

Mobile Phones - China - January 2016

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“To stand out and attract purchases in China’s saturated mobile phone market, brands need to dedicate themselves to satisfying consumers’ unmet needs, building premium brand perceptions and differentiating brand identities.”

– Terra Xu, Senior Research Analyst

This report looks at the following areas:

- Is the smartphone market saturated in China?
- Satisfying unmet needs
- Building a premium brand
- Differentiating brand identities

The growth of China’s mobile phone market has slowed down in 2015. The development of the 4G network, a shortening purchasing cycle, the boom in online retailing and a wide variety of products available across different price ranges are driving market growth. The fact that the market has almost reached saturation in terms of penetration, the unclear future of operator subsidies and the fierce price competition between the Android smartphone brands are potential market challenges.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Samsung, Lenovo and Coolpad witnessed drop in volume share
 Apple continues to top value share, followed by OPPO and Huawei
 Domestic brands offering full price models
 OPPO and Vivo sponsoring popular TV shows and leveraging the power of celebrities
 Focus on both online and offline channels
 Developing overseas emerging markets
 Innovation in functions, feature phones, cross-industry co-operation, smartphone loan and leasing and children's phones

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 Germ-free phone
 Phone of my own
 A moral brand
 Feature phones strike back
 Cross-industry co-operation
 A local phone
 Pepsi phone
 Premium products to be available to more consumers
 Loans for phones
 Leased phone
 Children's phones

The Consumer – What You Need to Know

Domestic brands cannibalised the share of international brands
 Lenovo, Samsung and Huawei attract more older consumers, while OPPO, Xiaomi and Meizu attract more young users
 OPPO attracts consumers in lower tier cities and with lower incomes
 Apple achieves highest user satisfaction, while Lenovo is yet to improve
 Apple should better promote advantages, while processing speed is the area to be prioritised for Samsung, Huawei and Xiaomi

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Android brand associations lack differentiation, except for OPPO being closely related to “feminine”

Average purchasing cycle of smartphones is 1 to 1.5 years

Apple remains the most desired brand while domestic brands catch up

Apple enjoys the highest brand loyalty

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Apple is associated with being desirable, stylish and a standard-setter

Samsung is associated with being innovative, a standard-setter and trustworthy

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Xiaomi is associated with being vibrant and user-friendly

Huawei is associated with being sophisticated

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