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 In just a few years' time, Nokia, Motorola, Blackberry, Sony Ericsson and other brands had withdrawn from market, or undergone merger and acquisition one after another (Zhou, & Liu, 2017).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%
Total	**1,462.0**	**100.0%**	**1,678.9**	**100.0%**	**2.8%**

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%
Total	**1472.4**	**100.0%**	**1473.4**	**100.0%**	**-0.1%**

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 in 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.