

# Six Ways Chinese Electronics Brands can Move Up the Value Chain

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## INTRODUCTION

Key findings

Scope

## THE RISE OF CHINESE BRANDS

Strong domestic markets provide a strong base for Chinese companies to expand overseas

Easy access to credit is fuelling the middle class's spending

Rural households provide additional boost in demand

Competitive domestic market forces Chinese companies to expand overseas

## ISSUES HINDERING CHINESE BRANDS

Even Chinese consumers view Apple as an aspirational brand

The lucrative US market remains forbidden fruit for most Chinese brands

Chinese companies struggle to break into developed markets

Fear that users' data is not safe with Chinese brands

Chinese brands are still seen as technologically inferior

## BRANDS STRATEGY REVIEW

Strategies adopted by Chinese brands in overseas markets

Affordability – Flooding the market with value for money products

Relentless R&D – Developing own core competencies as a competitive advantage

Co-branding – Buying credibility with international brands

Sponsorship – Using sports to gain brand recognition in overseas markets

How successful are these strategies?

## MOVING UP THE VALUE CHAIN

How Chinese brands can elevate their brand image

Focus on profit margins, not growth

Compete on useable technology, not bragging rights

It takes time to build a brand

Post-purchase experience as important as low prices

Multi-brand strategy via acquisition

Design can help build a brand

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