

Changes and Development in Marketing and Strategies - Study on ASUS Computer Inc.

**Rudresh Pandey¹, Liem Gai Sin², Shreyas Agnihotri³, Utkarsh Chaudhary⁴,
Natasha Tiffany⁵, Ahmad Usamah⁶, Daisy Mui Hung Kee⁷, Hafiz Zikri⁸, Muhammad
Hafizudin⁹, Mohamad Zulfaqar¹⁰**

ABES Engineering College^{1,3,4}

Campus -1, 19th KM Stone, NH 24, Ghaziabad, Uttar Pradesh 201009, India

Ma Chung University^{2,5}

Villa Puncak Tidar N-01, Malang, 65151 East Java, Indonesia

Universiti Sains Malaysia^{6,7,8,9,10}

Jalan Sg Dua, 11800 Minden, Pulau Pinang, Malaysia

Correspondence Email: rudresh.pandey@abes.ac.id

ORCID ID: 0000-0002-2501-1019

ABSTRACT

Computers have highly evolved and a lot of companies, such as ASUS, have consistently improving and innovating computers and other products. ASUS stands as the world's 6th largest PC Vendor in 2020, mission of which is to deliver innovative and spectacular IT solutions. This research investigates how ASUS developed into a tech giant and what techniques and strategies they used to capture such great market share. The research will also contain certain additional ideas that Asus can work upon to be the no. 1 Tech giant in the world and the USP (Unique Selling Proposition) of Asus product line of and the advantages and disadvantages over competitors. Furthermore, comparison of Asus's major rivals will give a better understanding of their decisions taken in the last 10 years.

Keywords: ASUS, Computers, Electronics, Innovation, IT Solution, Tech Giant

INTRODUCTION

Asus is recognized as a multinational company producing the best motherboards in the world. It started in 1989, when some ambitious engineers dreaming of creating a small profitable company. Within 8 months, the engineers started creating two computer motherboards (cache 386/33 and ISA 486/25). Both personal computers & motherboards were used by IBM and ALR. Since then, Taiwan has been globally acknowledged as the center for premium quality tech products.

In 1995 ASUS became the world's top innovative motherboard producer and it launched its first Intel Pentium dual-socket ASUS motherboard, the PCI / I-P54NP4. ASUS chairperson, Jonney Shih, also brought in technical experts to develop & design innovative technology for computers, smartphones, and other application-specific integrated circuits (ASICs) and multimedia devices.

At the beginning of the millennium, ASUS came up with numerous new revolutionary ideas. In 2005 the company launched its first laptop with a rotating webcam. In 2006, ASUS brought in a unique sub-brand for its high-end performance centric products called Republic of Gamers (ROG). This year ASUS has also controlled 33% of the global



market share with the title of number 1 motherboard brand in the world. Additionally, ASUS brought personal mobile computing to the world, namely the ASUS Eee PC and received several awards for it.

In the 2nd decade of the 21st century, ASUS strived to make a positive impact on local and global communities with its continuous efforts in technology. Up to date, ASUS is still developing its products which focus on developing smartphone gaming as it is aware the potential for gaming world. In short, ASUS is a company inspiring by presenting innovations that can simplify the lives of its consumers.

The area of marketing and strategies ASUS Computer Inc. is attracting increasing attention because technological developments help people in creating an effective and efficient life. In this regard, ASUS is the first company which has pioneered technological developments by continuously releasing new technological innovations at a rapid pace. Along with its amazing record of accomplishment, this study explores how changes in ASUS' development of marketing strategies to enter the international market share.

ASUS has a wide variety of product lines including motherboards and graphics cards, monitors and projectors, desktops, laptops, mobile phones, tablet PCs and workstations. With this, ASUS 'strategy in marketing its products must be in the right market segmentation because it has a diverse product mix. It exists in 40 countries around the world with 16,000 employees. ASUS has also implemented a price penetration strategy that gives its products a distinct advantage to enter the market, since technology is a price-sensitive game. Many customers are attracted to lower prices yet of comparable quality to other products.

Cost advantage is one of ASUS 'strategies in marketing its products. In addition, ASUS creates marketing campaigns that focus on target age groups, such as laptops which are marketed to student groups, professional workers, and home users. ASUS continues to make its latest innovations. Currently, its flagship products owned are graphic cards (VGA), smartphones and laptops. Recognizing market opportunity in gaming, ASUS also focuses on its product specifications for gaming.

The product line of AsusTek Computer Inc. consists of computer and phone hardware, and electronics products. Laptops, tablets, desktop computers, smartphones, motherboards, graphics cards, sound cards, servers, computer displays, DVD discs, computer networking devices, personal digital assistants (PDAs), computer cases, computer hardware and computer cooling systems are also manufactured by the company.

There are dozens of models of motherboards currently available. Asus has a series of its Laptop offerings, such as VivoBook Series, VivoBook Flip Series, VivoBook Gaming Series, Republic of Gamers (ROG) Series, ASUS TUF Gaming Series, ZenBook Series, ZenBook Flip Series. Asus Smartphones that are currently available in the markets are Asus ROG phone II & III, 6z & 5z, and Zenfone Max series.

ASUS is continuously making efforts to be an integrated 3C (Computer, Communications, Consumer Electronics) IT solution provider offering technologies. Through a passion for technology, an emphasis on perseverance, long-term relationships and quality, ASUS aims to accomplish its goal by keeping on investing in revolutionary research and development. With individual's and organization's combined

efforts they can produce leading-edge technologies. Furthermore, consistency is of the utmost importance. To ensure consumers achieve the highest quality solutions cost-effectively, they continue to improve the quality control processes. Quality control is highly crucial to belittle the issues of product's unsafety (James et al., 2019).

ASUS believes in rising at all levels with its partners, either consumers, media, shareholders, or users. Maintaining good ties with key collaborators is one of the most pertinent factors for sustained performance. The same sense of mission is felt by all ASUS workers. Under pressure, they excel without losing motivation and positively face challenges. They strive to fulfil the same goal of inspiring individuals with creative IT solutions.

Tech giants, like ASUS, operate in a macro environment which remains stable as they demand productive business operation. However, if the macro environment imposes certain threats such as unstable government policies or high taxes, it could lead the organization towards uncertain and dangerous situation. Business operations of global players such as ASUS may get affected when there is a potential threat such as complex government policies or adverse economic conditions.

The concern towards environment change, even though ASUS is not in an energy-intensive industry, still carries a "no regrets policy" and wields its influence on the IT industry in terms of climate change alleviation. Besides, it is healthier for organizations to operate in locations or environment with accessibility of high technology and are well developed.

SWOT Analysis

STRENGTH <ul style="list-style-type: none"> • Well-known brand • Big market share • Best manufacturer in the world • Cost opportunity • Environmentally friendly (eco-friendly) 	WEAKNESS <ul style="list-style-type: none"> • Lack of scale • Poor marketing • Controversies
OPPORTUNITIES <ul style="list-style-type: none"> • Rapid market growth of smartphones and laptops • Growth in internet • Increase in computing market • Differentiation and marketing 	THREATS <ul style="list-style-type: none"> • Decreasing demand • More competitive market that can do better manufacturing • Decline profit margins

The first objective is to determine how ASUS could be the most successful computer technology company in the world. Chang and Taylor (2016) stated the product creation refers to the process of transformation of a business demand into a product available in the market. It is a system that adds to the dispatch of innovative items into the market as a reaction to advertise openings by legitimately incorporating a progression of the events. ASUS has become one of the most renowned and worldwide selling computer technology company that meet their customer needs with their new product development.

According to Schilling and Hill (1998) for a business to be effective in producing new goods, it must concurrently fulfill both main objectives, which are optimizing revenues from consumer demands, and reducing time on the market. ASUS also implement decent development strategies which works both long and short term in penetrating the market to satisfy customer expectations while retaining an emphasis on profitability and market sustainability. To maintain its original products competitiveness, companies are compelled to ensure that product creation developments such as thinking process, frame working, trial and error as well as launching are deliberately and consistently fulfilled (Claudy et al., 2016; Roy et al., 2017; Yoon & Rim, 2018). ASUS also has created a vast networking for their dealers to develop their new product.

Lau (2011) argued that dealers are one of the most crucial group of investors in the process of new design creation. The interlace with customers provides useful feedback on customer buying and consumption behavior. This is due to the presence of vendors in the beginning of the creation development process makes better primary access to innovations, more streamlined coordination and quicker problem solving, which, consecutively, will improve efficiency and speed (Parker et al., 2008). These effective development strategies surely will provide financial stability that ASUS needed to sustain the company in the competing situation with other companies such as HP, Acer, Samsung and many more. Cheng and Yang (2019) stated that efficient product development practices (PDPs) help as procedures of strategic approaches, especially in a multi-player market.

The second objective is to examine ASUS marketing strategy. Varadarajan (2020) defined marketing strategy as overall game plans of organizations to achieve prospective leads and to turn them into buyers of products or services. He added that to create, connect and deliver value to customers in exchange for the business and other objective achievement, a marketing strategy consists of an interlinked set of decisions needed to enable the company to make critical choices regarding marketing activities in selected markets and segments.

ASUS is popular with its marketing strategies as it delivers great key brand, extraordinary value, top notch performance and quality products. Furthermore, ASUS marketing approach also have been aggressively penetrating the market which covers all elements of customers and other companies.

Another technique a company can use is to pursue marketing developments, including a customer-centric marketing approach and a constructive customer relationship management approach (Sun et al., 2006). With the decent marketing strategies implemented in the market, ASUS manage and successfully persuade its customer and their potential customer to improve their sales, provide financial stability and compete with their competitors. Organizations should focus on the available resources and find the ways to make full use of them. To generate sales and boost the competitive edge, ASUS also have used this countless approach, which is marketing mix, which can be divided into 4P's, comprising product, price, place and promotion. It is highlighted as their company goals is to boost their marketing sustainability and increase their potential customers worldwide.

ASUS also has opened a partnership with other big companies, such as Unit and many more, through their ASUS Business Partner Program which others tools for more efficient

promotion and sales of ASUS commercial goods. Businesses built on long-term and with trustworthy customer partnerships can also continue to establish value-added marketing strategies, create strategic advantages, and lead to superior performance.

RESEARCH METHOD

For any research to be successful and have correct results and conclusions, there needs to be a good research methodology for research and gathering relevant data. This research collected two types of data, primary & secondary data. The primary data consist of a collection of fresh data obtained from several ways including questionnaire, surveys, and interviews. Secondary data is the one that has already been collected journals, articles, magazine, websites, and forums.

To gather primary data from the existing ASUS customers, we have developed a questionnaire distributed the ASUS customers to determine their experience with the company and based on what factors they made their buying decision. This will give us an overview of how ASUS markets its product. We also conducted interviews with a few of customers to get a better insight of what kind of relation ASUS has with its customers. In addition, we interviewed the salespeople at several ASUS stores or other general electronic stores to find out how they demonstrate ASUS products to customers, how they react to, and some major factors that make them choose any other competitor's products. This gave us valid and accurate information to provide a significant base to the research, supported with the secondary data collected from various sources.

In addition, we have conducted an online literature study to collect secondary data to find written references, including journals, books, newspapers, and website articles, due to the covid-19 outbreak. We also browsed Asus official website and tech forums to support our research.

Using the information collected by both the primary and secondary methods, we will drive out accurate results and analyze the ASUS marketing strategies, where they perform good and where they still lack behind.

RESULTS AND DISCUSSION

The response from ASUS customers gave a lot of insightful information for the analysis of ASUS' market approach and customers response to their current standings. A total of 112 responds of Asus product users and non-users were collected. The respondents came from India, Malaysia, and Indonesia. Though the data collected were from Asian countries, however they are generally acceptable to provide details for a worldwide scenario. Some of the basic information are presented at the following figures.

Have you ever used or are you currently using any Asus Product?

112 responses

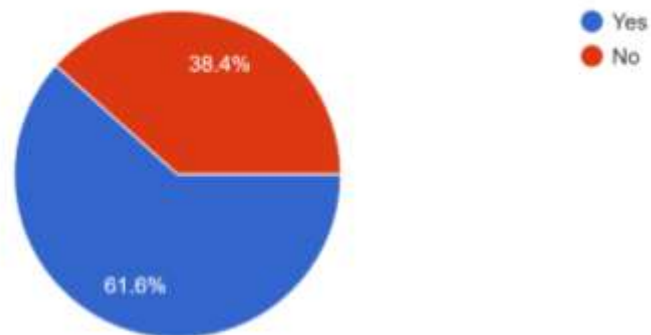


Figure 1. Respondent's Experience

Age :

112 responses

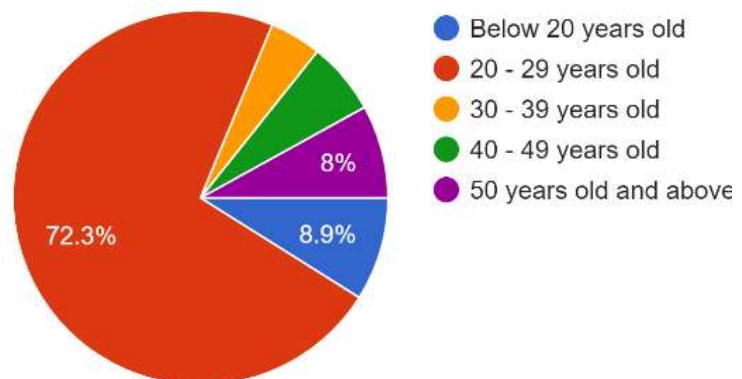


Figure 2. Respondent's Age

Occupations :

112 responses

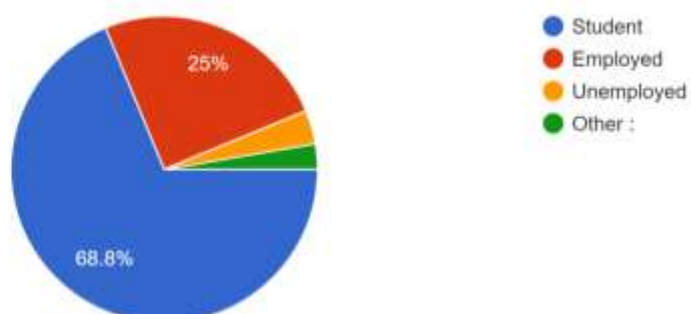


Figure 3. Respondent's Occupations

Figure 1 describes that out of 112 respondents, 69 have used or are currently using ASUS products and 43 have never used any ASUS products and have no experience with ASUS. Most of our respondents came from age 20-29 (71%) and the rest are above 30 years old (see Figure 2). Figure 3 shows that 68% of the respondents were students, 25% are employees, and the rests are unemployed and other occupations.

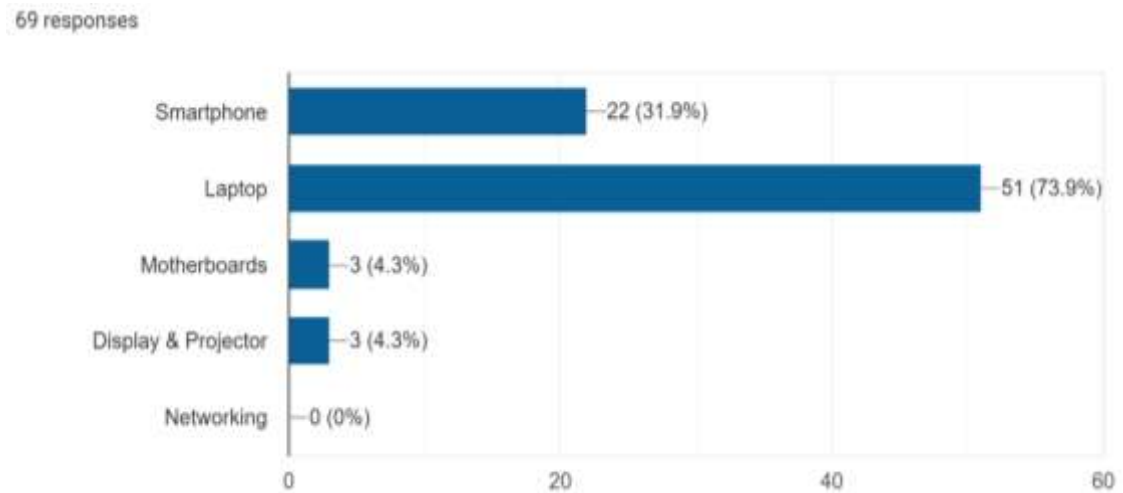


Figure 4. Respondent most Used Products

Figure 4 show that among the 69 respondents using ASUS products, most of them (73.9%) used ASUS laptops. This is due to the fact that ASUS is mainly known as a multinational computer company where they produced highly-demanded and well-favored laptops such as ASUS VivoBook and ASUS ZenBook Flip. Asus smartphones stood second the respondents mostly used (31.9%). ASUS smartphones are best at gaming with an affordable and reasonable price. The least favored ASUS products are motherboards, and displays and projectors, in which six (4.3%) respondents respectively used these products.

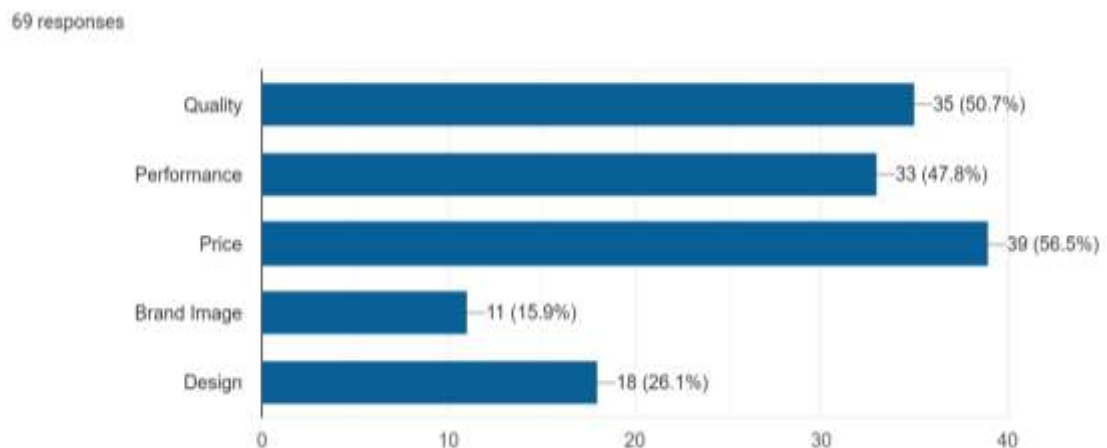


Figure 5. Respondent's Reasons to Buy ASUS Products

Figure 5 illustrates that the majority of respondents (56.5%) opted price as the main reason to purchase ASUS products. Its affordable laptops and smartphones compared

with other brands such as iPhone, Samsung, and Huawei could be the ground. The second reason is quality (50.7%). This implies that ASUS provides excellent quality as well as beautiful design. In addition, ASUS earned 36 out of 40 and 5-star rating of Editor's Choice for its quality product. Performance is the third reason by 47.7%, and design is 26.1%. A small number of respondents (15.9%) preferred brand image.

69 responses

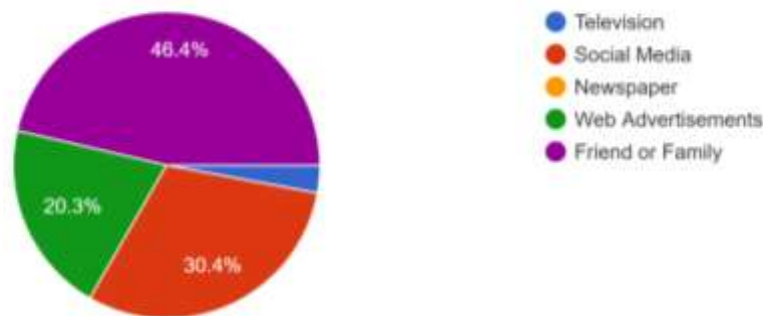


Figure 6. How Respondents Know ASUS Products

Figure 6 signifies that 46.4% of respondents knew ASUS products from their friends and families. This obviously emphasizes that friends and families are the major source from which perspective consumers know ASUS products. Social medias and web advertisements are the other source from which respondents know Asus products (30.4% and 20.3% respondents respectively). This clearly suggests that online platforms such as social media and web advertisement are important platforms to spread the information of ASUS products to the public in these modern days. Lastly, the least percentage of the respondents (2.9%) chose television.

69 responses

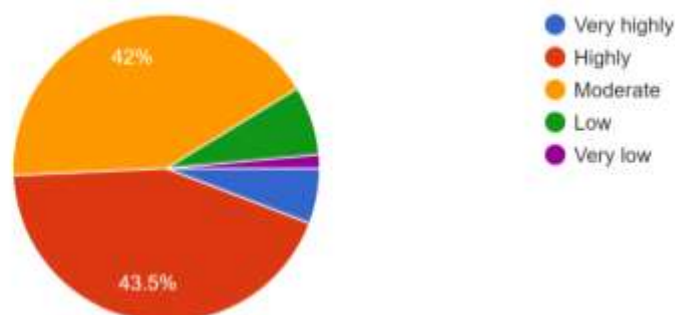


Figure 7. The Effectiveness of ASUS Advertisements and Promotions

Figure 7 shows 5.8% respondents highly agreed that ASUS advertisements and promotions are effective. There are 30 respondents (43.5%) highly agreed that company's advertisement and promotion attracted them to buy ASUS products. These signified user's positive feedback and that the advertisement and promotion effectively and successfully attract them. In addition, 42% of the respondents moderately agreed on the way that ASUS attracts its customers towards their products. Additionally, Figure

7 shows that there are 7.2% respondents lowly agreed and 1.4% respondents highly lowly agreed to the question. Though it needs further improvement, this leads to a conclusion that the large number of respondents agreed ASUS promotions and advertisements are effective and successful to continuously getting their more positive feedbacks in the future.

69 responses

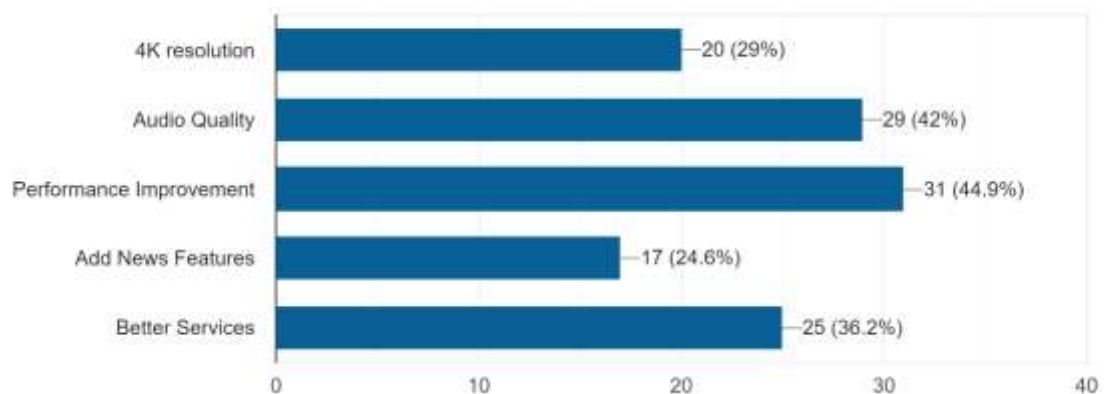


Figure 8. Ways ASUS can Improve

Figure 8 shows that the most chosen way ASUS should improve is performance (44.9%). It is highly beneficial to capture people's attention by quality-enhancing and productivity-improving features such as factory color calibration, QuickFit Virtual Scale, and Splendid Video Intelligence Technology. Secondly, it is audio quality (42%). ASUS has collaborated with Dirac Research to enhance the audio quality of its upcoming devices. Better services and 4K resolution (36.2% and 29% respectively) are the next aspects respondents chose. The smallest responds is news features (24.6%), implying that this does not call their attention.

The existing customers suggested ASUS to bring new wider range products more frequently to the market. In addition to simpler ads in any media, frequent commercials all over TV highly will make its promotion messages vividly conveyed. They also advised to make the prices affordable and budget friendly.

Among the 112 respondents, there were 43 respondents said that they were not using ASUS products. Most of them (74.4%) said they knew ASUS and its products, while the rest 25.6% did not know ASUS or its products.

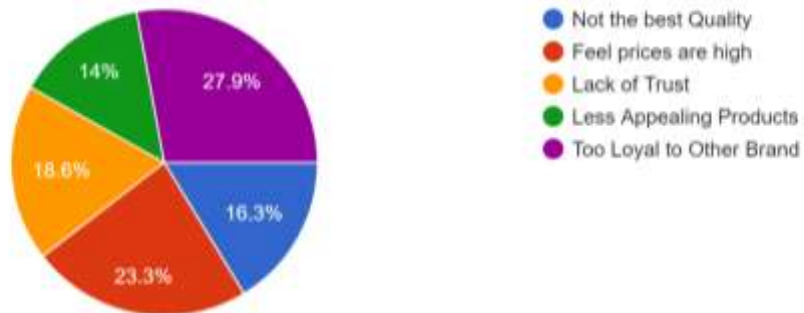


Figure 9. Respondent's Reason for not Choosing ASUS

Figure 9 indicates, out of the 43 respondents, 27.9% respondents were too loyal to other brands since they were not exactly sure about ASUS product quality. Over-price the reason of 23.3% of respondents, while the 18.6% respondents expressed their distrust of ASUS products. In this case, ASUS does share some of its products such as ASUS ZenFone smartphones with slightly more affordable price than competing brands. ASUS ROG smartphone products, laptops, motherboards and graphics cards are exclusively manufactured for other segments for its special specifications. Meanwhile, 16.3% of respondents thought ASUS products were not of the best quality and the rest 14% thought the products were less appealing.

Lastly, the respondents were asked to offer several suggestions for Asus improvement. They highlighted product design (7%), advertising (4.7%) and campaign (4.7%). In another part, some people talk about quality and technology, price reductions or discounts (see Figure 10).

What should ASUS do that would attract you buy ASUS Products

43 responses

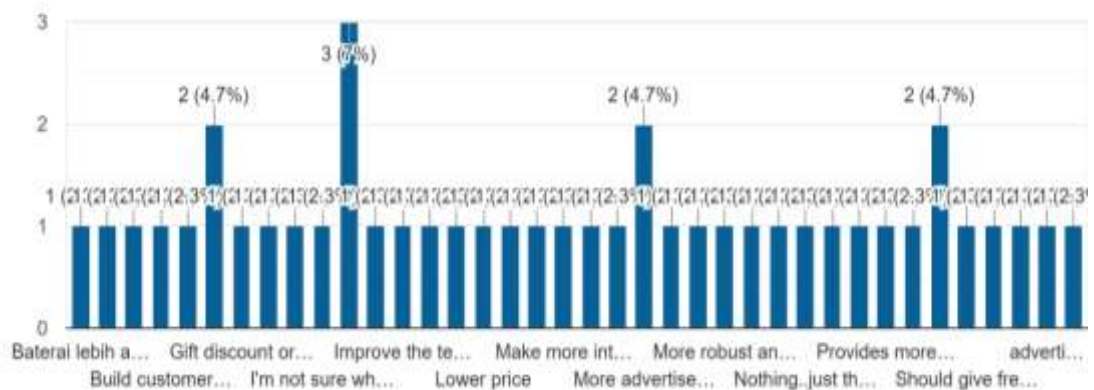


Figure 10. Respondent's Advice for ASUS improvement

CONCLUSIONS

After analyzing and studying the data collected from various sources, we have concluded some key points. ASUS has earned good reputation in public perceptions. However, to maintain their customers and expand their realm in the technology industry, Asus needs to increase consumers' product awareness. The products were targeted to tech-savvy and knowledgeable consumers, to grow and capture a larger share of the market, however, their advertisements need to be generalized and understandable to everyone. They should make their product technically savvy and futuristic - not the advertisements.

ASUS is one of the Industry leading brands for its performance and specifications. However, if they focus a little more on customer relationship management, their work will be of more value as then it will be acknowledged and proved by their customers. This will eventually create customer loyalty.

ASUS has the chance to empower their marketing and up thrust their selling. We suggest that ASUS could develop further by creating more new products to surpass its competitors. The problem of having a limited variety of offerings leads to a narrow range of choice which is not good for the brand. Introducing more products will also mean widening the range of products, which will give an opportunity to offer products for different budget segments. Currently, Asus does not offer a lot of accessories which are highly required by customers and for which customers have no other choice but to look for other brands. It eventually makes them completely switch to a brand that offers a full package and offers supported accessories of their own.

With the excellence it holds for creating innovative and futuristic hardware and their expertise in motherboards and chips, Asus can work on creating certain futuristic products to fulfill the need of the hour, like due to Covid 19 pandemic, a lot of operations had to be shut down, making product like AI drone could make a revolution and turn these tough times into a lot easier one. ASUS could launch an AI drone providing various advantages such as transportation, healthcare, manufacturing and many more. Considering ASUS's great market share and significant growth so far, there are still a lot of possibilities that can make a change and push it to being the no.1 tech giant all over the world.

REFERENCES

- Chang, W., & Taylor, S. A. (2016). The effectiveness of customer participation in new product development: A meta-analysis. *Journal of Marketing*, 80(1), 47-64.
- Cheng, C., & Yang, M. (2019). Creative process engagement and new product performance: The role of new product development speed and leadership encouragement of creativity. *Journal of Business Research*, 99(C), 215-225.
- Claudy, M.C., Peterson, M. & Pagell, M. (2016). The roles of sustainability orientation and market knowledge competence in new product development success. *The Journal of Product Innovation Management*, 33, 72-85.
- Emrouznejad, A., B. R., & Parker, et al. (2008). Evaluation of research in efficiency and productivity: A survey and analysis of the first 30 years of scholarly literature in DEA. *Socio-Economic Planning Sciences*, 42(3), 151-157.
- James, M. M. A., Kee, D. M. H., Xian, T. H., Han, K. C., Ching, K. K., & Alshammari, M. S. (2019). Johnson & Johnson's product safety issues and ways the company can

- address those issues. *Asia Pacific Journal of Management and Education*, 2(3), 7-18.
- Lau, A.K.W. (2011). Supplier and customer involvement on new product performance: Contextual factors and an empirical test from manufacturer perspective. *Industrial Management & Data Systems*, 111(6), 910-942.
- Roy, S., Modak, N., & Dan, P. K. (2017). Product quality as factors and measures for new product development success in Indian manufacturing industries. *Materials Today*, 4(2), 1385-1393.
- Schilling, M. A., & Hill, C. W. L. (2016). Managing the new product development process. *Academy of Management Perspectives*, 12(3), 67-81.
- Sun, L. Y., Aryee, S., & Law, K. (2007). High performance human resource management practices, citizenship behaviour, and organizational performance: A relational perspective. *Academy of Management Journal*, 50, 558-77.
- Varadarajan, R. (2020, April 16). *Customer information resources advantage, marketing strategy and business performance: A market resources basedresources-based view*. Retrieved from <https://www.sciencedirect.com/science/article/abs/pii/S0019850120300389>
<https://www.sciencedirect.com/science/article/abs/pii/S0019850120300389>
- Yoon, E., & Rim, H. (2018). Timing of market entry for new products: An exploratory case study of the success factors for pioneering and following. *Association of Marketing Theory and Practice Proceedings 2018*, 6.