

# Competition Based on Marketing Resources

Catch-up Strategies of South Korean Firms in China

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**Abstract** The purpose of this article is to examine the development process of marketing-resources-based competition in the Chinese market by using three case studies of South Korean firms: Samsung, LG, and Hyundai. This study first asks how Korean firms were able to develop a strong market position in China despite their inferior technology relative to Japanese firms and their late entry into the Chinese market vis-a-vis Japanese, American, and European firms. The second question is how Korean firms were able to overcome the challenges of fierce price competition in China and, in particular, how firms were able to evade confrontation with the Chinese firms. In this article, the strategies of latecomers in the global competitive market will be examined. The process of market entry and market position establishment by Korean firms in China will be described. This article also shows how the firms develop branding and marketing communication strategies. Product development capabilities with speed and differentiation are the basis of Korean firms' competitiveness in the Chinese and global markets. The conclusion posits the major findings within the perspective of marketing-resources-based competition and discusses the implications and limitations.

**Keywords** latecomer, marketing resources, catch-up strategy, branding, relationship management

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The purpose of this article is to present an empirical study of three Korean firms—Samsung, LG, and Hyundai—to examine marketing-resources-based competition in the Chinese market. Korean firms have emerged as international competitors in the Chinese market since 1990. This study first asks how Korean firms, as latecomers in China, were able to develop a strong market position in China despite their technological inferiority relative to the Japanese. The second question is how Korean firms were able to overcome the challenges of fierce price competition in China and, in particular, how firms were able to evade confrontation with the Chinese firms.