

Executive summary

Tom Lee Music Hong Kong was founded in 1953 by Thomas T.V. Lee, a Hong Kong-based music retailer. Tom Lee's music provides many different goods and services to clients, encompassing AV installation, renting, sales and distribution of musical instrumentation, as well as music courses. This article is to study the situation analysis of Tom Lee, STP and the influence of advanced technology in future marketing plans.

There are many opportunities in the current musical instruments retail market, however the threats from external environments exist. Tom Lee Music Company ought to be positioned as Hong Kong's musical jewel. In the world of musical instruments, the Tom Lee Music Company is a pioneer in both technology and invention, with a distinctive West Coast aesthetic.

Following are the recommendations and methods forward with the company in connection to the major areas of the marketing strategy. Emphasize the excellent service and support offered for the music. To win over new customers, the company should aggressively point out the shortcomings of the competition. Target customers who have been driven away from the market as a result of the indifference of local dealers.

Contents

1a. Overview of the industry	3
1b. Background of the Tom Lee Music company	4
2. Situation analysis of the Tom Lee Music Company	5
2.1. Mission	5
2.2. Vision	5
2.3. SWOT Analysis	6
2.4. Analysis through Porter's five forces	8
3. The Tom Lee Music Company's strategies for segmenting, targeting, and positioning:	10
3.1. Segmenting	10
3.2. Target Customers	11
3.3. Positioning	12
4. Success of the marketing mix that is utilized to target its market	12
5. Future technology advancements in the field of marketing that might affect the company and the execution of its marketing strategy	15
6. Recommendation	16
7. References	18

1a. Overview of the industry

Hong Kong, China is the largest maker, user, and supplier of musical instruments; approximately 60 percent of musical instruments sold worldwide are produced in Hongkong, China. However this sector has been witnessing quick development in recent years, almost 50% of the instruments made in Hong Kong are medium to low-level items.

Exports of luxury brands make for the majority of China's high-end musical instrument sales, with most of China's domestic production concentrated in the mid-range and mainstream segments. Small and medium-sized businesses make up 96% of China's musical instrument and related manufacturing market, which is composed of 6,000+ producers (Beygiyazdi, Nayeبزadeh and Davoodi Roknabadi, 2018).

Musical instrument retail networks in Hong Kong, China, are highly dispersed, but established international and domestic players, such as Pearl River and Yamaha, still influence the piano and violin sectors.

More and more international companies are setting up production bases in Hong Kong, China, in response to increasing prices of imported and foreign-branded musical instruments. High-end and mainstream market segments are expected to face increasing competition as leading domestic and Japanese and Korean brands seek to move upmarket and manufacturing costs in China continue to rise.

As a whole, Hong Kong's musical instrument industry is shifting toward higher-end products and better quality, while the unsure international trading conditions and the impact of artificial intelligence pose challenges and opportunities for the industry (Beygiyazdi, Nayeبزadeh and Davoodi Roknabadi, 2018).



1b. Background of the Tom Lee Music Company

Tom Lee Music Hong Kong was founded in 1953 by Thomas T.V. Lee, a Hong Kong-based music retailer. As of 1969, Tom Lee Music Canada was established as a separate entity from the Asia division. Canadian headquarters are based out of Vancouver, British Columbia. Hong Kong and Macau each have one Tom Lee Music Asia outlet. One of South East Asia's leading retailers of musical instruments and accessories, the 35,000-square-foot flagship store in Tsim Sha Tsui stocks everything from pianos and guitars to amplifiers and percussion instruments to electronic keyboards and music magazines. The Yamaha Music Program is also available at Tom Lee Music. Hong Kong's official dealer of Yamaha musical instruments and audio equipment was Tom Lee Music. Tom Lee Music and Steinway Piano Gallery are the names of the company's 12 locations in Canada. The company's slogan is "Think Music! Think Tom Lee!" (Blanc and Huault, 2019).

Professional recording equipment is also sold by Tom Lee Music, in addition to musical instruments and music publications for classical and popular music genres. Musical instruments, as well as audio equipment, can be repaired and maintained by Tom Lee Music in Hong Kong. In 2009, they were awarded the ISO 9001:2008 QMS certification for their service. Located in Olympian City, Tom Lee Music Studio is part of the Tom Lee Music Academy. Musicians from all genres have recorded there, including solo performers as well as bands. 7 to 10 people can fit in the space, making it perfect for rehearsals and recording sessions. Among the events organized by Tom Lee Music in Hong Kong include the Yamaha Asian Beat Band Competition and Soundbase Acoustic Band Competition, "Tom Lee Music Plaza" at Tsim Sha Tsui waterfront, different piano contests, and music instrument workshops, as well as "Tom Lee Music Plaza." (Blanc and Huault, 2019).



2. Situation analysis of the Tom Lee Music Company

Tom Lee's music provides many different goods and services to clients, encompassing AV installation, renting, sales and distribution of musical instrumentation, as well as music courses. On top of that, Tom Lee Music Company is manufactured in-house (Chu, Lee, Lee and Yoo, 2012).

2.1. Mission

The company's mission is indeed to raise the awareness of the music but to improve the creative community by producing special projects, creative exchanges, collaborations, programs for students, community programs, and engagements that further the artistic type (Canada's Largest Full-line Music Store | Tom Lee Music, 2022).

2.2. Vision

The company's vision spans a wide range of jazz, blues, international, creative, and improvisational music, including new types of jazz and the advanced multimedia that affect jazz as an artistic medium (Canada's Largest Full-line Music Store | Tom Lee Music, 2022).



2.3. SWOT Analysis:

Strength	Variety of revenue streams from diverse product lines. The design of musical instruments is cutting-edge and distinct from that of its rivals. High-quality components and wood from a nearby farm. Superior functionally. Powerful amplifying and electrifying capabilities Consumer sales and technical personnel that are well-versed in their fields. The production process is fast.
Weakness	A high variety of goods and services supplies Lee's, perplexing position in the market environment for music instruments. Restricted cross capability or sharing of resources and skills with various goods and services: AV equipment vs. musical instruments. Only six Music instrument distributors in Western Canada are selling the instruments. Data about the demographics of the target market is limited. Planned or unplanned promotions are missing.
Opportunity	Participation in the Young Entrepreneurs Competition allows for national visibility. Instruments of Music: Unmet Need

	It is predicted that the overall market will rise by 3% per year (potential increase in demand going forward) CDN's equipment rental business is thriving. To foster customer loyalty and increase up-selling opportunities, in-store customers should expect a longer purchase process that includes many points of contact (four to six totals).
Threat	Competitive pressure from "big box" corporations on a low and mid-range product market. In Hong Kong's high-end guitar market, there is direct competition. Due to the economic slowdown (2019/2021 financial crisis due to covid), customers are focusing on lower-priced instruments but are still evaluating high-end products Many people shop for musical equipment online. Customers' purchasing decisions are influenced by online information even before they have held a guitar in their hands.

(Herzog et al., 2020).

2.4. Analysis through use of Marketing Toolkit



Marketing techniques must be used to better understand Tom Lee Music's current position in the market, as well as how to successfully price, place, and promote the product.

Porter's five forces

Porter's Five Forces will be used to analyze Tom Lee Music to determine the level of competition in the music manufacturing and sales sector (Herzog et al., 2020)

Competitors' Rivalry Currently Existing

Competitors include but are not limited to Parsons Music and Hong Kong Ukulele Store, as well as other Hong Kong Strings Limited.

Parsons Music and Hong Kong Strings Limited are Tom Lee's two most formidable rivals in the industry. Because of the perceived innovation in the market, the competition between Parsons Music and Hong Kong Strings Limited is fierce. Innovating and customizing its musical instrument designs, Tom Lee has set itself apart from the competition (Herzog et al., 2020)

Potential Entrants

Tom Lee Music Company is in a stable position to ward off pressures from newcomers. Tom Lee Music Company has copyright (pending) on their unique music device technology and design. They also have an edge over newcomers due to the relatively high learning curve connected with locating and manufacturing high-quality instruments and music services.

Buyers

People in this situation are harder to understand. In terms of where individuals buy their musical instruments, they appear to have a wide range of options, including internet, chain, and

independent establishments. Buyers, on the other hand, do not have low switching costs, so Tom Lee Music Company would likely have repeat clients or loyal the brand buyers buying two or more instruments, as the average player appears to do if they could concentrate on their distinction from a provider point of view as well as technological advance (Herzog et al., 2020).

Suppliers

Despite the plentiful availability of the instrument's raw material, Tom Lee Music Company should be concerned about the bargaining strength of its suppliers. For the sake of protecting its unique selling proposition and ensuring its long-term viability, Tom Lee Music Company should talk to a small group of Hong Kong-based suppliers to ensure that they are given precedence over competing music instrument manufacturers.

Replacements

For the music instrument sector overall, the threat of alternative items is relatively low. There are music systems based on video games, but these aren't a good option for people who want to play high-quality, cutting-edge instruments. A cheaper alternative for people who want to study a musical instrument shortly would be these low-cost basic music instrument versions (Lee, 2002).

Compliments

However, Tom Lee Music Company's amplified and electrified instruments are complementary to other sound equipment, making their purchases less dependent on complementary products.

Tom Lee Music Company has a unique feature: music lessons are offered as a complimentary service. If there is sufficient interest, local musicians and possibly members of more well-known bands could offer classes for more advanced students or experts (Lee, 2002).



3. The Tom Lee Music Company's strategies for segmenting, targeting, and positioning

3.1. Segmenting

Segmenting the musical instrument industry is fairly hard due to the range of brands, pricing, and points of differentiation. Based on the total brand technology and product classes, segments, and variations, we can describe the marketplace in which Tom Lee Music Firms compete by the following: Music Device > acoustic > China made > high innovation viewpoint.

For Tom Lee Music Company to achieve its long-term objective of being a world-famous instrument manufacturer, they need to appropriately segment the market to efficiently gain brand image and brand loyalty. For Tom Lee Music Company, it would be preferable to divide the market focus on the target customer for each of their distinct models (Martin and McCracken, 2001).

Traditional Segment

Demographics

Maturity level: 18-55 years old

Earnings: \$45,000-\$60,000

Sex: 65% male, 35% female

Curriculum: Undergraduate degree or higher

Relationship Status: Married or single.

Psychographics

Current model players highly value a classic appearance. They value the sound and excellence of the instrument over the visual beauty. Music is an essential pastime of theirs and they wish to be capable of playing a selection of sounds for extended periods (Martin and McCracken, 2001).



The segment of the Artisan

Demographics

Maturity level: 18-55 years old

Earning: \$65,000-\$85,000

Sex: 70% male, 30% female

Curriculum: Undergraduate degree or higher.

Relationship Status: Married or single.

Psychographics

Artists who want a bespoke instrument but cannot afford a fully customized instrument are referred to as "Artisan players". They identify themselves as "rock stars" or "instrumentalists." Creativity, individuality, and uniqueness are important to them. Some of these customers are semi-professional classically trained musicians who are looking for something unique to represent their individuality (Martin and McCracken, 2001).

3.2. Target Customers

Nonnegotiants, hobbyists, and semi-professionals will be the primary customers of Tom Lee Music Company. The demographics would most probably be college graduates, particularly, those participating in music-oriented universities. Because they are more willing to try new things, people in their twenties and thirties are an ideal target demographic for creative musical instruments. In addition, Tom Lee Music Company would be well-suited to attracting customers that place a high value on locally-produced goods and independent artists' work. Largely, the

target market for the Tom Lee Music Company will be folks from the low-middle with even high average earnings who are enthusiastic about music instruments and music (Srivastava, 2012).

The target market for this company should be people aged 18 to 55, with a particular emphasis on those who are just getting into the musical instrument genre and are searching for models that are both affordable and inventive, while also delivering high-quality sound and aesthetics. While targeting musicians could seem like a good idea, it is not because artists want an exclusive customer experience that necessitates more attention and results in lower profit margins that this is a good idea (Srivastava, 2012).

3.3. Positioning

Tom Lee Music Company ought to be positioned as Hong Kong's musical jewel. In the world of musical instruments, the Tom Lee Music Company is a pioneer in both technology and invention, with a distinctive West Coast aesthetic influenced by the company's Hong Kong-born employees and a rich, full sound produced by the meticulous handiwork that goes into each (Srivastava, 2012).

4. Success of the marketing mix that is utilized to target its market

The marketing mix is the combination of manageable, strategic promotional tools that a Tom Lee Music company uses to create an ideal response from the target sector.

The four Ps of Marketing

product, price, place, and promotion

Product and Services

Tom Lee Music organization has established itself by giving a distinctive quality musical Instruments that would match the demands of those starting to figure out how to play musical instruments and passionate musicians equally. Furthermore, they will also provide complete assistance, on-site maintenance, and personalization in our partner's retail outlets.



Product guarantee

Customer satisfaction is of crucial significance in the music business. Hence, it is advisable to give a limited period of money refund assurance during the first year of Code breaker purchase. Approximately 5 percent to 6 percent of retail purchase is refunded within that period making funds refunded promise to be an actual possibility³² (Trojanowski, 2014)

Pricing Strategy

A highly competitive guitar music market awaits Tom Lee Music Company. Parsons Music and Hong Kong Strings Limited are the two market leaders. Electric guitars made by these businesses have a long history, but their entry-level models cost between \$600 and \$1500 and their high-end models cost over \$15,000 or more. As a result, new entrants to the market have a chance for success. However, contrary to certain other product lines, music instruments are regarded as an investment instead of a good, and prospective buyers link heavy costs with excellent quality. Hence, creating brand equity is vital for success in targeting the consumer base (Trojanowski, 2014)

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Tom Lee Music Company will use competitive prices and valuation pricing to join the music retail market. Starting at \$300, the company decides to offer entry-level instruments that would go up in price as personalization and material costs rise, giving the merchant an approximate 30 percent profit margin. This method makes high starting instruments affordable for newcomers and existing musicians striving for consciousness (Trojanowski, 2014).

Place Strategy

Clients will be able to walk into the shop to have personal knowledge of the product and also participate in direct marketing. A specialized distribution channel will benefit Tom Lee Music Company with decreased expenses, real presence, and management over customer satisfaction, and boosts brand recognition as is being supplied by a known merchant in the musical instrument sector (Trojanowski, 2014).

Promotions Method

The primary advertising aim is to increase knowledge among present and potential musicians and to convince the consumer-based Tom Lee Music Company delivers a premium product and individualized customer care. Exposure is the key to earning sales and market share equity in the minds of the target consumers.

The various advertisement networks are including:

Webpage

Social Networking sites

Event marketing

Sponsorship deals / collaborations

(Trojanowski, 2014).



5. Future technology advancements in the field of marketing that might affect the company and the execution of its marketing strategy

The implementation of advances in marketing plans notably concerning technology affects the Tom Lee Music Company extremely favorably.

Marketing has been altered by technological advancements, which have made campaigns more personable and immersive for consumers, as well as more connected and focused for advertisers. And it's not simply the interface among consumers and brands that has been changed. Technological innovation in marketing has entered the infrastructure and processes on which firms are constructed, the best sources for purchasing, and contributing to the bottom line (Warrink, 2018),

Following marketing tools, methods, and tactics should be implemented for future technological breakthroughs in marketing:

Chatbots

Chatbots may communicate with customers directly and understand complex requests such as customer support and brand management. They can answer a customer's complaints or issues, address the situation or guide them through the correct channels. This could find a user's desired product on the website (Warrink, 2018).

Influencer marketing

In the past decade, social media marketing has exploded. Our target market uses Facebook, Twitter, Instagram, and LinkedIn. New platforms spawned new strategies. Influencer marketing pays somebody with a massive following to advertise a brand, service, or cause. This individual can be a famous person or gain a social media following.

Information Collection and Analysis tools

The programs don't only obtain personal information (and more), but they analyze it. They can inform you exactly how successful an ad is — its range, exchange rate, and the kinds of people that it was effective with. The more data they acquire, the more focused the future projects can be (Warrink, 2018)

6. Recommendation

Tom Lee Music Company provides the greatest musical equipment and learning to the Hong Kong SAR and Macau SAR areas. From pianos to guitars, symphonic items to sound systems gear, clients will discover all their musical requirements at the company's outlets. Their Marketing slogan is Think Music! Think Tom Lee! (Yang, Huang, Yang and Lee, 2014)

Following are the recommendations and methods forward with the company in connection to the major areas of the marketing strategy.

Emphasize the excellent service and support offered for the music.

To win over new customers, the company should aggressively point out the shortcomings of the competition.

Target customers who have been driven away from the market as a result of the indifference of local dealers.

Clients should be educated, and their requirements should be respected. Take care of these requirements to keep them coming back.

Give the customers the impression that Company Management is excited and enthusiastic about music.

Always, always make sure to separate the items and services your firm offers from those of the Company's competitors (Yang, Huang, Yang and Lee, 2014)

It is important to conclude every piece of advertising with the company's tagline, which is "Think Music! Think Tom Lee!," so that consumers can quickly identify the adverts.

Enhance internet sales of the Company's products or services.

Social media plays a vital marketing tactic and enables Businesses to produce a society of dedicated supporters all over the products and services. Share updates about the firm, descriptions of several of the popular goods, industry trends, fascinating articles about music, and everything else the Company think the consumers could appreciate (Yoo, Donthu and Lee, 2000).



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