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Failure case of TCL

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Preview

- introduction of TCL and its failure
- to identify the elements that led to fail
- to analyze the failure (4 parts)
- recommendations



Note on the Insurance Industry in India

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Introduction

- **The Creative Life**

was founded in 1981 in Guangdong province of China

- **Products**

household electronic appliances
& telecommunication devices

- **Expansion**

- background of globalization
- leading position in China



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TCL and Thomson SA



France

↓ 2003

Joint Venture TTE

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↓ 2007

Failure

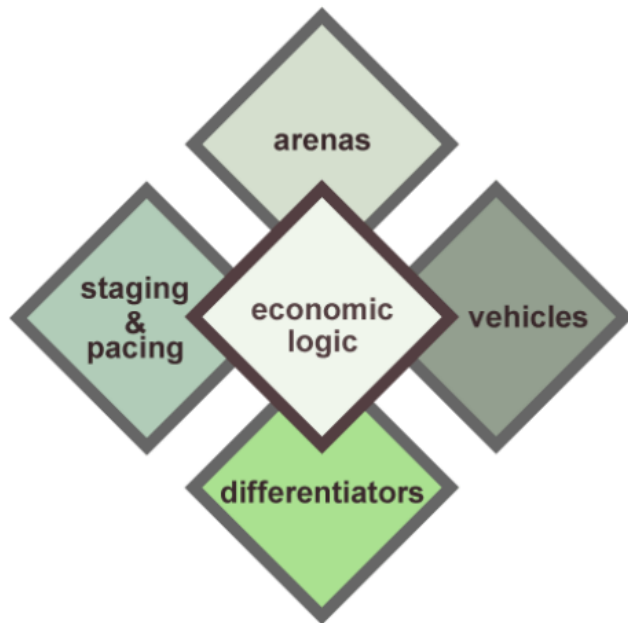
objective was not achieved

- **an obvious financial loss (\$260 m)**
- **Exceeded by competitors**
(sales decline)
(a lost of market share)

To identify strategic elements that led to failure

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What caused the failure?



1. no analysis of competitive environment in Europe



2. TCL'S core products were failing to differentiate from its competitors' products

3. TCL was losing competitive advantages in terms of resources

4. cultural differences between these two companies

COMPETITIVE ENVIRONMENT IN EUROPE

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- Fierce competition industry
Rivalry among competitors
- Great innovation lead to
industry revolution
- 📎 Rapid changes in TV market in Europe
- 📎 TCL neglected a forthcoming technology
revolution



m
ry
ors

urope

Rivalry among competitors



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Product

Political: PESTLE analyze



Self-own core technology

Quickly out-dated CRT technology: 34000 Thomson's color TV patents

- lack of research ability
- lack of technology innovation: insufficient professional talents
- lack of creativity

Brand recognition

- TCL does not possess the Thomson's original market
- Also does not have the full authority of using Thomson's brand


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