

# **Market Environment Analysis**

CASE STUDY: Market Strategy of Smart Phone

Client: A European telecom equipment provider

# **Project Objective:**

To analyze the market environment for smart phone to allow the client to develop a marketing plan aimed at increasing market share and profits in the upcoming financial year.

Methodology: View Methodology Diagram



#### **Market Conditions Research**

- -Historic and forecasted market size
- -Market trend analysis
- -Current and future end-user demand patterns
- -End-user pricing trends
- -Trend in sales of product sub-categories
- -Consideration of competitive success factors relating to technology, packaging and brand image

#### **Country Conditions Research**

- -National economic indicators and trends
- -Demand health analysis
- -Market potential by geographic region or city
- -Consideration of legal and regulatory factors
- -Role of Government in influencing outcomes

## Outputs

- -Competitive success factors driving market performance
- -Strategic recommendations and roadmap for clients

## Value Chain Research

- -Value chain analysis and mapping
- -Influence of different tiers of value chain in capturing value
- -Drivers of channel loyalty
- -Analysis of supply chain management efficiency as a competitive success factors
- -Analysis of pre-sales and post-sales service business models
- -Impact of e-business on market success
- -Examination of distribution strategies of leading competitors

## **Competitive Environment Research**

- -Examination of leading competitors, their market shares and likely gainers and losers
- -Profile of most threatening competitors: their key strengths & weaknesses
- -Scenario forecasting: anticipation of competitor's behavior
- -Threat posed by substitute products or services
- -Special advantages possessed by competitors and how these can be replicated
- Secondary research using both English language and Chinese language sources In-depth interviews with government officials and smart phone manufacturers'



#### associations in China

- Over 10 in-depth, semi-structured interviews with smart phone experts and consultants
- to gain historical perspective of smart phone's current development and prospect.
- Over 60 structured interviews with users in Chinese large cities, including senior managers, white-collar workers, and students, etc to understand attitudes towards various brands, buying cycle, criteria for brand selection and unmet needs.
- Engagement with distributors of various brands, to understand competitor sales and marketing practices, distribution arrangements, after-sales service arrangements and relationships between vendor and distributor (including respective roles in the sales process and incentives/margins).

#### ResearchInChina's report addressed the following:

- · Market scale historical and future forecast
- · Market shares of competitors in each price band
- Market segmentation among different types of smart phones
- Value chain map for each competitor, showing typical tiers of distribution and typical mark-ups at each tier
- · Description of decision cycle

Our client used the research to position its products more effectively in each price band and for each major customer segment, to maximize attractiveness in each segment against the major competitors it was facing. This positioning was communicated to all sales staff and distributors during subsequent meetings in China. The research was also used to design and position a new product being developed and planned for launch in the forthcoming financial year.

#### Example of a market share map showing relative shares of competitors:

	Brand A	Brand B	Brand C
Revenues in SYMBIAN Segment	••••	•	••
Revenues in WINDOWS Segment	••	•	••••
Revenues in LINUX Segment	•••	••••	••••

Note: the number of ● is proportionate to sales revenue in each segment