



**THE STUDY OF OPPO MOBILE PHONE MARKETING STRATEGIES**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
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**THE STUDY OF OPPO MOBILE PHONE MARKETING STRATEGIES**

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**To**

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## ABSTRACT

Title: The Study of OPPO Mobile Phone Marketing Strategies  
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The release of iPhone 4 in June 2010 marked the beginning of a smart phone era for the mobile industry worldwide. Apple and Samsung held the majority of the market share in the global smart phone market. In the past two years, China's mobile industry has become increasingly mature due to the development of science and technology, particularly communications technology. Chinese mobile brands such as Huawei, OPPO, VIVO and Xiaomi have rapidly emerged, with the gap between them and brands including Apple and Samsung gradually narrowing. In recent years, OPPO mobile phones have experienced sound development. In 2017, they ranked fourth in smart phone shipments worldwide, and second in smart phone shipments in China. The reasons for the increase of their market share over the past few years include OPPO mobile products themselves and their marketing strategy, which for other brands, are worth learning from. Despite their excellent performance in recent years, OPPO mobile phones are still faced with fierce competition within the mobile industry: Apple and Samsung are holding the majority of the market share in the high-end market; in the mid-range market, they are competing with Huawei, Xiaomi, VIVO and other competitors. Compared to 2016, smart phone shipments both worldwide and in China declined in 2017. Faced with this highly competitive environment within the mobile industry and the increasingly low frequency of mobile replacement among consumers, OPPO and other mobile brands need to improve their marketing strategy, so that they can increase their shares in the mobile market and achieve better development without being easily eliminated in this era when new models come out at an increasingly high speed. Through consulting journals and other literature from libraries and the Internet, this article is written based on previous established theories and in combination with specific cases. The research methods adopted in this article include PEST analysis, Michael Porter's Five Forces Model and SWOT analysis. By combining the methods of literature analysis, case analysis and

induction, it analyzes the marketing strategy of OPPO mobile phones and the problems it has, as well as offers advice on how to improve it. The author hopes that this article will help OPPO mobile phones develop better under the fierce competition among different mobile brands and offer insights for other mobile brands to draw on.

**Keyword: OPPO mobile phone, Marketing strategy, 4P theory, SWOT, PEST**



## 摘要

题目: OPPO 手机营销策略研究

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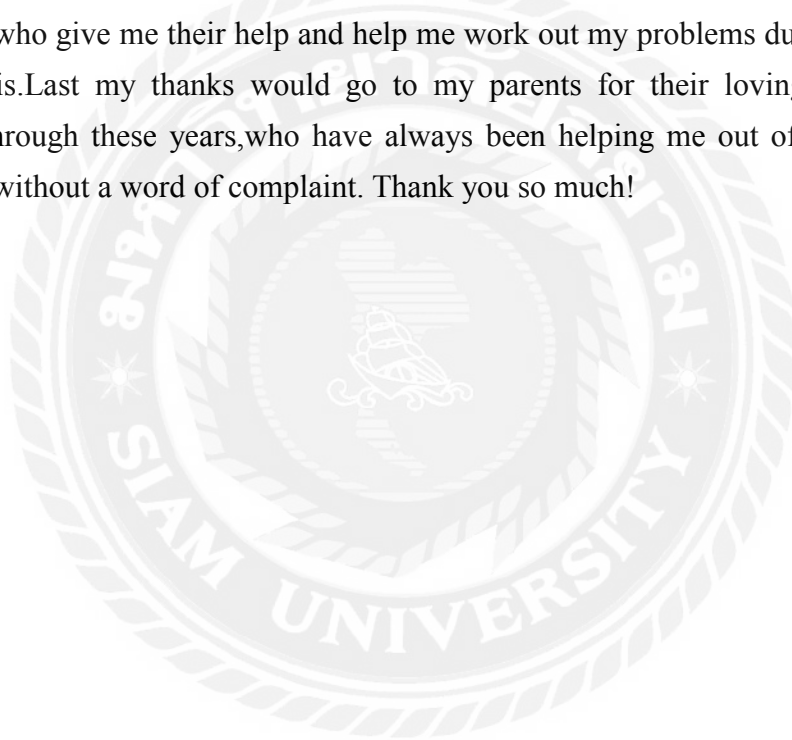
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2010年6月iPhone4发布,标志着全球手机产业进入智能手机时代。全球智能手机市场由苹果、三星占主要份额。近两年,由于通信技术以及科技技术的发展,中国手机行业趋向成熟。华为、OPPO、VIVO、小米等中国手机品牌迅速崛起,与苹果、三星的差距越来越小。OPPO手机近几年发展状况良好,2017年全球智能手机出货量OPPO手机排名第四,2017年中国智能手机出货量OPPO手机排名第二。这几年OPPO手机市场份额提高,其原因之一是OPPO手机产品本身和其营销策略,这对其他品牌具有借鉴作用。虽然OPPO手机近几年表现不错,但是手机行业竞争激烈,高端市场苹果和三星占主导地位,中端市场又有华为、小米、VIVO等竞争对手。相比2016年,2017年全球和中国智能手机的出货量都有所下滑。面对手机行业竞争激烈的环境和消费者更换手机速度减缓的现状,OPPO和其他手机品牌想要提高在手机市场的份额,在手机更新换代速度越来越快的时代不轻易被淘汰,更好地发展,需要完善改进企业的营销策略。本文通过查阅期刊、图书馆、网上的文献资料,以一些前人的理论为依据,结合一些案例,运用PEST、波特五力分析模型、SWOT分析的方法,采用文献分析法、实例分析法和归纳法相结合的方式,分析OPPO手机的营销策略和其中的问题,并为OPPO手机营销策略提出一些建议,希望有助于OPPO手机在手机品牌竞争激烈情况下更好地发展,或者为其他手机品牌提供参考借鉴。

**关键词:** OPPO手机、营销策略、4P理论、SWOT、PEST

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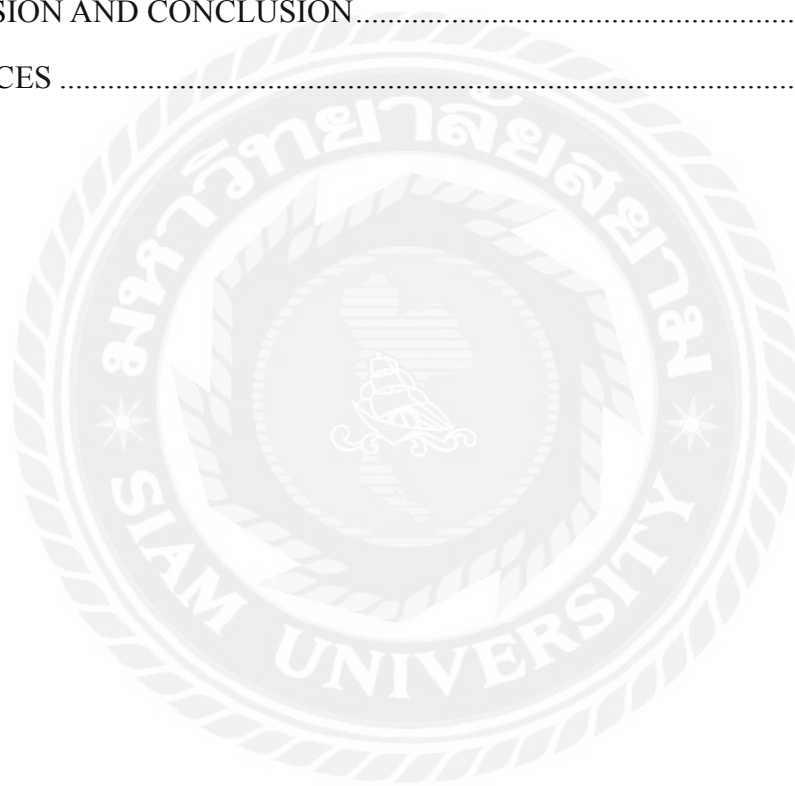
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# THE STUDY OF OPPO MOBILE PHONE MARKETING STRATEGIES

## 1. INTRODUCTION

### 1.1 Research Background

Before the rise of smart phones, brands such as Apple, Nokia, Samsung, Motorola, Blackberry, Sony Ericsson had held fast to their leading position in the mobile market. The official release of iPhone 4 in June 2010 marked the beginning of a smart phone era for the mobile industry worldwide. In just a few years' time, Nokia, Motorola, Blackberry, Sony Ericsson and other brands had withdrawn from market, or undergone merger and acquisition one after another (Zhou, & Liu, 2017). Apple and Samsung held the majority of the market share in the global smart phone market. In the past two years, China's mobile industry is getting increasingly mature due to the development of science and technology, particularly communications technology. Chinese mobile brands such as Huawei, OPPO, VIVO and Xiaomi have rapidly emerged, with the gap between them and brands including Apple and Samsung gradually narrowing.

The International Data Corporation (IDC) released a report on the worldwide smart phone shipments in 2017. According to the report, smart phone companies shipped a total of 1.4724 billion devices on a global scale in 2017 (Sohu.com, 2018). Of all the smart phones shipped, there were 1.244 billion Android devices, accounting for the vast majority of the market share which was 85.1%, and 215 million iOS devices, accounting for 14.8% of the market share (NewsKj.org, 2018). Compared to the smart phones with the two mainstream operating systems, only 2.2 million smart phones running other platforms were shipped by the smart phone companies, accounting for 0.1% of the market share (NewsKj.org, 2018). In 2017, the top 5 mobile brands in terms of worldwide smart phone shipments were: Samsung, Apple, Huawei, OPPO and Xiaomi. In the same year, a total of 440 million devices were shipped in China's smart phone market. Among them, Huawei, OPPO and VIVO ranked top 3 in shipment volumes, accounting for 53.9% of the market share in China's market, while Xiaomi, Apple and other mobile manufacturers accounted for the remaining 46%. The top smart phone maker by Chinese sales for the year was Huawei, with shipments of 90.9 million and a market share of 20.4 percent, up

from 16.4 percent in 2016; second-placed OPPO had a market share of 18.1 percent, up from 16.8 percent in 2016; while third-placed VIVO had a market share of 15.4 percent, up from 14.8 percent in 2016 (Chadwick, 2018). Xiaomi and Apple rounded out the top five, with market shares for the year of 12.4 percent and 9.3 percent, respectively. The top five collectively grew their market share to 75.6 percent for the year, up from 66.5 percent in 2016 (Chadwick, 2018).

Worldwide Smartphone Platform Shipments, Market Share, and 5-Year CAGR, 2017 and 2022 (shipments in millions)					
Platform	2017 Shipment Volume	2017 Market Share	2022 Shipment Volume*	2022 Market Share*	2017-2022 CAGR*
Android	1,244.0	85.1%	1,435.8	85.5%	2.9%
iOS	215.8	14.8%	242.4	14.4%	2.4%
Others	2.2	0.1%	0.7	0.0%	-21.1%
<b>Total</b>	<b>1,462.0</b>	<b>100.0%</b>	<b>1,678.9</b>	<b>100.0%</b>	<b>2.8%</b>

Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 27, 2018

\* Table Note: 2022 figures are forecast projections.

Table 1: 2017 Worldwide Smart Phone Platform Shipments and Market Share

Top Five Smartphone Company, Shipments, Market Share, and Year-Over-Year Growth, Calendar Year 2017 Preliminary Data (shipments in millions)					
Company	2017 Shipment Volumes	2017 Market Share	2016 Shipment Volumes	2016 Market Share	Year-Over-Year Change
1. Samsung	317.3	21.6%	311.4	21.1%	1.9%
2. Apple	215.8	14.7%	215.4	14.6%	0.2%
3. Huawei	153.1	10.4%	139.3	9.5%	9.9%
4. OPPO	111.8	7.6%	99.8	6.8%	12.0%
5. Xiaomi	92.4	6.3%	53.0	3.6%	74.5%
Others	577.7	39.5%	654.5	44.4%	-11.7%
<b>Total</b>	<b>1472.4</b>	<b>100.0%</b>	<b>1473.4</b>	<b>100.0%</b>	<b>-0.1%</b>

Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 1, 2017

Table 2: 2017 Top Five Smart Phone Company,Shipments and Market share

In 2017, OPPO had a worldwide shipment volume of 110 million, ranking fourth in worldwide smart phone shipments and second in smart phone shipments in China. Through its marketing strategy, OPPO has increased its share in the mobile market by a large margin. Although OPPO mobile phones have continued their growth in brand

awareness and market share in recent years, they are still faced with fierce competition within the mobile industry: Apple and Samsung are holding the majority of market share in the high-end market; in the mid-range market, they are competing with Huawei, Xiaomi, VIVO and other competitors. In particular, Xiaomi mobile phones became all the rage in the last quarter of 2017. While maintaining their steady development in China, Xiaomi mobile phones have stepped up their efforts to develop overseas markets. In 2017, Xiaomi mobile phones rose to the world's top 5 in sales for the first time. In the last quarter of 2017, the shipment volume of Xiaomi mobile phones had a sharp increase of 96.6%, amounting to 28.1 million, and leapt to fourth in terms of worldwide smart phone shipments of that quarter. With the 5G era approaching, Huawei has already announced its release of 5G mobile phones in 2019. As early as 2009, Huawei began its study of 5G technology. On November 17, 2017 US local time, in the 5G short code scheme discussion, the PolarCode scheme recommended by Huawei was recognized as the final solution for 5G control channel eMBB scenario coding.

## **1.2 Research Motivation**

Currently, the mobile market is seeing fierce competition with a multitude of mobile brands. Other than OPPO, there are Samsung, Apple, Huawei, Xiaomi, VIVO and others. IDC data shows that compared with the worldwide smart phone shipments of 1.47 billion in 2016, the shipment volume dropped by 0.5% in 2017. Although not by a large margin, it was the first decline ever occurred in the history of the smart phone market. The smart phone market in China also experienced a 5% drop in shipment volume. The smart phone market is going towards saturation: the consumers do not change their mobiles as often, and no longer show much interest in replacing old phones with new models. Mobile brands are faced with fierce competition within the mobile industry. Consumers are no longer replacing their mobile phones as often. However, new models are coming out at an increasingly high speed. In this context, if OPPO wants to increase its market share together with other brands, remain in the market without being easily eliminated, develop better, and establish an upmarket and stylish brand image, its marketing strategy needs to be optimized. Studying the marketing strategy of OPPO mobile phones is beneficial to the development of the brand itself and the mobile industry. The innovation of the mobile industry will contribute to the development of China's science and technology industry, while the growth of mobile sales will contribute to the development of China's economy.

Academic research on the marketing strategy of OPPO mobile phones, especially detailed research on the overall marketing strategy, dated far back. In recent years, research on OPPO's overall marketing strategy has been relatively sketchy. The newer detailed research mainly focuses on one particular aspect of OPPO mobile phones' marketing strategy, such as their marketing channel strategy, advertising strategy, marketing strategy in micro-film advertising and Weibo marketing. In general, there is relatively limited academic research on the marketing strategy of OPPO mobile phones. Some research is relatively old. Old models of smart phones are rapidly replaced with new ones. Some of the research done in the past is not in line with the development of the brand of OPPO anymore.

### **1.3 Research Objectives**

In just a few years' time, OPPO mobile phones have leaped to the top of China's smart phone brand and become top 5 in terms of worldwide smart phone shipments. The reasons include OPPO mobile products themselves and their marketing strategy, which for other brands, are worth learning from. Although OPPO mobile phones have continued their growth in brand awareness and market share, they are still faced with fierce competition within the mobile industry with a multitude of competitors. This article is a study and summary of the marketing strategy of OPPO mobile phones. It discovers the problems and challenges of the marketing strategy of OPPO mobile phones, as well as offers advice for it. The author hopes that this article will contribute to the better development of OPPO mobile phones in this fierce competition among mobile brands, help improve their competitiveness in the mobile market, or provide insights for other mobile brands to draw on.

### **1.4 Research Methods**

Through consulting journals and other literature from libraries and the Internet, this article is written based on previous established theories and in combination with specific cases. The research methods adopted in this article include PEST analysis, Michael Porter's Five Forces Model and SWOT analysis. By combining the methods of literature analysis, case analysis and induction, it analyzes the marketing strategy of OPPO mobile phones and the problems it has, as well as offers advice.

## **2. LITERATURE REVIEW**

This chapter is a retrospective review of the concepts and related knowledge of marketing, STP, 4Ps of Marketing, as well as some previously established research results.

### **2.1 Marketing**

Marketing is a process in which an enterprise discovers and taps consumer demand, designs products or services to fulfill such demand, sets product prices, produces and packages products, distributes and controls sales channels, promotes products so that the consumers will understand the value of the products or services as well as whether they can fulfill their own demand, and gains profits through the purchase of the products or services.

Philip Kotler defined marketing as “an social process by which individuals and organizations obtain what they need and want through creating and exchanging value with others” (Kotler&Keller, 2012). The most important point of his definition is that he believes the core of marketing is exchange, that is, meeting the needs of both parties. Therefore, needs are permeated in every link of marketing. Marketing centers around the needs of the consumers. Through the activity of exchange, the needs of both parties concerned will be met. Generally speaking, it is the exchange of products and money. We can also call it trade.

The American Marketing Association (AMA) has given marketing four different definitions in different periods of time. The first official definition of marketing was adopted in 1935 by the National Association of Marketing Teachers, a predecessor of AMA, and was formally adopted by AMA in 1948. In 1960, AMA reviewed the first definition and decided against any revisions. At the time, marketing was defined as “the performance of business activities that direct the flow of goods and services from producers to consumers” (Eren Kocyigit,Phd, 2015). With the development of the times, AMA gave marketing a more comprehensive definition in 1985, which was “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives” (Eren Kocyigit,Phd, 2015). In 2004, AMA gave a new definition and defined

marketing as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (Eren Kocyigit,Phd, 2015). In 2007, AMA defined marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association, 2013).

The Chartered Institute of Marketing (CIM) defines marketing as: “the management process which identifies, anticipates, and supplies customer requirements efficiently and profitably”.

The key processes of marketing include “opportunity identification, new product development, customer attraction, customer retention, loyalty building, and order fulfillment”. The purpose of marketing is to generate sustainable return and pursue maximum profits.

Marketing methods vary among different industries in the same country. Within the same industry, different enterprises adopt different marketing methods. Even for the same enterprise, different marketing methods should be adopted targeting different countries where there are different political, economic and cultural environments.

## **2.2 The Theory of STP**

In the theory of STP, S, T and P stand for market segmentation, market targeting and market positioning respectively. These are the three core elements that constitute the marketing strategy of a company. They are collectively called STP marketing.

The concept of market segmentation was first proposed by an American marketing specialist Wendell R. Smith in 1956. Afterwards, Philip Kotler, also an American marketing specialist, further developed and improved Wendell R. Smith’s theory and eventually formed a mature STP theory.

Market segmentation refers to the market classification process in which the entire market is divided into different consumer groups based on the differences in consumer



needs and desires, purchasing behaviors, buying habits and other factors. Each group of consumers with similar demand tendencies constitute a market segment. Different segmentation variables will lead to different segmentation results. The bases for segmenting consumer markets include geographic segmentation, demographic segmentation, psychographic segmentation and behavioral segmentation.

Market targeting refers to the process following the market segmentation in which an enterprise prepares to meet the needs of one or more market segments with corresponding products and services. Choosing the target markets, as well as clarifying what types of users it should serve and which of their needs it should fulfill, constitute an important tactic for an enterprise in its marketing activities. Not a single enterprise will have sufficient human resources and funds to fulfill the needs of the entire market or pursue any other excessively ambitious targets. Therefore, it is essential to identify target markets that are favorable for an enterprise to give full play to its existing advantages in human resources, finance and materials. There are generally three kinds of strategy to choose from while selecting a target market: undifferentiated market strategy, differentiated market strategy and concentrated market strategy.

Market positioning was first proposed by Al Ries in the 1970s. It refers to the process in which an enterprise, based on the competition of similar products in the target market and how much the customers value certain characteristics or attributes of this type of products, creates powerful and distinctive qualities for its products or brands, and then passes them on to the customers in a vivid way for their recognition. The essence of market positioning is to strictly differentiate one enterprise from the others, so that such differences will be clearly felt and recognized by the customers, create an indelible impression on them and take up a special place in their hearts. The enterprise will thus gain its competitive advantages.

### **2.3 The Theory of 4Ps**

The theory of 4Ps is the basis for marketing strategy. In the concept of marketing mix, 4Ps refer to product, price, place and promotion. The 4Ps concept was proposed by an American marketing specialist Jerome McCarthy in 1960.

“Product” refers to all kinds of tangible and intangible products that an enterprise

provides to its target markets to fulfill the consumers' needs, which will create unique product value and brand value for the consumers. It includes product specifications, styles, quality, packages, functions, features, trademarks, brands and so on.

“Price” refers to the setting and changing of prices by an enterprise in accordance with the laws of the market. It includes basic prices, discounted prices, allowances, payment terms, commercial credit, as well as various pricing methods and techniques. Enterprises can price their products based on three factors: costs, demand and market competition.

“Place” refers to an enterprise's reasonable choice of distribution channels and its organization of commodity circulation. It includes channel coverage, commodity circulation, intermediate traders, network settings, storage and transportation.

“Promotion” refers to an enterprise's utilization of various information dissemination measures to communicate with its target markets, pass its product value and brand value to the consumers, stimulate their desires to purchase and promote its product sales. It includes advertising, personal selling, sales promotion and public relations.

In 1986, Professor Philip Kotler, a renowned marketing specialist, proposed “mega-marketing”. Based on the original 4Ps, he added another 2Ps, power and public relations. It was abbreviated as 6Ps.

In 1990, Professor R.F. Lauterborn, an American marketing specialist, redefined the four basic elements of marketing mix and proposed the theory of 4Cs: consumer, cost, convenience and communication.

## **2.4 Overview of OPPO**

The brand of OPPO was registered in 2001. In 2004, OPPO (China) was established, with Chen Mingyong as its CEO. In the same year, OPPO Digital was established in Silicon Valley, California, the US, engaging in the R&D and production of Blu-ray products. From 2005 to 2017 when OPPO had undergone multiple transformations during its operation, its core business involved DVD players, MP3 players, MP4 players and mobile phones. Since 2013, the company has started to focus on the R&D, production and

sales of smart phones. Since 2015, through precise market positioning, high-frequency brand promotion, as well as large-scale channel building and distribution, OPPO has become China's fastest growing mobile brand in terms of market sales.

In 2005, OPPO launched its first MP3 player. X9 was launched in the same year.

In 2006, OPPO launched its first MP4 player.

In 2008, OPPO launched Smart Walkman S9. In the same year, OPPO started to engage in the field of mobile phones and created OPPO Real sub-series. In May, OPPO released its first "Smiley Face Mobile Phone" A103, marking its official entry into the field of mobile phones.

In 2009, OPPO launched its second sub-series OPPO Ulike.

Also in 2009, OPPO entered into the overseas markets. OPPO have access to markets all over the globe. Until 2018, it has access to markets in 31 regions, including Russia, Thailand, Myanmar, Philippines, Malaysia, Vietnam, Sri Lanka, India, Pakistan, Bangladesh, Indonesia and Morocco.

In 2011, OPPO's first full-QWERTY-keyboard smart phone X903 was released to the market, marking OPPO's formal entry into the field of smart phones.

In June 2012, OPPO released the world's thinnest smart phone Finder. In December, OPPO released Find 5, a flagship product of the Find series which was the first 1080P-display mobile phone in China. It was rewarded by *PC Magazine* as a recommended best buy of that year and won the IF Design Award which was known as the "Oscars of the design industry".

In April 2013, OPPO launched ColorOS, an Android-based in-depth customization system. In September, OPPO released the flagship product of N-Series – N1, the world's first smart phone equipped with a rotating camera.

In March 2014, OPPO launched Find 7, an all-round flagship 4G mobile phone. It was the first mobile phone equipped with fast and safe VOOC flash-charging technology,

as well as 50MP high-resolution photography technology. In October, OPPO launched N3, the world's first mobile phone with an electric rotating camera.

On May 20, 2015, OPPO released R7 and R7 Plus. At OPPO and FCB Global Partnership Press Conference held on September 8 in Beijing, OPPO officially launched the custom FC Barcelona edition of R7 Plus and became an official partner of FC Barcelona.

In March 2016, OPPO announced to the public its newly upgraded brand concept, "always try to be better", shared its attitude towards product manufacturing, and released "brand new flash-charging selfie experts" R9 and R9 Plus which were developed and produced under the concept of "always try to be better".

On July 26, 2016, the data research by Counterpoint showed that OPPO surpassed Apple, Huawei and Xiaomi for the first time, leaping to the first place with the market share of 22.9%. Data also showed that, in China's mobile market ranking of June, the top 6 brands were OPPO, Huawei, VIVO, Apple, Xiaomi and Samsung.

In June 2017, OPPO launched R11, which came equipped with dual cameras, and was promoted with the slogan "dual 20MP cameras, greater clarity and brilliance". On August 8, OPPO released a FC Barcelona limited edition of R11.

In October 2017, OPPO launched F5, a mobile phone with AI beautifying technology, face unlock feature and a 6-inch high-resolution full screen.

On November 2, 2017, OPPO released full-screen R11s and R11s Plus.

On March 31, 2018, OPPO released R15 which came with AI smart photographing and a super-vision full screen.

## **2.5 Current Research Status**

Wu Ningning and Jin Xiuling carried out a study (2017) of the Weibo marketing strategy of OPPO mobile phones. The results showed that OPPO's Weibo marketing

strategy of its transformation toward the field of mobile phones managed to make full use of the five links of Weibo marketing: talkers, topics, tools, taking part and tracking. By means of Weibo marketing, OPPO created its differentiated product positioning, built an all-round interactive platform, selected and attracted new target users. As a result, its brand image was deeply rooted in the customers and its customer stickiness was increased. Zhao Yuan carried out a study (2014) of the corporate brand marketing strategy in micro-film advertising based on the example of OPPO smart phone's micro-film advertising. The results showed that the micro-film advertising of OPPO mobile phones has clear audience positioning. By utilizing the celebrity effect and with innovative content as well as excellent production, it passed on brand value and built positive brand image for the enterprise. Yang Jiawei carried out a study (2016) of OPPO's corporate advertising strategy, raised the problems of it and provided corresponding solutions. The results showed that the problems of OPPO's corporate advertising strategy included improper use of celebrity endorsements, overlooking advertising communication during its pursuit of aesthetics, insufficiently closed connections between the advertising themes and features of mobile phones, and lacking appealing advertising features. Wang Yuting carried out a study (2017) of the status quo of OPPO mobile phones' marketing channels in China, analyzed the existing problems and proposed countermeasures. The results showed that OPPO mobile phones' marketing channels in China include agents, telecom operators, large-scale chains, exclusive OPPO stores and online channels. Zhou Deming and Liu Jin carried out a study (2017) of the core competitiveness of China-made smart phones based on the examples of OPPO and VIVO. They studied the core competitiveness of OPPO and VIVO in corporate culture, supply chain management, market operation management, technology R&D and operation, brand operation impact and other aspects. With Gionee mobile phones as the main subjects of research and by adopting the 4Ps of marketing, Liu Xin (2017) analyzed the marketing environment of Gionee mobile phones from the perspectives of product, price, place and promotion, discovered deficiencies of their marketing strategy, optimized their marketing strategy and found new marketing ideas that were more suitable for the development of Gionee mobile phones. Chatchai Pitsaphol (2015) researched the influence of brand equity on marketing performance of Samsung and OPPO in Thailand. It found that brand market performance of OPPO smart phone has a positive relation to brand association and perceived quality. Moreover, brand market performance has a negative relation to country

of origin. On the other hand, brand awareness and marketing campaign have not a relation to brand market performance of the OPPO smart phone in Thailand. For Samsung smart phone found that brand association and perceived quality have a positive relation to brand market performance, but brand awareness, marketing campaign and country of origin have not a relation to brand market performance of Samsung smart phone in Thailand. The results indicated that perceived quality and brand association are the key important drivers of brand market performance of both OPPO and Samsung smart phone.



### **3. METHODOLOGY**

This chapter uses PEST analysis, Michael Porter's Five Forces Model and SWOT analysis to analyze the external environment and internal environment of OPPO mobile phones.

#### **3.1 PEST Analysis**

PEST analysis (political, economic, social-cultural and technological) describes a framework of macro-environmental factors used in the environmental scanning component of strategic management. It is part of an external analysis when conducting a strategic analysis or doing market research, and gives an overview of the different macro-environmental factors to be taken into consideration (Wikipedia, 2018).

##### **3.1.1 Political Factors**

The world is mostly in peaceful time with no wars going on. People live and work normally in a stable political environment and stable society.

In 2007, China revoked its mobile approval system. According to the current regulations, a mobile phone can appear in the market using its own brand as long as it has obtained the Network Access License from the Ministry of Industry and Information Technology of the People's Republic of China. In 2009, the General Office of the State Council of the People's Republic of China issued the *Planning on Adjusting and Revitalizing the Electronic Information Industry*. The mobile industry in China continues to loosen its management control until there is none. The political environment of the mobile industry continues to improve.

##### **3.1.2 Economic Factors**

Stable economic growth and a good economic environment are favorable for the development of the mobile market. The increase of per capital income has led to an increase of the purchasing power and the level of consumption. Due to higher incomes as well as better living standards and quality, people now have growing demand for mobile phones, and are more willing to purchase better ones. More and more people own two or

even more mobile phones. Since the reform and opening-up, China's comprehensive national power has continued to grow. In recent years, the economic development of small and medium-sized cities as well as towns and townships in China has enhanced people's purchasing power. Chinese mobile enterprises have expanded their sales channels to small and medium-sized cities, as well as towns and townships, which is beneficial for them to compete for the mobile market in those places. In order to increase their competitiveness, all major telecom operators are accelerating their development through measures such as raising funds by listing, expanding business capacity, and developing value-added services. They will thus increase their investments in infrastructure construction. Communications products will have new opportunities for development ushered in. With the rapid development of China's mobile communications industry, the mobile penetration rate has been further increased, providing a favorable space for the development of the mobile industry. Economic globalization is conducive for OPPO's development of the overseas markets. Other than China, other developing countries have experienced economic development in recent years as well. As the level of consumption advances, the demand of mobile phones has increased.

### **3.1.3 Social Factors**

Society has become more diversified, while culture is getting more open and varied. People's lifestyles are changing by degrees. They have increasingly high demand of materials. New and fashionable lifestyles are more of what they are in pursuit of. They value the quality of life. With higher demand of materials, people are in stronger need of socialization, self-esteem, knowledge and aesthetics. People's preferences for consumption are changing as well. They wish to purchase mobile phones that can embody their status, fashion, aesthetics and quality. They are also putting more emphasis on the quality of them. Mobile phones have become important tools in contemporary society. Texting, making calls, chatting, videos and entertainment are not the only functions of them. People use mobile phone to contact with one another, as well as for entertainment, shopping, current news and information searching. In today's society, lots of people cannot live without the Internet and mobile phones. China also has an increasing number of variety shows, affecting people's lives and values, as well as the marketing of enterprises.



### **3.1.4 Technological Factors**

China encourages and supports scientific and technological innovations. The beginning of the 3G and 4G eras marks a leap in the progress of mobile communications services. With the development of mobile communication technology, mobile phones can combine wireless communication, international Internet and other multimedia communication technologies. The manufacturing technology of mobile phones has reached a relatively mature stage where major manufacturers can independently manufacture mobile phones of certain functionality with much lower costs. The functionality of mobile phones is similar among different brands. When a mobile phone with a new feature is introduced, other brands will soon catch up and come up with mobile phones with the same feature. The development of technology has also affected the online sales channels and online promotion of the enterprises.

## **3.2 Michael Porter's Five Forces Model**

Porter's five forces include three forces from 'horizontal' competition--the threat of substitute products or services, the threat of established rivals, and the threat of new entrants--and two others from 'vertical' competition--the bargaining power of suppliers and the bargaining power of customers. Porter's Five Forces Framework is a tool for analyzing competition of a business (Wikipedia, 2018).

### **3.2.1 Bargaining power of suppliers**

Some of the mobile parts are very important, such as chips, CPU, cameras and screens. The suppliers of these parts have relatively high bargaining power. Some are even monopolies.

### **3.2.2 Bargaining power of customers**

Mobile purchasers are generally individual ultimate consumers. Due to the small number of purchases, they have relatively low bargaining power. Mobile prices are determined by their manufacturers. Consumers can choose to accept the prices or not. They also have the option to purchase or not. Factors that affect their choices include product differentiation, product prices, performance and quality. Occasionally, some

companies will purchase mobile phones in bulk, under which circumstance the customers will have relatively high bargaining power.

### **3.2.3 Threat of new entrants**

As smart phones become more popularized and technologies increasingly transparent, the threshold to get into the mobile industry is getting lower and lower. However, it is still very difficult to come up with the perfect high-quality mobile phones. Faced with fierce competition within the mobile industry, it is not that easy to obtain high market share. In addition to excellent products, the correct marketing strategy, competitive strategy and efficient operation of the company, among other things, are also must-haves. Even some well-known mobile brands such as Nokia, Motorola, Blackberry and Sony Ericsson didn't end up with satisfactory performance in the smart phone market. New entrants are not big threats.

### **3.2.4 Threat of substitutes**

At present, the substitutes of mobile phones include smart watches, tablets and laptops. However, any of these products does not have all the advantages you can find in mobile phones: moderate in size, convenient to use and powerful in functions. Substitutes will not pose a threat to the mobile industry. However, substitutes from the same industry, which are mobile phones of other brands, do pose a serious threat to OPPO mobile phones. The threat of such substitutes gets greater as their quality gets better, functionality gets more diversified, prices of the same-quality products get lower, and products themselves get greater value for money.

### **3.2.5 Industry rivalry**

There is fierce rivalry in the mobile industry. In terms of mobile phones, OPPO's major competitors include Apple's iPhone, Samsung, Huawei, Xiaomi and VIVO. In 2017, Huawei, OPPO and VIVO were the top 3 brands with the highest shipment volumes in China's smart phone market. Samsung, Apple, Huawei, OPPO and Xiaomi were the top 5 brands with the highest shipment volumes in the smart phone market worldwide. In the same year, the market share of Samsung in the global market was 21.6%, Apple's was 14.7%, Huawei's was 10.4%, OPPO's was 7.6%, and Xiaomi's was

6.3%. Apple, Samsung and Huawei are all Global 500 enterprises. While maintaining their steady development in China, Xiaomi mobile phones have stepped up their efforts to develop the overseas markets. In 2017, Xiaomi mobile phones rose to the world's top 5 in sales for the first time. In the last quarter of 2017, the shipment volume of Xiaomi mobile phones had a sharp increase of 96.6%, amounting to 2,810 devices and leapt to fourth in terms of worldwide smart phone shipments of that quarter.

### **3.3 SWOT Analysis**

SWOT analysis is a strategic planning technique used to help a person or organization identify the Strengths, Weaknesses, Opportunities, and Threats related to business competition or project planning. It is intended to specify the objectives of the business venture or project and identify the internal and external factors that are favorable and unfavorable to achieving those objectives (Wikipedia, 2018).

#### **3.3.1 Strengths**

OPPO mobile phones enjoy high popularity, and their adverts are well remembered. In the early years, OPPO invited Korean celebrities to star in their beautiful adverts, creating an aesthetic and stylish image of OPPO. It has also invited popular entertainers for endorsement, sponsored various kinds of programs, and placed adverts so that the brand of OPPO became known to a large number of people.

OPPO has successful experience in the production and marketing of digital products, as well as its own production and sales model.

OPPO mobile phones look stylish, novel, exquisite and fine-made. "Absolute beauty" has been the quintessence of OPPO's brand. It tells how the brand pursues the ultimate exquisiteness. The mission of the brand is to create wonderful life experience through exquisite products and innovative science and technology.

OPPO mobile phones are sold roughly at RMB1,000 to RMB3,000, comparatively lower than the prices of Apple's iPhones and Samsung mobile phones. Young people can afford OPPO mobile phones.

OPPO has always attached great importance to technological innovations. By July 2016, OPPO had entered the list of top 10 domestic applicants in China in terms of the number of patent applications made public. By September 5, 2016, OPPO had a total of 8,683 published patent applications, among which 7,576 were patents for inventions, accounting for 87.3% of all patents. OPPO's patents are mostly focused on areas such as photography, rotating cameras and VOOC flash-charging.

OPPO has a large number of its own offline exclusive stores that provide optimal services. When consumers want to know more about the products, purchase them or require services, they can easily access OPPO mobile stores.

### **3.3.2 Weaknesses**

OPPO entered into the mobile field in 2008. Starting late, it has a lot to catch up with.

Although its brand awareness has been increased through aggressive advertising campaigns, program sponsoring, and popular celebrity endorsements, product performance and quality are still what consumers value the most. Some people have the impression that OPPO mobile phones are pricey, low in configuration, not worth the prices, and similar to those of other brands in terms of functionality. In the case of similar functionality and identical price, consumers may choose Huawei and other brands that are better known for their technologies.

Most enterprises of the mobile industry in China are faced with a problem: core technologies. In the mobile industry, some front-end technologies are still in the hands of those large mobile companies. When companies cannot independently find solutions to the core technologies of China-made mobile phones, they have to rely on those companies that possess such core technologies, which is limiting the development of China-made mobile phones.

### **3.3.3 Opportunities**

With the economic development in China and other developing countries, their residences are getting higher incomes. Consequently, the population with medium and

high levels of incomes continue to grow. As consumers' purchasing power is enhanced, the demand of mobile phones has increased. Some consumers own two or more mobile phones at the same time. Consumers are replacing their mobile phone on a more regular basis.

Apple and Samsung mobile phones' decline in market share has offered OPPO mobile phones an opportunity to take up the part of the markets that Apple and Samsung have lost. With its outstanding hardware configuration and excellent system operation experience, Apple used to be far ahead in terms of sales (Huaqiangbei Mobile Phone Online, 2018). However, through years of development, the gap between Android system and Apple's iOS system is narrowing down. Android system is getting more and more mature and stable. Its user experience is no longer far behind that of the iOS system. Some features are even better than those of the iOS system. Yet in recent years, Apple has been lingering on its past achievements without making any further progress. With its unwarranted confidence, Apple hasn't made much changes to the appearance, functionality and configuration of its products, nor has it improved their performance. However, their prices are getting higher every year. Lots of users have found that their iPhones are having lagging issues and the batteries die really fast after upgraded to iOS 11. They became dissatisfied with iPhones. Coupled with Apple's "performance degradation" incident, it is inevitable that iPhone will not reach the expected sales volume. As for Samsung, its decreased popularity was triggered by the explosion of Note 7. How they handled the matter showed their arrogant and disrespectful attitude toward Chinese consumers, which left them with a negative impression and caused aversion among them. Samsung has an inflated opinion of itself. Its excessive self-confidence about its products and brand has resulted in relatively high prices, as well as its blindness toward the newest changes in China's market and the strong development of Xiaomi, Huawei, OPPO and VIVO.

#### **3.3.4 Threats**

The major mobile brands are fiercely competing with one another. OPPO mobile phones are faced with a multitude of competitors, such as Apple's iPhone, Samsung, Huawei, Xiaomi, VIVO and Gionee mobile phones. The high-end mobile market is still dominated by Apple and Samsung, while Huawei and other brands are showing great strength in mid-range and high-end mobile markets as well. Xiaomi mobile phones

became all the rage in the last quarter of 2017. While maintaining their steady development in China, Xiaomi mobile phones have stepped up their efforts to develop overseas markets. In 2017, Xiaomi mobile phones rose to the world's top 5 in sales for the first time. With the 5G era approaching, Huawei has already announced its release of 5G mobile phones in 2019. On November 17, 2017 US local time, in the 5G short code scheme discussion, the PolarCode scheme recommended by Huawei was recognized as the final solution for 5G control channel eMBB scenario coding.

IDC data shows that the global shipment volume dropped by 0.5% in 2017 compared to 2016, which was the first decline ever occurred in the history of the smart phone market. The smart phone market in China also experienced a 5% drop in shipment volume last year. The smart phone market is going towards saturation. The consumers do not change their mobiles as often, and no longer show much interest in replacing old phones with new models.

The core technologies of the mobile communication market are in the hands of some internationally well-known large manufacturers. As soon as new technology is introduced, or the communication technology is upgraded, international mobile brands will always have the biggest gains. That's because they possess the most advanced technologies and can launch the newest mobile phones within the shortest period of time possible, hence the biggest gains. High-end mobile phones are highly profitable.

The functionality of mobile phones tends to converge. The life cycle of mobile products is getting increasingly short.

## **4. RESULTS**

### **4.1 OPPO's STP Strategy**

#### **4.1.1 Market Segmentation**

By geographical factors, the markets of OPPO mobile phones can be divided into European and American market, Asian market and African market. European and American market covers America, Europe, Russian and other regions. Asian market covers Southeast Asia, China and other developing countries.

By prices, the markets of OPPO mobile phones can be divided into low-end market, mid-range market and high-end market. The mid-range market and the low-end market include students, people who just start working, ordinary workers and so on. The target customer group values price and functionality. The high-end market includes private business owners, company leaders and so on. High-end products symbolize status.

By demographic factors, OPPO mobile phones can be divided into phones for women, phones for men, phones for the students, phones for the young, phones for the old, etc.

By functionality, OPPO's mobile phones can be divided into general models, music phones, camera phones, business phones, entertainment phones, etc.

#### **4.1.2 Market Targeting**

The main target consumer group of OPPO mobile phones includes young people from 18 to 30 years old, most of whom are either students or have just started to work from second-tier, third-tier and fourth-tier cities. They are after novelty and fashion. They follow the trend and advocate individuality. With active minds, they are interested in new things and pay attention to the quality of life. They also enjoy taking photographs, entertaining and socializing.

### 4.1.3 Market Positioning

OPPO has positioned itself as a stylish and individualized mid-range and high-end mobile phone brand in the market. In the early days, OPPO mobile phones are positioned as music phones with perfect sound quality.

## 4.2 OPPO's Marketing Strategy

OPPO's marketing strategy includes product, price, place and promotion.

### 4.2.1 Product

Factors consumers consider when purchasing mobile phones include price, appearance, brand, previous experience, design style, how easy to use, size and weight, camera, battery life, memory, operation system, large screen and WiFi. The *Research Report on the Demand of Chinese Mobile Consumers (First Half of 2016)* issued by China Statistical Information Service Center divides consumers' dimensions of attention while choosing mobile phones into brand, configuration, features, quality, appearance and price. Among them, consumers are the most concerned about the appearance, which accounts for 75%, followed by brand, features and quality. Configuration and price come last.

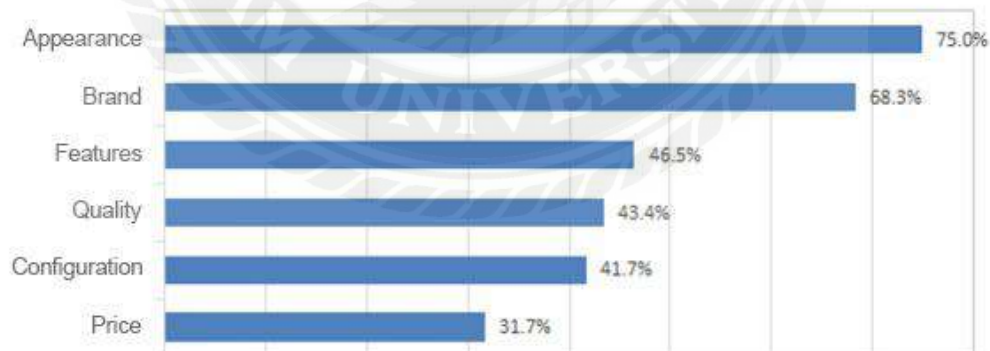


Figure 1: Factors Chinese Consumers Consider when Choosing Mobile Phones

Source: [www.cqn.com.cn](http://www.cqn.com.cn)

According to the *Research Report on the Demand of Chinese Mobile Consumers*, in terms of mobile features, photography has become a feature about which Chinese mobile consumers are the most concerned, accounting for as much as 65%, which is nearly 28% higher than the second on the list – fingerprint. In terms of photography itself, consumers



are the most concerned about definition, followed by selfie effects and night shooting effects. Apple, OPPO and Samsung are the three most highly recognized brands among consumers for their photography features, accounting for 72.4%, 71% and 69.8% respectively. In terms of configuration, consumers center their concerns on the batteries, accounting for as much as 81.4%.

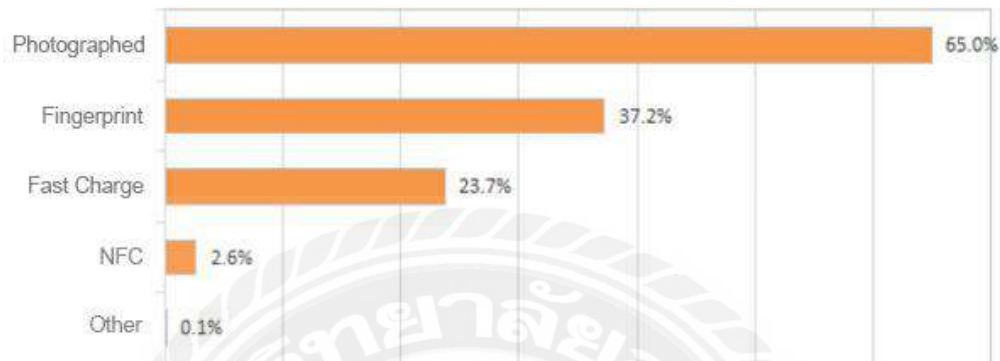


Figure 2: Mobile Features Chinese Consumers are Concerned About

Source: [www.cqn.com.cn](http://www.cqn.com.cn)

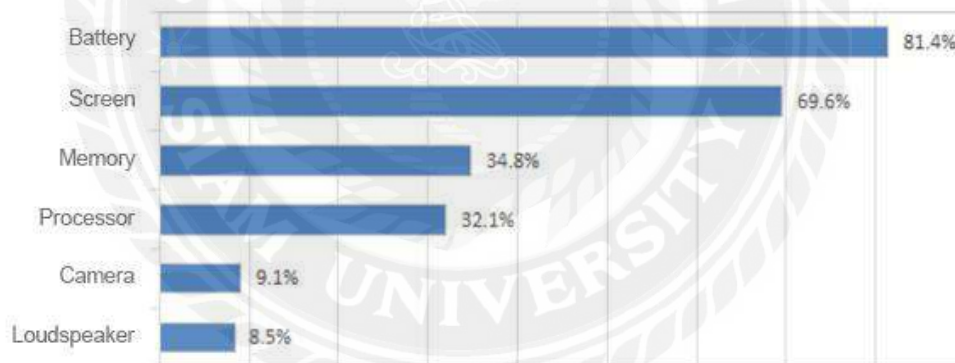


Figure 3: Mobile Configuration Chinese Consumers are Concerned About

Source: [www.cqn.com.cn](http://www.cqn.com.cn)

In terms of mobile phones, users have short battery life, slow charging, unclear pictures, unsightly appearance, and other pain points. Aiming at solving these pain points, OPPO has improved its own technologies to meet the users' needs for charging, photographing and appearance.

OPPO applied its VOOC fast-charging technology to R9, R11 and R11s mobile phones. R9's advertising slogan is "5 minutes charge, 2 hours call", which is the direct embodiment of its selling point. VOOC fast-charging technology has solved users' pain

points of short battery life and slow charging.

OPPO has never ceased to upgrade its technologies and products to satisfy the users' photography needs. In 2012, OPPO developed U701, the first mobile phone with built-in selfie beautifying feature. In 2013, OPPO launched N1, a large-screen camera phone with a rotating camera, and R1, which featured night shots. In June 2017, OPPO launched R11, a mobile phone equipped with dual cameras with an advertising slogan of "dual 20MP cameras, greater clarity and brilliance". In November the same year, OPPO launched R11s. R11s used 20MP+16MP intelligently-selecting dual rear cameras with dual f/1.7 large apertures. The main lens can be switched intelligently based on the lighting conditions for more natural portrait shots in the daytime and clearer portrait shots at night. In terms of selfies, R11s adopted brand new intelligent AI beautifying technology. Based on its collection of 254 facial feature points, OPPO R11s can intelligently analyze the gender, age, complexions, skin types and other information of the users. It can also provide users with the most suitable beautifying algorithms by combining all such information.

"Absolute beauty" is the essence of the brand of OPPO. OPPO's products always look stylish and exquisite. OPPO targets young people as its market. They are after fashion. A57, R9 and other OPPO mobile phones resemble iPhone in appearance, because iPhone represents and leads the current trend and fashion of mobile phones. OPPO released three versions of R11s – black, champagne and red. Red R11s has full-screen and starry-sky-screen design features. The subtly visible red halo makes the phone look more beautiful when the light of the screen is off, achieving the smoothest transition from the frame to the screen.

OPPO never ceases to upgrade the technologies and features of its mobile phones. Whenever another mobile brand launches a new feature, OPPO will improve the functionality of its own mobile phones as soon as possible. When the "Raise to Wake" feature was launched in Apple's iOS 10 system and the facial recognition feature was launched in iPhone X, OPPO followed suit and upgraded its own technologies. OPPO R11s has adopted brand new face recognition technology. By intelligently collecting a user's 128 face recognition points, the recognition process can be done in only 0.08 seconds. The moment the screen is lightened, the phone will be unlocked. R11s also has the "Raise to Wake Up" feature.

OPPO also launched a custom FC Barcelona edition mobile phone. OPPO and FCB Global Partnership Press Conference was held on September 8, 2015 in Beijing. At the conference, OPPO became an official partner of FC Barcelona, and launched the custom FC Barcelona edition of R7 Plus. In June 2016, OPPO launched a custom FC Barcelona edition of R9. In August 2017, OPPO launched a custom FC Barcelona limited edition of R11. This FC Barcelona limited edition of OPPO R11 features six major highlights: the FC Barcelona's red and blue design, a 18K gold-plated emblem, two times more sophisticated technology, custom UI mobile theme, exclusive blue packaging and a case signed by FC Barcelona's star players. OPPO R11 FC Barcelona custom edition adopted FC Barcelona's signature colors – red and blue. By using the 3D surface “masking oxidation process”, R11 realized, for the first time, large areas of contrast colors of red and blue on its all-metal body and a gold ratio division by a 0.4mm line. Where red met blue, a 18K gold-plated emblem representing FC Barcelona's spirit of glory was inlaid in a 3D manner. Gilt effects were added to the edges of the body and its rear camera, looking like crowns. In order for the red and blue dual-colored metal to blend perfectly with the antenna, OPPO R11 FC Barcelona limited edition tried the new “glue filling process”. The custom UI mobile theme featured red and blue. The lock screen wallpaper, home screen wallpaper, app icons and interface all featured FC Barcelona's red and blue.

#### **4.2.2 Price**

The price of OPPO mobile phones ranges from RMB1,000 to RMB3,500, standing in the mid-range and high-end prices. Among the same products of the mobile industry, the price of OPPO mobile phones is comparatively higher. Different series are priced differently. Series A mobile phones are priced between RMB1,000 to RMB2,100, while Series R mobile phones are priced between RMB2,500 to RMB3,500. In terms of the overall price strategy, the prices of OPPO mobile phones are unified across the country and are strictly regulated. This kind of strategy will not lead to different pricing by different channels or cause chaotic pricing. It helps the company manage the prices and also puts the consumer's mind at ease. However, to some extent, it limits the sales of online channels. If a product is sold at the same price online and offline, consumers would prefer to try it in a physical store before purchasing.

Table 3: OPPO Mobile Phone Price (The Monetary Unit of Price: RMB Yuan)

Phone Model	R15 (Black)	R15 (White)	R11s	R11s Plus	A3	A79 (64G)	A73 (64G)	A1 (64G)	A83 (32G)
Price	3499	2999	2799	2999	2099	1799	1599	1499	1299

Data sources: <https://www.opposhop.cn/> (Price Statistics as of April 24, 2018)

Form source: This Study Organized

### 4.2.3 Place

OPPO uses a variety of mobile marketing channels. It cooperates with the operators, lets agents sell its phones, sets up OPPO stores, enters professional mobile chains and large-scale appliance chain enterprises, as well as establishes online marketing channels, satisfying the needs of different consumers (Wang, 2017).

OPPO has powerful offline sales channels. By adopting the strategy of “encircling the cities from rural areas”, OPPO has opened over 200,000 retail stores throughout third-tier and fourth-tier cities in China. The green-themed OPPO stores are everywhere, attracting people’s attention by colored flags, mascots, audio adverts and other means. In the stores, trained shop assistants will introduce products to the customers. OPPO also lets agents sell its mobile phones. OPPO has three types of agents: OPPO’s previous employees, OPPO’s previous suppliers or partners, and OPPO’s long-term and exclusive channels. OPPO offers its front-line shop assistants base salary plus commission to motivate them and push them to make every effort to sell. This also leaves OPPO’s channels with sufficient profit space. Some agents even hold a small amount of OPPO’s shares (Wang, 2016). OPPO also implements an “overall scoring” system, which comprehensively evaluates sales volume, payment collection and other indicators. In general, the company of OPPO does not involve much in the management of the sales by levels below the agents. Instead, it fully delegates its prime agents.

Operators have powerful distribution networks and strong service capabilities. Many mobile brands adopt the channel sales model in collaboration with the operators by means of free mobile recharging and free data when purchasing, launching customized mobile phones for the operators, and so on. Based on the development of science and technology

as well as the trend of the times, the operators often make more requests about the mobile phones. OPPO will then produce customized models in accordance with the operators' requests to meet the market demand. Since the launching of its first China Telecom edition OPPO R3, OPPO mobile phones have performed well in the China Telecom market and won acclaim from the users. Collaborating with the operators can increase the exposure of OPPO mobile phones. Customers who are at the operators' stores solving issues or queueing can get to know the OPPO mobile phones displayed in the stores, and promotional activities such as free recharging and free data by purchasing an OPPO mobile phone. Free recharging and free data are very appealing to the consumers.

OPPO mobile phones have entered professional mobile chains and large-scale appliance chain enterprises; for example, OPPO mobile phones have their own counter at Suning Appliance. By selling mobile phones through large-scale mobile or appliance chain channels, OPPO can save the sales cost to a certain extent. It costs less than opening an exclusive OPPO store. Meanwhile, OPPO can also take advantage of the brand influence of the well-known chain enterprises in first-tier and second-tier cities.

The online channels of OPPO mobile phones mainly include the official website of OPPO and other e-commerce platforms such as Suning.com, JD.com and Tmall. Online shopping has become very popular in recent years. Other than its convenience, online shopping also saves costs. Online channels save the sellers' rents, renovation costs, utility costs and other costs. They save the consumers' costs for travelling outside for shopping. For the same product, its online price is generally lower than its offline price. With Xiaomi as the epitome, lots of mobile phone brands are focusing their strategy on online sales. OPPO mobile phones are sold at the same prices online and offline. Therefore, without any discount for the mobile phones online, consumers may prefer to try the products in a physical store before purchasing. Consequently, in terms of online channels, OPPO mobile phones have no advantage.

## **4.2.4 Promotion**

### **4.2.4.1 Advertising Slogans**

The product advertising slogans of OPPO mobile phones reflect the distinct features of the products. They are easy to follow, easy to spread and easy for consumers to remember. OPPO U701 was OPPO's first selfie phone. Its advertising slogan was "Selfie

Expert”. OPPO R1 was a mobile phone featuring night shots launched by OPPO. Its advertising slogan was “great shots don’t stop at night”, reflecting R1’s feature of night shots. OPPO N1 was a mobile phone with a rotating camera. Its advertising slogan was “the charming rotation”. The advertising slogan of OPPO N1 Mini was “rotate as you like for unlimited fun shots”. OPPO Find 7 was OPPO’s first flagship product released in the 4G era. Its advertising slogan was “an all-round 4G flagship”. OPPO R9 adopted VOOC fast-charging technology. Its advertising slogan was “5 minutes charge, 2 hours call”, which enabled people to remember R9’s features of fast-charging and long battery life. The advertising slogan of OPPO R9s was “Now, It’s Clear”, and that of OPPO R11 “dual 20MP cameras, greater clarity and brilliance”, both demonstrating the feature of R9s and R11 which was taking clear photographs. The advertising slogan of OPPO R15 was “AI smart photography, capturing the genuine beauty”, which showed R15’s feature of AI smart shots.

The advertising slogan of each OPPO mobile phone reflects well the main features of the product. From selfie, night shots, rotating cameras, product transforming from 3G to 4G and flash-charging technology, to AI smart photography technology, the features and selling points of each OPPO mobile phone product is reflected by its smooth-reading advertising slogan directly and spread fast and wide (Spiderman191, 2016). “5 minutes charge, 2 hours call” is particularly well spread all over China.

#### **4.2.4.2 Celebrity Endorsements**

OPPO mobile phones target young people from 18 to 30 years old as their major consumer group. OPPO India hired actors Hrithik Roshan and Sonam Kapoor as their brand ambassadors. The cricketer Yuvraj Singh too has been featured in some of their advertisements. OPPO India has launched a campaign starring Bollywood couple Bipasha Basu and Karan Singh Grover for OPPO F1s Rose Gold edition. OPPO Indonesia hired Isyana Sarasvati, Raisa Andriana, Reza Rahadian and Chelsea Islan as their brand ambassadors. OPPO also hires celebrity endorsers in Vietnam, especially Son Tùng M-TP who endorses three smart phone units like Neo 5, Neo 7 and F1s. OPPO Malaysia also launched a new OPPO F5 smart phone with Fattah Amin and Ayda Jebat as their brand ambassadors. Korean boy band 2PM prepared a song known as "Follow Your Soul" in a promotional deal with OPPO for launching its brand in Thailand in 2010. In October 2017, OPPO Thailand launched a new ad of OPPO F5 smart phone with a new ad

presenter: famous Thai actor, Nadech Kugimiya (Wikipedia, 2018). OPPO Thailand invited actors James Jirayu and Thanapob Lee to endorse OPPO R9s. In addition, OPPO invited Yaya Urassaya to endorse OPPO F5 and F7. OPPO China has invited Yang Yang, Yang Mi, William Chan Wai-ting, Dilireba, and TFBOYS (Wang Junkai, Wang Yuan, and Jackson Yee) as endorsers. These celebrities have a large number of young fans which correspond to the target consumer group of OPPO mobile phones. The endorsers of OPPO mobile phones are all capable of inspiring people to follow them, influential and topic-inducing. They can also bring greater add-value to the brand.

#### **4.2.4.3 Weibo Marketing**

Disseminating information through Weibo marketing is simple, convenient, fast and open, low-cost with diversified content and forms. Everyone can participate Weibo activities at any time from anywhere. Corporate marketing activities are not constrained by time and location. Promoting products on Weibo has become simpler, faster and more efficient. The audience can instantly obtain and disseminate information, saving a considerable amount of cost for the enterprises. There are varied ways to market products through Weibo; for example, using various topics, celebrities, and various methods to interact with Weibo users.

In China, OPPO's endorsers have large numbers of followers on Weibo: Yang Mi has 80.07 million followers; Yang Yang has 33.15 million followers; William Chan Wai-ting (also Chen Weiting) has 25.58 million followers; and Dilireba has 40.26 million followers. Among TFBOYS, Wang Junkai has 40.87 million followers, Wang Yuan has 39.70 million, and Jackson Yee (also Yi Yangqianxi) has 39.36 million. After an endorser sends a Weibo post, "From OPPO xx (model name)" will be shown above the post. With each endorser having such many followers on Weibo, the impressions of OPPO mobile phones can reach extremely high. When a new OPPO mobile phone is launched, the endorsers will send Weibo posts promoting it. When OPPO R11s was first released, its brand endorsers posted their "cast photographs" with R11s on Weibo. In terms of Weibo forwarding, within the data statistical time frame, Jackson Yee's Weibo post was forwarded over 3.5 million times, ranking first. In terms of Weibo coverage, according to big data analysis, Jackson Yee's Weibo coverage exceeded 130 million people, raking first, followed by Wang Junkai's which exceeded 110 million people. Wang Junkai's Weibo post was forwarded over 2.4 million times. Within 9 days after the Weibo posts were first

published, the average daily forwarding of them all exceeded 100,000 times. Dilireba’s, Yang Yang’s and William Chan Wai-ting’s Weibo posts were all forwarded over 0.6 million times (Sohu.com, 2017). The forwarding layers of Yang Mi’s Weibo post reached 101, which contributed a lot to the depth of OPPO’s brand communication. Yang Yang’s and Wang Yuan’s followers also showed a relatively high degree of loyalty towards OPPO. Of the devices they used to forward, comment and send Weibo posts, more than 20% were OPPO mobile phones. R11s’ promotional Weibo posts sent by the celebrity endorsers were forwarded over 8.70 million times, covering 510 million people in total. Up to November 22, the Weibo topic “#OPPO Dual 20MP Cameras R11s#” had been read 980 million times. The brand promotion achieved a superb dissemination effect.

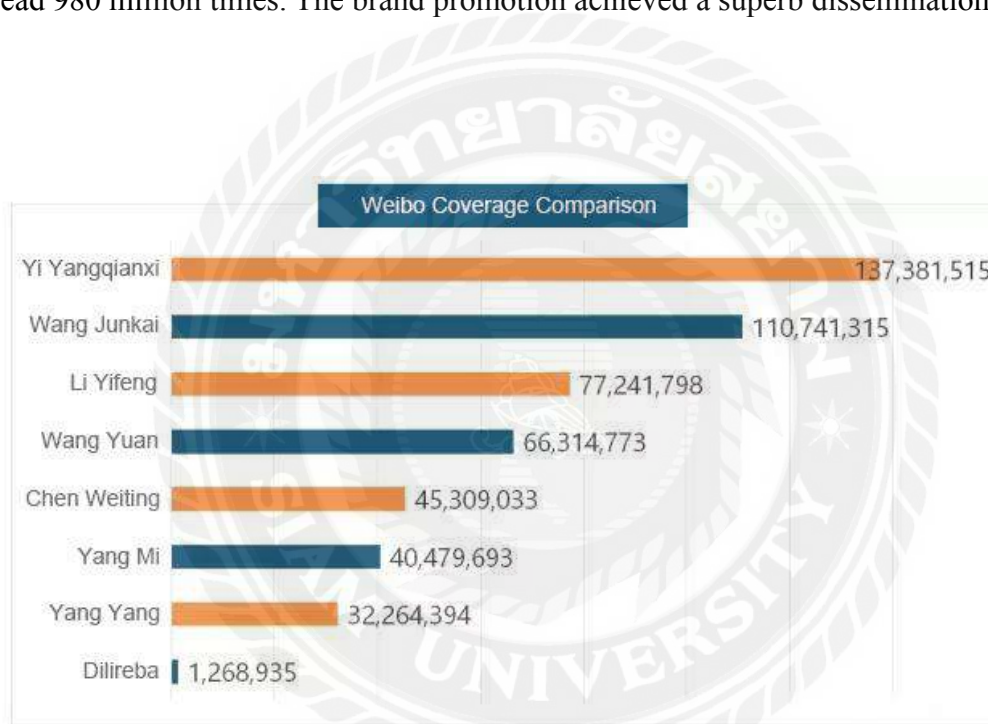


Figure 4: Weibo Coverage Comparison for Weibo Posts Promoting OPPO R11s by its Endorsers

Source: wyq.sina.com

Collection and Statistical Period: October 23, 2017 – November 10, 2017



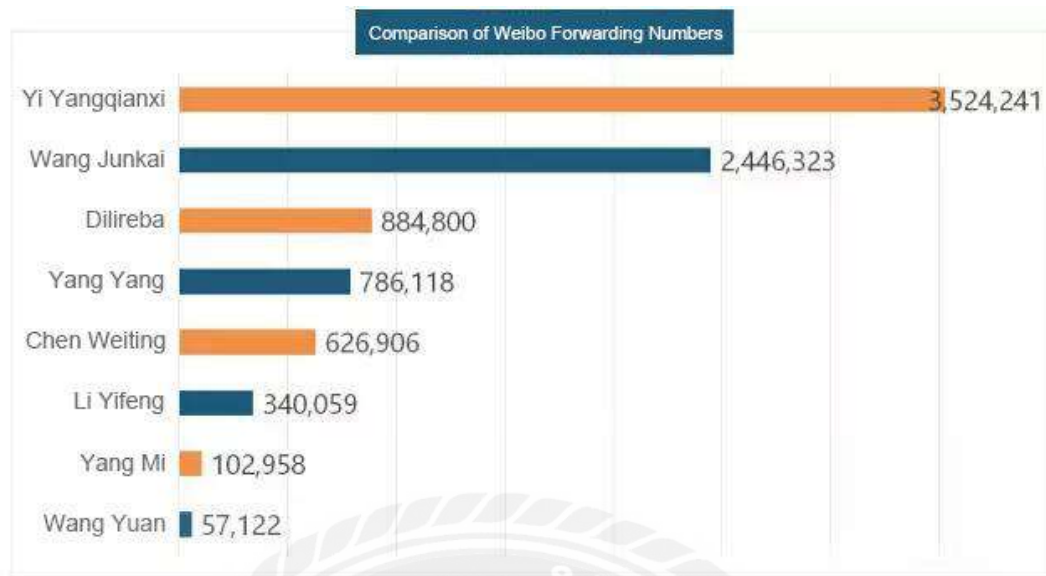


Figure 5: Comparison of Weibo Forwarding Numbers of Posts Promoting OPPO R11s by its Endorsers

Source: wyq.sina.com

Collection and Statistical Period: October 23, 2017 – November 10, 2017

Together with six popular celebrities, OPPO conducted a fun search marketing activity on Weibo’s platform. It was the first time for Weibo to open its own search engine product and collaborate with a brand owner. When fans searched the names of “Yang Yang, Yang Mi, Wang Junkai, Wang Yuan, Jackson Yee and Li Yifeng” on Weibo, they would see surprises prepared by OPPO beforehand – falling animated GIFs of the celebrities and the product photographs of OPPO’s latest camera phone R9s (Sohu.com, 2017). This novel, fun and unexpected interactive experience left lots of fans favorable impressions. Many of them shared the screenshots of their participation in this activity on their own Weibo account and WeChat Moments. According to Weibo’s official statistics, during the 4 hours following the launching of the activity, “#Wang Junkai has a R9s which takes clearer pictures#” and other sub-topics of the six celebrity endorsers had been read over 45.89 million times and reached a total discussion volume of 50,000.

OPPO was a title sponsor of Weibo Awards Ceremony. They engraved the names of invited guests on the newly-launched OPPO R9s mobile phones and made them into custom invitations for the event. Lots of celebrity guests all shared their OPPO mobile phones with their names engraved on Weibo (Wu & Jin, 2017).

OPPO mobile phones also took advantage of Weibo topics and interacted with fans to increase their engagement. Topics such as “OPPO R9s free gifts on Weibo”, “red R9s for the new year”, “OPPO super-vision full-screen R15”, “Purple R15, we should live for real”, “OPPO, live for real”, and “Wang Junkai OPPO New Journey” initiated forwards and participation in the interactions by a large number of fans.

OPPO mobile phones also launched another activity in which people who forwarded certain Weibo posts could participate in a lucky draw with chances of winning mobile phones. For example, OPPO let *Who's the Murderer*, an online variety show sponsored by OPPO, announce at its official Weibo account about the lucky draw activity. Anyone who forwarded this Weibo post with the topic “OPPO super-vision full-screen R15” included would have the chance to win an OPPO R15 mobile phone. A total number of 7,422 people forwarded the Weibo post *Who's the Murderer* released about OPPO R15's lucky draw activity. By taking advantage of low-cost prizes, as well as people's mentality of wanting something for nothing and trying their luck, OPPO mobile phones led a large number of users to follow and forward by way of helping promote OPPO's new R15, achieving the objective of making it known to more people.

The official Weibo account of OPPO mobile phones also engaged in interactions and discussions with the fans. For example, it would forward the photographs users have taken by OPPO mobile phones, share some photography knowledge, publish some topics for discussion so that fans would interact and discuss, and share some daily-life related content.

#### **4.2.4.4 WeChat Marketing**

OPPO collaborates with WeChat Official Accounts. These accounts write and push articles promoting OPPO mobile phones. OPPO usually selects accounts with mostly young followers. The articles such accounts push are mostly about fashion, as well as science and technology, which young people are interested in. Fans that follow such accounts are mostly in pursuit of novelty, fashion, uniqueness and the cutting edge. They do have certain taste. They coincide with the key target consumer group of OPPO mobile phones. When OPPO released its new phone R15, it collaborated with the WeChat Official Accounts of “Guokr.com” and “Becky's Fantasy”.

Guokr.com usually pushes articles that are related to the science and technology of various fields. Content is open, diversified and fun. The first half of the OPPO R15 advertising article pushed by Guokr.com didn't appear to be advertising OPPO mobile phones. Instead, it introduced the visual sensory system, how humans distinguished different colors, and the colors' impact on human's psychological activities, just like its usual popular science articles. Midway through the article, it went from the "demand theory of uniqueness" to consumers' demand of mobile phones that have different colors and appearances from other mobile phones, which in turn led to the four colors the American designer Karim Rashid had designed for OPPO R15 – snow white, thermal red, star purple and dreamy red. It also introduced the extension of 3-HDR OPPO R15 had adopted that could create a stronger sense of depth to the photographs taken. The article started with scientific knowledge related to the product features of OPPO R15 as a preparation for the content that followed. It was fun and appealing for readers to keep reading. They didn't feel an instant aversion of it like how they felt about other articles promoting articles the moment they started to read them.

"Becky's Fantasy" is a WeChat Official Account in which the owner of the account tells readers what they can buy, what they should buy, how to become a beautiful person with a beautiful soul, and how to live a practical life with one's own style from her own experiences like a friend. Its article promoting OPPO R15 mobile phones didn't appear to be an advert at the beginning either. The first half of the article talked about how to take photographs and some composition techniques. The article only started to mention OPPO R15 mobile phones midway by showing photograph examples of successful composition taken by OPPO R15. By using photographs and GIFs, it introduced the unique appearance, screen, AI smart photographing, photograph editing feature, video beautifying feature and translation feature of the star purple OPPO R15 in a very detailed way. The beginning of the article gave readers the impression that it was an article teaching people how to take photographs. As they read half way through, they suddenly realized that it was an advert. Such an advert does not cause so much of aversion. Instead, they are more easily accepted by people and boost their interest to read the whole articles patiently. Some readers even asked about the price of OPPO R15 in the comments, which showed that the promotion was effective to a certain extent.

#### 4.2.4.5 Advertising Production

Most of OPPO mobile phones' adverts are fine made, with beautiful frames and delightful music. They emphasize the rendering of artistic conception. Good-looking male and female celebrities are invited to star in the adverts. Sometimes, the adverts contain certain story lines, weaving in OPPO mobile phones and their features. The frames in the adverts rival those in films, with both visual and auditory enjoyment and leaving an indelible impression on the audience.

In terms of ad placements in China's TV stations, OPPO has placed adverts mostly in Zhejiang TV, Hunan TV, CCTV, and other mainstream TV channels at prime time. During the 2016 Olympics, OPPO placed prime-time adverts in CCTV-5.

OPPO has launched several ad campaigns that highlight its innovative features and are shown via television, newspapers and billboards and in social media via Facebook, Twitter, Blogs, Instagram and YouTube (MARKETING91, 2018).

OPPO's Find series targets young men with adventurous spirit as customers. Therefore, they invited Leonardo DiCaprio to be the endorser of OPPO Find smart phones. In April 2011, the advert *Find Me* of OPPO Find was launched. The story of the advert was roughly about: Leonardo kept meeting a mysterious woman randomly. She left "Find me" on the window and wanted him to find her. The advert was permeated with mysterious and suspenseful atmosphere, comparable to film trailers. The audience wanted to watch more and wondered what would happen next. The advert drew people's attention and aroused their interest.

In April 2014, OPPO launched a micro-film advert *The Magician* advertising the newly released OPPO Find 7. This time, in collaboration with Tencent Video, OPPO introduced a "1-Yuan-Ticket" service. Users can only watch 30 seconds of the 5-minute micro film *The Magician* for free. The whole film was available for only RMB 1. OPPO said that all proceeds of this advert would go to underprivileged children's projects. For users who wanted to watch it but didn't want to pay, they just needed to shared this advert with five of their QQ friends, which realized the secondary dissemination of the micro-film advert.

Early in 2017, OPPO launched the advert *The Magic Journey of Lilliput* starring Yang Yang. In this advert, Yang Yang became a migrant worker in Lilliput. People there helped him realize his dream of reuniting with his love and having a photograph taken together on New Year's Day. The story happened in winter and was set in a small town in Europe. The frames were surreal like in a fairy tale. The idea of Lilliput was novel. The advert had the quality and fineness of a film. It was a perfect blend of oriental classicality and western atmosphere. One hour after the advert was released online, it had been forwarded over 10,000 times (Kang, 2017).

In 2017, OPPO joined hands with Jay Chou and shot its micro-film advert *The Longest Story of Jay Chou's 2000w Stories*. This micro film told that in the snowy winter of 2070, an old man brought his wife who was suffering from Alzheimer to see the magician Jay Chou, who could bring back memories by playing the piano. As Jay Chou played *The Longest Movie*, how the old man and his wife met, fell in love and became inseparable all through their life appeared before their eyes. The old man's wife finally recognized him, although only for a brief moment of the song. As the story developed in the micro film, both the leading actor and actress were using different models of OPPO mobile phones throughout different stages of their life. The story of them loving and accompanying each other till they were old was very heart-warming and touching for the audience. In addition, many of the young people in OPPO's main target market had grown up listening to Jay Chou's songs. The advert also aroused such a kind of emotional tie. In less than a day's time after this micro film was released, it was played over 10 million times on various major platforms and was spoken highly of.

In 2016, OPPO launched a micro film called *I Am Your Xiao Mi Phone* starring Yang Mi and Dong Zijian, and a micro TV drama called *I Am Your Yang Yang Phone*. In 2017, OPPO invited the three members of TFBOYS to star in the *Invisible TA* micro-film series. Wang Junkai starred in *Let's Be Friends* of the series, Wang Yuan starred in *Odd Minshuku* of the series, and Jackson Lee starred in *Handsome Delivery Boy* of the series. In 2018, OPPO invited Dilireba to star in the micro film *Live for Real*.

#### 4.2.4.6 Sponsorship and Embedded Marketing

In recent years, variety shows have a booming market in China. A large number of variety shows are shown on TV and on the Internet. Variety shows have brought about an increasing number of business opportunities. With the development of the fan economy, variety shows are setting greater and greater store by the value of celebrities. Generally speaking, programs that have invited big-name celebrities have relatively high viewership. Brands need to take advantage of highly-rated programs to increase brand exposure. Lots of brands experience considerable increases in brand awareness and sales volumes after sponsoring programs. Therefore, many brands are willing to spend a substantial amount of money to win the sponsorship, or even title sponsorship of the programs.

OPPO is a title sponsor of many top variety shows. Chinese variety shows OPPO is sponsoring include *Happy Camp*, *Day Day Up*, *Up Idol*, *The Inn*, *Back to Field* and *Who's the Murderer* of Hunan TV, *Running Man China*, *The Voice of China* (Season 4), *Give Me Five*, *Challenger Union*, *Sing! China* (Season 2) and *The Birth of Actors* of Zhejiang TV, *Go Fighting!* and *Fashion Star* of Dragon TV, *Crossover Singer* of Beijing TV and *She is My Family* of Jiangsu TV (Liang, 2017). Internationally, OPPO spent a huge sum of money and became a global sponsor of FC Barcelona, the exclusive title sponsor of the Super Derby of the Americas, the official partner of America's Next Top Model and the official smart phone partner of Victoria's Secret Fashion Show 2017. OPPO also sponsored *The Mask Singer*, a program in Thailand. OPPO made a sponsorship to one of Vietnam's top-rated reality shows *The Face Vietnam*. OPPO also sponsored the BIGBANG concert in Bangkok.

In terms of sponsoring variety shows, OPPO has spent enormous amounts of money. It has spent around RMB 500 million in sponsoring the first four seasons of *Running Man China*, of which RMB 130 million was spent on the sponsorship of season 4. It spent a total of RMB 900 million on the exclusive title sponsorship of two seasons of *Up Idol*. At the price of RMB 70 million, OPPO established a special partnership with *Challenge Union*. It spent RMB 200 million on the sponsorship of the second season of *Go Fighting!*, RMB 500 million on the title sponsorship of the second season of *Sing! China*, and RMB 200 million on the exclusive title sponsorship of the second season of *Crossover Singer*.

The second and third seasons of *Who's the Murderer*, of which OPPO was the exclusive title sponsor, were very successful. They won some marketing awards including the Kirin Advertising & Marketing Awards for variety shows, the ADMEN Awards, the first prize at the 9th Golden Mesh Award for entertainment marketing. The second season of *Who's the Murderer* was played more than 2 billion times, while the third season was played more than 3.2 billion times. *Who's the Murderer* is China's first variety show in which the celebrities must exercise their reasoning. Celebrities participating in the show need to look for evidence in the "crime scene" carefully prepared by the program crew and find out who the murderer is through reasoning. This program is an integration of undulating story lines, intelligent reasoning and funny nature of variety shows. It is very popular among young audience, with as much as 70% of its audience under the age of 30. The main target consumers of OPPO mobile phones are young people, which coincides with the audience group of *Who's the Murderer*. The advertising slogans of OPPO in *Who's the Murderer* are "favored by the young and loved by the famous detectives" and "how embarrassing not to have a dual-20MP-camera phone when solving a case", which are related to case solving content of the program and rhyme in Chinese. They are catchy, easy to spread and impressive for the audience. OPPO is not simply a title sponsor of *Who's the Murderer*. Instead, it has tried something very different in terms of embedding its advertising in the program. OPPO mobile phones are linked with the story line of the program and the progress of the case, helping advance the development of the case. They play a major role in the investigation by those detectives. When the detectives are at the scene looking for evidence, OPPO mobile phones are the best tools to help with the investigation. They can help collect evidence by taking clear photographs to help solve the case; each suspect has evidence and clues secretly stored in the phones; when they gather together to share clues found, they use the photographs taken by OPPO mobile phones; sometimes, there are important videos and other evidence recorded in the phones. In *NZND: Time and Tide Wait for No Man*, Episode 5, Season 3 of *Who's the Murderer*, the case was set in the entertainment circle. The players formed the NZND band and sang a song called *OPPO R11s*. The lyric was about the features of OPPO R11s mobile phones. *Who's the Murderer* promotes OPPO mobiles phones by means of integrating them into the scenes, creatively weaving them into the story lines, creating surprises at the end (Scientific China, 2017), and promoting orally by the guests of the program at any time during the investigation. The promotion is well integrated with the story line of the program. Consequently, the embedded advertising is not unnatural and does not cause aversion. Instead, it leaves the audience an indelible impression.

In terms of embedded advertising in films and TV series, OPPO mobile phones have appeared in *Breakup Buddies*, *Overheard 3*, *The Witness*, *One and a Half Summer*, *The Lost Tomb*, *LOVE O2O*, and Thai TV series *The Cupids*.

#### **4.2.4.7 Creating a Stylish and Upmarket Brand Image**

In order not to let consumers associate OPPO with a mid-range and low-end brand image anymore, OPPO started its collaboration with fashion brands and people of the fashion circle. OPPO invited designers Wang Tianmo and Shangguan Zhe to design limited editions of trendy T-shirts and hoodies. It also invited Su Mang, the editor-in-chief of *Harper's Bazaar* China, to personally design a gift-box version of OPPO R9s and gave them to celebrities as new year gifts. OPPO collaborated with Guerlain, a high-end makeup brand from France, and introduced a limited edition of Guerlain thermal red gift boxes containing a Guerlain thermal red lipstick 325 and a red OPPO R11 phone in each box. It collaborated with Gogoboi and launched Proud Slogan phone cases. OPPO also collaborated with The Beast and launched new year flower boxes (VRRB.CN, 2018). OPPO was the official smart phone partner of Victoria's Secret Fashion Show 2017. OPPO had its presence in two magazine, *Cosmopolitan* and *Harper's Bazaar*.

OPPO also made an attempt to build a stylish and upmarket offline mobile store, hoping to enhance its brand image and upgrade its brand level through its super flagship store. At the end of 2017, OPPO's super flagship store in Shanghai started its business. Covering an area of about 500 m<sup>2</sup>, the store is all white with simple yet adequate design. Inside the store, there are several randomly-placed "big stones", an eight-meter-long green whale sculpture, mirror-designed ceilings, wooden experience tables and wooden benches. OPPO's super flagship store in Shanghai has created a "free, intimate and fun" experience space for users to stay and experience as they wish.

#### **4.2.4.8 Offline Promotion**

OPPO has made great efforts in offline promotion. OPPO posters are everywhere, such as subway stations, bus stations, outdoor areas, and other places. Advertising posters are often comprised of a spokesperson and an OPPO mobile phone. OPPO offline stores always have big green billboards, green arches, green sun tents and green cartoon props,



which are very conspicuous. Offline store also use audio broadcast advertising slogans. OPPO's extensive offline advertising has enhanced OPPO's brand awareness and impressed its audience.

### **4.3 Problems Discovered**

#### **4.3.1 Product**

The key innovative advantages of OPPO mobile phones such as the VOOC fast-charging technology, photography feature and pixels of photographs are gradually overtaken by its competitors. Mobile phones of other brands have adopted their own fast-charging technology. In terms of photography, in collaboration with Leica, Huawei mobile phones are now equipped with Leica's lenses and their image processing technology, granting the phones with more professional and higher-quality photographs. With the development of science and technology, the functionality of mobile phones tends to converge. The life cycle of mobile products is getting increasingly short.

#### **4.3.2 Price**

Many consumers have the impression that OPPO mobile phones are pricey, low in configuration, and not worth the prices. They think that OPPO mobile phones are a little overpriced, and that the price doesn't match up to the performance.

#### **4.3.3 Place**

In terms of channel sales, OPPO mobile phones are mainly sold through offline channels. By adopting the strategy of "encircling the cities from rural areas", OPPO's offline sales channels are mostly in second-tier, third-tier and fourth-tier cities. This has left people the impression that OPPO sells low-end phones, which is not favorable for OPPO mobile phones to establish a stylish, international and upmarket brand image. The success of the channel sales of OPPO mobile phones lies in the construction of offline channels. Their model of opening a large number of exclusive OPPO mobile stores in second-tier, third-tier and fourth-tier cities is easily copied and learnt from by its competitors, thus becoming less advantageous by degrees.

#### **4.3.4 Promotion**

OPPO has increased the brand awareness of OPPO mobile phones by celebrity endorsements, ad placements wherever possible, embedded advertising in TV series and films, as well as sponsorship of lots of variety shows. However, this has also left people with the impression that money is the only thing OPPO has. They think that, although OPPO has invited good-looking idols for endorsement and placed a large number of adverts, it produces low-end products of poor quality. Overly frequent appearances of adverts in programs and TV series, as well as unnatural embedded advertising, will lead to the audience's aversion. Huge amounts of program sponsorship will also greatly increase the cost of the enterprise.

#### **4.4 Advice on the Marketing Strategy of OPPO Mobile Phones**

##### **4.4.1 Product**

Although a large quantity of adverts can increase brand awareness and the sales of mobile phones within a short period of time, eventually, what consumers value is still the product itself. Without good quality, no matter how great the adverts are, consumers will never purchase. New models of smart phones come out fast. The product life cycle is short. OPPO needs to focus on the following aspects: forming its core technological advantages by strengthening its R&D and taking the initiative to innovate; differentiating its own mobile phones from those of other brands by fully understanding consumers' demand for mobile functionality, emphasizing user experience and user-friendly design, and developing unique features; optimizing details by constantly upgrading and improving its operating system, solving the lagging issues of its mobile phones, smoothing the use of the mobile phones, reducing the occurrences of problems such as crashes and sudden closing of applications, solving the problem of overheating (Zhou & Yao, 2017), and designing the structure of mobile phones in a more scientific way; upgrading photography technology by constantly conducting R&D and upgrading of mobile parts such as the screens and cameras; differentiating itself from other brands in appearance so that OPPO mobile phones have their own unique features of being stylish and exquisite. The 5G era is approaching. The large-scale commercial application of 5G is estimated to take place in 2020. Huawei plans to launch Kirin chips which support 5G technology in the second half of 2019 and a smart phone that supports 5G technology during the same period. OPPO needs to speed up its research and development of 5G smart phones. Only in this way, can it become sufficiently competitive to compete with

other mobile brands when the 5G era finally comes.

#### **4.4.2 Price**

In terms of price, OPPO can moderately lower the price of old models when launching new ones. OPPO needs to increase the quality of its mobile phones to the extent that it is in line with their price, thus changing consumers' impression of them being pricey with low configuration.

#### **4.4.3 Place**

In terms of offline channels, OPPO needs to make the following changes: controlling the expansion of exclusive OPPO mobile stores in second-tier, third-tier and fourth-tier cities, or even closing some; increasing the number of such stores in first-tier cities to expand the market in such cities so that the consumers may change their impression of OPPO being a low-end phone brand; changing the image of such stores because exclusive OPPO mobile stores must be upmarket and stylish with adequate design to shake off its low-end brand image; providing professional training to shop assistant so that their professional knowledge will be increased and they will serve customers with a good attitude; excelling in after-sales services as well by increasing the speed to repair, setting reasonable repair charges or even charging no fees for repair and serving with a good attitude; maintaining the online sales channels by ensuring online customer-service personnel's prompt response to questions from the customers without leaving any customer unattended, timely delivery, and meticulous product packaging for delivery so that the products inside are well protected and intact upon delivery to the customers; distributing free delicate gifts to customers when they purchase OPPO mobile phones. Such gifts can be mobile accessories such as earphones and cases, or something related to the brand endorsers (Hong, Wang, & Lin, 2012).

#### **4.4.4 Promotion**

When searching for corporate endorsers, OPPO needs to make sure that the image of the endorser is in line with the brand image of OPPO. Celebrity endorsement is risky in a sense. Therefore, OPPO must be cautious when choosing its endorsers. The image and reputation of an endorser will have an impact on the image of the brand. The same

endorsers of other brands should be avoided. Using the same endorser with another brand will lead to the confusion of consumers (Guo, 2011).

Micro-film adverts must combine stories and products in a perfect way: by integrating brand concept and value into the story lines, the micro-film adverts will offer the audience different emotional experience as well as resonances for them through feeling the character and willpower those characters in the films represent. A micro-film advert shall not have too much or unnatural presence of the products. Instead, they need to be permeated into the story lines naturally, and their features shown in a natural way. It is needed to make people have a good understanding of OPPO mobile phone's appearance design and internal functions while enjoying the vision (Yang, 2016). In the course of marketing, the best practice of micro-film advertising is to attract customers to participate in the adverts. This will increase the interactions between the adverts and the audience, letting them feel as if they are part of the scenes. Through progressively deepening their understanding of the products, the audience will get to know the corporate culture and brand spirit beyond the products (Zhao, 2014). Other than beautiful and fresh scenes, OPPO can add some intense story lines and an atmosphere of suspense to its micro-film adverts to leave some cliffhangers. In addition to placements on the Internet, micro-film adverts can be shown on elevators, at bus stops, at subway stations, on the outer surface of vehicles, on buses, on subways and at other places. When people are waiting for an elevator or a bus and while they are on the subway, they can watch the micro-film adverts. OPPO can also look to collaborate with cinemas, so that their micro-film adverts can be placed at the waiting areas and before the start of a film in the form of cinema advertising.

When OPPO mobile phones appear or are orally mentioned in TV series, films and variety shows, it needs to be as natural as possible. Such activities must be blended with the content in a creative way, instead of unnatural embedding which may result in opposite effect and aversion of the audience.

In the future, OPPO needs to continue its collaboration with fashion brands and magazines to enhance its brand image and create an upmarket and stylish image in the minds of the consumers.

## 5. DISCUSSION AND CONCLUSION

This article has analyzed the marketing strategy of OPPO mobile phones from four aspects: product, price, place and promotion, and offered some advice based on the problems OPPO mobile phones have and the challenges they are faced with.

The main target consumer group of OPPO mobile phones includes young people from 18 to 30 years old. OPPO has positioned itself as a stylish and individualized mid-range and high-end mobile phone brand in the market.

The selling point of products of OPPO mobile phone product strategy based on VOOC quick charge technology and the function of taking pictures and pixel. OPPO has been updating its own technology and products to meet users' camera demands. OPPO has also been trying to make mobile phones look more stylish. As soon as other mobile phone brands launch new features, OPPO will also improve its mobile phone capabilities as soon as possible.

In terms of price strategy, the price of OPPO mobile phones stands in the mid-range and high-end prices. Among the same products of the mobile industry, the price of OPPO mobile phones is comparatively higher. Different series are priced differently.

In the aspect of place strategy, OPPO uses a variety of mobile marketing channels. It cooperates with the operators, lets agents sell its phones, sets up OPPO stores, enters professional mobile chains and large-scale appliance chain enterprises, as well as establishes online marketing channels, satisfying the needs of different consumers.

The promotion strategy of OPPO mobile phone is divided into eight aspects: advertising slogans, celebrity endorsements, Weibo marketing, WeChat marketing, advertising production, sponsorship and embedded marketing, creating a stylish and upmarket brand image, and offline promotion.

The problems faced by OPPO have four aspects, include problems in product strategy, price strategy, place strategy and promotion strategy.

OPPO has managed to increase its brand awareness and market share through its

marketing strategies. However, the competition in the mobile industry is fierce. Consumers no longer show much interest in replacing their old phones with new models. In addition, there are some problems in OPPO's marketing strategies. In this context, if OPPO wants to develop better, it needs to improve and optimize its corporate marketing strategy.

Product is ultimately what determines whether an enterprise can develop for a long time without being eliminated or not. OPPO needs to strengthen its R&D and innovations, enhance its core competitiveness, perfect its products, grant them with their unique features and advantages, accelerate the research and development of 5G mobile phones and take the lead in the mobile industry. OPPO needs to increase the quality of its mobile phones to the extent that it is in line with their price, thus changing consumers' impression of them being pricey with low configuration. In addition, OPPO must develop its market in first-tier cities. OPPO must establish the brand consciousness, create an upmarket and stylish brand image as well. OPPO should sponsor a reasonable number of programs that are in line with the brand image, and embed adverts in TV series and films in a creative way. Only through combining product innovations, channel development and maintenance, brand building, and ad placements in a coordinated way will OPPO be able to achieve better development among the fierce competition.

The author hopes that the research in this article will help OPPO, or provide insights for other mobile brands to draw on. Due to the author's limited professional level and writing level, the marketing strategy of OPPO needs to be further studied. In the future, it is needed a deeper research on OPPO's development and marketing.

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