

# Samsung distribution channel

[Business](#), [Company](#)



Samsung marketing strategy in China Nowadays, China's communication industry is developing rapidly, and China has become the biggest mobile phone market all over the world. There are many international renowned mobile phone manufactures and local producers in this market and these companies are competing fiercely in China's mobile phone industry. It is known that, in 1999, when the domestic mobile phone brands entered the mobile phone market, few people had expected that the domestic mobile phone brands would survive in this market.

However, with the passage of time, the local brands made great development and their total market share surpassed that of the international mobile phone giants including Nokia and Motorola. In 2001, the market share of domestic mobile phone was 15%; in 2002, the rate was more than 30%; and in 2003, the market share rose to more than 50%, which was a historical breakthrough for the domestic brands. However, since 2004, the condition of China-made mobile phones has become negative.

As the competition in this market gets fiercer, foreign mobile phone manufactures are consistently developing new brands and improving their distribution channels, and the domestic brands have lost the once-owned channel advantages. Because of some problems of domestic mobile phone industry, the market share rate has dropped dramatically, and most of the domestic mobile phone companies have suffered great losses. What was worse, some domestic mobile phone enterprises such as PANDA, EASTCOM, and SHOUXIN were so badly defeated that they were out of the Chinese mobile phone market.

In this market with fierce competition, Samsung—a Korean mobile phone brand has developed quickly in recent years and continuously won the first place in market share. As one of the world's top three major mobile phone manufacturers and the Korea phone leader, Samsung mobile phone's product concept is " fashion-leadingtechnology". Its brand development strategy is to create the best products in the world. Samsung has created many number ones, such as the world's first mobile phone that has a rotating screen—SGH-V200, the world's first MP3 phone, the world's first TV phone, watch phone and the world's first CDMA/GSM dual-mode mobile phone.

Samsung mobile phone is taking the high-end product strategy, which is different from Nokia and Motorola. In the high-end electronics market, Samsung is always the first to launch a variety of superior products and it always makes high profits by virtue of time advantage. In China in the year 2008, Samsung introduced 20 models of mobile phones, of which the appearance, the function and the quality are designed with advanced concepts, innovative technologies and world-class standard.

Samsung mobile phones are always popular in China and the other countries all over the world. The success of the Samsung mobile phone enterprise in China lies in its unique industry background and professional strengths, and the company also benefits from research and development and the marketing strategies which are compatible with the environment. Marketing strategy is the marketing logic whereby the company hopes to achieve its

marketing objectives, which includes special strategies for target markets, positioning, the marketing mix and marketing expenditure levels.

Once the overall competitive marketing strategy is set, the company is ready to begin planning the details of the Marketing Mix, one of the major concepts in modern marketing. The Marketing Mix consists of many variables that the company should do to increase its product demand. These variables are known as the 4Ps: product, price, promotion and place (distribution). The reasonable Marketing Mix could help the company to establish strong positioning in the target markets. Based on the understanding of the importance of 4Ps Marketing Mix and its impact on China's mobile phone industry, this paper is divided into five chapters.

Chapter one is the introduction. It briefly introduces the research background and its academic and practical implications. Chapter two is the thorough analysis of current domestic mobile phone market. After the introduction to China's mobile phone development history, this chapter mainly analyzes the internal and external environment of China's mobile phone industry by virtue of the SWOT Analysis Method. Through the analysis, it is known that domestic mobile phones have some advantages, such as the cost advantage, localization advantage and fast market reaction advantage.

The weaknesses of domestic mobile phones are that the core technologies are weak, mobile phone qualities are not guaranteed, there is serious product homogenization and most of the domestic mobile phone enterprises are on a small scale. It is certain that the local mobile phone industry has many opportunities for its development, which include the sound economic

conditions, the support from the government, the coming of the 3G era and the coming of phone replacement rush. However, domestic mobile phone companies do face some threats, such as the threats from copycat mobile phones and the international mobile phone's fierce competition.

Chapter three is the introduction to Samsung mobile phone and the analysis of its successful marketing strategies in China. In this chapter, it is known that Samsung's successful marketing strategies could mainly be expressed by the variables in its Marketing Mix. In product, Samsung is always focusing on producing high quality products to build strong brand image and enhance the brand value, offering perfect after sale services to own good reputation, launching continuous product innovation to maintain brand image and brand vitality and supplying distinctive and fashionable designs to maintain brand differences.

In price, Samsung has effectively assessed the value and the quality of its digital electronic products, the importance of the product's unique, stylish design and knows that the consumers are willing to pay high price for such products, and therefore it adopted the skim pricing strategy. In channel strategies, Samsung has always insisted on national agents, and it has prudently selected the national agents to do its distribution. In terms of the promotion strategies, Samsung always focuses on unifying advertising agencies and launching a series of effective advertising campaigns.

Two of its excellent promotion strategies are launching a variety of sports sponsorship, focusing on Olympic TOP Program and making use of entertainment activities to enhance fashion marketing, which proved to be

quite effective. Chapter four concluded some implications to the local mobile phone industry. It is suggested that, in terms of the product, the domestic manufactures should master and develop core technologies, enrich the product line and produce more high-end products.