

RESEARCH ON THE MARKETING STRATEGY OF POWER QUALITY PRODUCTS IN THE CHINESE MARKET*

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Abstract

This article first introduces the power quality products and their market overview, and then starts with the current market status of power quality products, analyzes the problems existing in the market promotion in China, and refers to the operation status of small and medium-sized enterprises such as MUDEN, and the marketing of power quality products Strategies for research and improvement. Through the company's external market environment, internal conditions, industry competition status, and SWOT analysis in the Chinese market, we can clarify the target market and market positioning in the Chinese market segment, so as to formulate products, prices, channels and Promotion strategy. And make corresponding safeguard measures for the key issues in the implementation of this strategy. The research results of this article will play an important role in improving the marketing ability of power quality products in China, and can provide reference for the marketing of similar products.

Keywords: Power Quality Products, Marketing Strategy, Chinese Market.

Introduction

Research Background

China is currently the second largest energy producer and consumer in the world. The rapid growth of energy consumption has made China an indispensable and important part of the world energy market. Power quality products, as an important part of it, are widely used in electricity, transportation, and communications. And infrastructure construction and other fields. Driven by the Chinese government's "energy saving and emission reduction" policy, the industry is developing rapidly.

Research Problems

How to realize the market expansion and self-growth of an enterprise under a good external environment and development situation is a topic of great practical research value.

On the other hand, we also see that there are a large number of small and medium-sized enterprises in China. There is no doubt that they have a great role in promoting economic development and employment. A considerable number of these small and medium-sized enterprises have a short duration, and many of them have no longer than 5 years of operation. One of the important factors that determine the life and death of an

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enterprise in this year is the marketing ability of the enterprise. Therefore, how to formulate marketing strategies in such enterprises is an important issue currently facing.

Objective of the Study

There are two main research purposes of this article. One is how to formulate marketing strategies for the power quality industry. Second, how small and medium-sized enterprises can make full use of existing resources to formulate a marketing strategy in line with their own development when funds are limited and personnel are limited.

Scope of the Study

The industries studied in this paper are selected as: power quality industry; the selected area is restricted to China; the scale of the selected target company: small and medium-sized enterprises in China.

Research Significance

This article reviews the development of market segmentation theory and combines market segmentation theory with quantitative cluster analysis. Different from other qualitative analysis and market segmentation methods without data support, a new way of market segmentation has been found to make the basis for future market segmentation, target market determination, and market positioning more scientific and credible.

The significance of practice is that the power quality industry is an emerging industry and is undergoing rapid development. There is still relatively little marketing research on this industry. How to seize market opportunities in the fast-developing market, and follow the rapid development of the industry, has Very good practical significance. This article takes MUDEN Electric as the research object, focuses on small and medium-sized enterprises, and fully mobilizes the resources of all parties to give greater play to their marketing capabilities when the company has limited capital and manpower. Enhance the adaptability and competitiveness of enterprises, and provide useful suggestions and references for the development and entrepreneurship of small and medium-sized enterprises.

Theoretical Framework

This article first introduces the current situation of the power quality industry, the problems that SMEs have in marketing strategies, and then reviews the research overview of marketing theory, as well as the deficiencies in the research process, and expounds the research direction of this article. Secondly, according to the market research of the power quality industry, it is found that small and medium-sized enterprises have deficiencies and problems in the formulation and implementation of marketing strategies. Then use the PEST method to analyze the external environment of the market, perform market segmentation based on cluster analysis, analyze the characteristics of the market segments, combine the advantages and disadvantages of the company, and the advantages and disadvantages of opponents, find the most suitable market to enter, and hope to get the most Market share and profit margins. Based on the 4P theory of marketing, it conducts detailed

research from several directions such as brand, price, channel, promotion, etc., so as to form a complete set of marketing plans.

Hypotheses

The products of the power quality industry are affected by the degree of capital adequacy of the purchasing company, the size of the project, and the degree of specialization of product purchasing decision-makers during the sales process.

Carry out market segmentation based on these influencing factors, and carry out marketing planning for markets with strong financial strength, large project scale, and high professional level of purchasing decision-makers. By improving product quality; redesigning product appearance, reducing product delivery time, promoting through a variety of media, increasing professional sales personnel, etc., improve product competitiveness and increase market share.

Literature Review

Marketing refers to the total amount of marketing work carried out by enterprises to maximize profits around the needs of consumers, including investigation and analysis of the market, determination of target markets, promotion of promotional activities, after-sales service, etc. Since the 1960s, the research on marketing strategy combination theory at home and abroad has mainly experienced the following stages of evolution.

4P marketing strategy combination theory: In 1960, Professor McCarthy in the United States put forward the 4P marketing strategy combination theory: Product, Price, Place, Promotion. The 4P marketing strategy combination theory has established the important position of the marketing strategy combination in the marketing theory, and has had a profound impact on the marketing practice. Marketing expert Philip. Kotler believes that "if the company produces the right products, sets the right prices, uses the right distribution channels, and supplements them with appropriate promotional activities, then the company will be successful. The 4Ps include the leading factors in the marketing process. This is a key factor, and it is also a few important means needed to complete a marketing job.

7P Marketing Strategy Combination Theory: In 1981, American service marketing scholars Prof. Booms and Prof. Biter proposed an extended marketing mix suitable for the service industry based on the characteristics of the service industry. According to the characteristics of the service industry, three new "Ps", Physical evidence, Participants and Procedures, have been added to the 4P. The 7P theory is called the 7 Ps of the "service marketing mix". Compared with the 4P marketing strategy combination theory which tends to focus on physical marketing, the 7P theory focuses more on service and guides customers' purchase behavior in addition to product promotion.

6P Combination and 11P Marketing Combination Theory: In 1986, Professor Philip Kotler proposed the big marketing strategy theory, adding two Ps to the 4P combination: Power and Public Relations, 6P for short. The main point of this theory is that in order to achieve the business goals of enterprises, contemporary marketing workers increasingly need to use political power and public relations to remove various obstacles and obtain relevant support and cooperation. When Kotler was invited to give a speech in China on

June 30, 1986, he proposed that in addition to the 6Ps of the big marketing strategy, the 4 Ps of Probing, Partitioning, Prioritizing and Positioning should be added. It is also because all work is centered on consumers. Yes, so I added 1 P (People), and since then the 6P combination has officially evolved into an 11P combination.

4C marketing strategy combination theory: In 1990, Professor Robert Lauterborn proposed the 4C'S theory, namely Customer, Cost, Convenience and Communication. The ideological basis of 4C'S theory is consumer-centric, emphasizing that the marketing activities of enterprises should be carried out around the needs, desires and purchasing power of consumers. 4C marketing strategy theory and 4P marketing strategy theory are one-to-one correspondence, and put forward new concerns from the consumer's point of view: for product strategy, put forward that should pay more attention to the needs and desires of customers; for price strategy, put forward that should focus on consideration The price that customers are willing to pay for a certain product or service; and emphasizes that the application of the promotion process is a process of maintaining two-way communication with customers.

4R marketing strategy combination theory: In 2001, Professor Don Schultz proposed a new theory of 4R'S marketing, namely Relativity, Reaction, Relation and Retribution. The purpose of this theory is to build customer loyalty, and the core is relationship marketing. 4R theory emphasizes that companies should establish a long-term relationship with customers.

Interactive relationship, win long-term stable market and income, and attach importance to customers' opinions and needs, respond in a timely manner, and achieve a win-win situation for enterprises and customers. 4R is a competition-oriented marketing strategy theory, which raises marketing ideas to a higher level, provides guidance for companies to establish customer relationships, maintain long-term customer relationships, and obtain long-term benefits. It is a major advancement in the history of marketing theory.

In the 1990s, Philip Kotler, a marketing professor at Northwestern University and the famous father of marketing, systematically proposed the STP strategy in the ninth edition of his book "Marketing Management", which has been best-selling for more than 30 years around the world: S-Segmentation: T-Targeting; P -Positioning. First of all, market segmentation, according to user needs, purchasing power, buying habits, etc., divide the market into several market segments, and make detailed definitions. Then, determine the target market, and select one or more market segments to enter according to its own product characteristics and company marketing resources. Finally, market positioning, placing suitable products in selected market segments, formulating suitable prices, and formulating corresponding strategies. Target marketing is also called STP marketing or STP trilogy. Philip Kotler believes that STP is the core of contemporary strategic marketing.

Research Methodology

Use the method of combining literature research and survey research to consult relevant theoretical research works and literature materials. Through investigation and research, collect the status quo and development trend of the Chinese market, the development trend of the power quality product market and technology, collect the internal

information of MUDEN , and some information data of competitors, etc., and find out the problems of the current marketing situation.

Using a combination of qualitative research and quantitative research, qualitative research is used to determine the target market and market positioning of MUDEN 's business in China, and to determine the marketing strategy combination plan. With the aid of quantitative research methods, through data analysis, research on the situation of competitors, the selection of agents, and the evaluation plan.

Relevant theoretical methods are used to study practical problems, and the PEST method is used to analyze the external environment of power quality products in the Chinese market. Use SWOT analysis to fully understand the advantages and disadvantages of MUDEN 's products in the Chinese market, as well as the opportunities and challenges faced, and formulate strategic options.

Findings and analysis

1. MUDEN Company's Power Quality Products Marketing Situation in China.

MUDEN Electric (Shanghai) Co., Ltd. is mainly involved in the sale of MUDEN brand products, pre-sales and after-sales services of this product in Mainland China, as well as product promotion and brand building of the MUDEN brand in this area.

The current marketing methods in China are relatively crude and simple, basically using a project-oriented sales model.

The current marketing methods have achieved certain results. With the gradual promotion of the MUDEN brand in China and the increase in sales personnel, the performance has been increasing year by year. From 2015 to 2020 , the sales amount was 8.2 million Yuan, 11 million Yuan, 26 million Yuan, 51 million Yuan and 63 million Yuan.

There are many problems with MUDEN's marketing in China. For example, orders are too concentrated in a few large industrial projects; there is no competitive industry customer with strong and sustainable purchasing power in China; there is no stable and strong partner, and the channel construction is still Need to be strengthened; the development speed is behind the main competitors.

2. The Market Competition Environment for Power Quality Products in China.

China's economy is growing rapidly, and various constructions have made great achievements, but they have also paid a huge price for the destruction of resources and the environment. The contradiction between the two is becoming increasingly acute. At the same time, greenhouse gas emissions will aggravate global warming, which has attracted widespread attention from the international community. China has organized the formulation of a number of power quality standards. The formulation units are: National Technical Committee for Voltage, Current Rating and Frequency Standardization (TCI) and National Technical Committee for Electromagnetic Compatibility Standardization (TC246) .

Since 2000, the overall situation of China's economy has been operating well, the national economy has grown steadily and rapidly, and the national economy has maintained sustained, rapid, and healthy development. Although it has experienced the impact of the COVID-19 epidemic since 2020 , China's economy has shown strong resilience and economic growth has recovered rapidly.

Since 2018 , due to the China-United States trade war , the Chinese government has been guiding companies to purchase more high-tech products that are independently and controllable by China. Domestic private enterprises can also produce good-quality products through the processes of learning and imitation, introducing technology, and digesting and assimilating them.

Power quality is related to the overall benefits of the national economy. Improving power quality is a necessary condition for the sustainable development of power. Measures to improve power quality involve a wide range of aspects.

Through investigation and research, we found that the key factors of competition in this industry mainly focus on pre-sales service, after-sales service, price and delivery time.

By taking the MUDEN Company as a reference, it is found that the internal conditions of such small and medium-sized enterprises have many commonalities, which are mainly reflected in the company's brand positioning and the high-end market positioning strategy that has been implemented. The market believes that the MUDEN brand can replace the products of the international first-line brands. Products required in the field of power quality are produced, and the product line is relatively complete. There are dedicated after-sales service engineers who can provide pre-sales and after-sales services. A number of offices have been established throughout the country, but they are only distributed in dots. A sales system has not been fully established. In a state of management, the company has insufficient training for its employees.

Through the research of the industry, we found that many small and medium-sized enterprises are optimistic about this industry and enter the field, which has made competition increasingly intensified. The product market is relatively mature, and the main threat of substitution comes from product technology updates and product upgrades. Buyers have high bargaining power, private companies are very rational in purchasing, and they pay attention to cost performance; state-owned companies pay more attention to product quality.

The main players in the market are: CLP Purui Technology Co., Ltd., Rongxin Power Electronics Co., Ltd., Hengshun Electric Co., Ltd., Qingdao Hengshun Electric Co., Ltd.

3. SWOT Analysis of Enterprises in The Chinese Market.

External opportunities: MUDEN 's power quality industry is in line with the national energy conservation and emission reduction policy support; State Grid Corporation of China has maintained a large purchase amount in the next few years; MUDEN 's energy-saving devices for urban street lights are the only company in the market that owns this At the same time, the technology has a successful application performance; more and more enterprises and institutions are gradually applying, updating and upgrading power quality products under the driving factors of internal and external energy conservation, emission reduction, and improvement of power grid quality.

External threats: The increase in user demand for power quality products has attracted a large number of companies to enter the industry, especially the entry of large power equipment group companies, which has intensified competition in the industry; well-known foreign companies in the industry have robbed domestic high-end customers;

industry cycles The fluctuation of sexual development brings greater risks to the company's development;

Internal resources and advantages: Participated in the formulation of a number of national standards and national industry standards; developed a series of national key new products that have more market vitality and market competitive advantages; have the bidding qualification of the State Grid Corporation of 10kV frame capacitor complete sets; have urban A series of innovative products closely related to market demand, such as energy-saving devices for street lamps.

Internal defects and disadvantages: low educational background and knowledge level of technical R&D personnel; low management team level; weak quality management level and product quality control ability; the company has accumulated many accounts receivable over the years; the company lacks operation analysis and process optimization design; Lack of the company's information management system; the construction of corporate culture is lagging behind.

4. Market Segmentation, Target Market and Positioning of China's Power Quality Products

According to the purchaser's financial strength and quality requirements, the market is divided into: high-end market, mid-to-high-end market, mid-end market and low-end market.

Based on the previous analysis of the market environment and the characteristics of industry competition, the author recommends choosing the high-end market and the mid-to-high-end market as the target market for marketing planning.

Conclusion and Recommendation

According to the conclusions drawn from market research and analysis, it is recommended that small and medium-sized enterprises in the power quality industry, especially MUDEN , implement the following marketing strategies:

Try to shorten the supply cycle as short as possible, and use the highest quality products as raw materials. Actively follow up with new technologies in the industry, improve integration capabilities, and enhance the appearance of products.

The multiple pricing method is adopted, and different prices are set according to the types of customers and the scale of the project, but it is also necessary to refer to the situation of competitors for pricing.

Strengthen the publicity of Internet media, encourage technical staff to contribute articles for professional electrical industry magazines, participate in exhibitions in the electrical and power industry, and conduct special publicity and promotion for design service companies.

The product marketing channel model should adopt a combination of direct sales and indirect sales. According to the characteristics of customers in different industries, combined with analysis of their own advantages and lack of relationship resources, different sales channels are adopted. Optimize the distribution of direct sales force and find qualified agents.

Sort out the functions of the various departments of the company, set up a marketing department, promote products inside and outside the company, design service companies,

and participate in industry exhibitions as the main work content. According to the industry classification of the final purchase, a direct sales department for major customers is established to target the emerging industries or fast-developing industries for sales. Set up local offices for blank sales areas and strengthen horizontal communication with the direct sales department and marketing department. Sort out sales policies, improve incentive mechanisms, and strengthen performance appraisal. Increase talent training, allow sales staff to rotate appropriately, and recruit staff from competitors and other companies with similar products.

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