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POTENTIAL MARKETING PLAN FOR SONY COMPUTER
ENTERTAINMENT, INC. TO CHINA

Degree Programme in International Business
and Marketing Logistics
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The purpose of this thesis was to create a marketing plan for Sony Computer Entertainment, Inc. (SCE) for its market entry in mainland China. SCE is a major Japanese video game company which develops and manufactures video game consoles and game software on a global scale. SCE belongs to Sony Cooperation. Sony operates almost its every single business in China except the video game business due to the internal factors of China. Along with the great increase of Chinese people's purchasing power and the fierce competition of global video game market, the pragmatic approach is to consider about the enormous, attractive and promising Chinese market.

The theoretical part was generated by collecting information and theories from various sources including SCE's official websites, gaming websites, tech websites and professional marketing books, articles and online documents. In order to support author's opinion, sections about international video game market, Chinese video game market and marketing planning process were conducted in the theoretical part. Under the section of Chinese video game market, four subsections were explained in detail which consist of marketing environment, regulations and laws, copyright and piracy and market potential.

The empirical part was carried out in the form of combination with theoretical knowledge of marketing planning process. None of any surveys or questionnaires was used to collect data in the empirical part. The only research method was internet research, and many parts were written by author's own accumulated experiences and knowledge of the operation of video game industry in China. The actual marketing plan for SCE started from the section of marketing objectives, then the marketing strategy including segmentation, target marketing, positioning and marketing mix was designed carefully to achieve SCE's marketing objectives.

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1 INTRODUCTION OF THE CASE COMPANY

Sony Computer Entertainment, Inc. (hereinafter: SCE) is founded in April 1, 2010, which is a major Japanese video game company located in Tokyo, Japan. The business areas of SCE consist of sales of video game consoles and game software, research & development of hardware and software. Globally speaking, SCE's vital products are known as PlayStation®3, PlayStation®2, PlayStation®Portable and PlayStation®Vita. Beside the strategic products SCE sells also accessories related to gaming consoles for instance: PlayStation®Eye (video camera for PlayStation®3) and PlayStation®Move (motion controller for PlayStation®3).

In fact, SCE's business started in 1993, in the beginning SCE was only a joint venture company between Sony Corporation and Sony Music Entertainment Inc. During the years, SCE has established SCE America, SCE Japan, SCE Europe and SCE Hong Kong one after another which covered most of market areas of SCE in the world such as North America, Japan, Europe, other Asian countries and Australia. For the meantime, the star products of SCE have been introduced by time sequence, approximately five years per generation of PlayStation® home console (PlayStation®, PlayStation®2 & PlayStation®3) and seven years per generation of PlayStation® handheld consoles (PlayStation®Portable and PlayStation®Vita).

In year 2010, the current SCE finally has been founded and it is wholly owned subsidiary, which still belongs to Sony Cooperation. Currently SCE has approximately 1,400 employees by the time of April, 2011 in Japan and more than 2,700 employees around the world. The game consoles and hardware products such on can be bought in all kinds of game retailers and department stores both online and offline, the software products such as games and virtual currencies can be bought either in retailers or in the virtual store of PlayStation®, the PlayStation®Network, known as PlayStation®Store as well. (Website of Sony Computer Entertainment, Inc. 2012)

2 PURPOSE AND CONCEPTUAL FRAMEWORK OF THE STUDY

The purpose of the study is to create a marketing plan for a major Japanese video game company SCE to expand to the Mainland Chinese market. The marketing plan is aim to help SCE officially enter the Chinese market and increase customer satisfaction by providing systematic customer service to customers. Unlike some other companies, SCE's products already have quite big quantity of usage in China due to the very irregular market situation. However, the customers have been complaining about the lack of official products guarantee and customer service support. Therefore, the research problem of the study is how SCE can establish a regular video game market in China, promote and popularize video games in a better way.

Below are the research objectives of the study:

- to study the theoretical knowledge about marketing
- to study video game market in China
- to study laws and regulations about video game in China
- to research information about intellectual property issues in China
- to create a systematic marketing plan for SCE which helps SCE to enter the Chinese market with planned marketing strategy and marketing mix

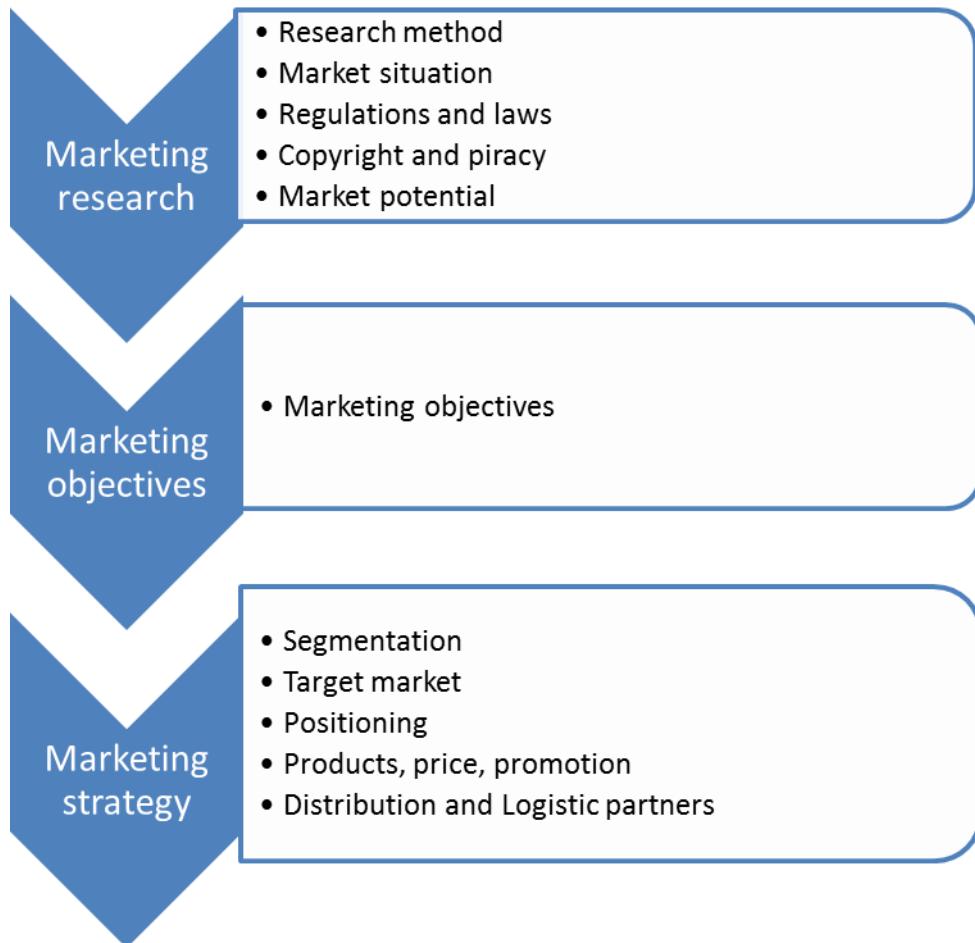


Figure 1: Conceptual framework of the study

The figure above is the conceptual framework of the study. The conceptual framework took mainly three steps of marketing planning which are marketing research, marketing objectives and marketing strategy. Firstly, the current marketing situation of video game industry in China will be analyzed including intellectual property issues, laws and regulations. Secondly, after analyzing the market situation in China, the marketing objectives will be set. Lastly, when the marketing objectives have been set, a planned marketing strategy will be created which consists of defining the target market, positioning the products, marketing mix of the products and implementation of distribution.

3 RESEARCH METHOD

Concerning to this case, qualitative research was selected to collect data, information and materials from various kinds of sources such as books, magazines, online documents and articles. Qualitative research differs from quantitative research, which is a range of non-statistical research techniques for collecting information and data to support researcher's opinions. Common qualitative research techniques can include interview, observation, group discussion, and data collected from text and picture materials. (Saunders, Lewis & Thornhill 2009, 151-152)

Two types of data are counted as valid data in marketing research, primary data and secondary data. Primary data are directly collected by researcher him / herself via various kinds of methods such as interview, survey and questionnaire. Comparing with secondary data, primary data is more accurate, valuable and harder to access. Because a certain number of samples are needed to support the collection of primary data. Secondary data, in other words, is basically primary data collected by other people. The ready-made data can be collected from books, journals, magazines, online articles and even videos. Secondary data are less accurate and updated than primary data, but still play an important role in the case study. In this thesis, only secondary data were used in consideration of the difficulties of the implementation of primary data collection. (Cohen, Manion & Morrison 2007, 193-194)

Reliability of the research findings refers to how well the chosen techniques ascertains consistency of the findings. In other words, it refers to whether the findings are tenable in other occasions or to other people. Validity refers to the authenticity and accuracy of the findings. Validity ensures whether the findings are really about what they are supposed to be about. To ensure the reliability and validity of the research, all the data and information were collected from official websites of organizations, professional websites and blogs of video game industry, national legislations and video clip of personal speech. (Saunders, Lewis & Thornhill 2009, 156-157)

4 VIDEO GAME MARKET

4.1 International video game market

In this section, only facts related to console manufacturers will be stated, facts related to game publishers will not be introduced, as the subject of the thesis is concerning video game consoles.

In recent years, the international video game market has been dominated mainly by three companies which are: SCE, Nintendo and Microsoft. As author described above, SCE manufactures both home and handheld consoles, and so does Nintendo. Nintendo's vital products are Wii U, Wii, Nintendo 3DS and Nintendo DS. Microsoft only manufactures home consoles currently which product named Xbox 360. During the last generation of video game, SCE's PlayStation®2 was a dominator of the market. Two competitors of PlayStation®2, Game Cube from Nintendo and Xbox from Microsoft only took very small percentage of market shares in the video game industry. However the present cannot compare with the past, nowadays Nintendo and Microsoft are catching up with SCE and even got much bigger market shares than SCE in recent years. (Website of Duke University 2012)

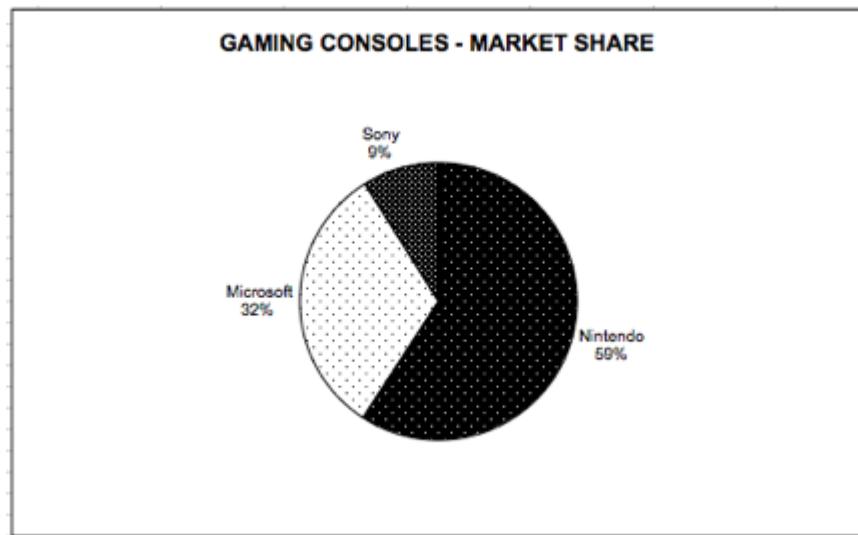


Figure 2: Market share for gaming consoles (Website of Duke University 2012)

As the figure showed above, Nintendo had obtained more than half of the market shares in year 2009 while Microsoft had 32% and only 9% for SCE. The data were collected in 2009 so the current situation of SCE is much better than the last three years. The reasons for this situation can be analyzed from various aspects. The hardware and production cost was extremely high when PlayStation®3 has been announced. However, SCE still lost 300 dollars when they sold a console every time. In other words, SCE had begun losing money since they started selling PlayStation®3. The production cost of Nintendo's Wii is far below the PlayStation®3 and Xbox 360 as well as the selling price. With lower price more people chose to buy the cheaper Wii instead of PlayStation®3 and Xbox 360. Another reason is that Nintendo has done well in the hardware and software integration which means Nintendo does not have to rely on third-party game publishers, as Nintendo has more in-house development and first-party games only on Wii. However, SCE and Microsoft have heavy dependency on third-party game publishers which is why it is harder to sell PlayStation®3 and Xbox 360. What's more, Wii is positioned as a family entertainment console and the target consumers are defined as casual players for example children, women and old people. The target consumers of PlayStation®3 and Xbox 360 are much more professional, as usually they are called "hard-core" gamers. In almost any field the "hard-core" leads to minority, as a result the sales volume of PlayStation®3 and Xbox 360 were much lower than Wii in the beginning. The same situation goes for the handheld consoles as well, Nintendo 3DS and Nintendo DS are designed mainly for casual players and classic games include Super Mario, Mario Kart, Gentle Brain Exercises and Nintendogs etc. The function of Nintendo's games is to fulfill the time fragments, people can play a round of game between the break of work, on the bus off to work or even while husbands waiting for their wives shopping in the mall. As to SCE's PlayStation®Portable and PlayStation®Vita, classic games include for example God of War series and Uncharted Golden Abyss which take long time for gamers to finish one chapter. Therefore, the sales volume of Nintendo's products was as several times as the sales volume of SCE's products in the beginning of both generations of handheld consoles. (Website of Seeking Alpha 2012)

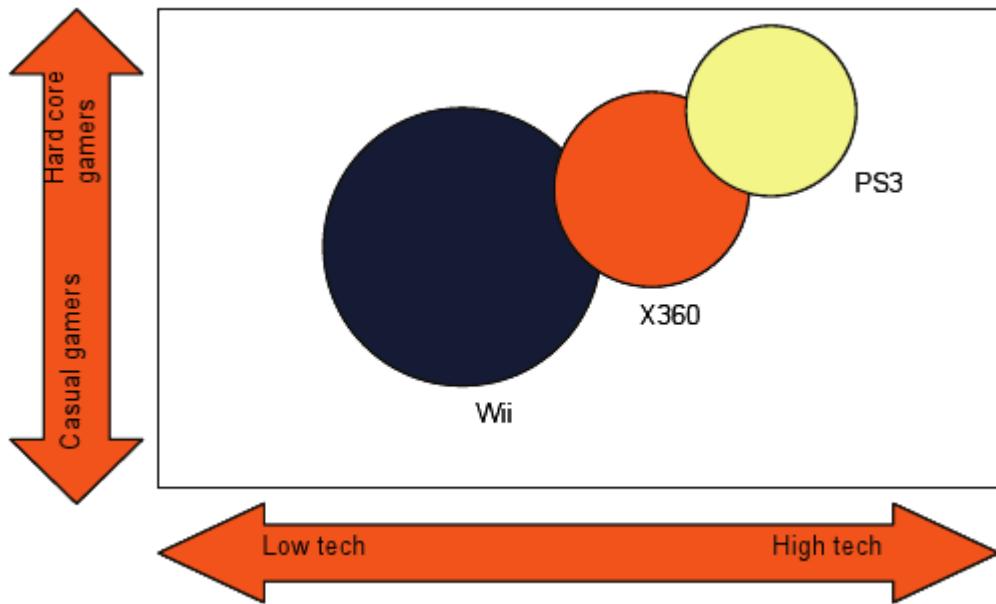


Figure 3: Positioning of key consoles (Website of Duke University 2012)

Along with grim competition, both SCE and Microsoft have launched motion products named PlayStation®Move and Kinect to compete with Wii's motion controller which has made huge success and great reputation among the gamers all around the world. Nintendo has also launched High-Definition product Wii U for "hard-core" gamers to fulfill its entire product line. Geographically speaking, SCE and Microsoft have good and stable market condition in their domestic markets, Japan and US. Turned to Europe, SCE has more market shares than Microsoft as the Europeans have strong brand identity for SCE, so have the people from other Asian countries. Nintendo is still the biggest video game console manufacturer in the world and keeps a very stable market condition as well. At present, the international video game market seems like a situation of tripartite confrontation, neither no one wins nor no one loses. (Website of PlayStation® 2012, Website of Microsoft 2012, Website of GenGAME 2012 & Website of Tech Liberation 2012)

4.2 Marketing environment in China

The marketing environment can be classified into two concepts, the micro environment and the macro environment. The concept of micro environment is smaller than the macro environment which affects the company's own operation and performance in the market. Generally, the factors that affect the micro environment consist of customers, competitors, suppliers and distributors. The macro environment is a broader concept, it not only affects the company itself but also the other factors about micro environment that affect the company. In the macro environment, the key factors are economic, social, legal, physical and technological. (Hundekar, Appannaiah & Reddy 2010, 34)

In China, the video game market has not been standardized well as there is not a supervision system and authentic products sale on the market. All the products that sell on the market are smuggled products imported from other countries and districts mainly include Japan, United State, Hong Kong and some European countries. This is technically illegal behavior, but the regulatory authorities rarely take responsibilities for regulating the market. Even though the industry chain of video game market in China is relatively systematic, but there still can be some faults such as lack of mutual trusts, business reputation and fake products. All of these factors can be imputed to the lack of market standardization.

Usually the scalpers (mainly Chinese who live in foreign countries) purchase video games and consoles from their local game stores. The scalpers can be either professional or overseas students and they are quantitative hugely. Then the wholesalers mainly located in Guangdong province of China import the products from the scalpers with huge quantity and sell them to the retailers. There are mainly two types of video game retailers in China, physical stores in the electronic markets and C2C online stores on the biggest e-commerce website in China Taobao.com (means searching for treasures). The consumers can purchase video games and consoles from the physical stores and Taobao.com. Generally speaking, the reputation of physical stores is better than online stores, also the price is higher than online stores. Because Taobao.com is a C2C website which means everyone can open stores and sell products on it. This resulted in the different qualities of products, bad reputation of sellers and so on. Otherwise,

the consumers have other options as well such as purchasing from B2C online stores from other countries, but due to the long time delivery and the inconvenience of currency exchange such methods are not being used frequently among the Chinese consumers. (Website of Taobao 2012)

As author mentioned above, SCE's products already have some market shares in China, so do the competitors Microsoft and Nintendo. There are two things need to be explained additionally. The first one is that SCE launched authentic PlayStation®2 in 2003 in China but failed because of the higher price compared with the smuggled PlayStation®2 and wrong positioning for the product. The second one is that the Chinese company iQue Ltd. has the dealership of Nintendo's handheld consoles Nintendo 3DS and Nintendo DS in China, but the names of the products have been changed to iQue 3DS and iQue DS. It is worth mentioning that on the handheld consoles side, SCE's products are much more popular than Nintendo's in China due to their better performance on multi-media functions which is just the opposite to the global market. There are not accurate statistics of video game market shares in China, conservatively speaking Nintendo's Wii is the most popular home console as same as its performance in the global market. However, online game is still the main force of game industry in China. Online game is easily accessible and less costly in short period. The disadvantage of online game is that if the gamer wants to play for long time and upgrade the levels then more money will be cost on the games. But for video game, the gamers only need to buy a console and few game copies. In the future they do not need to spend more money in the games. Nowadays, more and more Chinese gamers begin realizing the benefit of one-time investment and play forever. Lastly, the games on mobile platforms such as iOS, Android and Windows Phone have been popularized quickly recent years in China. The video game industry has been shocked seriously by the mobile game industry especially the sales decrease of iQue 3DS and iQue DS. (Website of Youxiri 2012, Website of iQue Ltd. 2012 & Long 2012)

4.3 Regulations and laws in China

Regulations and laws have always been the barriers for major international video game manufacturers to enter the Chinese market these years even though they have strong

willingness to do so. In China, video game is a negative concept in old generations as it could distract children's attention from study. More serious is the fact that the mainstream media use the word "electronic heroin" as a propaganda to damage the reputation of video game which means once people begin to play video game they would never get rid of it just like drugs. To be sure, the mainstreams media have been controlled by the government.

Even so, most people would not have been deceived by the rumors made by the government. In fact, online game is more like electronic heroin because of the level system and in-game items require gamers to invest huge amount of time and money. Almost every online game agent in China has connection with the government, it means that online game could bring vested interest for the government. Both of the online game agents and the government are the vested interest groups. On the other side, companies like SCE and Microsoft are foreign companies in China which do not have strong government background. What's more, video game benefits less than online game as the target audiences of video game are not as many as the target audiences of online game. Those are the reasons for the Chinese government is so anti-video game. (Xu 2006)

In June 2000, the Ministry of Culture, State Economic and Trade Commission, the Ministry of Public Security, the Ministry of Information Industry, the Ministry of Foreign Trade and Economic Cooperation, the Customs Bureau and the Industrial and Commercial Bureau jointly issued an act named the Notification about Special Management Opinions of Video Game Places. In this act, it clearly stated that any individual or enterprise is prohibited from selling and manufacturing video game consoles and accessories in the domestic market. However, this is only an official statement and the implementation rate is very low. All kinds of video game consoles and accessories are being sold normally on the market and the operation of video game industry chain is quite systematic as well. (Act on the Notification about Special Management Opinions of Video Game Places, section 6.)

In addition it is important to note that iQue Ltd. mentioned above is a legal approved company that sells handheld consoles. The tricky thing is that iQue Ltd. and Nintendo use cooperative research and development as a pretense to achieve the purpose of selling Nintendo 3DS and Nintendo DS in China. The logo of the products has been

changed to iQue 3DS and iQue DS as well to legalize the products. To promote the products, iQue Ltd. used the combination of learning and entertainment function as a selling point to decrease the negative impact of pure video game function. (Website of iQue Ltd. 2012)

There are some other counter-examples as well, for instance Betop Ltd. is a domestic video game accessories manufacturer which manufactures various kinds of accessories for video game consoles and Personal Computers (known as PC). Betop Ltd. is a totally legal enterprise with stable market shares and sales in China. This is an incredible irony to the act that mentioned above. All of which suggests that, today the Chinese government pays less and less attention to the prohibition of video game and even does not exist anymore in some extent. As long as the initial preparation is appropriate, legal sales of video game will be realistic in China. (Website of Betop Ltd. 2012)

4.4 Copyright and piracy in China

Copyright is the right protected by law and help creators to prevent their literary and artistic works being copied by illegal publishers to obtain economic benefits. There are various works protected by copyright which mainly include: literary works, artistic works, computer programs, databases and architecture. The original creators hold the exclusive right to prohibit and authorize others to use their works. More specifically, the rights can be interpreted as reproduction (games or music albums), public performance (musical play), recordings (discs or concert), broadcasting (radio), translation (books or movies) and adaptation (video game into a movie). Copyright is extremely significant because it is related to human creativity. With the protection of copyright, creators can obtain public recognition and economic benefits which encouraged them to have more motivations to create new works. (Website of World Intellectual Property Organization 2012)

Piracy is the term describes deliberate infringement of copyright related to commercial behaviors. In relation to video game industry, it refers to copying, selling, and distributing of legal copied video game without the authorization of the original game publishers. Generally, there are two types of pirates in video game industry. One is the

pirate discs that can be played on the cracked consoles while the other one is the illegal downloaded game files that can be stored in the hard drive of the consoles and played without any discs. Piracy is a very serious issue that caused a huge amount of money loses and unemployment worldwide. Video game manufacturers went out of their ways to prevent pirate games. For instance, SCE and Nintendo update their system software constantly to ensure the legal copied game owners are entitled to all the service that provided by the video game companies which means pirate gamers can only have access to parts of the services. On the other hand Microsoft went even further, if cracked Xbox 360 is connected to the internet and detected by Microsoft the console will be banned permanently from using any online service of Microsoft. (Website of International Federation of the Phonographic Industry 2012, Website of Duke University 2012 & Website of Gamesradar 2012)

A well-known fact is that the piracy issue has been a wheezy topic in China for many decades. Piracy is also a key factor that international society used for accusing low-quality of Chinese people all the time. However everything happened for reasons, except those people truly prefer pirates to legal copies, the reasons for Chinese people using pirates can be analyzed from many different aspects. The most obvious point is that the low average income level of Chinese people determined the massive consuming on pirate games and software. Another reason is that laws and regulations about copyright are not very robust so that punishment of selling pirates is not severe as well. What's more, selling pirate can lead to excessive profit, that is why many retailers sell pirates and some even sell pirates mixed with legal copies at a normal price which can be seen as swindle.

Times are changing, so are the income level and life quality of Chinese people. Nowadays a growing number of Chinese people have already had no economic pressure in their daily life and have the willingness to pursue better life quality. More importantly, in video game industry consumers expect full and better services provided by video game manufacturers which means they have to buy the legal copies to accomplish their expectations. Meanwhile, this could give incentives to Chinese game developers to develop more domestic video games. In addition, the large population base is also a factor partially influenced the sale of legal copied video game in China.

4.5 Market potential in China

Market potential is the most optimistic estimated sales revenue of one or several certain products of a brand or company in a defined market during a defined time period.
 (Kotler, Armstrong, Wong & Saunders 1999, 340)

Table 1: Indicators of Marketing Potential (Kotler & Armstrong 2004, 609)

| | |
|---|------------------------------------|
| 1. Demographic Characteristics | 4. Technological Factors |
| Size of population | Level of technological skills |
| Rate of population growth | Existing production technology |
| Degree of urbanization | Existing consumption technology |
| Population density | Education levels |
| Age structure and composition of the population | |
| 2. Geographic Characteristics | 5. Sociocultural Factors |
| Physical size of a country | Dominant values |
| Topographical characteristics | Lifestyle patterns |
| Climate conditions | Ethnic groups |
| | Linguistic fragmentation |
| 3. Economic Factors | 6. National Goals and Plans |
| GDP per capita | Industry priorities |
| Income distribution | Infrastructure investment plans |
| Rate of growth of GNP | |
| Ratio of investment to GNP | |

The table above describes the factors that could have influences on market potential. There are six major factors could influence market potential which include demographic characteristics, geographic characteristics, economic factors, technological factors, sociocultural factors and nation goals and plans. (Kotler & Armstrong 2004, 609)

Market potential can bring some benefits for the brand or company. With the help of estimating market potential, it is beneficial for the decision maker of the company to invest money or allocate resources reasonably. Market potential can also help to set the product life cycle, marketing objectives, marketing strategy and distribution decisions of the products. (Website of MBAlib 2012)

China has a large population of 1.3 billion estimated in July 2012. A large population base is definitely one of the prerequisites of an optimistic market potential. The urban

population of China is 47% of the total population which is nearly half of the total population. The five largest major cities are Shanghai, Beijing, Chongqing, Shenzhen and Guangzhou which have approximately total population of 56 million. The potential customers of video game industry can be defined as high level education, middle class, outstanding expert skills and multicultural-oriented, this kind of people mainly live in these cities called first-tier cities in China and some second-tier cities like Tianjin, Xi'an, Wuhan and Chengdu. (Website of Central Intelligence Agency 2012)

In recent years, the development of game industry is growing rapidly in China. Although most of the market shares are from online and mobile games, video game market still can be considered as a fairly important market as the growing number of video gamers in China. Another evidence shows that there are many major game companies with great economic strength in China such as Tencent, NetEase and The9. Most of the business areas of these companies are online games and franchising games from other countries, but with great economic strength foreign video game manufacturers will be able to have cooperation with any of these companies.

Tencent has acquired the American online game company Riot Games with 315 million US dollars in 2011. Currently the market value of Tencent is more than 49 billion US dollars and Tencent is able to acquire any major video game publisher in America. With 20 million average number of online gamers, the games' rate of margin is up to 50%. By contrast, American video game publishers need to invest 20 million US dollars to develop a top-level video game and have to achieve at least 1 million copies sales in order to break even. (Website of BWCHINESE 2012)

Moreover, some video game developers even require job applicants to have the knowledge about ancient Chinese history, classical Chinese literature and Chinese art when they recruit new staff. This shows that foreign video game publishers realized the Chinese market is worth being focused on. It has also proved that China has a large market potential in video game industry. (Website of TGBUS 2012)

5 MARKETING OBJECTIVES

Marketing objectives are what a company want to achieve when selling a certain product into a certain market. In a marketing plan, marketing objectives are very important because they can give a clear guideline to the employees in the company of what goals need to be achieved and what need to be focused on. Marketing objectives cannot be achieved without the support of marketing strategy by using price, promotion and distribution. The term of marketing objectives can be described as for example: to reach a specific market share of a product or brand in a market, to reach a specific sales volume of a product or brand in a market and etc.

Marketing objectives relate to the following:

- selling existing products into existing markets
- selling existing products into new markets
- selling new products into existing markets
- selling new products into new markets (Westwood 2006, 33-34)

When writing marketing objectives for a marketing plan, the SMART approach can be used. The SMART stands for:

Specific

The marketing objectives should be specific in order to set clear goals for employees to work on. Vague objectives make difficult to understand and achieve. Also the objective should be relevant to the area of the company.

Measurable

Comparing to above, this is a more specific concept. Marketing objectives should be a concept of quantity or specific number.

Achievable

The decision makers of the company should have a clear mind of how much capabilities they have and what the marketing environment is like to ensure the objectives are achievable.

Realistic

Unrealistic objectives will give the employees too much pressures while realistic objectives can motivate the employees well to accomplish the missions successfully.

Time-Specific

The employees of the company should be given an exact timing point or deadline of what goals and how much need to be achieved. (Strauss 2010, 65-66)

SCE's marketing objectives

As author mentioned above, the video game industry in China still lacks of standardization due to the laws, regulations and irregular market. There are not reliable data which show the sales volume and market shares of video game consoles. Therefore, as the first video game consoles manufacturer to directly enter the Chinese market, SCE's primary objective is to set industry norms and standards of video game market in China by providing video game consoles with warranties and excellent customer service to Chinese video gamers.

According to the initial sales volume of PlayStation®3 and PlayStation®Portable around the world and the estimation of a few largest video game websites in China, the marketing objectives of SCE are to reach 0,7 million sales of consoles (both home and handheld consoles) in the first year, and to reach 1,5 million sales of consoles in the second year. SCE also aim to set up at least five retail stores in the first year and reach to eight retail stores in the second year.

In addition, other long-term objectives of SCE include bringing a positive and friendly image of video game to Chinese consumers, promoting video game consoles as entertainment consumer products to Chinese families, and occupying one place in the living rooms of Chinese families.

6 MARKETING STRATEGY

The marketing strategy is designed to achieve the marketing objectives which have been set by companies. Basically, three elements are included in marketing strategy which are segmentation, target marketing and positioning. A company should identify several different segments and decide which to focus on by analyzing the attributes of these groups of segmentation, and use its competitive advantages to attract and satisfy target customers, retain target customers by building a distinctive image in their minds. (Sharma 2008, 19-20)

6.1 Segmentation

Segmentation is the tool that companies use to separate their consumer groups and marketing approaches so that they can provide better and more effective products or services to different groups of customers. Usually, in consumer markets, it is very difficult to satisfy various kinds of customers with one marketing mix. By using segmentation, companies can classify their customers into different groups with different needs and requirements and create tailored marketing mix for them.

Companies use segmentation mainly for two purposes. First, by using segmentation companies have the possibilities to make more profits. This can be interpreted as the VIP members, premium services, high-end, priority and etc. Some customers do not have any economic pressures, they are willing to spend more money on better products or services. Talking about better products or services, the actual improved quality is only one aspect. From psychology aspect, some people want to spend more money to make others think they can get better products or services than regular ones and this is what we called vanity.

The second one is that companies can broaden their product lines by seeking more opportunities. The company might only provide few kinds of products for one segmented group of customers in the initial period. However, after these products have been accepted and liked by this group of customers, the company has the reason to

develop and manufacture more kinds of products for them. This principle fits almost all the consumer groups of all the companies.

The criteria of consumer segmentation mainly depends on three groups: psychographic, behavioral and profile variables.

Psychographic

This segmentation approach is used when marketers believe that purchasing behavior of consumers is affected by their personality or lifestyle. There are different lifestyles of people for example trendsetters, conservatives and sophisticates. Also there are different personalities of people such as extroverts, introverts, aggressive and submissive. Purchasing behavior can be affected more or less by these different lifestyles and personalities of people.

Behavioral

This can be classified secondarily into benefits sought, purchase occasion, purchase behavior and usage.

Benefits sought: the basic reason of customers buy products in a market is that they can get the benefits they want from the products. Different customers seek for different benefits for example: convenience, status and performance.

Purchase occasion: this can be explained as whom and what customers buy for. Take an easy example, some customers buy for themselves and some customers buy for their friends or families as gifts whilst some customers buy for company or public use.

Purchase behavior: people whom buy only one brand in a product category are called solus buyers. They are totally loyalty to one brand and they would not buy any other brand regardless of whether better quality or cheaper price. However, most customers are brand switchers, they constantly change one brand to another and sometimes buy several brands at one time. When a company launches a new product or brand in a new market, it might take a long time for customers in this market to accept it. There are always some customers have the willingness to try the new stuff, this group of customers is called innovators.

Usage: this is another segmentation method by separating the customers of one product or brand into heavy user, light users and non-users. Usually companies put most marketing attention to the group of heavy users as they have the potential to be the solus buyers that mentioned above and they can bring the most benefits for companies. There is also a rule called 80:20 which means 20 percent customers of the company bring 80 percent benefits for the company. These 20 percent customers are the heavy users explained above. (Jobber & Fahy 2006, 113-115)

Profile

Demographic: companies use demographic approach to make market segmentation such as age, gender, family size, family life cycle, religion, race, generation and nationality. Demographic approach is the most popular bases for market segmentation. There are mainly two reasons, one is that it is close to customers' needs, wants and usage rates while the second one is that it is very easy to measure. (Kotler & Armstrong 2004, 240-241)

Socio-economic: this is related to the factors that affect people's economic level. The economic level is according to social class, income level, education level and occupation. The economic level determines the consuming power of a certain group of customers and the potential profits company will gain.

Geographic: markets can be divided into different geographic areas such as countries, regions, and cities. Geographic approach is at a very basic level, geodemographic is a higher level approach and more popular in recent years. It has combined both geographic and demographic factors in order to make a more accurate segmentation for companies. (Jobber & Fahy 2006, 117-118)

The market segmentation for SCE

The major force of video game consumers in China were born between 1980 and 1990 due to the rise of video game industry in Japan. Most of them are males who have long history of playing video games and mostly like playing hard-core games. This group of people has the following characteristics: well educated, stable income and economic capability, affected by western culture and Japanese culture and passions about high-

tech electronic products. Some of these people are married or have girlfriends, so their wives and girlfriends have the potential to become another group of consumers which is light user (casual gamer). Wives, girlfriends and children in families might be affected by their husbands, boyfriends and fathers and start to be interested in video games. However, it is too hard for them to play the same kinds of games as men do because of the lack of video game experiences. Therefore, they can be seen as light users. A competitor's product Wii has become the alternative of PlayStation®3 and Xbox 360 for them.

Another significant group of potential customers are middle school and college students. This group of people usually does not have the economic capability themselves and buying decisions are mostly made by their parents who want to reward them for the excellent school records. To some extent, some college students have part-time jobs income to supply their living and hobbies cost but they are still not quite wealthy. In this case, handheld consoles like PlayStation®Portable, PlayStation®Vita, Nintendo DS and Nintendo 3DS have become their best choices.

SCE will aim at the first and third segments but it is not meaning that SCE will ignore and give up on the second segment. More casual games will be developed and marketing mix for them will be designed to attract the attention of light users.

6.2 Target marketing

Target marketing is a key element in marketing strategy and an important step after market segmentation. It involves with which and how many segments the company needs to serve and focus on. Comparing with segmentation, target marketing is more accurate as it tells the company in which segments to mainly compete with its competitors. There are four target marketing strategies that can be used: undifferentiated marketing, differentiated marketing, focused marketing and customized marketing.

Undifferentiated marketing

The company only makes a single marketing mix for the entire market without using any segmentations. This strategy is applied to the circumstance that the cost of making another marketing mix is higher than the potential profits the company will gain.

Differentiated marketing

Different marketing mixes have been developed to satisfy different segmented groups of customers. Comparing with undifferentiated marketing strategy, this increases the cost of doing business which also could be a potential disadvantage.

Focused marketing

After the market has been segmented, the company selects one specific segment as the target market, the segment must be the most attractive market for the company. This strategy is frequently used by SMEs or companies with limited resources as they do not have the economic capabilities to satisfy the entire market.

Customized marketing

The aim of this strategy is to satisfy individual customer with specific needs and requirements. This requires that the customer has strong purchasing power. Another strategy is called mass customization has been very popular in recent years in consumer markets. The concept of this strategy is that the customers are allowed to choose the raw materials they want such as cloth material, computer components and automobile components to customize their own products such as suits, laptops and cars. (Jobber & Fahy 2006, 121-124)

SCE's target market

The target market of SCE are five largest major cities in China, Shanghai, Beijing, Chongqing, Shenzhen and Guangzhou, and five second-tier cities, Tianjin, Xi'an, Wuhan, Chengdu and Nanjing. There are more than 100 million people live in these ten cities and they are fast developing cities in China with high education level and economic strength. Recent economic developments in China's major population centers like these cities have resulted in an increase in the number of individuals with significant consumer product purchasing power. Therefore, these ten cities are very promising target market of SCE.

SCE's potential customers in target market are well educated men from age 20 to 35 years who love video game and western cultures. They are deeply affected by the cultures in western countries and Japan. With stable income level, they are able to purchase the video games and consoles which they like to meet their hobbies in leisure time. This group of customers is in the middle class of China with approximately 15,000 CNY (1,800 EUR) average monthly income for families or 7,000 CNY (860 EUR) average monthly income for individuals. As the facts mentioned above, most of hard-core video gamers were born between 1980 and 1990. The video game industry has had a significant rise in that period of time, Nintendo's FamilyComputer (Famicom or FC) was one of the most popular products at that time. In the 1990's, FC has spread to China when this group of people was in the ages that is particularly interested in video games. However, video game console was a luxury product for them in those years in China. Today, these people have grown up and they are in a great situation of careers, now they are capable of remedying the dreams when they were children. To some extent, video game is a kind of emotional sustenance to them.

Middle school and college students are very essential customers as well. Usually parents dominate their buying decisions which they are lack of discretionary money to buy the video games they want. This group of customers is under 20 years with zero or less income who also love video games and western cultures. Undifferentiated marketing strategy will be applied for SCE to design tailored marketing mix for these two different groups of potential customers.

6.3 Positioning

Positioning is the process of building a unique and distinctive image for the products or services of the company in the minds of target customers. The basic reason of consumers purchasing is seeking benefits. Positioning ensures that when consumers need to buy some products to match their needs and solve their problems, the first choice they consider is the products that offered by your company.

An effective positioning is very important, as the consumers in today's society are experiencing a life of information explosion. People receive a great number of promotion and advertising information via E-mail, text message, social media and instant messenger software every day. This could make the consumers confusing about what to choose and buy. A simple, direct positioning message that matches the needs of customers can help them get rid of the situation of picking products and increase the company's likelihood of success in the market.

To develop a positioning strategy, there are three points need to be considered. Firstly, the company should do some research on customers of what attributes matter to them. The next step is to find out the competitive advantages comparing with the competitors, because without the advantages that the competitors do not have, it is hard to compete in a highly competitive market. The last one is to build a position for the company itself based on the unique attributes so that it can help the company to keep the advantages and stabilize the market standing.

Developing a positioning statement is the vital step in positioning process as a successful positioning statement can give customers a good first impression and easily occupy a position in their minds. There are four criteria can be used when developing a positioning statement:

Clarify

The idea should be clear on the basis of target market and differential advantage. A clear, simple message can be easily memorized by customers, in contrast, complicated message is hard to understand and be memorized which enhanced the difficulties of achieving marketing objectives.

Consistency

The company cannot change its position constantly as it must be consistent. Otherwise, there will be more confusion occurs to the company and this could affect the company's sales performance.

Credibility

The company should keep the promises that made to the customers. If the differential advantage is exaggerated and not credible in the minds of customers, the credibility, image and reputation of the company will decrease which could trigger public relations crisis.

Competitiveness

The differential advantage selected by the company should be competitive enough. The company should offer something that the competitors do not have in order to benefit the target customers.

A very useful tool for determining the position of the company or brand is the perceptual map. It is a graphic illustration that represents consumer perception of the company and the competitors. To make a perceptual map, the first thing to do is listing a group of competitors. After then, find out the attributes are important to consumers when they making buying decisions. The third step is to locate each brand on the basis of the attributes based on marketing research. Lastly, put all the brands on the perceptual map with two dimensions. (Jobber & Fahy 2006, 124-127)

SCE's market positioning

In this section, home consoles and handheld consoles will be positioned separately in order to present a clearer image for customers.

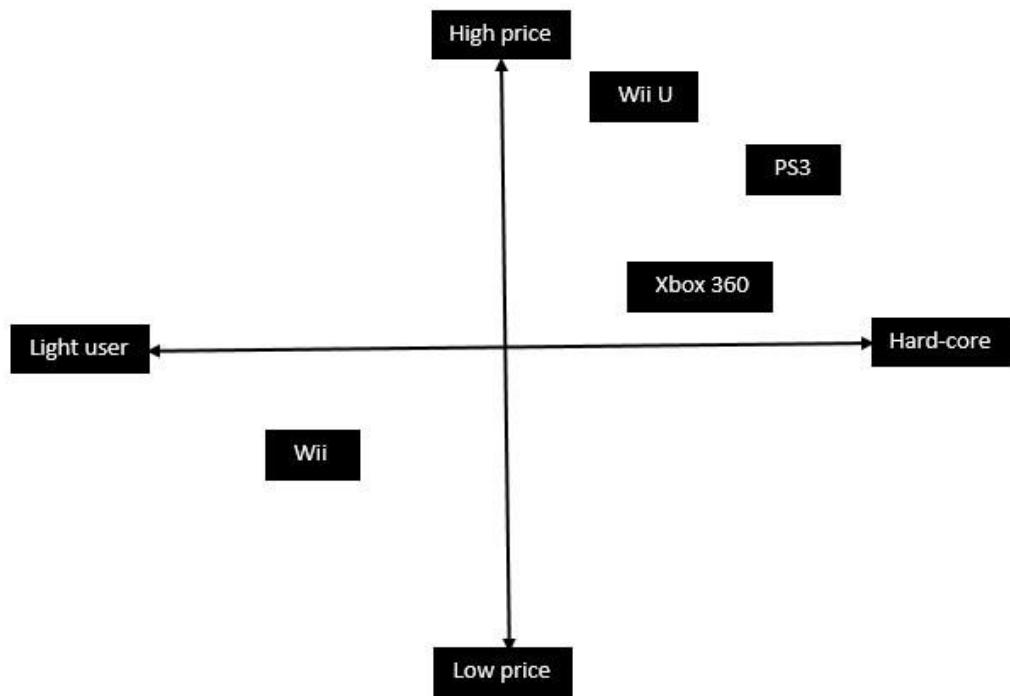


Figure 4: Market positioning of home consoles

The perceptual map above shows the market positioning of PlayStation®3, Xbox 360, Nintendo Wii U and Wii. Two main factors involved in the customer's decision-making process are compared in the perceptual map which are price and hard-core level. The price of Wii U is the highest due to its latest release date and Nintendo has declared that Wii U is its next generation home console after Wii. PlayStation®3 is a little more expensive than Xbox 360 as it has been positioned as more hard-core than Xbox 360. With the positioning for light user, Wii is the cheapest home console as a matter of course.

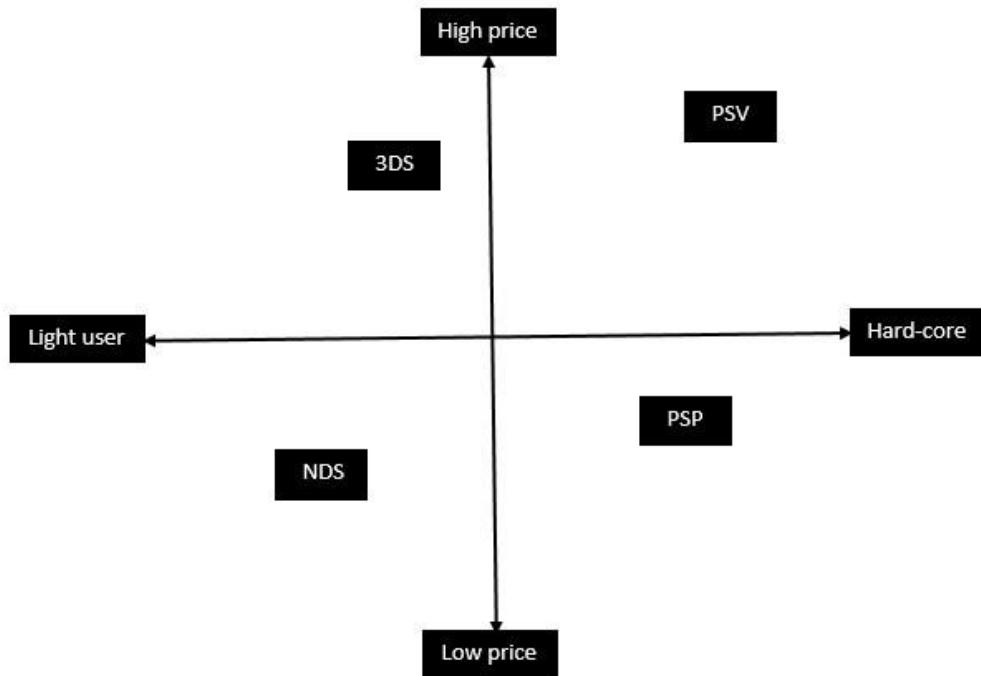


Figure 5: Market positioning of handheld consoles

This perceptual map shows the market positioning of PlayStation®Vita, PlayStation®Portable, Nintendo 3DS and Nintendo DS. Same criteria are compared in the perceptual map. The situation is quite similar with home consoles, SCE's handheld consoles are more expensive and more hard-core than Nintendo's handheld consoles in the same generation.

Hence, the market positioning of SCE are that, providing advanced and extraordinary video game consoles to enthusiastic gamers, making PlayStation®3 to be the entertainment terminal in the living rooms of Chinese families and making PlayStation®Vita, and PlayStation®Portable to be the best choices when people thinking of buying a handheld entertainment terminal.

6.4 Marketing mix

The marketing mix is a key activity to implement the concept of marketing. It represents that the marketers of a company need to make decisions on four elements: product, price, promotion and place. These four elements need to be well blended with each

other, meanwhile meet the needs of target customers. The marketing mix also need to create a competitive advantage over the competitors that is wanted by target customers. Finally, it should match the resources which the company holds. (Ruskin-Brown 2006, 68-69)

6.4.1 Product

Product can be defined as anything that is offered to a market in order to satisfy consumer needs and make profits for companies or individuals. The concept of product is not only tangible goods that can be used, consumed by consumers. It is a broader concept which include physical objects, services, events, persons, places, organizations, ideas, or mixes of these elements. In other words, products can be presented in the form of tangible goods and intangible services that include activities, benefits and satisfactions, or both of them. An example can be that the mobile terminal device manufacturers provide not only smart phones but also cloud services and solutions to the customers.

Nowadays, more and more people are not content with the basic problem-solving features of the products anymore. Customer experience has been taken into consideration by a lot of companies. This could lead to the three levels of product and services: core benefit, actual product and augmented product.

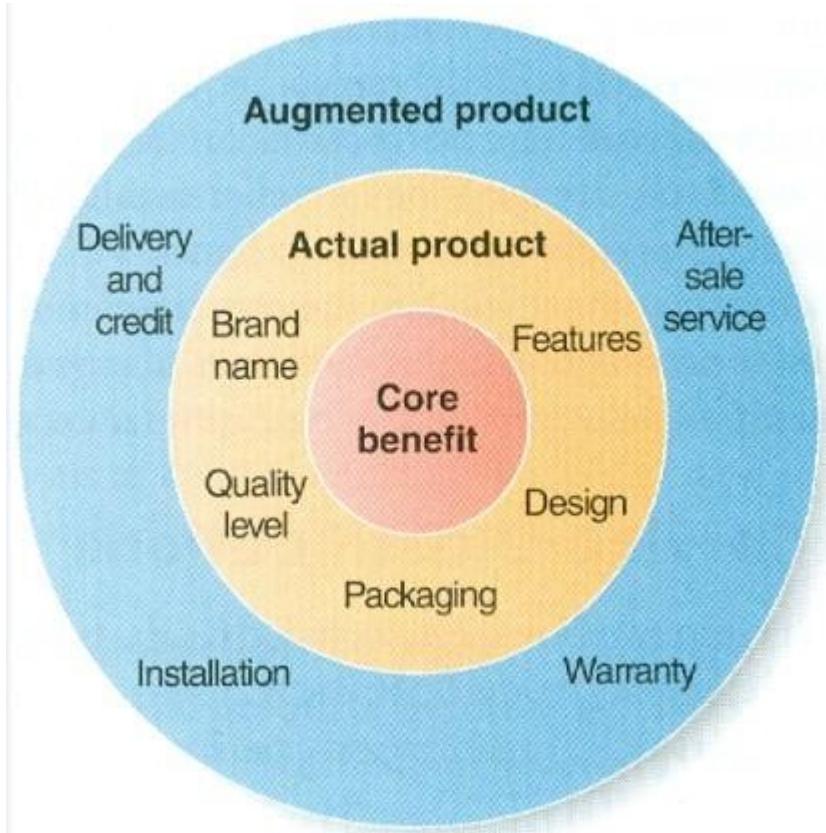


Figure 6: Levels of product and services (Kotler & Armstrong 2004, 279)

The figure above shows the three levels of product and services. Author will explain the three levels in turn by using the same mobile phone example which is given above combined with theoretical knowledge.

Core benefit

This is the most basic level that concerning the basic needs of customers. It satisfies customer needs in an initial level. Mobile phone, as the name implies, it is a mobile device that can be used to make phone calls and send text messages without any wires which makes people's life more convenient. The core benefit that people can get from mobile phone is making phone calls and sending text messages anywhere as long as there is operators' signal.

Actual product

To turn the core benefit into an actual product, more elements need to be added to the product which include a brand name, design, features, quality level and packaging. In modern society, people cannot be satisfied with limited features of mobile phone.

Smart phones with different operating systems are changing people's life in an unimaginable way. With hundreds of thousands of applications, smart phones brought effectiveness and entertainments to both work and daily life. However, features are not the only reason that attracts customers, a sonorous brand name, delicate industry design, good quality control and attractive packaging are also important attributes to customers when they making buying decisions.

Augmented product

An elegant customer experience includes more than the actual product, customers want added-value of the product such as warranty, after-sale service, delivery, installation and etc. In terms of smart phones, the time-length of warranty period and quality of after-sale service are crucial to the customers when they need to replace or repair their smart phones. Furthermore, a clear tutorial of the operating system can assist beginners to use the products smoothly. (Kotler & Armstrong 2004, 276-280)

SCE's products

SCE will be selling video game consoles, accessories and game software in Chinese market. According to the subject of the thesis, only consoles will be introduced in this section. Below is product description of SCE's video game consoles.

PlayStation®3



Picture 1: Sony PlayStation®3 (Website of PlayStation® 2013)

The PlayStation®3 is the third generation home console of SCE which is the successor to the PlayStation®2 as part of the PlayStation® series. It was announced at E3 (Electronic Entertainment Expo) conference in 2005 and was released in November, 2006 in Japan, and it was finally released globally in 2007. In 2009, SCE has released new improved model, the PlayStation®3 Slim with thinner appearance and larger HDD (Hard Disk Drive) storage. After a few times improvement of technologies, the completely new designed PlayStation®3 Super Slim with even tiny appearance and much larger HDD storage was released in 2012.

The major features of PlayStation®3 include playing high-definition games, watching high-definition Blu-ray™ videos and cross-platform play with PlayStation®Vita and PlayStation®Portable. By using SCE's online service the PlayStation®Network, games, movies and TV series can be accessed conveniently in the PlayStation®Store. Thousands of movies can be streamed in SCE's partners' services such as Netflix, Hulu Plus and Amazon Instant Video. With the video camera PlayStation®Eye and

the motion controller PlayStation®Move, the players are able to play motion simulation games with family or friends which offers people an enjoyable experience. Moreover, the premium service PlayStation®Plus allows player purchasing certain games in discount prices, having access to new game demos in advanced, full game trial priority and etc. (Website of PlayStation® 2013)

PlayStation®Portable



Picture 2: Sony PlayStation®Portable (Website of PlayStation® 2013)

The PlayStation®Portable is SCE's first handheld console which was announced at E3 conference in 2003 and was released in 2004 in Japan, global release was in 2005. The situation was same with PlayStation®3, PSP-1000 was the product code in the beginning of PlayStation®Portable release, afterwards a few improved models were released sequentially include PSP-2000, PSP-3000, PSP Go and a budget model, the PSP-E1000.

The PlayStation®Portable uses Universal Media Disc (UMD) as its primary storage medium. Besides this, the Sony memory stick is another medium of storage for PlayStation®Portable. The PlayStation®Portable has a large viewing screen, robust multi-media capabilities and online features. The player can play games either with

other PSPs in local network or with other players on the internet. With such a portable device, user can play high quality portable games, view photos, watch videos, listen to music and browse internet with its built-in web browser. The PlayStation®Store is certainly available on the PlayStation®Portable as well. (Website of PlayStation® 2013)

PlayStation®Vita



Picture 3: Sony PlayStation®Vita (Website of PlayStation® 2013)

The PlayStation®Vita is the successor to the PlayStation®Portable, which was officially announced at E3 conference in 2011. In the end of 2011, it was released in Japan and spread to other countries and regions in the world in 2012. The PlayStation®Vita was released in two versions, the Wi-Fi version and 3G/Wi-Fi version. The 3G/Wi-Fi version allows user to use both cellular network and Wi-Fi to get access to internet connection.

Compared with its predecessor, the PlayStation®Vita not only has had many revolutionary improvements on hardware but also a new operating system with new multi-

touch control experience. With two analog sticks, the player can have a distinct improvement of gaming experience. Beside the basic multi-media features, the PlayStation®Vita can also install social network applications like Facebook or YouTube to enhance its sociality. The content manager has gave a helpful solution for users who want to manage their files between the portable device and PC conveniently. What's more, the PlayStation®Vita has both front and back cameras which allows user having video chat, taking photos and shooting video clips. (Website of PlayStation® 2013)

6.4.2 Price

Price is the key factor in marketing mix as it determines how much revenue the company earns and how much money the customers pay for the products. The rest parts of marketing mix include product, promotion and place all cost the company money, however, price is the only one that brings money back for the company. The price of a product should cover all the costs such as manufacturing, advertising and distribution, otherwise the company will lose money. When setting the price, the decision makers of the company should be aware of the art of pricing in order to give a reasonable price. The company will lost margins if the price is too low, in contrast, the company will lost sales if the price is too high. In addition, price is also a key factor of positioning strategy because it shows customers the perceived value of a product. (Sherlekar & Sherlekar 2010, 307-308)

According to the theory of Shapiro and Jackson (1978, 119-127), there are three methods of price setting which consist of cost-based pricing, competitor-oriented pricing and market-led pricing.

Cost-based pricing

Cost-based pricing is an important pricing method that gives the decision makers a clear limitation of price setting. A minimum price should be set in order to make profit or break even. All the costs concerning the product such as raw material, labor, promotion, rent should be calculated to set the minimum price. This method is widely used by companies all over the world, however, in some ways it is outdated nowadays

as customers usually do not care how much it cost of making the product, instead of that they care what value they can obtain from the product.

Competitor-oriented pricing

Competitor-oriented pricing is the method of price setting based on the prices charged by competitors. The advantage of this method is that it is simple and efficient, and it also brings customer benefit as the competition on price setting could likely decrease the market price of a certain product. There is disadvantage as well, if the company has a bad cost control compare with its competitors then it can be a risk if this method is taken by the company.

Market-led pricing

The value of a product to the customer is the key factor of price setting. Generally, if a product of the company provides more value to the customers than its competitors do, the company certainly has the reason to charge higher price. To estimate the value to the customer, there are three techniques can be used which consist of trade-off analysis, experimentation and economic value to the customer (EVC) analysis. Market-led pricing strategy lets the company keep customer perceptions and needs in the initial period of the pricing decision which is the main advantage. Nonetheless, it is still necessary for the company to take consideration of cost levels and competitors' prices. (Shapiro & Jackson 1978, 119-127)

In addition, aspects of marketing strategy such as positioning strategies, product-line strategies, new product launch strategies, competitive marketing strategies, distribution channel strategies and international marketing strategies can influence the decisions of price setting as well. (Jobber & Fahy 2006, 200)

The prices of SCE's products

In accordance with the popularity of video game in China, video game console is not luxury products anymore and the average income level of individuals in China is much higher than it was in twenty years ago. Therefore, the prices of SCE's products will stick to the average prices in the world. Due to the reasons of hardware upgrades and improvement of technologies, only prices of the newest console model will be listed.

Table 2: The price list of SCE's products

| Console model | Price |
|---|-----------------------------|
| PlayStation®3 Super Slim (Colors offered: black, white, red and blue) | Flash Memory 12GB: CNY 1890 |
| | HDD 250GB: CNY 2190 |
| | HDD 500GB: CNY 2490 |
| PlayStation®Portable 3000 (Colors offered: black, silver, white, purple, blue, red, yellow, green, and pink) | CNY 1490 |
| PlayStation®Vita (Colors offered: black, white, red and blue) | Wi-Fi Only: CNY 2090 |
| | 3G/Wi-Fi: CNY 2290 |

6.4.3 Promotion

Promotion can be seen as the outcome of marketing mix which is used for encouraging, motivating, stimulating and persuading customers to consume product or service of the company. However, promotion does not simply equal the term of marketing, strictly speaking, promotion is a part of marketing as marketing is a much broader concept than promotion. To implement promotional activities, totally seven techniques are included to set the promotional mix which consist of advertising, sales promotion, publicity, sponsorship, direct marketing, internet marketing and personal selling. Beside the main techniques above, there are also some other tools can be used such as exhibitions and product placement in movies or TV series. (Jobber & Fahy 2006, 225)

Author would like to mention that the promotion ways are going through bold changes nowadays and companies need to keep pace with the times in order not to be left behind. The internet marketing plays a significant role in the whole promotion activities. The growing popularity of social media such as Facebook and Twitter can prove this point. Another example can be the rising advertising technology of two American oligarchic technology companies, Google and Apple. The Google AdSense technology

can detect the online shopping preferences of the internet users and automatically recommend similar shopping websites or special offers to them. Analogously, Apple uses its iAd technology to recommend advertisements to iDevice users based on their browsing behaviors. These kinds of technologies have helped lots of companies finding and locating their target customers more efficiently and conveniently, in some extent, saved budget for the companies. (Website of Google AdSense 2012, Website of Apple iAd 2012 & Jay, Mitch & Mary 2008, 10-11)

To select the promotional mix, there are five factors need to be considered which are as follows:

Resource availability and the cost of promotional tools

The company should be aware of its financial capacity and existing resources select appropriate tools.

Market size and concentration

Different tools can be used for different size of market. Advertising campaign is appropriate for large market size whilst personal selling is usually selected when the market is small and concentrated.

Customer information needs

Electronic products such as laptop, smart phone need technical support of salesperson, in this circumstance, personal selling is a good choice for the company. If customers do not need much support and assistance, the company should consider advertising as the priority of promotion.

Product characteristics

This depends on the attributes and functions of the product. If a product needs to be explained and demonstrated by salesperson, then personal selling will be suitable. Fast-moving consumer goods such as shampoo, soap, tissue and detergent are always promoted by mass advertising.

Push versus pull strategies

“Push” means the products are sold into intermediaries such as retailers, middle agencies. “Pull” means the company communicates to customers directly without any intermediaries and persuade them to come to purchase the products at the intermediaries.

Below is the process of creating a successful communication mix:

- Identify target audiences
Find out who are the audiences of the communication mix.
- Set communication objectives
The objectives are expected to be achieved through the communication mix.
- Create messages
The messages are designed to deliver to target audiences. This is usually interpreted as advertising slogan.
- Select promotion mix
Use the factors mentioned above to select which promotion tools to use.
- Set promotional budget
The budget which is spent on the promotion mix determines the achievement of communication objectives.
- Implement communication mix
The implementation of the communication mix.
- Evaluate communication mix
The evaluation can be executed before the communication mix, during the communication mix and after the communication mix. (Jobber & Fahy 2006, 225-233)

Lastly, author would like to emphasize the significance of public relations by telling a business case between a major German company Siemens and an entrepreneur of an English education agency and a mobile technology company in China, who is called Luo Yonghao. It all started with a microblog message which was published on Sina Weibo (Chinese version of Twitter) by Luo. It was a complaining message of quality problem of Siemens fridge saying that the door of his Siemens fridge cannot be closed without closing it very carefully, and he also satirized the so-called “German Quality”.

Surprisingly, hundreds of people replied, forwarded his microblog and published their own microblogs about the same bitter experiences they had been suffering. This incident attracted much attention from the society and quickly became a public rights protection event. However, in the meanwhile Siemens refused to respond to this event. Instead of that, Siemens hired an outsourced public relations company called Blue Focus to deal with Luo which provoked strong dissatisfaction of the populace and Luo. By doing that, Siemens even unified the sales talk of all its sales force which said that Luo is assigned by the competitors of Siemens in order to destroy its reputation. After a long-running dispute and nothing changed, Luo decided to do a performance art by smashing his own and some celebrities' Siemens fridges in front of the Chinese headquarter of Siemens in Beijing which was called "rational rights protection" by himself. He even hired cleaners to clean the fragments of the fridges. Quoted from Luo "*It was even cleaner than before.*" This whole event lasted more than six months on the internet and according to Luo's speech in the summer of 2012, the market shares of Siemens fridge decreased from 12,84% to 6,86%. It is estimated that it caused Siemens 100 million CNY (approximately 12 million EUR) loss at least due to this rights protection event. Finally, it ended with the official apology of Siemens on Sina Weibo, and Siemens also promised to install door closer for those fridges with quality problem. The whole event is called "Siemens fridge door gate" incident which can be seen as a milestone in the history of rights protection in China. This case has proved that the ability of dealing with public relations crisis of the decision makers in a company can have a big impact on the sales performance and reputation. As everyone knows, a good reputation is always the best promotion of a company. (Website of China Hush 2012 & Luo 2012)

SCE's promotion strategy

In a highly competitive industry like consumer electronic products, promotion plays a vital role in a successful business performance. A sharp-sighted promotion strategy can affect and persuade customers in both visual and mental aspects in order to achieve the anticipated marketing objectives. Especially in the circumstance of most users are on the amateur level, an obvious example can be the huge sales volume of Samsung Galaxy S III due to its extraordinary promotion cost. SCE will use multiple promotion channels as the substance of promotion strategy which consist of traditional channels, internet channels, exhibitions and events, sales promotion and public relations.

Traditional channels

Advertising campaigns on TV and print media would be the most common promotion ways for SCE. The criteria of TV channels selection are unserious, recreational, relaxed and athletic such as entertainment channel, movie channel, tech channel, sports channel and etc. On the choice of print media, the principle is the same as TV channels. Magazines and newspapers about game, entertainment, fashion, tech and sports would be the superexcellent choices for SCE. In addition, SCE's advertisements can be also displayed in the ways like billboards on the buildings and highways, light box advertising, public transportation advertising (bus, metro) and shopping mall advertising.

Recommendations of potential TV and print media partners for SCE

CCTV-5: <http://cctv5.cntv.cn/> Chinese national sports channel

HISPORTS: <http://www.hisports.com/> Satellite sports channel in Shanghai region

JSTV: <http://www.jstv.com/> Satellite channel of Jiangsu province

HUNANTV: <http://www.hunantv.com/> Satellite channel of Hunan province

UCG: <http://www.ucg.cn/> The most professional video game magazine in China

PLAY: <http://www.joyplay.cn/> Professional magazine about computers and games

CEA: <http://www.mycea.net/> E-sports magazine in China

Internet channels

The internet channel can be divided into three major parts which are internet media, social media and advertising auctions. Firstly, SCE can promote its products by distributing advertisements across a broad array of different mainstream portal websites, e-commerce websites, tech websites and gaming websites. These websites roughly covered all of the video game population in China which sufficiently serve as the goal of promotion.

Secondly, social media play an even more important role than other internet media. The word “we-media” is a new created word on the basis of explosion of social media. It stands for the different opinions and freedom of expression of any individual on the internet according to its morphology. In other words, everyone on the internet could be the media who distribute information and thoughts to others. In the business world,

social media not only help the company to promote its products but also play an important role in customer service and public relation. Due to the reason of political censorship, the worldwide social media such as Facebook, Twitter and YouTube are prohibited to access in China. SCE can cooperate with great alternatives of social media in China such as Sina Weibo, Ren Ren, Tencent, Youku and etc. Another way of utilization of social media is the product placements on microblog which means that celebrities are paid to post texts and pictures including the target products on their microblogs, because celebrities have larger influence than the company itself in some ways.

Furthermore, the advertising auctions seem to be very essential as well. To build the brand awareness, it can be simply realized through appearing in the first place of the first page by advertising auctions on search engines. Google was banished to Hong Kong a few years ago also because of the political censorship in China. Although Google can be accessed constantly in mainland China, the server is almost in a state of paralysis. In this situation, the domestic search engine Baidu would become the reluctant first choice for SCE. Other search engines can be potentially cooperated are Youdao, 360, Sogou and Bing.

Recommendations of mainstream portal websites, tech websites and gaming websites for SCE

Portal

Netease: <http://www.163.com/>

Sina: <http://www.sina.com.cn/>

Tencent: <http://www.qq.com/>

Sohu: <http://www.sohu.com/>

Tech

36Kr: <http://www.36kr.com/>

Engadget China: <http://cn.engadget.com/>

Zealer: <http://www.zealer.com/>

DGtle: <http://www.dgtle.com/>

Gaming

CNGBA: <http://www.cngba.com/>

TGBUS: <http://www.tgbus.com/>

A9VG: <http://www.a9vg.com/>

DUOWAN: <http://www.duowan.com/>

Exhibitions and events

In China, there are many tech exhibitions and game developers conferences that being held every year. This kind of events is definitely great opportunity for SCE to promote its products. It is feasible for SCE to set up game demos playing areas in tech exhibitions, and also to establish development projects for Chinese game developers in developers conferences. Moreover, organizing or sponsoring E-sports tournaments is very effective way to promote the products to customers. The E-sports tournaments will attract tremendous number of video game enthusiast to participate and will absolutely enhance awareness of the brand.

The event partners for SCE

Game exhibition

China Joy: <http://www.chinajoy.net/>

Game developers conference

CGDC: <http://www.chinagdc.com.cn/>

Sales promotion

Considering localization of the Chinese market, SCE needs to make some movements of sales promotion according to the Chinese traditions. On the holiday side, the peak of consumption periods in a year are Spring Festival, the May Day holidays, Qixi Festival (the Chinese Valentine's Day), the National Day holidays and Bachelors Day. As a result of influence by western culture, Valentine's Day and Christmas Day are now very popular in China as well. However, it is noted that the Chinese people usually have their "Boxing Day" before Christmas Day which differs from the western countries. In the holidays mentioned above, SCE can use discount, promotion sales, price reduction and lucky draw to enhance the sales volume of the products. On the other side, the Chinese people are obsessed with dragon and colors of yellow and red. Dragon and yellow color symbolize the power and honor whilst red color is the symbol of good luck. These elements will be naturally added onto the packages of SCE's products.

Public relations

As the case author told in the theoretical part, excellent public relations can easily help the company to be successful in a certain period and terrible public relations can pitilessly put the company to death in a certain period or ever. The performance in public relations should be presented as the ability to turn situation around when the company has made some mistakes and is situated in public relations crisis, but not as charity, donations and commonweal. Nonetheless, it is not meaning that SCE will not do charity and make donations in China. The key issue that SCE needs to consider about is how to compensate the customers if the company has made some mistakes, and also the attitude to the customers. In the concept of public relations, assume that the charity is a small plus for the company, in that way the excellent performance in public relations crisis will be a huge plus for the company.

6.4.4 Distribution channels and logistic partners

Distribution channel is the “place” element of marketing mix. It is the final part of the whole marketing mix which determines how and where customers can purchase the product or service. Products should be placed in right location and at right time for customers to purchase conveniently. Intermediary is a key factor that producers need to consider. The choice of distribution channel, whether to use intermediaries and number of intermediaries can all have a significant impact on the business performance of a company. (Geetanjali 2010, 263-264)

In consumer market, there are four types of distribution channels which show below:

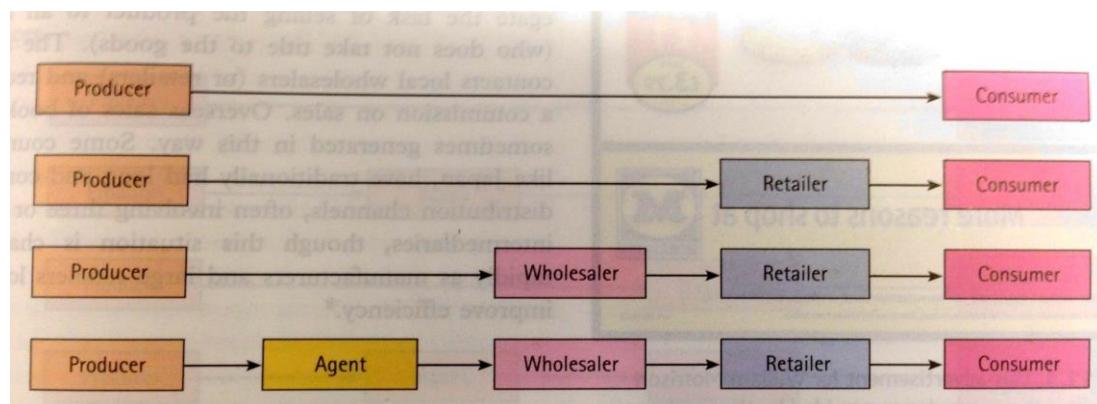


Figure 7: Distribution channels for consumer goods (Jobber & Fahy 2006, 297)

Producer direct to consumer

Producers appear to favor this option so much as it helps to save the cost of transportation and cut the profit margins of intermediaries. This method of distribution has been selected by many industries and companies, for instance, the snow boots producer UGG has established the factory shop in its manufacturing factory in Fiji. The prices of UGG boots in Fiji are much lower than in Australia and other countries. The factory shop has now became a must-go place for visitors to Fiji. This “producer to consumer” option has been widely used in some particular industries such as the digital products, mobile applications, music, video games and computer software all can be purchased on the terminal devices like smart phones, gaming consoles and laptops. The only distribution channel in this industry is the internet which is another form of “producer to consumer”.

Producer to retailer to consumer

Sometimes there is still reason to have retailers. Customers can view and test products in the retailers with the help of salesperson. To compare with the option above, retailers can provide better basic service to customers which gives them a better shopping experience. Another reason to have retailers is that people are used to buy their daily supplies in the retailers located near home, retailers provide convenience to customers and create profits for producers.

Producer to wholesaler to retailer to consumer

To use wholesalers is a wise choice for those small retailers who do not have enough economic power to hold big quantity of inventory. The advantage is that small retailers like grocery stores are everywhere which allows people to buy conveniently. However, customers with price sensitivity are likely to choose large retailers such as supermarkets due to the lower price.

Producer to agent to wholesaler to retailer to consumer

This is the longest distribution channel type and usually used by foreign sales. Sometimes it takes long time and big economic cost to sell to another country based on the reasons of documents issues, tariffs and etc. In some circumstances, hiring an agent by

paying commission costs less than handling these issues by the company itself. Examples can be, selling Chinese food to Finland and iittala to China. (Jobber & Fahy 2006, 297-298)

In recent years, the number and quality of online retailers have increased rapidly on the basis of globalization. Online retailer, also known as online shopping, is the concept of purchasing and paying via internet with delivery to specific address by logistic company. The online retailers take mainly two forms, B2C (Amazon, 360buy) and C2C (EBay, Taobao). With showing lots of advantages such as convenient delivery internationally, freewill business location and trading without time limitation, traditional distribution channels are facing big challenges by online retailers. Some retailers have both online and offline stores, and some producers have their own online stores, especially for those small companies who need to negotiate with large retailers and convince them to stock the goods. By using the channel of e-commerce and integrated well with other three elements of marketing mix, the likelihood of a successful business performance can be very realistic. (Karunakaran 2008, 341)

SCE's distribution channels in China

SCE will use not only physical stores but also online distribution channels in order to broaden its geographic market areas beside those ten target market cities which were discussed in the target market section. It is still essential for SCE to cooperate with local electronic retail stores in other cities. The authorized reseller mode of Apple can be taken into consideration as it provides both reliable products and service, and it also normalizes the market.

Official retail stores

Among those ten target market cities, SCE will set up five retail stores with the brand Sony Style in the location of city center. In the second year, the number of retail stores will rise to eight. The store modes can be either PlayStation® products only or being sold with other civilian products of Sony such as Sony BRAVIA TV, headset, smart phone, digital camera, digital video camera and etc.

Authorized resellers

In order to satisfy the customers who do not live in the target market cities and do not have the habit of online purchasing, authorized resellers with small scale in electronic market will be opened. SCE will use franchising mode in this circumstance, merchants who have intention to sell PlayStation® products must accept SCE's financial and credible audits. The products sold in the authorized resellers will have the same guarantees as the products sold in the official retail stores and they also can be replaced and repaired in the official retail stores.

Online distribution channels

The official Sony Style online store will be SCE's primary online distribution channel in China. Besides this, SCE will have cooperation with major Chinese e-commerce enterprises which are Jing Dong (360buy), Tmall (B2C website of Taobao), Amazon China, Dang Dang, Suning, 51buy, Pai Pai and Gome. All of above-mentioned are B2C websites which can eliminate the quality problem and lack of warranties or mutual trust caused by C2C websites.

The list of SCE's e-commerce partners and websites

Jing Dong: <http://www.jd.com/>

Tmall: <http://www.tmall.com/>

Amazon China: <http://www.amazon.cn/>

Dang Dang: <http://www.dangdang.com/>

Suning: <http://www.suning.com/>

51buy: <http://www.51buy.com/>

Pai Pai: <http://www.paipai.com/>

Gome: <http://www.gome.com.cn/>

SCE's logistic partners in China

The service level of logistic can determine the image and reputation of an e-commerce companies, a brand and an enterprise. It is vital to maintain the service level of logistic including the speed of distribution, packaging, protection of goods, price and etc. Some of e-commerce websites mentioned above have their own logistic service whilst some of them use the third-party logistic companies. SCE will cooperate with a few logistic

partners in China, and all SCE's products will be shipped either by e-commerce companies' own logistic service or logistic partners of SCE regardless of which e-commerce website that the customers bought from.

Most of domestic logistic companies in China do not have a good reputation except one company named SF-Express. Therefore, SF-Express will be the only domestic logistic company which have partnership with SCE in China. SCE will otherwise cooperate with some international logistic companies in order to fulfill the huge logistic demand in China.

Below is the list of SCE's logistic partners in China

SF-Express: <http://sf-express.com/>

FedEx Express: <http://www.fedex.com/cn/>

Kerry Logistics: <http://www.kerrylogistics.com/>

UPS: <http://www.ups.com/cn>

DHL: <http://www.cn.dhl.com/>

7 CONCLUSION

In the field of entertainment industry, video game is an emerging industry which has just come into vogue during the last three decades comparing with the traditional music and movie industry. The trend is that video game industry is bound to be or might well has already become the pillar in today's global entertainment industry and the center of people's daily entertainment life. With the improvement of living standards and awareness of copyright, selling licensed video game products in mainland China will be achievable. Author came up with the idea of this topic based on his own interest and experiences in this industry. As one of many typical target customers of SCE who were described in the target market section, the final implementation of the objectives of this thesis has always been author's long-cherished wish. However, the outcome of the thesis is only for the purpose of author's own study and application of theoretical

knowledge which learnt in SAMK. In other words, the actual likelihood of SCE or any other major video game consoles manufacturers directly entering the Chinese market is a million to one due to the strict and unnecessary censorship even if most of today's video game consoles were made in China.

During the process of writing the thesis, author received a lot of help and support from his supervisor Timo Kaartinen who gave professional advices and instructions. The correction of thesis's table of contents and conceptual framework of the study gave an extraordinary clarity of thought in the wiring process and guided author in the completion of the thesis. A great number of information about video game industry, Chinese video game market and marketing was collected from internet articles, online documents, video, legislation and professional marketing books. There was not any surveys or questionnaires conducted in the collection of data. All theoretical knowledge was from accurate sources, and empirical part was from author's own experiences and predictions. By applying the theories in practice, the final marketing plan for SCE to China was created with systematic analysis of the global video game market, the condition of Chinese video game market, planned marketing strategy and marketing mix. Author learnt a lot of new knowledge about video game industry and Chinese video game market through writing the thesis. Finally, it is worth to firmly believe that the implementation of this marketing plan will be realized someday in the future.

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APPENDIX 1

PRICE LISTS OF TV CHANNELS (ONLY IN CHINESE)

Key words translations

栏目: Program 播出时间 / 时段: Broadcast time 秒: Second (time)

Currency: CNY 人民币元

CCTV-5

2013年CCTV-5体育频道刊例价格

有效期: 2013年1月1日-2013年12月31日

单位: 人民币元/次

| 新闻类栏目 | | | | | | | |
|-----------|---------------------|--------|--------|---------|---------|---------|---------|
| 栏目名称 | 播出时间 | 5秒 | 10秒 | 15秒 | 20秒 | 25秒 | 30秒 |
| 体育新闻 | 周一至周日 约18:00-18:30 | 53,000 | 80,000 | 100,000 | 136,000 | 160,000 | 180,000 |
| 体育世界 | 周一至周日 约21:30-22:15 | 53,000 | 80,000 | 100,000 | 136,000 | 160,000 | 180,000 |
| 体坛快讯 | 周一至周日 约12:00-12:25 | 27,000 | 40,000 | 50,000 | 68,000 | 80,000 | 90,000 |
| 体育晨报 | 周一至周日 约06:30-08:30 | 16,000 | 24,000 | 30,000 | 41,000 | 48,000 | 54,000 |
| 体育报道 | 周一至周五 约00:00-00:25 | 18,000 | 26,000 | 33,000 | 45,000 | 53,000 | 59,000 |
| 专题类栏目 | | | | | | | |
| 栏目名称 | 播出时间 | 5秒 | 10秒 | 15秒 | 20秒 | 25秒 | 30秒 |
| 黄金赛场-天下足球 | 周一 约19:30-21:25 | 53,000 | 80,000 | 100,000 | 136,000 | 160,000 | 180,000 |
| 黄金赛场 | 周二至周日 约19:30-21:25 | 53,000 | 80,000 | 100,000 | 136,000 | 160,000 | 180,000 |
| 体育人间 | 周一 约18:35-19:25 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 武林大会 | 周二 约18:35-19:25 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 赛车时代 | 周三 约18:35-19:25 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 足球之夜 | 周四 约18:35-19:25 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 篮球公园 | 周五 约18:35-19:25 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 顶级赛事 | 周一至周五 约00:30-03:30 | 16,000 | 24,000 | 30,000 | 41,000 | 48,000 | 54,000 |
| 极限时刻 | 周二 约08:05-08:30 | 21,000 | 32,000 | 40,000 | 54,000 | 64,000 | 72,000 |
| 体育星探 | 周六 约12:30-13:20 | 43,000 | 64,000 | 80,000 | 109,000 | 128,000 | 144,000 |
| 健身舞起来 | 周一至周日 约06:00-06:25 | 16,000 | 24,000 | 30,000 | 41,000 | 48,000 | 54,000 |
| 冠军欧洲 | 比赛日周三、周四22:30-23:55 | 32,000 | 48,000 | 60,000 | 82,000 | 96,000 | 108,000 |

HISPORTS

体育频道 2013年 广告刊例

(2013年1月1日起执行)

人民币 : 元 / 次

| 播出时段 | 栏目名称 | 15秒 | 30秒 |
|---------------|-------------------------------|----------|----------|
| 约 06:00-18:00 | 白天体育栏目 (特别定价节目除外) | 4 , 800 | 8 , 000 |
| 约 06:00-18:00 | 白天体育赛事 (特别定价节目除外) | 9 , 000 | 15 , 000 |
| 约 11:00-11:50 | 弈棋变大牌重播 | 12 , 000 | 20 , 000 |
| 约 11:55-12:00 | 体育速递前 | 9 , 000 | 15 , 000 |
| 约 12:00-12:20 | 体育速递中 | 15 , 000 | 25 , 000 |
| 约 12:30-13:20 | 弈棋变大牌晚间版重播 (一-五) | 12 , 000 | 20 , 000 |
| 约 18:00-18:50 | 弈棋变大牌首播 | 15 , 000 | 25 , 000 |
| 约 18:55-19:00 | 体育新闻前 | 18 , 000 | 30 , 000 |
| 约 19:00-19:45 | 体育新闻中 | 30 , 000 | 50 , 000 |
| 约 19:45-20:00 | 今日体育快评中 (一-五) | 30 , 000 | 50 , 000 |
| 约 19:45-03:00 | 超G周末 (中超 英超 德甲等) 直播 (六) | 24 , 000 | 40 , 000 |
| 约 19:45-03:00 | 超G周末 (中超 CBA 英超 德甲等) 直播 (日) | 24 , 000 | 40 , 000 |
| 约 20:00-21:20 | 五星足球 (一) / 桌球基地(二) / 天生好手 (四) | 24 , 000 | 40 , 000 |
| 约 20:00-22:00 | CBA赛事直播 / 赛事录播 (三/五) | 24 , 000 | 40 , 000 |
| 约 21:30-21:50 | G乐体育 (一) / 英超赛事集锦 (二) | 24 , 000 | 40 , 000 |
| 约 21:55-22:00 | 体育夜线前 (一-五) | 18 , 000 | 30 , 000 |
| 约 22:00-22:45 | 体育夜线中 (一-五) | 24 , 000 | 40 , 000 |
| 约 22:45-22:55 | 今日体育档案 (一-五) | 24 , 000 | 40 , 000 |
| 约 23:00-23:50 | 弈棋变大牌晚间版首播 (一-五) | 21 , 000 | 35 , 000 |
| 约 00:00-06:00 | 夜间体育栏目 (特别定价节目除外) | 21 , 000 | 35 , 000 |
| 约 00:00-06:01 | 夜间体育赛事 (特别定价节目除外) | 24 , 000 | 40 , 000 |

说明:

- 上述价目如因特定赛事原因有所调整，则以该赛事的特定刊例价为准。
- 指定正一、倒一加收20%；正二、倒二加收10%；正三、倒三加收5%；其它指定位置加收20%。标版、导视及本媒体宣传等特殊形式不计人组序。片中价格未注明的均加收30%。
- 非常规长度广告价格按以下方法计算：20秒=30秒*80%；10秒=30秒*40%；5秒=30秒*30%。
- 2013年1月、2月、4月、9月、12月，所有广告时段价格加收10%。
- 实际广告播出时间与刊例时间如有出入，以实际播出为准。
- 如有调整，以最新公布的广告价目为准。

JSTV

| 江苏卫视 2013年广告价目表 | | | | | | | | | |
|--|----------------------|--------|--------|--------|--|--|--|--|--|
| 播出时间 | | 2013 | | | | | | | |
| | | 5秒 | 10秒 | 15秒 | | | | | |
| 《万家灯火》 | 6:00-7:00 | 3300 | 6000 | 8800 | | | | | |
| 《影视剧场》(含栏目复播,周一至周五) | 7:30-18:00 | 6600 | 12600 | 18000 | | | | | |
| 《双休剧场》(周六、周日) | 7:40-18:00 | 11000 | 21000 | 30000 | | | | | |
| 《非诚勿扰》复播(周六、周日) | 约12:00-13:30 | 17000 | 32000 | 46000 | | | | | |
| 《新闻眼》+《江苏新时空》 | 18:00-18:55 | 19000 | 36000 | 52000 | | | | | |
| A段广告 | 18:55-19:00 | 19000 | 36000 | 52000 | | | | | |
| 《幸福剧场》 周一至周五三集 周六日两集 | 剧前、剧后 19:30-22:00 | 44000 | 84000 | 120000 | | | | | |
| 《幸福节目带》(周一至周五) | 节目中插 22:00-23:30 | 48000 | 91000 | 130000 | | | | | |
| 《非诚勿扰》前 | 21:08-21:10 | 110000 | 210000 | 300000 | | | | | |
| 《非诚勿扰》二插、三插套 播 (周六、日) | 首播 21:10-22:40 | 141000 | 266000 | 380000 | | | | | |
| | 复播一 22:40-00:10 | | | | | | | | |
| | 复播二 04:30-06:00 | | | | | | | | |
| 《非诚勿扰》一插、四插套 播 (周六、日) | 首播 21:10-22:40 | 125000 | 238000 | 340000 | | | | | |
| | 复播一 22:40-00:10 | | | | | | | | |
| | 复播二 04:30-06:00 | | | | | | | | |
| 《夜间栏目带》 | 00:10-01:10 | 17000 | 33000 | 48000 | | | | | |
| 《夜间剧场》 | 01:10-04:30 | 9000 | 18000 | 26000 | | | | | |
| 《幸福节目带》复播(周一至周五) | 04:30-06:00 | 3000 | 6000 | 9000 | | | | | |
| 《江苏天气预报城市版》 | 约18:50 | 33万元/月 | | | | | | | |
| ◇ 指定位置加价:正一加价50%, 正二加价40%, 正三加价20%, 倒一加价30%, 倒二、倒三加价10%。 | | | | | | | | | |
| ◇ 标版等特殊形式广告不计入组序。30秒广告价格按15秒X2计算。 广告长度 \geqslant 15秒方可指定播出位置 | | | | | | | | | |
| ◇ 正常广告播出时间飘移30分钟以上视为错播, 错一补一。若因不可抗拒因素, 如转播重大新闻事件或晚 会 导致广告播出时间飘移, 视为正常播出 | | | | | | | | | |
| ◇ 凡未能按指定播出位置播出, 但在该时段内已播出的广告, 补播费用比例为因指定位置而在合同中规定 加收费用的两倍。如合同中未加收费用, 补播的广告不再指定位次。 | | | | | | | | | |
| ◇ 所有与江苏广播电视台总台卫视频道广告部签订的广告合同, 均视为接受上述条款。解释权在江苏卫视广 | | | | | | | | | |

HUNANTV

湖南卫视2013年招商期广告价格表

(2012年12月31日前有效)

| | 广告时段 | 播出时间 | 5秒 | 10秒 | 15秒 |
|------|-----------------|------------------|-------|--------|--------|
| 通周白天 | 7: 00之前栏目插播 | 07:00之前 | 5760 | 10080 | 14400 |
| | 《开心独播剧场一》 | 约08:00-09:10 | 7400 | 12950 | 18500 |
| | 《开心独播剧场二》 | 约09:10-10:20 | 8160 | 14280 | 20400 |
| | 《开心独播剧场三》 | 约10:20-11:20 | 9080 | 15890 | 22700 |
| | 《青春独播剧场二》 | 约16:00-17:00 | 11360 | 19880 | 28400 |
| | 《青春独播剧场三》 | 约17:00-18:00 | 11360 | 19880 | 28400 |
| 周间白天 | 22点档栏目早间重播插播 | 周一至周五07:30-8:00 | 7400 | 12950 | 18500 |
| | 《开心独播剧场四》 | 周一至周五11:20-12:20 | 11320 | 19810 | 28300 |
| | 《娱乐无极限》插播 | 周一至周五12:50-13:10 | 11360 | 19880 | 28400 |
| | 周间午间栏目插播 | 周一至周五13:10-15:10 | 11360 | 19880 | 28400 |
| | 《青春独播剧场一》 | 周一至周五15:10-16:05 | 11360 | 19880 | 28400 |
| 周末白天 | 周末黄金档栏目午间重播插播 | 周六周日11:30-13:30 | 14320 | 25060 | 35800 |
| | 大型节目或周播剧场午间重播插播 | 周六周日13:30-15:45 | 14000 | 24500 | 35000 |
| 晚间 | 18点档栏目插播 | 周一至周五18:00-18:29 | 10800 | 18900 | 27000 |
| | A段 | 18:29 | 10800 | 18900 | 27000 |
| | 黄金时刻 | 18:59 | 18000 | 31500 | 45000 |
| | 《金鹰独播剧场》第一集片头 | 19:30-20:15 | 23920 | 41860 | 59800 |
| | 《金鹰独播剧场》第一集片尾 | | 26160 | 45780 | 65400 |
| | 《金鹰独播剧场》第二集片头 | 周日至周四20:15-21:10 | 27920 | 48860 | 69800 |
| | 《金鹰独播剧场》第二集片尾 | | 26160 | 45780 | 65400 |
| | 《金鹰独播剧场》第三集片头 | 周日至周四21:10-22:00 | 27920 | 48860 | 69800 |
| | 《金鹰独播剧场》第三集片尾 | | 26160 | 45780 | 65400 |
| | 22点档栏目插播 | 周一至周五22:00-24:00 | 22800 | 39900 | 57000 |
| | 《天天向上》插播 | 周五20:10-22:00 | 55440 | 97020 | 138600 |
| | 《快乐大本营》插播 | 周六20:10-22:00 | 67200 | 117600 | 168000 |
| | 《第一周播剧场》贴片 | 周六周日22:00-24:00 | 22800 | 39900 | 57000 |
| 深夜 | 零点档栏目插播 | 00:00-01:00 | 15640 | 27370 | 39100 |
| | 1:00以后栏目插播 | 01:00之后 | 12920 | 22610 | 32300 |
| | | | | | |

注：18:00-24:00不打折，其余时段均为2.5折。

APPENDIX 2

PRICE LISTS OF PRINT MEDIA (ONLY IN CHINESE)

Key words translations

广告位置 / 版位 / 版面: Advertising space

规格尺寸 / 成品 / 尺寸: Size Range & Specification

价格 / 报价: Price / Quoted price

Currency: CNY

UCG

| 广告位置 | 规 格(宽X高) | 价 格(RMB) | 广告位置 | 规 格(宽X高) | 价 格(RMB) |
|------|-------------|----------|--------|-------------|----------|
| 第一跨页 | 424mmX278mm | 110000 | 内页整版 | 212mmX278mm | 70000 |
| 封二 | 206mmX278mm | 90000 | 内页1/2版 | 212mmX139mm | 45000 |
| 卷首 | 206mmX278mm | 85000 | 内页1/3版 | 212mmX92mm | 30000 |
| 目录对页 | 212mmX278mm | 80000 | 最后跨页 | 424mmX278mm | 100000 |
| 封三 | 206mmX278mm | 75000 | 封底 | 212mmX278mm | 100000 |

- 每月5/20号出刊，提前一个月订版
- 国际标准本，大16开，全刊112页，四色全彩印刷
- 内文：90克铜板，80P 90克双胶，8P
- 全页尺寸：212 mm X 278 mm (W X H)
封二、封三、卷首尺寸：206mm X 278 mm (W X H)
- 跨页尺寸：424 mm X 278 mm (W X H)
- 压缩为高品质的JPEG格式，图片精度为300DPI，用色为CMYK四色。
- 注：每边出血3 mm



PLAY

| 版位价格(正刊) | | | |
|------------------|-----------|-----------------------|---------|
| | 版 位 | 成品尺寸(宽×高 mm) | 报价(CNY) |
| 特 殊 版 位 | 封面 | 215×280 | 90000 |
| | 封二 | 215×280 | 35000 |
| | 内首 | 215×280 | 30000 |
| | 第一跨页 | 430×280 | 52000 |
| | 第二跨页 | 430×280 | 50000 |
| | 目录对页 | 215×280 | 26000 |
| | 文章对页 | 215×280 | 26000 |
| | 封三 | 215×280 | 32000 |
| | 封底 | 215×280 | 40000 |
| | 时尚白卡 | 215×280 | 80000 |
| 标 准 版 位 | 夹插 | | 0.1/张 |
| | 封面拉页 | 424×280 | 80000 |
| | 整版内彩(铜版纸) | 215×280 | 22500 |
| | 横 1/2 版 | 宽 180×高 125 (版心尺寸) | 12500 |
| | 竖 1/3 版 | 宽 60×高 250 (版心尺寸) (竖) | |
| | 横 1/3 版 | 宽 180×高 80 (版心尺寸) (横) | 8200 |

| 版位价格(新玩家副刊) | | | |
|-------------|------|--------------|---------|
| | 版 位 | 成品尺寸(宽×高 mm) | 价格(RMB) |
| | 封面 | 205×250 | 65000 |
| | 封二 | 205×250 | 33000 |
| | 内首 | 205×250 | 28000 |
| | 整版内彩 | 205×250 | 22500 |
| | 封三 | 205×250 | 30000 |
| | 封底 | 205×250 | 36000 |

CEA

| 版面 | 尺寸 | 价格 | | |
|-------------------|---------------|------------------|-----------|-----------------------|
| 上月刊封面 | 215mm×270mm | 100,000 | | |
| 上半月刊封二 | 215mm×270mm | 46,000 | | |
| 上半月刊封三 | 215mm×270mm | 38,000 | | |
| 上半月刊封底 | 215mm×270mm | 50,000 | | |
| 上半月刊扉页一 | 215mm×270mm | 45,000 | | |
| 上半月刊扉页二 | 215mm×270mm | 36,000 | | |
| 上半月刊扉页三 | 215mm×270mm | 33,000 | | |
| 上半月刊目录对页一 | 215mm×270mm | 38,000 | | |
| 上半月刊目录对页二 | 215mm×270mm | 38,000 | | |
| 上半月刊目录对页三 | 215mm×270mm | 38,000 | | |
| 上半月刊内页 | 215mm×270mm | 30,000 | | |
| 上半月刊竖1/2版 | 100mm×270mm | 17,000 | | |
| 上半月刊横1/2版 | 210mm×140mm | 17,000 | | |
| 上半月刊竖1/3版 | 70mm×270mm | 12,000 | | |
| 上半月刊横1/3版 | 210mm×95mm | 12,000 | | |
| 上半月刊1/4版 | 100mm×140mm | 10,000 | | |
| 上半月刊1/6版 | 100mm×90mm | 8,000 | | |
| 下半月刊封面 | 215mm×270mm | 40,000 | | |
| 下半月刊封二 | 215mm×270mm | 32,000 | | |
| 下半月刊封三 | 215mm×270mm | 30,000 | | |
| 下半月刊封底 | 215mm×270mm | 36,000 | | |
| 下半月刊光盘盘面 | | 20,000 | | |
| 下半月刊光盘视频广告 | | 5,000 | | |
| 以下是特殊版位广告价格 | | | | |
| 上半月刊封面拉页 (2 Page) | 430mm×270mm | 92,000 | | |
| 上半月刊封二、菲一跨页 | 430mm×270mm | 92,000 | | |
| 上半月刊内二、内三跨页 | 430mm×270mm | 70,000 | | |
| 上半月刊末页、封三跨页 | 430mm×270mm | 65,000 | | |
| 上半月刊内页跨页 | 430mm×270mm | 60,000 | | |
| 上半月刊内页1/3横跨页 | 430mm×95mm | 28,000 | | |
| | | | | |
| 形式 | 具体内容 | 版位大小 (宽×高) mm | 单次价格 | 备注 |
| 特殊纸内页 | 105克铜版纸 内页 | 215mm×270mm | 另加5,000元 | 以上价格均为原有广告版位费用之外加付费用。 |
| | 128克铜版纸 内页 | | 另加8,000元 | |
| | 157克铜版纸 内页 | | 另加12,000元 | |
| | 200克铜版纸 内页 | | 另加15,000元 | |
| 插入物品 | -- | | 另加25,000元 | 仅为发布费用 (不含印刷成本) |