

The Analysis of Vivo's Marketing Strategies

Yinan Feng^{1,a,*}

¹*Zhejiang University of Finance & Economics, Hongzhou, Zhejiang Province, China, 310018*

a. 19357385703@163.com

**corresponding author*

Abstract: Due to the swift advancement of information technology and the enhancement of domestic informatization construction, mobile phones have become an essential instrument in people's lives, and their widespread adoption and integration of mobile phones have significantly altered people's way of living. The competition among mobile phone carriers has intensified significantly, as big corporations strive to enhance their technological prowess and creative capabilities to attract consumers and stay competitive in the market. The impact of enterprise marketing strategies is increasingly significant. Since its establishment in 2009, vivo has developed rapidly and achieved tremendous success. The marketing methods have gotten increasingly refined, although they have also faced significant hurdles. This article employs a literature review analysis to examine vivo's marketing strategy, offering fresh insights for enhancing vivo's marketing approaches. The key recommendations include enhancing collaboration with the government, effectively timing product launches, fostering innovation in products and services, reinforcing brand development, and consistently investing in digital marketing. Additionally, it serves as a point of reference for other organizations to enhance and refine their plans.

Keywords: Vivo, Smart phone, Marketing strategies, Digital marketing

1. Introduction

Vivo is a rapidly growing Chinese smartphone manufacturer founded in 2009. Vivo, a prominent player in the Chinese smartphone industry, is renowned for its design aesthetic characterized by fashion-forward, youthful, and cutting-edge elements. The company is dedicated to delivering high-quality smartphone devices to consumers, with a specific emphasis on technological advancement, exterior aesthetics, and user satisfaction. Vivo phones are known for their exceptional photography and audio capabilities, which make them highly appealing to a large number of young customers.

A well-developed marketing strategy is essential for every organization, as it plays a pivotal role in accomplishing business objectives, drawing in clients, enhancing brand recognition, and boosting sales. Enterprises can enhance their comprehension of market demand, rivals, and target client segments, thereby devising appropriate marketing strategies to augment brand visibility, stimulate sales expansion, and assure sustained progress. Vivo focuses on innovation and youthfulness in its marketing promotion, enhancing brand awareness through various means such as sponsoring sports events, celebrity endorsements, and online and offline activities. The company also emphasizes interaction with young demographics, building connections between the brand and consumers

through social media platforms and offline events. Vivo prioritizes the development of physical retail channels, but due to a decrease in offline growth, it is now expediting the expansion of online channels. It has successively completed online channel models such as official malls, third-party e-commerce platforms, and online agents, while actively deploying in new media. In particular, the launch of the iQOO Internet brand in February 2019 marked Vivo's attitude and determination towards online marketing [1]. Scholar Gong Zhuoyi proposed that "market competition has entered a new stage, whoever can capture the youth market, holds the future [2]," a concept that aligns with Vivo's marketing strategy. Scholar Gong Zhuoyi suggested that the current state of market rivalry has transitioned into a new phase. He believes that the key to success lies in capturing the youth market, as this will determine the future outcome [2]. This thought is in line with Vivo's marketing strategy. According to Scholar Ma Pingjing, in the age of new media, enterprises must prioritize Internet marketing, develop Internet marketing expertise, create accurate marketing strategies, and enhance collaboration between marketing departments and other departments to improve service quality [3].

This article utilizes a literature review approach to examine Vivo's marketing strategy, pinpoint deficiencies in their marketing efforts, and offer specific recommendations for improvement, taking into account the obstacles and opportunities in the smartphone industry. Simultaneously, other smartphone companies with comparable challenges might also utilize these optimization recommendations as a point of reference.

2. Brand Positioning and Target Market

2.1. Brand Positioning and Target Market Selection for Vivo

Vivo's brand positioning mainly focuses on young, fashionable, and technologically smart mobile phone products. Its brand concept is to "dare to pursue the ultimate, continuously create surprises," always striving to bring consumers better experiences and more value. The target user group of the company is mainly young people aged between 18 and 35 who have strong purchasing power and a certain pursuit of fashion and technology. Vivo's target market mainly focuses on first-tier and second-tier cities, where consumers are relatively open and accepting of new things, while also paying more attention to the brand and performance of mobile phones. In 2011, when entering the smartphone market, Vivo targeted the sinking market. While laying out offline channels, marketing adopted relatively traditional TV advertising methods. In April 2014, Vivo entered the Southeast Asian market. In October 2016, Vivo established a 5G research and development center in Beijing and Shenzhen. In May 2017, Vivo reached a six-year official global sponsorship agreement with FIFA for the FIFA World Cup in Russia. In June 2021, Vivo announced official cooperation with the UEFA Euro 2020 [4]. On June 9, 2022, the Vivo X Fold set a new Guinness World Record [5]. As of August 2022, Vivo has entered more than 60 countries and regions, with a global user base of over 400 million people and research and development covering Shenzhen, Dongguan (headquarters), Beijing, Shanghai, Nanjing, Hangzhou, Xi'an, and other places [4]. In 2023, the shipment volume of smartphones in China reached 273 million units [6].

2.2. Characteristics of Target Market and Analysis of Competitive Environment

The characteristics of Vivo's target market mainly manifest in its youthfulness and fashionability, which align with its brand positioning. Young people, as the main force in the consumer market, not only demand basic functionalities from smartphones but also prioritize product design, performance, and brand, willing to pay higher prices for high-quality products. In terms of the competitive environment, Vivo faces fierce competition from brands such as Huawei, Xiaomi, and Apple. These brands have a high market awareness and market share, rich product lines, and strong technological capabilities, putting significant pressure on Vivo.

The smartphone market's competition is intense, not only from domestic brands but also from foreign brands. Major smartphone brands are intensifying their research and development efforts to launch more competitive products. At the same time, major brands' products exhibit diversification and differentiation characteristics.

Vivo's brand differentiation mainly lies in product design and features. Vivo's smartphones are fashionable in appearance and emphasize music and photography functions. From the initially familiar music advertisements to the "Illuminate Your Beauty" advertising series after focusing on "Camera & Music," Vivo's brand advertisements are directly associated with the core selling points of the products, which are highly favored by young users. Additionally, Vivo focuses on user experience and after-sales service, continuously optimizing the operating system, and improving the performance and stability of smartphones. According to data from the "China Quality Ten Thousand Miles Consumer Complaints Platform" under the Complaints Channel in 2019, the number of complaints about Vivo phones was only 72, combined with its 17.5% market share, which is much lower than several other leading smartphone brands [7].

2.3. Vivo's Competitive Advantages

Vivo maintains its competitive edge in the fiercely competitive smartphone market, as evidenced by Counterpoint's data report, which shows Vivo securing the top spot in domestic smartphone brand sales in 2023 [8]. In terms of technology, Vivo has mastered smartphone exterior and structural design, and has established advantages in core chip and underlying protocol development. Vivo's foldable screen phones use the first-generation Snapdragon 8+ mobile platform. Collaborating with Zeiss, Vivo has brought high-grade optical lenses to its foldable screen phones [9]. Additionally, Vivo has made music and photography its core selling points, turning them into brand features that set it apart from others. When people think of music and photography functions on a smartphone, Vivo is often their first choice. Moreover, Vivo has excelled in channel construction, with a well-established sales network both online and offline, enabling its products to quickly cover various markets. Furthermore, vivo, a globally renowned smartphone brand, has significant brand influence and recognition, giving it a competitive edge in the market.

3. Marketing Promotion and Communication Strategy

3.1. Selection of Marketing Promotion Channels and Integrated Marketing Communication

Vivo employs a multi-channel integrated marketing communication strategy, including both online and offline channels. Online channels involve interacting with consumers through owned websites, e-commerce platforms, social media, and other channels to promote products and brands. Offline channels, on the other hand, utilize physical stores, exclusive shops, and offline events to provide product displays and purchasing experiences, enhancing user stickiness. Hosting offline events such as product launches, brand activities, and experiential events allows for direct interaction with consumers, strengthening the relationship between the brand and users.

3.2. Advertising, Promotion, and Public Relations Strategies and Their Applications

In terms of advertising strategy, Vivo's advertisements typically highlight product features and innovative technologies, emphasizing product performance and the user experience. Additionally, Vivo often enhances brand exposure by sponsoring sports events, music activities, and television programs, attracting the attention of target audiences. It has sponsored numerous variety shows such as "Happy Camp" and "Ace vs. Ace," which primarily target young audiences. Moreover, Vivo recently signed a six-year contract with FIFA (Fédération Internationale de Football Association) to

become the official sponsor of the World Cup from 2017 to 2023, covering events from the 2017 FIFA Confederations Cup to the 2022 FIFA World Cup in Qatar, demonstrating Vivo's forward-thinking marketing approach.

Vivo regularly introduces various promotional activities, including discounts, gift promotions, and limited-time specials, to entice consumers to make purchases. Vivo commonly employs trade-in promotions, allowing customers to exchange their old smartphones for a new one, with a subsidy ranging from 100 to 500 yuan, on top of the normal value of the old device. This strategy creates a perception of affordability for customers and effectively acts as a form of price reduction. Additionally, pre-deposit cashback activities are implemented for newly launched products, where customers who pre-deposit a certain amount receive a corresponding discount along with valuable gifts. Such activities help build anticipation for new product launches and facilitate early sales forecasting. Moreover, online lottery events are organized, allowing customers to acquire lottery QR codes through various channels and stand a chance to win prizes. Winners can choose to redeem their prizes by purchasing the phone at a physical store or participating in online lotteries post-purchase. These promotional initiatives not only stimulate consumer interest and drive sales, but they also enhance brand engagement and loyalty [10].

In terms of public relations strategy, Vivo actively participates in social welfare activities, supporting education, environmental protection, health, and other fields to demonstrate corporate social responsibility and establish a positive corporate image. Vivo also maintains good cooperative relationships with various media outlets, regularly releasing press releases, product information and participating in industry exhibitions and events to increase brand exposure. Vivo responds to user questions and feedback on social media, shares brand stories and product information, and builds closer relationships with users. Furthermore, Vivo establishes partnerships with industry partners, opinion leaders, and key opinion leaders (KOLs) to expand brand influence through cooperative promotion and joint activities.

Vivo's digital marketing, such as the successful marketing of the X series smartphones, utilizes digital means such as search engine marketing, email marketing, and content marketing. By analyzing user profiles and mining user behavior data, Vivo accurately targets its audience to increase brand exposure and sales conversion rates.

In terms of social media strategy, Vivo is active on major social media platforms such as Weibo, WeChat, and Douyin. It engages with followers by publishing content, interacting with fans, hosting online events, releasing teaser videos, and sparking user interest and discussion through methods such as sponsoring variety shows and collaborating with signed celebrities, enhancing brand interactivity and communication effectiveness.

4. Channel Management and Sales Strategy

Vivo has clear strategies for channel selection and distribution network development. Its main channels include offline physical stores, online e-commerce platforms, and cooperation with telecommunications operators. Vivo emphasizes the construction of offline channels, providing consumers with actual product experiences and after-sales services through specialty stores and physical stores. At the same time, Vivo actively expands its online channels, providing consumers with convenient purchasing methods through its official website and cooperation with e-commerce platforms.

In terms of distribution network development, Vivo adopts a distribution model consisting of national general agents and provincial-level agents. By increasing intermediaries and consignment models, Vivo expands the coverage and sales channels of its products. Additionally, Vivo strengthens the management of retail terminals, achieving channel management with key distributors through improved relationships, highlighting key points, and delineating responsibilities.

Regarding channel cooperation and relationship management, Vivo emphasizes long-term cooperative relationships with partners. Vivo co-promotes and sells its products through signed agreements with retailers, e-commerce platforms, and telecommunications operators, Vivo jointly promotes and sells its products. Vivo also provides training and support measures to ensure the successful promotion and sale of its products through its channels.

Vivo continuously optimizes the structure and strategy of its sales channels through monitoring and evaluation. By collecting and analyzing sales data, customer feedback, and other information, Vivo evaluates the effectiveness and performance of each sales channel, allowing for timely adjustments and optimization of sales strategies.

5. Customer Relationship Management and Service Strategy

5.1. Importance and Objectives of Customer Relationship Management

Customer Relationship Management (CRM) is crucial for Vivo because effective CRM helps businesses understand customer needs, enhance sales efficiency and profitability, and promote long-term stable development. Moreover, good CRM helps Vivo better understand customer needs and launch products and services tailored to those needs, thereby increasing sales revenue. The main objectives of Vivo's CRM include, firstly, providing personalized products and services to meet the diverse needs of different customers by thoroughly understanding and analyzing customer needs. Secondly, leverage CRM systems to optimize sales processes and improve the efficiency and performance of the sales team. Additionally, enhancing customer satisfaction by providing high-quality products and services will foster customer loyalty. Lastly, establish long-term and stable cooperative relationships with customers through continuous communication and interaction, thereby achieving mutual development for both the enterprise and customers.

5.2. Vivo's Customer Relationship Management Strategy

Vivo implements customer data management through CRM systems to track customer data, including purchase history, preferences, and behavior, to better understand customer needs. Furthermore, Vivo enhances customer satisfaction by providing efficient after-sales service, which involves promptly addressing customer inquiries, resolving after-sales issues, and offering attentive support. Vivo also engages with customers through various channels, such as social media, online chat, and customer service hotlines, to foster positive communication and interaction. Additionally, Vivo periodically collects customer feedback to understand satisfaction levels and demands, allowing for timely adjustments to service strategies and product designs.

5.3. After-Sales Service and Customer Satisfaction Management

Vivo provides comprehensive after-sales service and customer satisfaction management, including product repairs, returns, exchanges, and technical support, ensuring customers receive full assurance and support during product use. Vivo also conducts regular customer satisfaction surveys and telephone follow-ups to understand customer satisfaction with products and services, promptly identifying and resolving issues. Vivo promptly responds and addresses customer complaints and feedback, safeguarding their rights. Based on customer feedback and market changes, Vivo continuously improves products and services, enhances product quality, and raises service levels to meet customer needs and expectations.

6. Challenges and Outlook

Vivo's marketing strategy faces challenges and issues. The smartphone market is highly competitive, and Vivo needs to address competition pressure from other smartphone brands to maintain market share and enhance attractiveness. To meet market needs, Vivo must continually innovate and adjust products and marketing strategies in response to rapidly changing consumer demands. With numerous digital marketing channels available, Vivo needs to find suitable marketing strategies for itself. However, the future market is full of opportunities. With the development of digital technology, future marketing will rely more on data analysis, artificial intelligence, and automation technology. Vivo can strengthen digital transformation to improve marketing efficiency and effectiveness. Increasing consumer demand for personalized services allows Vivo to meet different consumer needs through personalized marketing and customized products, enhancing the user experience and loyalty. The influence of social media continues to grow, and Vivo can strengthen marketing activities on social media platforms to establish closer interactive relationships with consumers.

Facing the challenging yet promising future market, Vivo can continuously launch innovative products and services to attract consumers through technological innovation and enhanced user experience. Vivo should strengthen brand building and communication, establish a clear brand image and values, and enhance brand awareness and influence. Furthermore, by increasing investment in digital marketing and optimizing marketing strategies and effects through data analysis and technological innovation, Vivo can promote its development. The company can also collaborate with the government to understand market policies and regulations, comply with relevant regulations, and ensure sustainable development and competitive advantages. Moreover, Vivo should seize marketing opportunities and continually optimize release timing while ensuring rapid product updates to gain more exposure and attention [11].

7. Conclusion

This study employs the "identifying problems—analyzing problems—solving problems" approach to assess the current state of Vivo's marketing strategy, drawing on theoretical analysis and practical research. The text analyses the obstacles and issues that Vivo encounters and offers optimisation recommendations for its marketing strategy. The objective is to provide valuable perspectives and concepts for the marketing strategies of comparable smartphone companies.

Given the challenges in gathering exhaustive data on the research topic, this study may be subject to certain limitations. Initially, the paper did not utilize a questionnaire survey, so neglecting to gather individuals' viewpoints and recommendations concerning Vivo. Furthermore, due to Vivo's non-publicly traded status, numerous data points were inaccessible through official channels. Consequently, available data were derived from public sources, which may not comprehensively depict the company's true circumstances.

In order to succeed, it is vital for a firm to accurately understand market trends and develop efficient marketing strategies, especially in the face of increasing competition and changing consumer needs. Enterprises should thoroughly explore the fundamental components and influential features of market marketing strategies, employ innovative research methods, and adjust them according to industry development trends and shifts in consumer expectations.

References

- [1] Guo, Y. (2021). *Research on the Optimization of vivo Company's Smartphone Internet Marketing Strategy*. Master thesis, Lanzhou University.
- [2] Gong, Z. (2024). *Research on the Optimization of iQOO Smartphone Marketing Strategy*. Master thesis, Jilin University.

- [3] Ma, P. (2024). *Development Strategy of Network Marketing of Small and Medium-sized Enterprises in the New Media Environment*. *Journal of Modern Market*, 2024(06), 53-55.
- [4] vivo Official Website (2024). <https://www.vivo.com.cn/>
- [5] ZOL.com. (2022) vivo X Fold has successfully challenged the Guinness World Record. <https://mobile.zol.com.cn/794/7941777.html>
- [6] People.com. (2023). The Chinese smartphone market: Foldable screens growing against the trend of sluggishness. <http://yn.people.com.cn/n2/2023/0207/c372455-40291645.html>
- [7] Zhongce.sina. (2020). Counterpoint's data report shows Vivo clinching the top spot in domestic smartphone brand sales for 2023. <https://zhongce.sina.com.cn/article/view/61896/>
- [8] vivo Official Website. (2024). The cooperation between vivo and Zeiss. <https://www.vivo.com.cn/vivo/vivozeiss>
- [9] Chen, Z. (2023). *Analysis and Planning of vivo Foldable Screen Smartphone Marketing*. *Modern Marketing (Late Issue)*, 2023(07), 56-58.
- [10] Li, J. (2024). *Research on vivo Smartphone Promotion Strategy in Changchun Market*. Master thesis, Jilin University.
- [11] Yang, X. (2023). *Research on the Optimization of M Company's Smartphone Product Marketing Strategy*. Master thesis, Chongqing University of Business and Technology.