

The Influence of Strategy Selection on Firm's Performance

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Abstract

In recent years, many well-known mobile phone brands have been facing the crisis of going out of business. Some companies have already closed down their businesses. For example, Motorola, Nokia, and Ericsson have either gone out of business or withdrawn from the market due to their incorrect execution of strategies in the company. Therefore, the adoption of sound strategies not only affects the growth of mobile phone companies but also determines their survival. The individual cases that were employed in this research are Apple, Sony, Samsung, HTC, ASUS, Huawei and Xiaomi. Descriptive statistics, correlation coefficient matrix, and regression analysis are the methods applied for statistical analyses. We will see from the individual cases that the best strategy for companies is to adopt both the viral marketing and traditional marketing approaches. Concerns for small profits and quick returns have caused negative impact on the overall performance of most companies. From the quantitative studies in this thesis, it is proven that the investment in marketing has positive impact on the performance of the company. On the other hand, adopting the strategy of saturating the market with quick releasing of new devices has caused negative impact on their Return on Asset (ROA). Additionally, it is more profitable when mobile phone companies employ the virtual channel strategy instead of the entity channel strategy.

Keywords: Mobile phone industry, Strategy, Performance, Marketing