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ABSTRACT

The mobile phone industry consisted, like telecommunication industry, of production of phones - so called mobile terminal products, infrastructure and operators of the infrastructure. Infrastructure refers to the transmitting towers, and the many categories of switching technology used to establish the connections. Motorola, Nokia and Ericsson were manufacturers of both products for infrastructure and mobile phones. The interdependency between these two sectors is very tight, as a feature developed for handsets is functional only if the infrastructure can accommodate it. The mobile industry and mobile market discussed in this thesis are referred to as the mobile terminal products market.

China has become the second-largest mobile phones market in the world after U.S. in year 2000. It seems that there is an unquenchable thirst for wireless communications in developing China. China becomes a market every mobile phone manufacturers must have, if they don't want to lose in this mobile phone war. The challenge of a follower in the mobile phone market is to find out a effective way to position and gain shares in the market, while the market is already dominated by Motorola, Nokia, Ericsson, and every party in the market wants to get a piece of share. Siemens mobile phone is an ambitious follower aim at gaining 15% of the market share.

A Motorola case was study in the thesis, in order to decode Motorola's secret of maintaining more than 30% of market share in the mobile phone market. "A mobile phone consumer survey", together with "The market share of brands in China mobile phone market", one from consumer market perspective, and the other from Siemens mobile competitor perspective, present the current China mobile phone market situation. For example, the young people and low-income mobile phone users are becoming the main consumer pool of the mobile phones.. A SWTO analysis of

Siemens mobile phone's current situation indicated that strategies for position and gaining market share of Siemens mobile should be formulated.

As a market challenger, Siemens could focus on attracting a larger share of potential new customers who enter the market for the first time - the new describers. Besides, Siemens could also put focus on developing new mobile phone market segmentation, for example, active youth market. In technology development, Siemens could grow by partnership with the top companies in different fields. To increase brand awareness, aiming at being among the top handset suppliers, Siemens could use exclusive-club-positioning strategy, introduce the big four concepts in the market. As the follower strategies, Siemens could choose a combination of leapfrog strategy, encirclement strategy and guerrilla attack strategy to encourage current customers in mass market to replace their current handset with superior new Siemens models, attract new customers by providing enhanced benefits, and attract a substantial share of young customers in a variety of smaller specialized segments, and promote low price model in third or fourth tiers cities. The more effective promotion tools can be chosen for different Siemens mobile in different stage of product life cycle.