is that if we are lack of clear marketing segmentation, positioning strategy and the marketing creation, only carry out the simple similar qualitative competition and the price war, such surplus will exist everywhere. But on the other hand, in fact the complete degree in China's market is still low; there certainly exist great amount of market opportunities.

How can we change these opportunities into the profit points for enterprises? The successful operation of MOTOROLA has applied a good way for us to thinking about.

5.1.1 The Brief Introduction of the Background of the Cases

(1) The Analysis of Market Environment

Beginning from July 2001, China has passed the USA and become the largest mobile communication market in the world. But its mobile popularity rate has only about 11% which has a great distance with that of developed countries. This proves that the potential power in the mobile in China is great and at the same time the competition in the great increasing space will be more severely. According the statistics, now there are more than 30 brands fighting for the mobile market in China. Foreign brands are mainly MOTOROLA, ERICSSON, S MSUNG and SIEMENS etc, while China-made brands are TCL, BIRD, KEJIAN and LEGEND as the mains. The Adviser Handy said that in the third quarter of 2002 the new formed order in China's mobile market MOTOROLA is in the first place.

(2) The Analysis of Social Environment

With the development of science and technology, mobiles once as the luxury have become the popularized consumer goods and their similar qualitative degree is quite high. If simply emphasizing the product functional interest like TV and VID cannot inspire the purchasing desire of consumers and manufacturers will certainly go into the wrong area of price fighting. Fortunately, manufacturers knowing clearly the mind of consumers set out from the interest of consumers, give their products unique accurate positioning with the bestowing the mind interest to products to move consumers. The enterprises' emphasizing of the positioning strategy is because consumers not only take mobiles as the means for communicating, but also the media of transferring their own individuality and emotion. Therefore, when choosing mobiles, consumers pay more attention to the perceptual factor and symbol meaning and do not consider too much on the function and price of mobiles.

(3) The Analysis of Competitors

At the first place in China's mobile market MOTOROLA and NOKIA are having a life-and-death struggle. Not only in the brand mention rate but also the brand share rate, NOKIA is of nearly the same comparing with MOTOROLA.

Compare with MOTOROLA, the time of NOKIA entering into China's market was much later. But NOKIA can win the peak with MOTOROLA in a short time, the most important reason is that NOKIA accurately knows the needs and requirements of consumers and grasps the tendency of mobile consumption. In fact the uninterrupted creative ideas of NOKIA have carried out around the four aspects of brave, vigor, imagine and novel and original, which form the inspiring brand individuality and follow the mental requirement of strong consumers' buying mobiles, thus push their mobile into the currency of fashion. Therefore, the successful road of NOKIA is not in the advantage of its core technique but the more clearly knowing of consumers than others, which has not be done by other brands' companies.

5.1.2 The Facing Problems

(1) The investigation on the Primary Stage

Facing the attack domineering and unsparing of others' feeling from NOKIA, MOTOROLA chasing the fashionable outlook and high function likewise has decided to lead the currency itself. Relative personnel of MOTOROLA express that "Mobiles themselves may become the representative of culture and currency or a symbol of a group. And today, all we do are to occupy the mental land of young people."

According to the viewpoint of current brand theory, the brand does not belong to enterprises but to consumers. To win consumers has only to meet closely the demands of consumers and move them. In discussion we find that only the special feature with individuality, fashion and cool can go closely to consumers, in which aspect NOKIA has had its showing. Therefore, MOTOROLA must use the marketing strategy of more fashionable, more in and more of enjoyment experience than that of competitors'.

(2) The market Segmentation

A short time before, SIEMENS found a new mass group—the fashionable young people in Asia. This group exists crossly among the six traditional mobile consumption groups. Fashionable young people have their unique price value and belief, behavior and interest. To set up the brand in their heart is to find the place that can make them move. Fashionable young people have the straight-forward individuality of enthusiasm, open and frank, bold and unrestrained and freedom worshipping. The changing of society and ideas make them to seek the new and cool. They chase things of individuality to show unique themselves, colorful life and the enjoyment of life.

From the former four objective markets—science and technology seeking type, time managing type, image chasing type and personal exchanging type we can see that the fashionable young people are a mass of consumers which MOTOROLA has not yet caught of.

(3) The locking of Objective Market

Except to the former four objective markets, MOTOROLA has brought the fashionable young people into its range very pointedly. They have practical and potential massive consumption ability, chase new life style and have the requirement of changing themselves.

5.1.3 The Carrying out of Strategy

To win the part of consumption group of fashionable young people in the great extent and transfer the new ideas and image of “for you full heartedly” of MOTOROLA, it has put out four parts of marketing strategies of including product, advertisement, sales and service. In the aspect of products, MOTOROLA presented a series of new products in 2002. At the time of continuing its advantage of technique in the lead, it has paid more attention to the youthenization and fashionization. In the aspect of advertisement, advertisements of TV, newspaper and magazine, board and net are attacking all-roundly and make consumers know and understand the ideas of MOTOROLA of “to make consumers’ life more easy, smart and interesting”, “intelligence presenting and showing and existing all around” and “for you full heartedly”. To show and strengthen the kindness and individuality of its brand, MOTOROLA has firstly put out the individuality’s deciding program.

1) The Product Presenting, Brand and the Part of Enterprise’s Positioning

MOTOROLA has found from the product chain that specially made products for the fashionable young people are not abundant. To meet this mass group and make MOTOROLA brand be fashionable and individuality, it has added a new line of product: the E series representing entertainment fashion. E360 mobiles have shown consumers the mature idea of MOTOROLA to the application of colorful screens—keep colors really alive. In Taiwan, with the help of the cartoon teacher Jimmy, E360 creatively move Jimmy’s works onto the mobile’s screen protection and wall paper to show the great active power of the application of colorful screens with functions of unlimited enjoyment. Now all the products on the market are around the fashion and entertainment and to supply individuality design for consumers to attract the attention of all young consumers.

From the E series of products facing the fashionable young people, they all represent the brand image of entertainment, fashion and individuality and transfer the new idea of MOTOROLA of “for you full heartedly”.

2) The Part of Market Presentation

To accompany the carrying out of the strategy of MOTOROLA, at the same time it has begun the advertisement war rapidly and vigorously. First, to use TV advertisement to propagate the whole image of MOTO to make consumers know and understand that MOTO is the new consumption language presented by MOTOROLA Corp. which represents the idea of “for you full heartedly”. And then the Corp. continuously has been putting out various new products’ advertisements with MOTO in the charge, each product’s advertisement has its unique advertising words which are all around the spirit of MOTO to help consumers know and understand the spirit of MOTO from different viewpoint. Except to the support of advertisements, each item of new product is given

different press activity, such as E360—the national hearty competing of “excellent expressing of enjoying in MOTO” in China and C300—the most twinkling star youngsters’ competition in China’s Guangdong Province of “twinkling uncommonly to you” New products’ press activities are closely related with the special feature of objective consumption mass group to attract the participation of lots consumers.

3) The Service Part

With the more mature and strengthening of competition in the mobile market, the service of full, thoughtful and individuality has become one of the most important factors for enterprises to get consumers’ belief and to win the competition. MOT means not only the fashionable mobile products with abundant, colorful and vigorous energy of MOTOROLA, but also a fully upgrading of its unique service idea to the service concept of mobiles.

In the press conference of the service strategy, MOTOROLA firstly presents its individuality deciding program fully and positional and upgrades its service concept. Under the leadership of MOTO strategy, the service strategy has come over the traditional idea of the repair after sales being the main, views as an uncut whole of before sale, in sale and after sale and changes it into the mobile’s value adding service with colorful and full human nature concern to try to bring consumers individuality experience full of the charming of science and technology. For example, to keep the parallel of information data in address catalog in the mobile and notebook with that in personal computer, make and sent EMS, download K-Java software to play net games, read electronic books, deal stock exchange, make personal photogram album and choose more than hundred of ringing sound and screen protection meeting individuality hobby of consumers.

5.1.4 The Effect of Carrying out

The marketing strategy of MOTOROLA pointing to the fashionable young people not only wins the great attention of them but also the victory of accompanying the strategy of MOTO, locks their hearts and gives the new idea of “for you full heartedly” and sets up the brand image of “good friend and helper in the life”. No matter from the confirmation of objective market or the positioning of brand, it is a successful example at all. Therefore it describes a good thinking road for other enterprises to carry out STP strategy valuable for using.

5.2 Problems Existing in China’s Market and Their Solving Project

The strategic marketing ideas of market segmentation, objective market choosing and market positioning have been very popular and mature in western developed countries. But because of kinds of reasons, they are only in the trying stage of theoretical transfer and practical use in China. It must be to say that most China’s enterprises have yet established the strong ideas and in the area of theory and enterprise there are still kinds of wrong understanding to them, which makes China’s enterprises meet lots of barriers when carrying out STP strategy.

5.2.1 The Existed Problems

(1) The Segmentation Market without the Market Research

China's enterprises have not had enough knowing about market research and investigation and their decisions are often subjective and arbitrary without serious and careful research to markets. In the severe market competition China's enterprises must know correctly the market research. To find real market opportunity, it is necessary to do market research broadly and seriously. The world well-known enterprises such as MOTOROLA and SIEMENS etc are all make the detailed market research as their guide of product development.

Only the serious and careful market research can have the correct segmentation market. So don't forget the serious market research.

(2) The Positioning is to Confirm the Position of Market i.e. Choose Objective Market

It can be heard that "Product XY is positioned in the salary stratum". Such people understand that the positioning is to confirm the product (brand or enterprise) its position in the market (including the geographical and mass positions) and choose its fitting objective market. In fact, choosing the objective market and the market positioning are two different concepts. The choosing of objective market is the premise and basis of market positioning. At the same time the market positioning is the lasting and developing of the choosing activity of objective market. Consumers can only be attracted through clear positioning after choosing the objective market. And then potential consumers can be changed into practical ones. Otherwise the choosing of objective market is of no sense. But the choosing of objective market is the final decision for enterprises to serve which one or which ones of consumption mass on the bases of detailed evaluation to the potential demand amount, purchasing ability, profit rate and competing condition in each segmentation market, and the solving the problem of enterprises' choice to consumers. But the market positioning is the effort of how to open the heart door of consumers and occupy the favorable mental position on the bases of analyzing value viewpoint and material and mental requirement of objective consumers to realize consumers' confirmation and choice to products, brands or enterprises.

(3) The Market Positioning Is to Seek the Differentia of Products

There exists distinguish difference between the market positioning and the seeking for products' differentia. First, the differentia of traditional products is based on producers and the differential chasing for present products. And the market positioning is based on consumers and according to consumers' degree of paying attention to products' relative properties to create special features to enter into the heart of potential consumers and occupy their favorable mental base. Second, the differentia is to realize through the function, quality, style packing etc these visible factors of products themselves. And except to the above mentioned favorable factors and their material and functional interests to consumers, the market positioning pays more attention to use the culture and individuality of products etc such invisible factors and the mental and motional interests to consumers to create unique and valuable image of enterprises. So that, products' differentia is only the base and means of market positioning but the whole content of

market positioning. The market positioning is the fully new marketing idea and strategy on a higher grade, which is the real understanding and grasp of market positioning on the higher level.

(4) The Market Positioning Is the Realizing the Exchanging with Consumers through Advertisement

There is a current saying in the advertisement field that "Positioning is not to do something to positioning object but put the products in consumers' minds with the modern media mainly the advertisement. But in fact to put positioning in the range of advertisement is too narrow and a wrong way. Over enlarging the function of advertisement to make some enterprises to look upon the technical innovation and new products' development but put all in the advertisement as a gambling which supplies the theoretical proof for the cheaters using false or wrong advertisement out of the practical functions of products. So it must be said that advertisement has its important role in the market positioning, but to get the consumers' approval to product, brand and the enterprise in their minds is useless only through advertisement. Even the advertisement once occupies some place in the consumers mind, but if it is not the same of the practical image of product, brand and the enterprise it is not a kind of positioning but to make the enterprise drop into the cheating trap. Only to make the idea of positioning through the whole process from the product's describing and designing to its advertisement promotion and service after sale can be opened the door of consumers.

(5) The positioning Is to Seek the Excellence

There is a worlds running in the market that "The competition of quality is in its good, of function full and of price low", which means that only the products of high quality, full function, low price and the best in various properties can attract consumers. Based on this knowing, not few enterprises chase the over-high positioning and scatter their minds and strength, the result of which is to waste lots of resources but not get the approval of consumers. So the successfulness of positioning is not in that all kinds of properties of the product are the best but in some advantage and specialty which move the heart of objective consumers and result in the resonance in motion of consumers.

5.2.2 Suggestions

And, from the viewpoint of marketing technique, as the core of marketing strategy of modern enterprises STP must be carried out with three steps.

The first step: Through the market segmentation on the bases of research to make the market become several sub-markets with relatively similar demands, and through analyzing and comparing to choose out the consumption mass group with enough purchasing ability and developing potential power and the demands can be met by the enterprise as its objective market.

The second step: Through the means of research etc to analyze in detail and control the demand specialty of objective consumption mass group chosen by the enterprise itself and the conditions of the positioning of similar competing products and their approval by consumers, the enterprise knows clearly its own advantage in the competition.

The third step: Synthetically using all kinds of marketing means, creating relative advantage meeting the mental requirement of objective mass group, the enterprise is to make its products set up a mental base different to others but valuable in the objective mass and the potential objective market into a practical market once consumers' demands appear the approval feeling and hobby make them to buy the enterprise' products.

Within the above steps, the first one is the base of the carrying out strategy successfully, the second the key and the third the final point.

Conclusion

China's mobile communication market has been over that of USA and become the largest in the world. But China's popularity rate of mobiles is only about 11% which has a great distance with that of 40% in developed countries. Although the development space in the market is still large and China-made mobiles' share is increasing, specialists point out that the mobile market is facing the pressure of supply being over need.

With the development of science and technology, mobiles once as luxury have become very popular consumption objects. And the degree of similar quality is quite high in the products produced by different manufacturers. If only emphasizing the functional interests of products cannot rise the purchasing desire of consumers, the enterprise must pay more additional value into the products. Therefore, the mental war has begun between different manufacturers, which are to move consumers by the mental interests given to products. Manufacturers' emphasizing mental war is because that the present mobile consumers are chasing individuality and not only see mobiles the connecting means but also the media transferring their own individuality and motion. So when choosing mobiles, consumers pay more attention to the perceptual factor and symbol meaning of products and not merely consider the function and price of products.

Markets will say farewell to the rough time and enter the time of segmentation and positioning. Carrying out the differentia marketing to the segmentation market will eventually become the tendency of future mobile market. In today's market in China, if there still exist opportunity, this opportunity will be shown in finding effective segmentation market. The popular products which can be sold to all the people have not had the possibility of success. The ineffective to a great extent is without a clear understanding to this new tendency.

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