

# Overview of the lenovo marketing essay



**ASSIGN  
BUSTER**

Lenovo is a new kind of personal computer firm which came about as the result of the merger of two of the most storied companies in technology and business: Legend Holdings in China and IBM's Personal Computing Division in the United States. The company develops, manufactures and markets reliable, high-quality, secure and easy-to-use technology products and services worldwide.

## **(2) Situation Analysis**

### **Market Situation**

Notebook PCs in 2010 are on track to post solid double-digit growth due to improved economic conditions worldwide as well as the expected expansion of two high-achieving segments, netbooks and Consumer Ultra-Low Voltage (CULV) notebooks, according to a recent report by research firm iSuppli Corp. Overall portable PCs shipments will hit 214.6 million units in 2010, up a robust 25.7 percent from 170.7 million last year. Not only will this year's growth be higher than the 46.9 percent increase posted by the market in 2008, it will also exceed expansion levels during the next four years. (Nathan Eddy, 2010)

The netbook category will be the fastest-growing segment of the portable PC market for 2010. It will ship 43.8 million units in 2010, near 30 percent increase from 2009. By 2014, netbook shipments are projected to reach 58.3 million units. Another research indicated netbooks now hold 22.2 percent share of the portable computer market in Australia. This is compared with the 17.8 percent share the devices had in the first quarter and the 14.3 percent share held during the fourth quarter of 2009. (DisplaySearch, 2010)

Table 1: Notebook PC and Mini-Note Units Y/Y Change (Millions)

Source: The new DisplaySearch Q1'10 Quarterly Advanced Notebook PC Shipment and Forecast Report

Netbooks have absolutely taken the online world by storm. More and more users are deciding to sell their heavy and cumbersome laptops in exchange for a lightweight, easy to carry netbook.

The current user demographic of netbooks may not be only 16-25, hip, Internet-savvy and cash-strapped individuals, but people aged 40 or older.

Although netbooks are still a relatively small percentage of all PC business in Australia, this rapid growth is significant and PC makers ignore it at their own peril.

## **Product Situation**

Although IdeaPad S series netbook account for small percent in Australian market, the sales increased dramatically, it grew by 8.9 percent in unit shipments last year and Lenovo Australia won a \$150 million contract to supply 267,000 S10e netbooks to NSW secondary school students and teachers in 2009.

## **Competitive Situation**

Competition for Lenovo IdeaPad S series netbook immediate Australian market is a group of five firms' sub-brand roughly including HP's Mini, Acer's Aspire One, Dell's Inspiron Mini, Samsung N series and Asus' Eee PC. Acer Computer Australia has Australia's highest overall market share in netbook sales, followed by Asus, HP, Samsung and Dell respectively.

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

More specifically, Acer's competitive pricing, strong channel distribution and faster time to market were cited as factors to take 37 percent share of the market. Second-ranked Asus Computer Inc. saw its market share slide from 37 percent in 2008 to 21 percent in 2009. The rest of the top five manufacturers for 2009 included HP in third place, Samsung in fourth and Dell in fifth. Together, the top five accounted for 90 percent of the market.

### **(3) SWOT Analysis**

Also see the Appendix- SWOT Analysis Discussion

SWOT Analysis – Key Points

Strengths

Weaknesses

Lenovo is becoming a very successful company

A new player in the international stage

Low-cost labour and distribution advantage in Asian market

Weak presence and lack of brand recognition in Australia

Marketing its products directly to consumers

Successful strategic acquisition

Opportunities

Threats

The laptop is the major drive of further growth of many mature markets especially Mini-notebooks in education

High level of competition in the technology markets

Lenovo has a competitive advantage in Asia markets

Fluctuations in the world currency markets

The innovation product like iPad of Apple company

#### **(4) Objectives (Marketing and Financial)**

Based on annual reports of Lenovo 2005/06, 2006/07, 2008/09 and 2009/10, the main marketing and financial objectives during 2011-2013 as follows:

Notebook annual sales increase 2%-3% about \$370 million per year.

Market share increased steadily, may grow 2%-3% every year.

To achieve a 30% brand awareness in the targeted market segment.

The above targets will need to be reached by the end of year 2013.

#### **(5) Market Segmentation and Positioning**

##### **Targeting**

Lenovo design different computers for variety need. The basic segmentation is commercial use and home use. This segmentation can be divided into many small categories.

Targeting

From the segmentation possibilities, our promotional activities will focus on the home use. Segmentation options are discussed further in the Appendix – Consumer Market

## Segmentation

Lenovo will popular with multiple product market segments:

As a study instrument assisted learning

As amusement (watching movies, videos and so on)

As a sport sponsor recognized by the fandom

As a friendly environment company accepted by public

## **(6) Marketing Strategies**

### **Product**

The product which has been chosen for the targeted segment is Lenovo Ideapad S-10 which is a line of consumer-oriented Netbook computers. The Lenovo Ideapad S -10 is ultra-portable product mainly for Internet applications with colourful fashion body, lightweight design and provides a variety of Internet experience. It can combine different Internet applications to meet user demands. Providing freedom is the products idea. It is designed for email, browsing the Web, and other computing activities on the go.

### **Price**

In Australia, Acer, Asus and HP had already existed on the market. They must be taken into account. Lenovo should set a price according to the price of a main competitor for three reasons: 1. The price reflects demand, 2. The <https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

price can be used to reinforce the product's positioning in relation to its competition, 3. It is fairly easy to measure competitor prices for standard and not very differentiated products. The price of Ideapad S-10 will be same as other brands at \$499 (see the appendix- Prices of 10" netbook in Australia market (Sep, 2010)).

## **Promotion**

Even strong brands require promotional support for successful brand extension (Apostolopolou, 2002). The Lenovo is a strong brand, and the Ideapad can be considered either a new brand (in addition to the other Lenovo products such as Thinkpad), or a brand extension (of the Lenovo).

The main goals for us are : 1. Build and enforce brand awareness; 2. Help establish credibility among target customers. The main promotions strategies will therefore include community engagement and media engagement. We can achieve these by using tools such as print media, web site, TV, radio, direct mail, and outdoor billboards etc.

### Community Engagement

Ideapad S-10 to get involved in public activities such as charity shows and fundraising events.

Connect with local organisations like Universities and High school through education. Let these students use netbooks for free.

Use Facebook, Twitter and blogs as information platform to connect with young people and encourage their happy customers to make Tweets and posts on FaceBook and blogs.

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

## Media Engagement

Television: Advertisement will be released on free-to-air channel like ABC, Channel 7, Channel 9, Channel 10 and SBS, and subscription broadcasting, such as Foxtel.

Radio: Radio is a nearly ubiquitous medium in Australia and has strong potential as an advertising medium. Advertisement will be released on some music channel like b105 in Brisbane.

Lenovo should build various communication mixes so that it can connect to its key group.

## Other campaign strategies

The “ New World, New Thinking” attitude that makes award-winning PCs for the target customers.

## Place

Selling a good or a service requires the combination of three distinct channels: a sales channel, a delivery channel, and a service channel. Those channels can be joined together or can be discrete form on e another (Eric Viardot, 2004).

Make Lenovo’s products available at the nearest dealer customers develop trust for the “ local Lenovo” thereby achieving the objective of gaining their trust in Lenovo products and services.



Enforce connection with gold storefront partners such as Centrecom, Mobile Laptops & Notebooks and Orange IT. Try to cooperate with JB Hi-Fi and the online sales (<http://www.myshopping.com.au/>).

## **Physical evidence**

Community involvement events and activities will be held, including campus promotions and charity events. Campus promotion activity will be combined with entertainment and infused with added value, including giveaways, free food, beverage specials, extra shows, special prize, all concerned with marketing event experiences. Some netbook will be placed in campus for students to experience. The activity will focus on creating enjoyable experience and an atmosphere of fun for young students. The product will be packaged with fashion and colourful package use recycled paper and with optical mouse and bag for netbook all in one. The official site ([www.lenovo.com/au/en](http://www.lenovo.com/au/en)) which is easy and friendly for customers search information, compare products, shopping on line and so on. We will also negotiate with our sales partners to decorate exhibition place for Lenovo so that they can attract consumers.

## **Processes**

The Lenovo's overall marketing process is particularly customer focused. It enables customers to purchase computer through sales partners and online. The website also provides the corresponding price, payment method and delivery address and the identification and door-to-door in three days. After purchasing, Lenovo companies provide online services and technical support includes users answer questions, the escalation on Windows, software upgrades informed, and so on.

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

Lenovo has established a perfect strong telephone support centre, called Sunshine Community. This community has a powerful customer database so that it can afford exclusive services. “ Long-time lock, personal customization and timely response” is the long-time commitment that Lenovo guarantee to the exclusive services.

## **People**

The sales partners are going to be trained to build goodwill with customers with the longer-term aim of generating orders and promote faith. Their in-depth knowledge supports them as they advise customers on the best purchase for their needs. Building customer services teams provided expertise, technical support and coordinate the customer interface. The disposition and attitude of such people is important and customer service must include face-to-face, over the telephone and using the Internet.

## **Action Plan (For the years 2011, 2012 and 2013)**

The Lenovo’s actions will run all of the year. As we are currently in October of 2010, our action plan will be started from the late of 2010, which is Christmas day. In the first year of the action plan, we will mainly focus on promotion of Lenovo brand awareness and the S series in Australia. In the second year which is 2012, with the continuation of the promotion, the quantity of sale of S series will be considered as another important target, so some sale activities will integrate into the action plan. Relating to the last year, we will promote the updating S series.

## **ACTION PLAN 2011-2013**

**2011**

**EVENT**

**FROM**

**TO**

**SUB DEPARTMENT INVOLVED**

Start to sale Lenovo S-10-3 netbook on retail shop (JB HI-FI, Heavy Norman)

25-Dec-10

26-Dec-10

Promotions

Lenovo S-10-3 official website lanuch (including product induction, price)

20-Dec-10

1-Jan

Promotions

Large billboard Ads in Bribane

20-Dec-10

30-Dec

Promotions

Public involvement of brand promotion activities

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

1-Feb

25-Dec

Promotions, sponsorship

Broadcast TV Ads to build Lenovo's brand image

1-Jan

30-Dec

Promotions

Radio Ads throughout Brisbane

1-Jan

30-Dec

promotions

Reinforce Lenovo's brand through newspapers & magazines

1-Jan

30-Dec

Promotions

Paid search engine Ads to enhance exposure

1-Jan

1-Feb

Promotions

University students involvement of brand promotion activities during school opening time  $\frac{1}{4}$ ^ theme: Lenovo and me )

20-Feb

10-Mar

Promotions

20-Jul

10-Aug

Promotions

Donative activities

20-Feb

10-Mar

Promotions, sponsorship

Lottery activity ( for people who buy Lenovo S-10-3 )

1-Jul

30-Jul

promotions

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

Brand promotion activities on Thanksgiving Day

20-Nov

4-Dec

Promotions

Brand promotion activities on Christmas Day

20-Dec

27-Dec

Promotions

**2012**

**EVENT**

**FROM**

**TO**

**SUB DEPARTMENT INVOLVED**

” Happy new year sale ” promotions

1-Jan

7-Jan

Promotions

Sponsor several college football clubs, such as UQAFc

1-Mar

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

30-Sep

Promotions, Sponsorship

TV Ads throughout Brisbane

1-Jan

30-Dec

Promotions

Radio Ads throughout Brisbane

1-Jan

30-Dec

Promotions

Advertisements on newspapers and magazines

1-Jan

30-Dec

Promotions

University students involvement of brand promotion activities during school opening time

20-Feb

10-Mar

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

Promotions

20-Jul

10-Aug

Promotions

Theme nights at universities

23-Mar

23-Mar

Promotions

Mid-season sale ptomotion activities

1-Jun

30-Jun

Promotions

Promotion activities on Thanksgiving Day ( sale, gifts )

20-Nov

4-Dec

Promotions

Promotion activities on Christmas Day ( sale, gifts )



20-Dec

27-Dec

Promotions

**2013**

**EVENT**

**FROM**

**TO**

**SUB DEPARTMENT INVOLVED**

” New year new Lenovo “ promotion activities and sale

1-Jan

7-Jan

Promotions

New S series promotion activities via TV, newspapers & , magazines  
( prepare for the new product launch )

1-Feb

20-Feb

Promotions

New product launch ( follow-up to update S-10-3 )

21-Feb

27-Feb

Promotions

TV Ads for the update product throughout Brisbane

1-Jan

30-Dec

Promotions

Radio Ads throughout Brisbane

1-Jan

30-Dec

Promotions

Advertisements on newspapers and magazines

1-Jan

30-Dec

Promotions

Large billboard Ads for the update product in Brisbane

1-Jan

30-Dec

Promotions

School activities

20-Feb

10-Mar

Promotions

20-Jul

10-Aug

Promotions

## **(8) Budget**

### **Marketing Budget 2011-2013**

**2011**

**EVENT**

**FROM**

**TO**

**COST \$ ‘ 000**

**DESCRIPTION**

Start to sale Lenovo S-10-3 netbook on retail shop (JB HI-FI, Heavy Norman)

25-Dec-10

26-Dec-10

Start to sale Lenovo S-10-3 netbook through retail shops, such JB HI-FI,  
Heavey Norman

Lenovo S-10-3 official website lanuch (including product induction, price)

20-Dec-10

1-Jan

10

Lanuch special webpages for Lenovo S-10-3, introduce its technological  
information, price, and so on.

Large billboard Ads in Bribane

20-Dec-10

30-Dec

96

With the S-10-3 picuter and Lenovo logo.

Public involvment of brand promotion activities

1-Feb

25-Dec

30

Many activities, such as games, prize quize will be hold in some shoppingcentres, like toowong shopping centre, indooroopilly shopping centre.

Broadcast TV Ads to build Lenovo's brand image

1-Jan

30-Dec

1003

" new world, new thinking " advertising campaign boardcost to Brisbane.

Radio Ads througuout Brisbane to build Lenovo's brand image

1-Jan

30-Dec

39. 6

The " new world, new thinking " awareness.

Reinforce Lenovo's brand through newspapers & magazines

1-Jan

30-Dec

35

Double page, fell colour on direct mail newspapers(Westsidenews) and magazines(Brisbanenews), as well as PC User and Total Fanzine(mainly for youth)

Paid search engine Ads to enhance exposure

1-Jan

1-Feb

50

Linked to official Lenovo website

University students involvement of brand promotion activities during school opening time ¼^ theme: Lenovo and me )

20-Feb

10-Mar

70

Based on the thmem: Lenovo and me, helding activities such as delivering leaflets, products show and theme night in UQ, QUT and GU.

20-Jul

10-Aug

Donative activities

20-Feb

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

10-Mar

60

Donate Lenovo S-10-3 netbook to some highschoools and unversities.

Lottery activity ( for people who buy Lenovo S-10-3 )

1-Jul

30-Jul

60

The award for the chosen people is China trip, there 6 quotas for customers.

Brand promotion activities on Thanksgiving Day

20-Nov

4-Dec

50

Sale activities, and sending gifts to customers who consume computers on that day.

Brand promotion activities on Christmas Day

20-Dec

27-Dec

50

<https://assignbuster.com/overview-of-the-lenovo-marketing-essay/>

Sale activities, sending gifts(Christmas tree and hat) to customers who consume computers on that day.

**Total**

1548. 6

**Marketing Budget 2011-2013**

**2012**

**EVENT**

**FROM**

**TO**

**COST \$ ‘ 000**

**DESCRIPTION**

” Happy new year sale ” promotions

1-Jan

7-Jan

50

Sale promotions: give customers discount.

Sponsor several college football clubs, such as UQ AFC

1-Mar

30-Sep

60



Sponsor UQAFRC to increase Lenovo brand popularity among youth.

TV Ads throughout Brisbane

1-Jan

30-Dec

1003

TV Ads boardcast to Brisbane

Radio Ads throughout Brisbane

1-Jan

30-Dec

39. 6

Radio Ads boardcast to Brisbane

Advertisements on newspapers and magazines

1-Jan

30-Dec

35

Full page, full colour Ads on westsidenews, Brisbanenews, PC User and Total Fanzine to increase awareness.

University students involvement of brand promotion activities during school opening time

20-Feb

10-Mar

90

Based on the thmem: Lenovo and me, holding activities such as delivering leaflets, products show and theme night, espically sale activities in UQ, QUT and GU.

20-Jul

10-Aug

Theme nights at universities

23-Mar

23-Mar

30

Music parties, prize quize activities.

Mid-season sale ptomotion activities

1-Jun

30-Jun

60

Discount to customers.

Promotion activities on Thanksgiving Day ( sale, gifts )

20-Nov

4-Dec

60

Discount to customers, special gihts for thanking them using Lenovo.

Promotion activities on Christmas Day ( sale, gifts )

20-Dec

27-Dec

60

Discount and Christmas gifts to customers.

**Total**

1477. 6

## **Marketing Budget 2011-2013**

**2013**

**EVENT**

**FROM**

**TO**

**COST \$ ‘ 000**

**DESCRIPTION**

” New year new Lenovo “ promotion activities and sale

1-Jan

7-Jan

70

Discount to customers, sending updating products information to them.

New S series promotion activities via TV, newspapers & , magazines

( prepare for the new product launch )

1-Feb

20-Feb

Use TV, newspapers and magazines Ads to publicize the new S series.

New product launch ( follow-up to update S-10-3 )

21-Feb

27-Feb

60

Sale the new netbook on retail shops.

TV Adsfor the update product throughout Brisbane

1-Jan

30-Dec

1003

Promote the new S series, show the new technologies of the new S series.

Radio Ads througuout Brisbane

1-Jan

30-Dec

39. 6

Coordinate the TV Ads to increase awareness of the new S series.

Advertisements on newspapers and magazines

1-Jan

30-Dec

35

Double page, full colour Ads, including the new products' technologire, price information.

Large billboard Ads for the update product in Brisbane

1-Jan

30-Dec

96

With new S series pictures and brief description of the new one.

School activities

20-Feb

10-Mar

80

A series of activities based on the theme: new Lenovo, new semester.

20-Jul

10-Aug

**Total**

1383. 6

## **Budget Discussion**

### **(9) Control and Measurement**

### **(10) Limitations**

### **(11) Reference List**