THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC

(Case Study March-July 2020)

THESIS

MICHAELLA YOLOAN

16042054



MANAGEMENT DEPARTMENT

FACULTY OF ECONOMICS

UNIVERSITAS KATOLIK DE LA SALLE

MANADO

2020

TITLE PAGE

"THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC"

(Case Study March-July 2020)

MICHAELLA YOLOAN

16042054

Presented as a partial fulfillment of the requirement in obtaining Bachelor's

Degree in Management at Faculty of Economics

Universitas Katolik De La Salle Manado

APPROVAL PAGE THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC

(Case Study March-July 2020)

MICHAELLA YOLOAN

160442054

Has been fulfilled the requirement to be accepted by advisor commission

Advisor 1

Johannes Aldrin Timbuleng, S.I.P., M.Pub.Admin.

Advisor II

Merry J. Korompis, S.E., M.M.

Manado, July 20th 2020

Faculty of Economics

Universitas Katolik De La Salle Manado

LA SALL Economics Faculty Dean Octaviants M.T Muaja, S.E., M.M.

Head of Management Department

Loureine P. Sumual, SE., M.F.M.

LEGALIZATION PAGE

THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC

(Case Study March-July 2020)

MICHAELLA YOLOAN

160442054

Has been examined and defended in front of examiner board

On July 30th 2020

Advisors,

Examiners,

Wraw

Johannes A. Timbuleng, SIP., MPub.Admin. Joseph J. Turambi, S.E., M.Sc.

Aferry J. Korompis, SE., MM.

Patricia G. Petrus, S.E., M.M.

This thesis has been accepted is partial fulfillment to obtain Bachelor Degree On July 30th 2020

Acknowledge by,

Dean of Economics Faculty Contantinus M.T Muaja, S.E., M.M.

Head of Management Department

Loureine P. Samual, SE., M.F.M.

ABSTRACK

MICHAELLA YOLOAN, THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC (GUIDANCE BY TIMBULENG JOHANNES ALDRIN AND KOROMPIS MERRY J.)

This study examined The Marketing Strategy of Oppo and Xiaomi Smartphone during Covid-19 Pandemic by using case study research method. It, firstly, identified and compared the marketing strategies of both companies. Secondly, the study identified the marketing strategies of OPPO and XIAOMI during the Covid-19 Pandemic. Thirdly, the study then examined the most effective marketing strategies of the two companies.

It was found that both companies using the standard marketing strategies approaches which were product, price, place and promotion (4P). They also used segmentation, targeting and positioning (STP) as consideration in their marketing strategies. In the other hand, both the 4P and STP provided the evident about the differences of marketing strategies of the two smartphone companies. This study then examined the most effective marketing strategies of both companies by using Porter's Five Forces Model and SWOT analysis methods. It was found that both companies have their own strength, weakness, opportunities and threats. However, it was also found that OPPO could use its strength to overcome weakness and threats as well as in maximizing opportunities while XIAOMI will be extremely hard to do the same thing. This research found that XIAOMI's marketing strategy are poorly designed in Indonesian Market because it is not yet serious about working and competing on the Indonesian market. The last data on market share of OPPO and XIAOMI shows that Oppo was 20.65% while Xiaomi was 20.21%. This can also be used to argue that that Oppo's marketing strategy during the Covid-19 Pandemic is more effective than Xiaomi.

Keywords: Oppo smartphone; Xiaomi smartphone; marketing strategies; Covid-19 Pandemic

ABSTRAK

MICHAELLA YOLOAN, STRATEGI PEMASARAN SMARTPHONE OPPO DAN XIAOMI SELAMA PANDEMI COVID-19 (DIBIMBING OLEH JOHANNES ALDRIN TIMBULENG, S.I.P., M.PUB.ADMIN. DAN MERRY J. KOROMPIS, SE., MM.)

Penelitian ini mengkaji Strategi Pemasaran Oppo dan Xiaomi selama masa Pandemi Covid-19 dengan menggunakan metode penelitian studi kasus. Kajian ini, pertama, mengidentifikasi dan membandingkan strategi pemasaran kedua perusahaan. Kedua, kajian ini mengidentifikasi strategi pemasaran OPPO dan XIAOMI selama Pandemi Covid-19. Ketiga, kajian ini kemudian menguji strategi pemasaran yang paling efektif dari kedua perusahaan.

Ditemukan bahwa kedua perusahaan menggunakan pendekatan strategi pemasaran standar yakni produk, harga, tempat dan promosi (4P). Mereka juga menggunakan segmentasi, penargetan dan positioning (STP) sebagai pertimbangan dalam strategi pemasaran mereka. Di sisi lain, baik 4P dan STP memberikan bukti tentang perbedaan strategi pemasaran dari dua perusahaan smartphone tersebut. Studi ini kemudian menguji strategi pemasaran yang paling efektif dari kedua perusahaan dengan menggunakan metode analisis Porter's Five Forces Model dan SWOT. Ditemukan bahwa kedua perusahaan memiliki kekuatan, kelemahan, peluang dan ancaman masing-masing. Namun, ditemukan juga bahwa OPPO dapat menggunakan kekuatannya untuk mengatasi kelemahan dan ancaman serta memaksimalkan peluang sementara XIAOMI akan sangat sulit untuk melakukan hal yang sama. Penelitian ini menemukan bahwa strategi pemasaran XIAOMI belum dirancang dengan baik di Pasar Indonesia karena ada kesan XIAOMI belum serius bekerja dan bersaing di pasar Indonesia. Data terakhir pangsa pasar OPPO dan XIAOMI menunjukkan Oppo sebesar 20,65% sedangkan Xiaomi 20,21%. Data ini juga dapat digunakan untuk menyatakan bahwa strategi pemasaran Oppo selama Pandemi Covid-19 lebih efektif daripada Xiaomi.

Kata Kunci: smartphone oppo; smartphone xiaomi; strategi pemasaran; Covid-19 Pandemic

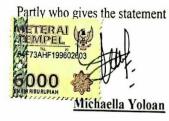
STATEMENT OF THESIS ORIGINALITY THE MARKETING STRATEGY OF OPPO AND XIAOMI SMARTPHONE DURING COVID-19 PANDEMIC

(Case Study March-July 2020)

I, who sign this thesis statement, state that this thesis:

Is truly my original work. In this thesis, there are no partly of overall of other people's writing and opinion that I recognize as my writing. When I used other people's writing and opinion by quoting implicitly. I have recognized and showed the sources of its origin. If this thesis that I wrote is being proved as a plagiarism, I will take the consequences given to me, including the cancellation of degree and certificate.

Manado, July 30th 2020



Johannes A. Timbuleng, SIP., MPub.Admin. Witness I, as advisor and member of Examiners Board

Joseph J. Turambi, S.E., M.Sc. Witness II, as member of Examiners Board

Patricia G. Petrus, S.E., M.M.

Witness III, as member of Examiners Board

ACKNOWLEDGMENT

First, thank you to God the Almighty who has given me strength, grace and assistance during the writing of this thesis

Second, I would like to thank to everyone that always support and help to finish this thesis. Then to appreciate them, I want to say thank you to:

- My Family: My Father, My Mother, My Cece and My Brother. Thank you for the pray, love and support
- Father Prof. Dr. Johanis Ohoitimur, as the Rector of Universitas Katolik De La Salle Manado.
- Mr. Octavianus M.T Muaja, SE., M.M., as the Dean of Faculty of Economics Universitas Katolik De La Salle Manado.
- Mr. Ch. Adrie Koleangan, SE., M.M., as the Deputy Dean of Faculty of Economics Universitas Katolik De La Salle Manado.
- 5. Mrs. Loureine P. Sumual, SE., M.F.M., as the Head of Management Department in Faculty of Economics Unika De La Salle Manado.
- Mr. Johannes Aldrin Timbuleng, S.I.P., M.Pub.Admin, as my Advisor 1.
 Thank you for the support and help during writing this thesis.
- 7. Mrs. Merry J. Korompis, SE., M.M., as my Advisor 2. Thank you for the support and help during writing this thesis.

- 8. All the Lectures of Universitas Katolik De La Salle Manado, especially who have been teaching in Economic Faculty since I was in the first semester until now. Thank you for all your knowledge that has given to me.
- 9. My lovely classmates, Management 2016 whose support me in their ways.
- 10. For my friends Guci Geng: Chen, Key, Gisel. Thank you for support, love, and always beside me through thick and thin.
- 11. For my love-hate partner David Wijaya. Thank you for the endless things you do for me, encouraging me to do my best and always support me.
- 12. For Gemtridha BHK. Thank you for the support.
- 13. All parties involved whose have not been mentioned in this thesis.

Finally, student realized that this thesis is not perfect. Student apologizes for anything that might be wrong and unclear in this thesis, so any critics and suggestion are very welcome. Hopefully, this report will be useful for anyone who reads it.

Manado, July 30th 2020

Student

TITLE PAGE	ii
APPROVAL PAGE	iii
LEGALIZATION PAGE	iv
ABSTRACK	v
ABSTRAK	vi
STATEMENT OF THESIS ORIGINALITY.	vii
ACKNOWLEDGMENT	viii
TABLE OF CONTENTS	X
LIST OF FIGURES	xiv
LIST OF TABLES	XV
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION	Error! Bookmark not defined.
1.1. Research Background	Error! Bookmark not defined.
1.2. Problem Statement	Error! Bookmark not defined.
1.3. Research Objective	Error! Bookmark not defined.
1.4. Research Limitation	Error! Bookmark not defined.
1.5. Research Benefit	Error! Bookmark not defined.
1.5.1. Theoretical Benefit	Error! Bookmark not defined.
1.5.2. Practical Benefit	Error! Bookmark not defined.
CHAPTER II THEORETICAL FRAMEWO	RK Error! Bookmark not defined.

TABLE OF CONTENTS

2.1.	Management	Error! Bookmark not defined.
2.2.	Marketing	Error! Bookmark not defined.
2.3.	Marketing Strategy	Error! Bookmark not defined.
2.4.	Marketing Mix	Error! Bookmark not defined.
2.5.	STP (Segmenting, Targeting, Positioning)	StrategyError! Bookmark not defined.
2.5.1.	Segmenting	Error! Bookmark not defined.
2.5.2.	Targeting	Error! Bookmark not defined.
2.5.3.	Positioning	Error! Bookmark not defined.
2.6.	Michael Porter's Five Forces Model	Error! Bookmark not defined.
2.7.	SWOT Analysis	Error! Bookmark not defined.
2.8.	Digital Marketing	Error! Bookmark not defined.
2.9.	Brand	Error! Bookmark not defined.
2.10.	Brand Image	Error! Bookmark not defined.
2.11.	Previous Research	Error! Bookmark not defined.
СНА	PTER III RESEARCH METHOD	Error! Bookmark not defined.
3.1.	Time, Budget, Area, and Object of Resear	chError! Bookmark not defined.
3.2.	Types of Research	Error! Bookmark not defined.
3.3.	Unit of Analysis	Error! Bookmark not defined.
3.4.	Operational Definitions	Error! Bookmark not defined.
3.5.	Sources and Types of Data	Error! Bookmark not defined.
3.6.	Data Collection Methods	Error! Bookmark not defined.

3.7.	Validity and Reliability Test	.Error! Bookmark not defined.
3.8.	Data Analysis Technique	Error! Bookmark not defined.
CHA	PTER IV RESULT AND DISCUSSION.	Error! Bookmark not defined.
4.1.	Research Result	Error! Bookmark not defined.
4.1.1.	Oppo Mobile Telecommunications Corp.,	Ltd Profile Error! Bookmark not defined.
4.1.2.	Oppo's 4P Marketing Strategy	Error! Bookmark not defined.
4.1.3.	Xiaomi Corporation Profile	Error! Bookmark not defined.
4.1.4.	Xiaomi's 4 P Marketing Strategy	Error! Bookmark not defined.
4.2.	OPPO's STP Strategy	Error! Bookmark not defined.
4.2.1.	Market Segmentation	Error! Bookmark not defined.
4.2.2.	Market Targeting	Error! Bookmark not defined.
4.2.3.	Market Positioning	Error! Bookmark not defined.
4.3.	Xiaomi's STP Strategy	Error! Bookmark not defined.
4.3.1.	Market Segmentation	Error! Bookmark not defined.
4.3.2.	Market Targeting	Error! Bookmark not defined.
4.3.3.	Market Positioning	Error! Bookmark not defined.
4.4.	Marketing Strategy during Covid-19	Error! Bookmark not defined.
4.5.	Oppo and Xiaomi Porter's Five Forces Mo	delError! Bookmark not defined.
4.5.1.	Bargaining Power of Buyers	Error! Bookmark not defined.
4.5.2.	Bargaining Power of Suppliers	Error! Bookmark not defined.
4.5.3.	Threat of New Entrants	Error! Bookmark not defined.

4.5.4.	Threat of Substitute Product or Services Error! Bookmark not defined.
4.5.5.	Rivalry among Existing CompetitorsError! Bookmark not defined.
4.6.	Oppo and Xiaomi SWOT Analysis Error! Bookmark not defined.
CHA	PTER V CONCLUSIONS AND RECOMMENDATIONSError! Bookmark not defined.
5.1.	Conclusions Error! Bookmark not defined.
5.2.	Recommendations Error! Bookmark not defined.
BIBL	IOGRAPHYError! Bookmark not defined.
APPE	NDICIESError! Bookmark not defined.

LIST OF FIGURES

Figure 1.1 Nokia Market Share 2007 – 2013	2
Figure 1.2 Indonesia Top 5 Smartphone Companies 2019Q	4
Figure 1.3 Top Brand Index Oppo and Xiaomi	9
Figure 2.1 Michael Porter's Five Forces Model	20
Figure 4.1 Oppo F9 VOOC Fast-Charging	47
Figure 4.2 Oppo F1s "Selfie Expert"	48
Figure 4.3 Comparison Oppo A57 and iPhone	48
Figure 4.4 Oppo's Social Media Accounts	52
Figure 4.5 Oppo's Sponsorship Victoria Secret Fashion Show 2017	54
Figure 4.6 Oppo's Sponsorship FC Barcelona	55
Figure 4.7 Xiaomi's Smartphones	57
Figure 4.8 Xiaomi's Social Media Accounts	61
Figure 4.9 Oppo and Xiaomi Smartphone Market Share 2020	72

LIST OF TABLES

Table 2.1 Previous Research	32
Table 3.1 Budget Table	33
Table 3.2 The Source and Types of Data	37
Table 4.1 Pricelist Oppo Smartphone in May 2020	50
Table 4.2 Pricelist Xiaomi Smartphones in May 2020	58
Table 4.3 Oppo and Xiaomi 4P Marketing Strategies	62
Table 4.4 OPPO and XIAOMI STP Marketing Strategy	67
Table 4.5 Oppo and Xiaomi SWOT Analysis	77

LIST OF APPENDICES

Appendix 1 Top Brand Index Oppo and Xiaomi	<u> 96 </u>
Appendix 2 Oppo and Xiaomi Smartphone Market Share 2020	97