

# A Study Of Marketing Mix Strategy Of Samsung Mobile Phone In Guangzhou, China That Impacts Customer Satisfaction

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## Abstract

The objectives of this study were to (1) analyze the level of marketing strategies of Samsung Mobile Phone in Guangzhou, China (2) study the level of the customers' satisfaction with the Samsung Mobile Phone in Guangzhou, China, and (3) determine the relationship between the demographic variables, and marketing mix strategy of Samsung Mobile Phone in Guangzhou, China, and customers' satisfaction.

This study is quantitative research. The empirical data were collected, from 384 customers who buys Samsung mobile phones in Guangzhou, China. The researcher also tested relationship between marketing mix strategies which are product, price, place, promotion, people, physical evidence, and process and customer satisfaction. The findings indicated that is the level of marketing strategies was at a high level (4.06), 2) the level of customers' satisfaction was at a high level (4.06), and 3) there was a medium relationship between some

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marketing mix strategies (product, price, promotion, people, and process) and customer satisfaction. In addition, there was a small relationship between other marketing mix strategies (place and physical evidence).

**Keywords:** Marketing Mix (7PS) Strategy, Customer Satisfaction, Samsung Mobile Phone, Guangzhou China

## Introduction

Some years back, the mobile phone industry was led by Nokia and Motorola. They had been in this position for quite some time. But things drastically changed; the story of Samsung mobile in the mobile phone industry was one almost low-profile company with distinct products and a low-cost product portfolio. In less than a decade, they managed to emerge as the market leaders in the smartphone industry. So how did this happen?

China is far more mobile than any other country. With more than 1 billion mobile connections (Xinhua, 2012) and 356 million mobile internet users (CNNIC, 2012), With increasing mobile connections provided by the three mobile operators in the country, Mobile China Mobile, China Unicom, and China Telecomm (with market shares of 67 percent, 21 percent, and 13 percent, respectively; Dewar, 2011), mobiles have been changing the media landscape, the way of living, the way of communicating, the way of social networking, and the way of doing business for the Chinese (Xiaoge, 2019).

Assessment of something is needed by someone who wants to know the value of something. Assessment can be positive or negative according to the perception of each person. One of the assessments is about the satisfaction of

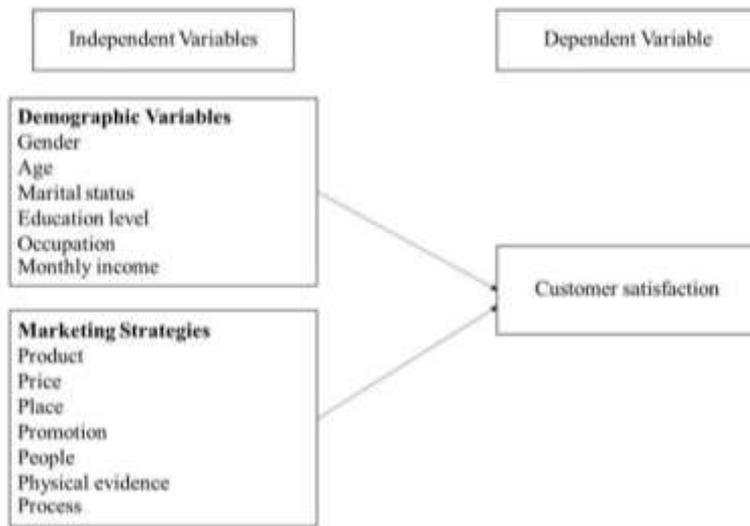
the customer. Customer is the important thing who can increase the value or the number of products if they get the satisfaction of using the product. Customer satisfaction is an invaluable asset to a modern organization that provides a competitive advantage and is unmatched. It will help a lot in building long-term relationships and brand equity. Customer satisfaction is a result of the culmination of a good business.

Companies and manufacturers need to focus on product differentiation from their competitors. Customer satisfaction is the basis for product design, especially Samsung mobile phones. Based on the background of the problems above, the researcher will be very interested in the marketing mix strategy of Samsung mobile phone and customers' satisfaction.

The world's largest smartphone vendor will also be changing its marketing strategy in China by placing more emphasis on using celebrities to promote its products, as well as collaborating with other brands. Kwon also mentioned that Samsung will release a special Galaxy A8s FE model that has been specially designed for women.

Despite Samsung being a market leader among global smartphone vendors, its mobile market share in China has dipped below 1 percent to a mere 0.8 percent as of the second quarter of 2018. Samsung's fading momentum in China is partially due to the emergence of Chinese smartphone brands, whose cost-effective products over the years have eroded the market share of both Samsung and Apple. The Galaxy Note 7 battery explosion incident in 2016 also brought about huge criticism in China as Samsung refused to replace affected models for Chinese consumers, insisting that the models in China were equipped with safe batteries even after several explosion incidents had been reported.

As a result of such problems, the researchers Interested in studying the problem of Samsung mobile phone integration marketing strategy in Guangzhou? What factors affect customer satisfaction?



**Figure 1** Conceptual Framework

## Research Objective

The general objective of this study is to explore the Marketing Mix Strategy of Samsung Mobile Phone in Guangzhou, China that affects deciding customer satisfaction. The specific objectives are as follows.

1. To analyze the level of marketing strategies of Samsung Mobile Phone in Guangzhou, China.
2. To study the level of the customers ' satisfaction with the Samsung Mobile Phone in Guangzhou, China.

3. To determine the relationship between the demographic variables, and marketing mix strategy of Samsung Mobile Phone in Guangzhou, China., and customers' satisfaction.

## Research Methodology

This research is the quantitative research by using questionnaires as a data tool. The research will focus on “A Study of the Marketing Mix Strategy of Samsung Mobile Phone in Guangzhou, China that Impacts Customer’s Satisfaction.”

## Population and Sample Size

The population will be the customer who buys Samsung mobile phones in Guangzhou, China. The population is from various gender groups, age groups, marital status groups, education level groups, occupation groups, and monthly income groups, and Marketing Mix (production, price, place, promotion, people, physical evidence, and process).

## Sample size

Since the population in Guangzhou, China, who use the Samsung mobile phone is unknown. Where the population is unknown, the sample size can be derived by computing the minimum sample size required for accuracy in estimating proportions but considering the standard normal deviation set at 95% confidence level (1.96), the percentage a choice or response (50%=0.5), and the confidence interval (0.05=±5). The formula is (Roscoe, 1969, pp.156-157):

$$N = \frac{Z_c^2 \cdot P \cdot Q}{e^2 M}$$

Where  $Z_c = 1.96$

$E_m = O/10$

$O/eM = 10$

$$= (1.96 \times 10)^2 / 196^2 = 384.16 = 384$$

## Research instrument

For the study, the questionnaire is used as the research instrument. The questionnaire consists of 2 parts. The first part of the questionnaire is the demographic information of the respondents. The second part of the questionnaire is the choices of Marketing Mix factors affecting consumer satisfaction in Guangzhou, China is asked in five-point Likert scales.

## Data collection

This research will be used primary data will be collected by questionnaires. Research has distributed questionnaires to sample groups from July 2021-March 2022. The completed questionnaires will be processed for coding and analysis through SPSS.

## Data analysis

The data of this study will be analyzed by computer through package software (SPSS: Statistical Package for Sciences) as follows,

The demographic background information of the respondents, marketing mix, and consumer satisfaction will be analyzed and presented using the descriptive statistic in form of Frequency and Percentage.

The information of the Marketing Mix factors affecting consumer satisfaction in Guangzhou, China will be ranged and presented using the descriptive statistic in form of Mean ( $\bar{x}$ ) and Standard Deviation (SD).

The hypotheses were tested using t-Test, One-way ANOVA, and correlations.

The scoring of the questionnaire will be analyzed by using a five-point rating scale or five-Likert scales.

The researcher used the criteria to scale the rating of the class interval of Best (1970) to interpret the Mean score of the Marketing Mix factors affecting consumer satisfaction in Guangzhou, China.

## Research Results

In this section, the results of the analysis are presented, which are divided into 6 parts: demographic data analysis, result of marketing strategy analysis, result of customer satisfaction analysis, analysis of the relationship between demographic variables and customer satisfaction, analysis of the relationship between marketing mix and customer satisfaction, and hypotheses testing results.

Most of the respondents were female there were accounting for 54.39%. About 87.72% were young people whose age is between 21-30 years old. There were 155 people graduated from college accounting for 40.35%. Most of them were single accounting for 267 people (69.53%). There were 108 company staff (28.07%) representing the majority of the respondents. Most of the respondents earned around 5,000-6,300 RMB a month accounting for 115 people (29.82%).

## Result of Marketing Strategy Analysis

This part presents the information of marketing strategies which are product, price, place, promotion, people, physical evidence, and process.

**Table 1** Mean and standard deviation of marketing strategies Marketing strategies

Marketing strategies	Mean	SD	Interpretation
Product	4.11	.682	High
Price	4.02	.627	High
Place	4.06	.693	High
Promotion	4.05	.672	High
People	4.06	.671	High
Physical Evidence	4.04	.666	High
Process	4.07	.664	High
<b>Total</b>	<b>4.06</b>	<b>.645</b>	<b>High</b>

Among all marketing strategies, product has the highest mean (Mean = 4.11, SD = .682) followed by process (Mean = 4.07, SD = .664), people (Mean = 4.06, SD = .671), place (Mean = 4.06, SD = .693), promotion (Mean = 4.05, SD = .672), physical evidence (Mean = 4.04, SD = .666), and price (Mean = 4.02, SD = .627) respectively (See Table 1).

## Result of Customer Satisfaction Analysis

This part presents the information of customers satisfaction which are quality, brand image, pixel, battery durability, with different colors, with different sizes, easy to use, guarantee and after-sales maintenance service, and in-store promotions and discounts.

**Table 2** Mean and standard deviation of customer satisfaction

Customer Satisfaction	Mean	SD	Interpretation
Quality	4.23	.682	Very High
Brand image	4.26	.627	Very High
Pixel	4.16	.693	High
Battery durability	4.06	.672	High
With different colors	4.14	.666	High
With different sizes	4.07	.664	High
Easy to use	4.30	.849	High
Guarantee and after-sales maintenance service	4.04	.639	High
In-store promotions and discounts	3.89	.772	High
<b>Total</b>	<b>4.05</b>	<b>.576</b>	<b>High</b>

Among all item of customer satisfaction, “easy to use” has the highest mean (Mean = 4.30, SD = .849) followed by brand image (Mean = 4.26, SD = .627), quality (Mean = 4.23, SD = .682), pixel (Mean = 4.16, SD = .693), with different colors (Mean = 4.14, SD = .666), with different sizes (Mean = 4.07, SD = .664), battery durability (Mean = 4.06, SD = .672), Guarantee and after-sales maintenance service (Mean = 4.04, SD = .639), and in-store promotions and discounts (Mean = 3.89, SD = .772) respectively (See Table 2).

**Table 3** Relationship between marketing mix and customer satisfaction

		PROD	PRI	PLA	PROM	PEO	PHY	PROC	CS
PROD	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	384							
PRI	Pearson Correlation	.721**	1						
	Sig. (2-tailed)	.000							
	N	384	384						
PLA	Pearson Correlation	.545**	.468**	1					
	Sig. (2-tailed)	.000	.000						
	N	384	384	384					
PROM	Pearson Correlation	.673**	.768**	.419**	1				
	Sig. (2-tailed)	.000	.000	.000					
	N	384	384	384	384				
PEO	Pearson Correlation	.565**	.607**	.258**	.563**	1			
	Sig. (2-tailed)	.000	.000	.000	.000				
	N	384	384	384	384	384			
PHY	Pearson Correlation	.566**	.542**	.238**	.537**	.786**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000			
	N	384	384	384	384	384	384		
PROC	Pearson Correlation	.624**	.635**	.261**	.648**	.485**	.506**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		
	N	384	384	384	384	384	384	384	
CS	Pearson Correlation	.334**	.382**	.152**	.311**	.316**	.296**	.345**	1
	Sig. (2-tailed)	.000	.000	.003	.000	.000	.000	.000	
	N	384	384	384	384	384	384	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows the relationship between marketing mix strategies which are product (PROD), price (PRI), place (PLA), promotion (PROM), people (PEO), physical evidence (PHY), and process (PROC) and customer satisfaction. The author uses the following criteria to explain how extent the relationship between independent and dependent variables.

## Hypotheses Testing Results

According to the results mentioned above, the hypotheses testing results are displayed in Table 4.

**Table 4** Hypotheses testing results

	Hypothesis	Results
1	There is a relationship between demographic variables and customer satisfaction of the Samsung Mobile Phone in Guangzhou, China.	Not supported
2	There is a relationship between the marketing mix strategy of the product and customer satisfaction of the Samsung Mobile Phone in Guangzhou, China.	Supported
3	There is a relationship between the marketing mix strategy of price and customer satisfaction of Samsung Mobile Phone in Guangzhou, China.	Supported
4	There is a relationship between the marketing mix strategy of place and customer satisfaction of Samsung Mobile Phone in Guangzhou, China.	Supported

**Table 14 (Con't)**

	Hypothesis	Results
5	There is a relationship between the marketing mix strategy of promotion and customer satisfaction of the Samsung Mobile Phone in Guangzhou, China.	Supported
6	There is a relationship between the marketing mix strategy of people and customer satisfaction of Samsung Mobile Phone in Guangzhou, China.	Supported
7	There is a relationship between the marketing mix strategy of Physical Evidence and customer satisfaction of Samsung Mobile Phone in Guangzhou, China.	Supported

## Conclusion

This study is quantitative research. Questionnaires were employed as a research tool. The empirical data were collected, during July 2021-March 2022, from 384 customers who buys Samsung mobile phones in Guangzhou, China. most of the respondents were female accounting for 54.39%. About 87.72% were young people whose age is between 21-30 years old. There were 155 people graduated from college accounting for 40.35%. Most of them were single accounting for 267 people (69.53%). There were 108 company staff (28.07%) representing the majority of the respondents. Most of the respondents earned around 5,000-6,300 RMB a month accounting for 115 people (29.82%).

The findings revealed that the respondents Samsung company employed high level of marketing strategies according to the respondents' self-report. Product obtained the highest level of marketing strategy followed by process, people, place, promotion, physical evidence, and price respectively.

According to the level of customer satisfaction, the respondents reported a high level of satisfaction toward Samsung mobile phone. Among all aspects of customer satisfaction, "easy to use" is the most important issue satisfied by the customers, followed by brand image, quality, pixel, with different sizes, battery durability, Guarantee and after-sales maintenance service, and in-store promotions and discounts respectively.

The relationship between demographic variables and customer satisfaction were tested using t-Test and One-way ANOVA. The results revealed that there is no statistically significant relationship between demographic variables (gender, age, marital status, education level, occupation, and monthly income) and customer satisfaction.

The researcher also tested relationship between marketing mix strategies which are product, price, place, promotion, people, physical evidence, and process and customer satisfaction. The findings indicated medium relationship between some marketing mix strategies (product, price, promotion, people, and process) and customer satisfaction. In addition, there was a small relationship between other marketing mix strategies (place and physical evidence).

## Research Discussion

The discussion part is described in accordance with the objectives of this study;

1.To analyze the level of marketing strategies of Samsung Mobile Phone in Guangzhou, China. The findings indicated that there was a high level of marketing strategies of Samsung Mobile Phone in Guangzhou, China. This indicates that Samsung mobile phone company tries to employ all marketing mix strategies to attract new customers and to maintain existing customers since mobile phone industry nowadays is very competitive.

2.To study the level of the customers satisfaction with the Samsung Mobile Phone in Guangzhou, China. The findings revealed that the respondents reported high level of satisfaction. They reported that “easy to use” is the most important thing satisfying them. Brand image, quality, pixel, with different, with different sizes, battery durability, guarantee and after-sales maintenance service, and in-store promotions and discounts are also important factors satisfying the customers. Hence, mobile phone company should place importance on these issues if it would like to please customers not only the newcomers but also the existing ones.

3.To determine the relationship between the demographic variables, and marketing mix strategy of Samsung Mobile Phone in Guangzhou, China, and customers' satisfaction. The findings revealed no relationship between demographic variables and customer satisfaction. These findings supported the study of Dave (2018) who found no relationship between gender and customer satisfaction. However, age had a relationship with customer satisfaction according to the study of Dave (2018). In addition, there was a relationship between marketing mix strategies (product, price, place, promotion, people, physical evidence, and process) and customer satisfaction. This finding is consistent with the study of Aggasara (2019) who found marketing mix strategies (product, price, place, and promotion) had a positive relationship with customer satisfaction of Xiaomi mobile phone in Yangon.

This also supported the findings of Pourdehghan (2015) who found positive relationship between marketing mix strategies (promotion, product quality, and distribution channel) and customer satisfaction. However, there was no relationship between price and customer satisfaction. Marlina, Wardi, and Patrisia (2018) also found the relationship between marketing mix strategies (product and promotion) and customer satisfaction. However, they did not found relationship between price, place, process, and physical evidence and customer satisfaction. The findings of this research also support the findings of Suthar et al. (2014) who found positive relationship among different dimensions of marketing mix and customer perception on brand loyalty and customer satisfaction of Bharat Sanchar Nigam Limited as one of the Cellular Service Providers (CSPs) in Vadodara Telecom District of Gujarat.

## Research Suggestions

Mobile phone company should pay attention to marketing mix strategies and employ the most effective one. Since the results of this study indicate that product, price, place, promotion, people, physical evidence, and process had positive impact on customer satisfaction. Hence, an organization could improve the customer satisfaction as followings:

(1) Product: to ensure satisfaction of customers, an organization should provide diverse products which are durable, and good quality.

(2) Price: the price of mobile phone should have a clear price tag, reasonable, and can compete with competitors. In addition, special price program should be provided for old customers.

(3) Place: the place or location of selling mobile phone should be in shopping area as well as shopping mall where it is convenient and easy to access. Also, it should not far from residential area and having enough parking lots.

(4) Promotion: Variety of promotions and product discounts should be initiated to attract new customers who should have an opportunity to try new products. Furthermore, special event to promote sales should be organized regularly.

(5) People: the employees should be trained to provide a good service for customers. Training budget should be provided for them to improve their capabilities since they are very important asset of the company.

(6) Physical Evidence: The store should look clean, and the store design should be eye-catching and attracts attention. A proportional store design, and easy to find products should be considered.

(7) Process: All services need to be underpinned by clearly defined and efficiently processed. This will avoid confusion and promote a consistent service. This will impress the customers so that they will decide to repurchase and have a brand loyalty.

Furthermore, customer satisfaction is very important for mobile phone company since the needs of customers have changed dramatically and quickly. The company should place most importance on “easy to use” mobile phone as the priority. Then, the company should build or improve brand image, quality of the mobile phone, pixel, various colors, various sizes, battery durability, guarantee and after-sales maintenance service, and in-store promotions and discounts respectively to satisfy customers with various background.

### **Recommendations for Future Research**

(1) This study is conducted on the customers of Samsung mobile phone only. Future study should emphasize on other brand’s customers, such as Nokia, Xiaomi, Huawei, iPhone, and other brands. Comparative study among brands should be also interesting.

(2) This study is quantitative study using questionnaires to collect data from the samples. Hence, it obtained broad assumption. The author recommends employing mixed method for future research since it will obtain both broad assumption and in-depth information.

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