

Analysis of Local Marketing Strategy in Africa

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Abstract

At present, Transsion Holdings continues to maintain its competitive advantage in Africa. Under the relatively severe domestic economic background, the company has achieved good results in its overseas development strategy. This paper studies the local marketing strategy of Transsion mobile phone in Africa from the aspects of the introduction, the current situation of the African market, the target market motivation and the marketing strategy analysis, which can provide useful reference for the marketing practices of other enterprises.

Keywords

Transsion Mobile Phone; African Market; Local Marketing Strategy.

1. Foreword

Emerging markets are gradually becoming the main battleground for multinational enterprise competition and a new engine driving revenue growth points (Estrin, 2018). In the first decade of the 21st century, the top 10 emerging economies such as China and India contributed more than one-third of world economic growth, and the strong growth of emerging markets is attracting international capital to invest in these economies (Fang Jin et al., 2012). Take Africa as an example, Africa has a large population, a younger age structure and insufficient overall consumption power, but the market potential is huge, especially in the mobile phone market. The market penetration rate is 51%, far lower than the average penetration rate of the global mobile phone market of 76%, and there is a large space for market growth.

Mobile phone brands in the Chinese market are highly competitive. According to the latest Canalys data, the Chinese smartphone market share in the first quarter of 2023 is as follows: Apple holds 20%, followed by oppo with 19%. Vivo, Honor and Xiaomi ranked third, fourth and fifth, respectively, with 17 percent, 14 percent and 13 percent, respectively. In order to improve the market competitiveness, the major manufacturers should not only choose the appropriate supply chain to control the cost, but also accelerate the product technology iteration and the bottom innovation, so as to meet the diversified needs of consumers. However, due to the impact of COVID-19, residents' consumption ability and willingness are low. According to the "Analysis of the Operation Report of the Domestic Mobile Phone Market in November 2022" released by China Information and Communication Institute, the shipments of China's mobile phone market in November 2022 were 23.238 million, among which the number of 5G mobile phones was 17.92 million, down 34.1% and 38.1% respectively compared with the same period last year. The figure reflects the overall decline in China's mobile phone market during the month, especially in the sales of 5G phones. In addition, according to a report released by the China Mobile Terminal Laboratory, the replacement cycle of Chinese consumers is 25.3 months, and there is a longer trend. According to the data, the 5G penetration dividend in the domestic mobile phone market has tended to be saturated and gradually penetrated into the high-end market brands. Forcing mobile phone manufacturers to increase investment in their own

research chips, for many enterprises with weak capital and technology strength, have to find a new way out.

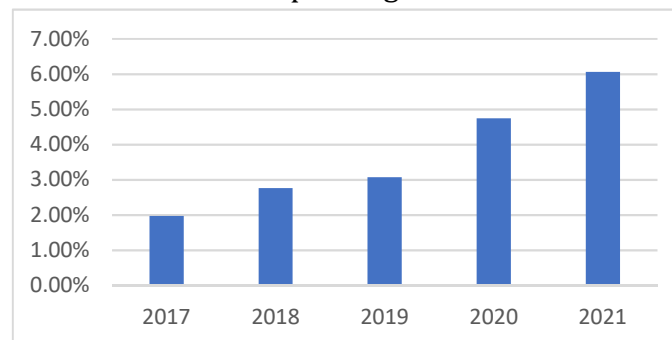
Transsion mobile phones opened up early in emerging market countries, now with Africa as the main battlefield, gradually expanding to other emerging markets, and has achieved good market feedback. Through the analysis of Transsion's marketing strategy in Africa, the successful experience is summarized for other enterprises to carry out international operation.

2. Transsion Mobile Phone Profile and the Status Quo in the African Market

2.1. Transsion Holding General Situation

Founded in 2006 and headquartered in Shenzhen, Transsion Holdings aims to provide mobile phone-based smart terminal design and mobile Internet services to consumers in emerging markets. At present, the company is mainly deeply engaged in the mobile phone business. According to the company's annual report, the overall shipment of mobile phones in 2022 is 156 million units. According to the IDC statistics. In 2022, the global market share of the mobile phone market will be 11.7%, and the global smartphone market share will be 6%. In addition, the company implements a diversified strategy, with mobile phone business in Africa, South Asia, Southeast Asia, the Middle East and Latin America and other emerging markets, digital accessories and home appliances, mobile Internet, service and support and after-sales service.

Table 1. Transsion smartphone global market share change



2.2. Transsion Mobile Phones in the African Market Status Quo

Transsion launched its first dual card dual standby phone in Africa in November 2007. In June of the following year, the first hierarchical organization was established in Nigeria, and in July, it officially entered the African market. Transsion adheres to the brand concept, relying on the mobile phone business, and has won the title of "The King of mobile phones in Africa". According to the company's financial report, Transsion's African smartphone market share reached 46.7% in 2021, ranking first in the mobile phone market. According to the company's official website, the three major brands, itel, TECNO and Infinix, are all listed in the top 100 most popular brands among African consumers in 2022.

3. Motives in the Target Market for Africa

Transsion mobile phone will be the first step in Africa, the main reasons, the following three reasons. First, the competition in the domestic mobile phone market is fierce. In 2007, China was in the transition stage of the transformation from feature machine to smartphone, the competition in the industry intensified, coupled with the entry of foreign manufacturers, the industry penetration rate is close to saturation. In China, Transsion mobile phone lacks the core competitiveness in both technology and marketing. Second, the African market has broad

prospects. According to the life cycle theory, the African market was in the product life cycle introduction stage, and the mobile phone penetration rate was relatively low. Except for South Africa and some countries in North Africa, the mobile phone penetration rate in most countries was only 10% to 20%. And Africa is one of the fastest growing continents in the world, with a large young population and huge market potential. Faced with higher market share and higher profit space, enterprises take Africa as a key market and develop a differentiated blue ocean market. Third, government support and policy environment improvement. African countries actively promote the local development of foreign enterprises and attract foreign enterprises to invest in factories by improving the level of telecommunications and other infrastructure.

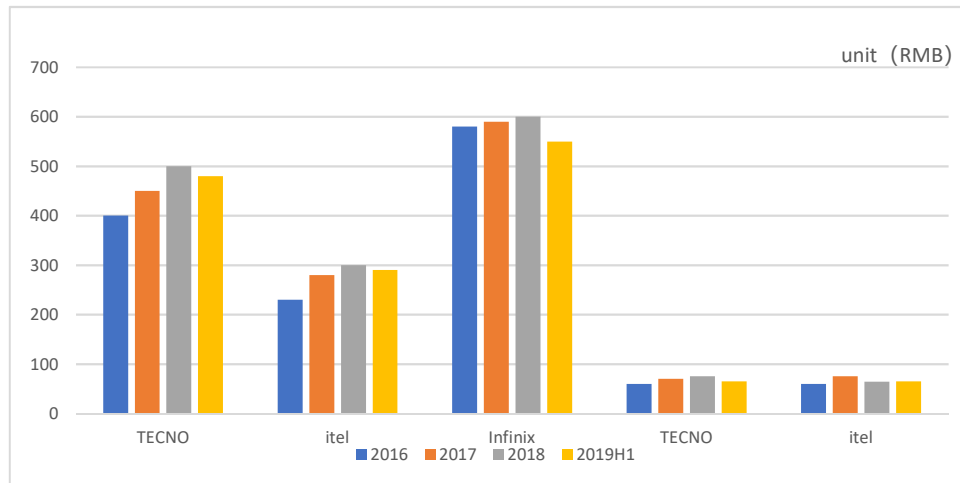
4. Marketing Strategy Analysis

4.1. Product Strategy

In order to meet the differentiated needs of African users, Transsion conducts localized innovation on its products. Different from Huawei, Apple and Samsung phones, the advantage of Transsion phones in Africa is to build strong applied innovation ability in developing countries with low level of network technology development. The core technology segment covers four areas: deep-skin photography technology based on African localization, application innovation of new hardware materials, big data user behavior analysis, and OS system and mobile Internet products and services. Aiming at the pain points of black skin and unclear taking photos at night, we have launched a phone with smart tanning features and deeply customized Camera devices. For the entertainment mode of African consumers, Transsion Holdings has developed bass design, speaker design and radio function design suitable for African music, and developed mobile Internet applications adapted to African users' preferences in areas such as music and content aggregation. At the same time, considering the African countries infrastructure level, the morning and evening temperature difference, users hand sweat, sound battery capacity, super long standby, four card four stay, environmental temperature detection current control technology and sweat USB port, the company's mobile phone are carrying after secondary development and depth of customized mobile phone intelligent terminal operating system, namely sound OS, it is based on Android system platform, provide users with customized mobile phone experience. With distinctive endurance characteristics to attract many users, better serve the African market.

4.2. Price Strategy; Pricing Policy

Africa has a backward economic development level and insufficient purchasing power. Especially in southern Africa, which has the largest population share. According to UN data, in 2020, sub-Saharan South Africa accounted for more than 80 percent of Africa's population, while its per capita GDP was only about \$1,500, close to China's 2004 level (China's people's GDP reached \$1,509 in 2004), and far away from the World Bank's per capita GDP of about \$10,900. The price layout of transsion mobile phone fits the local income level, providing cost-effective feature phones and smartphones. Transsion multi-brand gradient pricing strategy layout of the market, the price to meet the largest demand of the low-income area people, the price is below 600 yuan, the purpose is to segment the consumer groups, assume different roles positioning. Among them, TECON is the high-end brand of Transsion, positioned in African middle class consumers; itel is the mass brand of Transsion, the main cost performance route, layout in the lowest end function machine; infinx is a fashion technology brand, mainly for the pursuit of fashion technology young people, do not do low-end function machine. Differentiated product pricing helps transsion to reach all levels of consumers.

Table 2. Price gradient formed by the three major brands of Transsion mobile phone

4.3. Promotional Strategy

In the early stage of entering the African market, it was limited by infrastructure, underdeveloped Internet conditions, the vast region of Africa and the difficulty of centralized promotion of mobile phones. To this end, transsion has established a broad coverage of the sales network system. Multi-party cooperation, full-party cooperation 1 penetration, multi-channel promotion, improve brand awareness, better consumer vision, into People's Daily life. In terms of marketing publicity, the company adopts the saturated attack marketing strategy, laying advertisements on newspapers and TV, painting advertisements on telephone poles, bulletin boards and village walls outside slums, and using commonly used marketing techniques in China, such as throwing eggs, sending gifts and performance platforms. There is great importance to deep binding of African elements in the propaganda core. By using the image of Africans as the spokesperson of promotional posters and videos, hiring famous African musicians as brand ambassadors, and hiring a large number of local employees in their factories and stores, Transsion phones can establish closer ties and identity with African consumers. At the same time, Transsion also participated in a series of public relations activities to create a good sense of corporate image. For example, it sponsors large sports events and music festivals, cooperates with UNHCR, supports higher education scholarships for refugees, and holds partner conferences.

4.4. Channel Strategy; Channel Tactic

Internet penetration in Africa is very low. According to the latest Data Reportal report, the proportion of Internet access in Africa is only 42%, far below the global average. Therefore, the current market share of online e-commerce is very low, so Transsion has opened a wide range of offline stores. At present, Transsion has formed an intensive coverage network based on distribution, supplemented by a small number of operations and sales. Information upgrade and transform the key market and key sales network, assist dealers to adopt sinking strategies, and gradually sink the sales network from the first and second districts to the third and fourth districts. In Africa, large sales stores are found in all corners of Africa, from urban to rural areas, and it is convenient for customers to buy mobile phones and after-sales service. In addition, Transsion mobile phones will also be equipped with sales specialists to maintain close communication with distributors, distributors and retailers, to obtain market feedback and demand information, to ensure a timely understanding of the market situation and make corresponding adjustments.

In order to meet the African after-sales service system is not perfect, the maintenance demand is strong characteristics. Transsion mobile phone focuses on after-sales service, and has established the largest electronic product and home appliance product and service solution

product brand Carlcare in Africa. Through face-to-face maintenance, 2-hour quick repair, online appointment, door-to-door service and other innovative value-added services, to provide comprehensive after-sales support. Carlcare It has more than 2,000 direct sales or cooperative outlets worldwide.

5. Propose

5.1. Channel Management and Crackdown on Counterfeit Products

There are some problems in the African market, such as irregular channel management and counterfeit sales, which may have a negative impact on Transsion's sales and brand image. Transsion needs to establish a strict channel partner certification system, only cooperate with dealers and retailers with legal qualifications and good reputation, and conduct regular audit and supervision to ensure the legitimacy and reliability of the channel. In addition, brand protection needs to be strengthened, including trademark registration, enhanced intellectual property protection and action against fake and shoddy products. It can also cooperate with relevant departments and law enforcement agencies to jointly fight against the production and sales of fake and shoddy products, and maintain the reputation of brand and market position of its own. At the same time, it can also strengthen anti-counterfeiting measures, such as adding anti-counterfeiting labels on product packaging and equipment, the use of special anti-counterfeiting technology, in order to help consumers distinguish the authenticity, reduce the circulation of fake and shoddy products. Through these comprehensive measures, we can strengthen channel management, protect brand interests, and deal with fake and shoddy mobile phones.

5.2. Improve User Consumption Experience

As some groups in the African market also use feature phones, they are not familiar with the use of smartphones due to their educational level. Transsion mobile phones can provide user education and training activities to help consumers better understand and use the products. It can also be achieved by holding product presentations, online tutorials, user manuals, and workshops to provide clear guidance and support. In addition, it can also meet the needs of users by continuously improving product design, strengthening user interaction and communication, and providing personalized customization options, create a more convenient, pleasant and satisfactory consumption experience for users, and enhance their sense of participation and loyalty.

5.3. Data-driven and Marketing Decisions

Data has become one of the main factors of production. Transsion mobile phones can collect large-scale data and analysis, understand the needs and preferences of African consumers, and accurately locate the target user groups. Use data analysis technologies and tools to mine the insights behind the data, identify the purchasing patterns and key touch points of consumers, and develop personalized marketing strategies. In addition, a sound data management and analysis system is established to ensure data quality and accuracy, and to track market feedback in real time, adjust marketing strategy, and improve user experience and market share.

In the highly competitive environment of the African market, Transsion mobile phone has achieved remarkable success through local marketing strategy. However, as the market continues to change, Transsion Mobile needs to maintain a keen market insight and continue to adjust and optimize its marketing strategies to meet the needs of the African market. Our experience provides useful inspiration for other companies' marketing practices in international markets, and also reminds us of the potential and opportunities of the African

market. Through continuous innovation and collaboration, Transsion Mobile is expected to maintain its lead in the African market and achieve more lasting commercial success.

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