

THE MARKETING STRATEGY RESEARCH OF GIANT

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Abstract - In 2008, the 29th Olympic Games is successfully being held in Beijing, and in 2010, "Better City, Better Life" as the theme of the Expo 2010 Shanghai, it also being successfully held. Just as what I have said, everything shows that Chinese people have changed a lot both in physical life and in spirit life. With the improvement of our life level, our life style and the reorganizations of health care have developed a lot as well. Low carbon lifestyle and environment protection have been the morality of Chinese people. However, what we should do? And by analyzing people's choice of traffic tools and leisure tools, we can better understand this question.

The function of bicycle as traffic tool in cities is fading. More and more people choose public transportation or auto-driving travel. But the other functions of the bikes especially high-grade bikes are increasingly reflected, such as fitness and entertainment and leisure. Giant as a well-known brand, it not only has some strengths and disadvantages as a company, it also in the outside has some opportunities and threats. By analyzing these problems, we can acquire some useful and constructive marketing strategies.

Keywords – Bicycle, Giant, Marketing, SWOT analyze

1.1 COMPANY PROFILE

About Giant : Before more than 100 years, the bicycle invention has opened human being probing great the unknown world route with cycling way. Thirty years ago, a people who harbor a fond dream, chairman of victory ampere of secret agent company Liu Jin Biao, are leading a group of young person, secondary Taiwan having the courage to challenge, to run after indefatigably going globe wide. Specially, victory safety creates and sells service ability with the high grade product, design big and powerful; giant who becomes the whole world bicycle estate. More than 20 years goes forward, this giant uses self company's name to have created a brand affecting the world's victory safety is one by one exceptional.

"Starting the fervency probing "has been a ampere of exceptional brand spirit, it has stimulated the victory ampere of secret agent people to run after innovative drive forever challenge ego, ceaseless, the exceptional people who has driven victory safety has realized victory ampere of exceptional brand value, has exceeded oneself limit, sing the praises of the experience riding multiplication, expand boundless possibility, display true life, cherish the natural environment.

G =Globe localization. I = Inspiring Adventure. A =Action N =Navigator T = Total cycling solution.

2.1 INDUSTRY OVERVIEW

2.1.1 Characteristics of economic operation

Economic situation is very well.

The production, export volume, export amount and average export prices continued steady growth. In 2007 one quarter of above-scale enterprises produced 15460000 cars, 9.4% year-on-year on growth, the production and marketing rate about 99.5%. Total industrial output value: 12830000000 Yuan, increase 13%. Vehicle exports to 144 countries and regions,

add up 14360000 vehicles, increase 7.1%; exports amounting to \$557000000, increase 13.3%; the average export unit price of \$38.8, growth of 5.8%. The bicycle parts export \$310000000, increase 11.4%.

High degree of specialization of the industry, the production system is becoming more and more integrated.

Domestic has adequate supply of raw materials. Professional manufacturing and well-equipped facilities, has formed a complete production system.

Industrial agglomeration degree of effect is obvious.

Bicycle enterprises mainly in Tianjin, Zhejiang, Guangdong three regions. In 2006, for example, local bicycle (including electric bicycles) yield and percentage of total yield as follows: Tianjin (46320000, 44.3%), Zhejiang (18390000, 17.6%), Guangdong (16680000, 16%), Jiangsu (12820000, 12.3%), Shanghai (9920000, 9.5%). It's almost the national production in China in one year.

The dominant position has even more obvious.

At present, we know the world cycling annual production about 130 million, and an annual trade volume about 75 million. Chinese's bicycle production and export volume accounted 60% of the world's total domestic consumption. Also ranks first in the world, manufacturing ability to continuously improve. In the bicycle industry developed the United States and Japan, after restructuring, has no industrial base.

2.1.2 The future development trend of bicycle industry in China

The Chinese's bicycle production and sales remain at current levels; export product quality improved. The global demand of bicycles did not change significantly. There is not any country or region has the same bicycle product ability like China. Therefore, Chinese's production capacity cannot be

down quickly. The bicycle industry will have a great structural adjustment. From the industrial layout, there have been two serious bicycle industries in the international industrial transfer. : First time, transfer from the United States and Japan to Taiwan. Second time, transfer from Taiwan to the coastal areas Now it is the third time, transfer from the coastal areas to the west and central region. The purpose of the transfer is to obtain a lower fixed costs and operating costs. The processes and effects are worth for long concern. In the future development, the bicycle companies must create their own brand, passive pricing from OEM to proactive operations and cultivate their own end customers. The bicycle companies will accelerate the implementation of brand strategy. Companies need to enhance the brand value, the key is that the enterprise internal strength to be strengthened and ensure that the standard uniform of the product. At present, the domestic bicycle industry competition is intense; eventually will force the bicycle companies' gradual harmonization of product standards, while strengthening the service, implement the brand strategy. Companies must adapt to the changing macroeconomic situation and the domestic and international market environment and accelerating innovation, in order to cultivating their own brand, and out of the predicament.

2.1.3 The main problem of bicycle industry

The Industry concentration is not high enough. Leading enterprises accounted for the low proportion of the whole industry. The annual output of 1,000,000 enterprises accounted for 2% of the total.

The specialized division of labor producing areas agglomeration still needs to continue to deepen. For example, in Tianjin, many bicycles companies and parts manufacturers are dispersed in the different urban areas.

Export products are single. The main export products so as to the scooter and BMX (20 inches or less). For example, in 2012, these products accounted for 68.2% of total exports, the average export unit price of \$ 27.7, than the overall export average unit price of \$ 5. It's lower than the overall average export price of \$ 5.

The lack of own brand: the number of well-known brands in the domestic market and the market share were low. Bicycle companies more than 1000, but only 12 companies were given the "Chinese famous brand" or "the most competitive brand" The market share of companies with the highest market share is only about 7%.

Giant was lack of brand recognition and smooth channels. More than 80% export products for foreign OEM. Remaining less than 20%, so as to the export its own brand, but mainly through the supermarket sales, like BMX, it is difficult to enhance the quality and added value.

The profitability of the industry situation is not ideal. The domestic market showed a slow decline. High-

end bicycles for leisure and sports bicycle are not universal yet. The advantages about environmental protection, energy saving and health have not been fully publicized. Exports grew steadily but space is limited. Italy, Germany and other countries have mastered the high-end market, and other developing countries, such as Vietnam, India, Bangladesh and other are developing quickly, they competitive with similar products in China.

Industry average profit is only about 4%. Face of the fierce competition, the industry to seize the market only by virtue the price and quantity. Not only affect their own profits and investment in research and development, and also raised the concerns of international trade disputes.

3.1 AN ENTERPRISE BACKGROUND ANALYSIS GIANT (CHINA)

3.1.1 Domestic environmental analysis

30 years ago, Giant's bicycle quality is too poor to have an insult in foreign country. At that time the young Mr. Liu Jinbiao Responding to this, then founded the Giant Company focused on the development and production of high-level bike, silent hard.

Giant Bicycle is to give consumers a "healthy, environmentally friendly, happy" philosophy of life, 2001 Berlin Film Festival's classic film "17-year-old bicycle" movie regarding the interpretation of this concept.

Giant road bike is the essence of the leader of domestic cars, at the same brand Giant's value for money is higher, and the Giant frame technology leader in the peer, we know that "the Trek road bike should be "top" of the world. Its frame is OEM by Giant and Giant has a 45% stake Trek, which technology can not be questioned.

Giant production base in Kunshan, current sales model has been converted from the original export to domestic sales, but still in the assessment phase, due to enjoy zero tariff, not affected by the impact of U.S. anti-dumping.

Giant Bicycle is currently in stage of international division of labor strait, in response to changes in the international environment, to maintain the industry's international competitiveness, pursue industrial sustainable development.

Set up factories in mainland China has been gradually improve the pattern forming, in use by the local cheap labor, production and marketing model for cross-strait division of labor, adopted orders in Taiwan, produced in mainland.

Giant national competition is in the affluent oriented phase. After entering wealthy driven stage, companies have begun to lose their international competitiveness. Cause this situation causes include: domestic competition activities recession, business strategy and actively become more conservative by the enterprise will reduce reinvestment and large

enterprises around the policy of the government to protect themselves from competitor's isolation.

3.2 GIANT (CHINA) OPERATING MODEL

3.2.1 Organizational structure and business scope

Organizational structure: Giant (China) is a wholly-owned subsidiary of operation is consistent with the parent company's global strategy. It integrated R & D, production, sales and after-sales service, and it has Giant Asian R & D center. The company has established a flat organizational structure, so that it can quickly respond to changes in the mainland market.

Scope of business

Giant (China) on the one hand, use the mainland of labor force and other advantages in resources to expand production scale, reduce production costs make efforts to expand manufacturing capacity and scale of production, on the other hand, Giant in local management, focusing on independent research and development and design, to meet the mainland's high-end consumer demand for personalized bike.

3.2.2 Customer choice

The customer groups

Chinese's economy is in a period of rapid growth, consumer demand for the bike gradually from the means of transport to the development of a full range of personalized. Giant's distinct customer groups, mainly urban residents in the pursuit of high-quality bike, with a personality and a higher purchasing power, this group is continuing to expand.

Market segmentation

Giant direct the mainland consumer preferences, shape features, and purchasing power level, design and rapid introduction of bright colors, fashionable's bike. So since this type of bike is the flagship product of the Chinese mainland market, at \$ 500-800. It is higher than Phoenix and other domestic brands, in meet the individual consumers and comfortable at the same time succeed in establishing high-quality product's image. After successfully enter the mainland market, Giant (China) continue to follow the changes in consumer demand and the adjustment of product structure. According to market conditions and consumer feedback to adjust the existing product structure continue to reduce inventory, expand the varieties popular with consumers and meet changing consumer needs. The company held dedicated product development meeting every six months, consisting of general manager, research and development, marketing, and other department managers. The meeting according to the market, production, sales and other front-line information to disgust and adjustment the product line, sales resources, etc. TM (strategy) → GPD (development) → the GCTC (design) → GCPD (quantify Design).\

Sales channel

Giant (China) has discarded the low efficiency of traffic product marketing system, as the core of central cities, to build their own marketing network. In the Mainland has 18 sales (selectors), 25 distributors (a distribution of a total of 40), 652 stores and 802 retail stores (shop in shop), a total of 1452. Giant's products were penetrating into the mainland market sale terminals.

3.2.3 Value Capture

Value obtained throughout globalization.

In the international operation, the key is to integrate the resources of the parent company in Taiwan with the mainland factory in Kunshan. Parent company to focus on the quality and added value, product diversification to meet different market needs the parent company in Taiwan to upgrade to high value-added production base. Use mainland labor force and other resources to expand production scale and reduce production costs.

Obtaining value to the Chinese marketplace

Currently, Giant (China) in accordance with the mainland consumer demand preferences, take the value of Obtaining a brand model, after it successfully entered the mainland market, establish a high-quality product image, continue to strengthen the brand effect, increasing consumer loyalty. Within the enterprise, build a high-quality corporate culture, maintain the high quality; implementation of brand strategy and actively involved in the marketing and promotions. For example, it teamed up with the well-known enterprises to engage in promotional activities, sponsored by the national athletic competitions.

3.3 GIANT BICYCLE SWOT ANALYSES

3.3.1 Giant bicycle strengths (S)

Production

Giant has more than 30-year professional experience in the production of various types of bicycle, equipped with advanced production technology and management mode as well as the success of global marketing concept, carefully crafted each component, so that every consumer can feel our humanity service.

Product structure and quality

Giant corporate with the bicycle design top master: Mike Burrows, to R & D the new generation TCR and lightweight carbon fiber composite frame. Therefore Inter-professional team trusted Giant elite R & D team, and Giant entrusted customers with a wide range of professional-grade models. Giant transmitted to the hands of consumers are the all the best total value (TOTALBESTVALUE) technology boutique, let the consumers around the world to enjoy the highest quality products of international quality certification.

Product Type

The Ordinary-speed touring bikes, mountain bike, folding bikes and road bikes.

Product performance

It's a reliable space material, stylish decoration, comfortable ride suspension system, handy brake system.

3.3.2 Giant Bicycle weaknesses (W)

Market Expansion

Giant into the Chinese market was relatively late, there are a large number of wholeheartedly endorsed bike brand.

Change of market environment

Since Giant entered the Chinese market, has been the high-end product line, and is unsuitable for broad masses of the people.

Customer choice

The bike gradually becomes the transport of leisure, entertainment and sports. Giant customers choose mainly urban residents in the pursuit of high-quality bike, with a personality and a higher purchasing power of the consumer groups.

Pricing strategies

Giant loved by the people, but the pace of progress in the socio-economic, people's individual pursuit is very difficult to meet. Get more popular with consumers in terms of pricing; it's a carefully chosen for each firm.

Guest Satisfaction

Self-store is responsible for around wholesale. It will increase feedback time scale, will allow consumers, to some extent, difficult to accept, thus losing some customers.

3.3.3 Giant Bicycle opportunities (O)

Environmental Aspects

Low-carbon concept has been widely recognized throughout the world. With the improvement of people's living standards, a significant increase in the number of private cars, urban air pollution increasing. The traffic congestion is increasing. Leisure, entertainment and sports gradually become the theme of the leisure life of urban residents.

Social and human factors

With the upgrading of material civilization, the person of the spiritual life is gradually increased. People's thinking changed dramatically. While the bicycle as a simple means of transport is a good choice to meet the requirements of the people to the life of carbon emission's reduction. Because the people realized the low-carbon life is very important.

3.3.4 Threats (T)

The main competitors

Bicycle same industry competitors: Forever bike ,Merida bicycle, Phoenix Bicycle, Flying Pigeon bicycles, XDS Bicycle, Bond Foster, the Amini bike, Dahon

Competition of other modes of transport: electric cars, private cars, buses, taxis, motorcycles and so on.

The pressure of the economic environment

Economic crisis, market turmoil, oil and steel's price is increase; cost of doing business is rising.

The reduction of bicycle parking

Private cars increase results in a decrease in bicycle parking.

4.1 GIANT BICYCLE FEATURES

4.1.1 Combines advanced technologies into traditional products

The bike has a history of 200 years of traditional commodities, Giant products into creative and technology that empowers traditional bike a new life, a new choice of modern leisure and sports.

In science and technology, its enables the human dreams into reality. From the wood bike development to full carbon fiber material MCR Almighty racing, all this dizzying change all rely on its progress.

In fashionable, it is not just a popular, more like an appreciation of the mood.

Giant is focusing on people-oriented, used science and technology to create fashionable, thoughtful design of the body, ergonomic architecture, more user-friendly modeling of the flow line.

4.2 GIANT SALES STRATEGY

The bicycle industry is a highly fragmented industry, variety, product differentiation and consumer loyalty is difficult to establish. Giant (China) has take the "common development" strategy and match core resources very well.

Giant were continued to emphasis on product quality, within the enterprise to establish a culture of quality. Giant in terms of product positioning in the high-end market, quality is the basis of survival. In terms of the quality management system, Giant (China) has a set of strict and efficient mode. On quality assurance is mainly divided into two categories, at first is the quality assurance of purchased materials; second is the quality assurance of the production process. Giant gathered around a number of high-quality parts suppliers. These companies products' quality is stability, facilitate and timely. Giant use the implement key control to quality assurance in production, based on 20 years of production experience, especially in the production process to promote the production operator "three inspection system: the first article inspection, sequentially examination, self-examination. Not create bad products, do not accept defective products, defective products is not spread to the next process, does not manufacture the mantissa (to maintain the integrity of the mass production activities).

Strengthen the brand effects

On the basis of providing high-quality products, the company continued to implement a strong brand strategy, long-term market promotion. Giant's bicycle models have become the industry standard, which virtually strengthen its brand.

Keep good relations with consumers

Giant positioned in the high-end market, the decoration of sale terminals are also consistent with the high-end positioning. His store's decoration is bright and spacious; enable consumers to maintain a good shopping mood. Giant's bicycle has low repair rate, and they have a very good reputation in consumers. Consumers have a high degree of loyalty with Giant.

Seize the change of the industry chain, to build them industrial chain.

Giant (China) has build their own industry chain on the mainland through more than ten years of operation. In the upstream production processes, Giant has a number of high-quality parts suppliers. In the downstream marketing aspects, Giant (China) established a nationwide sales network to master the sale terminals, based on this control the information flow and cash flow.

Giant pricing strategy

Judging from the current market, Giant Bicycle belongs in the high-end bicycle. The price too high to the average consumer, especially for the pursuit of individuality in college students, the price is a major factor in the students. The unreasonable pricing will lose a great piece of market.

5.1 ORGANIZATIONAL RESTRUCTURING

The GPS administration philosophy is "my deceased team cooperation, still more personal strength ". Needs to be to be unable to accomplish successfully, only by personal strength GPS, everybody's idea should be common having and common target, ability advances bravely, the indefatigable block of wood is idle. Organization and personnel that time age excessively, follow established rules, do not have vigor, and do not have FOAK. Branch holding the unit producing scene factory managing director and aide and staff in the second half of the year in 2006, has often done a thorough post view thereupon, to create conversion thinking chance. This has changed the intersection set between former production and marketing completely stopping complaining about the phenomenon arguing about mutually. And then at the same time, frequently, send the scene person in charge to arrive at overseas, the person marketplace leak, press close to a customer, the acquaintance marketplace composes in reply customer need and industry's condition, self-criticism self's the direction owing improvement effort less than and in the future.

5.3 The product and sales structure adjustment

5.3.1 Product quality upgrade

Through improve the product technology content to change the pattern of affordable products industry. Change the passive mode of operation, enhance product level. Promote the brand development strategy, enhance brand influence. Accelerate the adjustment of product structure, inseparable from the brand strategy; the key is become bigger and stronger. Combine brand cultivation and industrial clusters.

5.4 Improve the pricing strategy

1. Optimized the cost-effective to protect the consumer interests.
2. Concerned about the cost of consumer awareness in the pricing process.
3. To consider the price sensitivity when the price need to adjustment.
4. After pricing strategy, if the market competition has changed greatly, then Giant need to adjust the price timely. The companies are taking into account price increases have those conditions: (1) Product demands exceeds supply. (2) Inflation resulting in rising costs (3) Consumers are not price sensitive. (4) As a market leader or monopoly position. The companies consider lowered the price of the product: (1) Excess capacity and needs to be expanded sales. (2) Decline in market share (3) Lower cost than competitors.

With the further development of commodity economy and people's living standards improve, people's consumption value and self-development with the rapid changes in demand, the ability to meet our customers' individual needs and even deeper spiritual needs, to further enhance customer value stimulate the desire to achieve customer buying behavior is increasingly becoming an important factor in deciding the success or failure. Customers buying process for the consumer behavior changes, analysis of business in order to meet the various needs of consumers in ABUP all aspects of the marketing strategy.

Giant ABUP marketing strategy

ABUP marketing strategy mainly refers to the companies follow the customer buying behavior, customer demand as the starting point. In the pre - purchase (B), purchased of (P), using (U), and after purchase (A) four session, based on past experience in sales and market surveys, access to study consumer behavior. Obtain consumer behavior habits inertia and demand as well as information about the purchasing power of customers and industry market expectations for Meet the customer's individual needs, improve customer consumption value; there are plans to organize various

Bicycle is a two century-old traditional commodities, as people's living standards and increasing awareness of life, Bicycle gradually from being a mere means of transport to leisure fitness equipment development,

from the classification point of view the value of goods, bicycles functional value in the direction of forward deeper and broader. In the product concept to build aspects Giant With this change, extend the value of the bike, full of creativity and the use of technology, making it a new way of life and the individual consumer representatives, which undoubtedly Bicycle this simple commodity perfusion more many social psychological value and realize the concept of recycling of the product and the service personnel from the customer into the store until the end of the shopping, there are professional technicians provide assembly debugging and even choose a car delivery service, and strive for the customers to buy the most suitable models service provided by Giant.

CONCLUSION

The bicycle industry as a traditional enterprise, it has an immeasurable potential for development. Although faced with some problems, such as: the industrial structure need to adjust, the lack of own brand, profitability of the industry is not satisfactory...etc. But the bicycle plays an indispensable role in people's lives right now. There is more and more demand for bicycle; it is not only satisfied with the commuter function, the bicycle as the emerging fitness equipment has been accepted by the majority of people. The bicycle industry development prospects are bright.

Through the Giant Bicycle environmental analysis, SWOT analysis and marketing strategy, obtained Giant Bicycle suggestions and strategies in the marketing strategy. The bicycle industry production, research and development, sales and after-sales are a complete system. Due to the limited theoretical level,

lack of practical experience I was not able to study in detail about brand building, consumer behavior research, the implementation of the marketing tactics and organization guarantee. In future research, I am committed to efforts in these areas. In addition, many of the concepts and ideas involved in the text are open to question. The text representation, processing...etc there are still a lot deficiencies, Please point out and give directions to me whenever you see any weaknesses or shortages within.

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