

Research on the Marketing Strategy of Huawei Mobile Phone Abroad

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ABSTRACT: Faced with the growing demand in foreign markets, the competition in the mobile phone industry is becoming increasingly fierce. Today is a constantly prominent challenge and opportunity in the context of economic globalization. This article mainly studies Huawei's overseas marketing strategies for mobile phones and provides decision-making through the SWOT theoretical model. The essay analyzes explicitly Huawei's overseas marketing strategies for mobile phones and includes decision-making through the SWOT theoretical model. It is primarily divided into five parts for discussion. Firstly, introduce the research background and significance. Next is the research content and methods at home and abroad. The third part is an overview of SWOT theory. The fourth part uses SWOT theory to analyze the current situation and problems of Huawei's overseas marketing strategies. Last, provide reasonable marketing strategy suggestions for Huawei.

KEYWORDS: Huawei Mobile Phones; Overseas Markets; 5G

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I. INTRODUCTION

With the popularization of 5G, the mobile phone market has become the main battlefield. Huawei has always held a dominant position in the market. The development history of 5G can be traced back to 2013. Huawei invested heavily in early on the core technologies of 5G. This essay mainly studies the marketing strategies of Huawei mobile phones abroad. The article will further analyze Huawei's mobile phone marketing strategies abroad from SWOT advantages, disadvantages, opportunities, and threats. The essay has proposed suggestions to improve Huawei's mobile phone marketing strategy abroad. The author hopes the paper essay can help Huawei mobile phones increase popularity and maintain better sales abroad.

II. LITERATURE REVIEW

Economic globalization is an objective requirement for developing social productivity and an inevitable result of technological progress. More and more enterprises are joining the global competition to seek development opportunities. At the same time, they are also facing a more intense market competition environment. The mobile phone industry is entering a new stage of development. Therefore, many domestic and foreign scholars are studying the 5G mobile phone market. They learn how to implement marketing strategies in the 5G mobile phone market and analyze Huawei as a case study.

Li Jinming (2017) and Jiang Wenqing, Ma Zaichuan & Ma Hao(2019) elaborate on the SWOT model to analyze Huawei's foreign marketing strategy. They analyze Huawei's overseas marketing strategy from four aspects: strengths, weaknesses, opportunities, and threats, and point out the main problems that Huawei currently faces. They consider Huawei's overseas marketing strategy successful and provide some suggestions for it. Wang Lei (2020) also elaborates on the SWOT model and the same research process, but his research object is Ericsson. Then Wang Ying & Lu Yi (2018) and Shi Zhikang (2020) apply another method, the 4P marketing theory, to analyze Huawei's overseas marketing strategy. They analyze Huawei from the four P aspects: Product, Price, Place, and Promotion. Chen Li (2018), Liu Wei (2018), Li Xiaoyan (2019), and Jin Shenghan and Yin Ran (2019) all utilize SWOT analysis and the 4Ps of marketing to analyze Huawei's overseas marketing strategy. They combine SWOT analysis with 4p's of marketing. Zhang Cheng (2017) examines Huawei's development process of overseas marketing and asserts that Huawei should regard innovation capability development as its core competitiveness. Guo Yueming (2018) shows the internal and external factors of Huawei's successful overseas marketing. Li Xuemei (2018) explains the process of Huawei's overseas marketing strategy and recommends this. Chen Zhouyong (2020) further states Huawei's overseas marketing strategy. Wang Yao(2020) researches the reasons for overseas marketing from the perspectives of technology, talent, and brand.

III. THEORETICAL MODELING AND THEORETICAL ANALYSIS

The first step is to analyze four factors. Strengths and weaknesses are internal factors. They mainly focus on the comparison between the enterprise itself and its competitors. Opportunities and threats are external factors, and they particularly pay attention to changes in the external environment and their potential influence on enterprises. It is worth noting that when investigating and studying these factors, enterprises should consider the current situation and future development. The second step is to construct a SWOT matrix combination. There are four combinations (Table 1). The last step is to select a strategy. Enterprises either determine internal strengths to obtain external development opportunities or inner strengths to respond to external environmental threats. If the enterprise does not have internal strengths, it could seize opportunities to reduce weaknesses. The defensive strategy of weakness and threats is the worst. Enterprises should try to avoid such decisions as much as possible. Strategic decisions are made after weighing complex practical situations. Opportunities, threats, strengths, and weaknesses are complex and intricate. Thus, it is more necessary for enterprises to weigh the pros and cons.

Table 1: SWOT analysis matrix

External Factors	Strengths	Weakness
Internal Factors		
Opportunity	SO	WO
Threats	ST	WT

Weirick, a management professor at the University of San Francisco in the early 1980s, proposed the SWOT analysis method. It is a method that can objectively and accurately analyze and study the actual situation of enterprises. The SWOT analysis method is a standard model for enterprise marketing strategy analysis. The four letters of SWOT represent advantages, weaknesses, and opportunities. The comprehensive evaluation of the four dimensions can not only correctly identify the resource advantages and disadvantages of the enterprise but also understand the opportunities and challenges faced by the enterprise. Then, enterprises could adjust their internal resources and marketing strategies to achieve the company's goals.

IV. SWOT ANALYSIS OF HUAWEI'S MOBILE PHONE FOR OVERSEAS MARKETING

4.1 Strength Analysis

The main advantage of Huawei mobile phones is to segment the types of mobile phones in the foreign market. Huawei's consumers span from white-collar workers middle class to low-income groups, and Huawei's mobile phones adapt to the income needs of customers from all walks of life in society. Moreover, Huawei mobile phones comprehensively cover consumers' different consumption preferences, which adapts to consumers' diverse choices. The Mate series has a rigorous and luxurious appearance. In terms of functionality, it includes 3D structure, wireless charging, ultra-fast charging, and so on. This series is aimed at business professionals in the middling and high-level market. For the P series, it is mainly aimed at the mid-market. The exterior design follows the fashion trend.

On the one hand, there are multiple styles of phone appearance colors. On the other hand, the function mainly concentrates on photography. It can support a 100x zoom range and super anti-shake. This series has successfully gained insights into the photography preferences of some consumers and solved the inconvenience of carrying cameras. The Nova series and Changxiang series have high cost-effectiveness. They mainly target the mid to low market. And the high cost-effectiveness has attracted many students and young people.

Another significant advantage of Huawei mobile phones is their R&D capabilities. This is also a favorable factor for competing with other well-known foreign brands. Huawei has always insisted on spending more than 10% of its annual revenue on R&D. In recent years, R&D expenditure has accounted for nearly 16%, and the investment in R&D expenses has exceeded 394 billion yuan in the past decade. Huawei's total investment in R&D ranks among the top in the international rankings in 2021 (Table 2) and even surpasses world-leading companies such as Apple and Samsung. After long-term Research and Innovation, Huawei has gained a foothold in foreign markets. Huawei mobile phones are known to more consumers nowadays.

Table 2: Top 10 Investments in R&D in 2021

Ranking	Company	R&D (€million)	Sector	Country
1	Alphabet	22,470	ICT services	US
2	Huawei	17,460	ICT producers	CN
3	Microsoft	16,882	ICT services	US
4	Samsung	15,895	ICT producers	KR
5	Apple	15,282	ICT producers	US
6	Facebook	15,033	ICT services	US

7	Volkswagen AG	13,885	Automobiles	DE
8	Roche Holding AG	11,247	Health	CH
9	Intel Corp	11,047	ICT producers	US
10	Johnson&Johnson	9,909	Health	US

Data source: 2021 EU Industrial Research and Development Scoreboard

4.2 Weakness Analysis

Huawei's mobile phones have a relatively short time entering foreign markets. Apple and Samsung's mobile phones have already occupied most of the foreign market share. After years of accumulation in the market, Apple and Samsung have excellent reputations, outstanding strengths, and vital research and development institutions. They could always keep up with the requirements of consumers and market changes and continuously launch more new mobile phones. These mobile phones also have a comprehensive product line that can satisfy the demands of segmented markets and different consumption periods. The market share directly reflects a company's current marketing situation and the strength of its products to compete with other brands in overseas markets. Market share data has excellent guiding significance for the future development of a company. According to the 2021 Global Smartphone Market Share (Table 3) data released by IDC, Samsung's market share reached 20.1%, and Apple's market share reached 17.4% this year. Huawei's is only 3%. The combined market share of Samsung and Apple has gained 37.5%. This indicates that Samsung and Apple have developed high brand loyalty towards their mobile phones through their marketing strategies, excellent product quality, research capabilities, and perfect services. They strongly appeal to consumers, thus occupying most of the foreign market. Due to Huawei's lack of first-mover advantage, the most apparent feature is that its market share is low compared to other brands. Huawei still lags behind Samsung and Apple in its position abroad. Furthermore, Huawei has a relatively small influence and a disadvantage in foreign markets. Huawei's mobile phones still require time and capability to acquire a position in the foreign market.

Table 3: Global Smartphone Market Share in 2021

Company	2021 Shipment Volumes	2021 Market Share	2020 Shipment Volumes	2020 Market Share	Year-Over-Year Change
1.Samsung	272	20.10%	256.6	20.00%	6.00%
2.Apple	235.7	17.40%	203.4	15.90%	15.90%
3.Xiaomi	191	14.10%	147.8	11.50%	29.30%
4.OPPO	133.5	9.90%	111.2	8.70%	20.10%
5.vivo	128.3	9.50%	111.7	8.70%	14.80%
Others	394.3	29.10%	450.5	35.20%	-12.50%
Total	1354.8	100.00%	1281.2	100.00%	5.70%

Source: Internet Data Center 2021

4.3 Opportunity Analysis

The rapid development of mobile internet has given opportunities to Huawei, and 5G applications have already brought tremendous development opportunities. 5G mobile phones could open up a broader market for Huawei. If Huawei seizes the priority of 5G mobile phones, it can be in a beneficial marketing position as a leader in foreign markets. Therefore, as an essential part of Huawei's overseas marketing strategy, 5G mobile phones are a new competitive market space. Huawei has achieved the following 2G, catching up with 3G, surpassing 4G, and today's 5G. The 5G mobile phones launched by Huawei have strong competitiveness. The Mate series 5G version mainly uses the Kirin chip. The Kirin chip adopts a seven-nanometer process and has a CPU with three levels of energy efficiency. The maximum primary frequency can reach 2.86 GHz and has high performance and efficiency. In addition, another Mate Pro series is a more functional 5G phone. It has up to 21 antenna combinations, of which 14 support 5G connections. Then, the Mate Pro series could support call requirements in different scenarios and modes. Effectively grasping these opportunities is essential for Huawei to enhance its market share. Huawei makes corresponding changes as the market environment changes and releases 5G mobile phones. In the 5G era, Huawei should combine its technological research advantages to transform the opportunity into higher foreign sales.

4.4 Threat Analysis

In recent years, the United States has imposed technical sanctions and crackdowns on Huawei, posing a significant threat to Huawei. Huawei must purchase many chips to research and manufacture mobile phone products yearly. Still, America has stopped exporting chips to Huawei through trade protectionism. In the future, America will strengthen its sanctions against Huawei. Huawei is likely to continue to face the escalation of trade barriers. These threats have led to a worsening of Huawei's mobile phone market environment in foreign markets.

From the above analysis, Huawei should adopt a growth strategy. Under the monopoly of the foreign mobile phone market, Huawei fully combines the advantages of Innovation and R&D with 5G opportunities. Moreover, Huawei continuously adjusts its foreign marketing direction to maintain its leading edge. Huawei could turn to the potential market of 5G mobile phones to cultivate customers. This opens up market sales, responds to trade protection, and eliminates disadvantages. Then, it enhances Huawei's competition in the foreign mobile phone market. The 5G mobile phone market is in a developing period. If Huawei's 5G mobile phones prioritize meeting the market's demand, they can gain more profits.

V. HUAWEI'S MARKETING STRATEGY RECOMMENDATION

5.1 Technological Innovation

The comprehensive national strength and competitive level depend on technological Innovation. Technological Innovation has increasingly become the decisive factor in the complete competition of enterprises. In globalization, enterprises cannot achieve profit goals through technology introduction. The best solution for enterprises is independent Innovation. At the same time, autonomous innovation capabilities can also help break trade barriers. In recent years, the number of Huawei's global invention patents has continuously increased, and Huawei has frequently won multiple global technology awards. Huawei has always adhered to the pragmatic and innovative spirit and has a corporate culture of creative development. Huawei pays close attention to cultivating talents and maintaining patents.

Moreover, Huawei attaches great importance to technological Innovation to form a unique and competitive sustainable technology marketing strategy. Huawei employs thousands of research experts and various high-end engineers, with over ten thousand people. Technical elites work at Huawei from around the world. They form Huawei's global team of high-end technological innovation talents, laying the foundation for Huawei's technological Innovation. Huawei should continue to maintain the forefront of the world's new technology field and closely monitor the Innovation of new technologies internationally. Then Huawei could stand firm in the fiercely competitive foreign market.

5.2 Market Research

Market research can comprehensively understand the functions and characteristics of competitors' mobile phones. Enterprises can see their mobile phone advantages and potential market opportunities. Moreover, market research provides accurate and detailed information for enterprises' marketing decisions. Enterprise executives can also make reasonable marketing strategies for the development of the enterprise. Therefore, Huawei's marketing strategy in the foreign market should have flexibility. Marketing strategies change with changes in consumer preferences in foreign markets. The continuous updating and upgrading of mobile phones is a requirement for the long-term development of enterprises themselves. Nowadays, due to the severe monopoly problem in the mobile phone market, Huawei could adapt to foreign consumer demand through market research. Huawei can strive to cultivate consumer loyalty and continuously improve the psychological preferences of customers at different levels.

5.3 Corporate Image

A good brand image is necessary to enhance a company's influence abroad. Corporate image can help consumers better understand the quality of products or services and differentiate them from competitors' products and services. Huawei integrates the spirit of Huawei into its corporate image. Huawei's essence lies in constantly breaking through oneself with diligence and perseverance, making the impossible possible. This spirit helps Huawei promote and market its mobile phones and also allows Huawei to increase product satisfaction among its target consumers. Consumer perception of brand image is the starting point of marketing. Huawei can also create humorous and relaxed creative advertisements to enhance its appearance. In addition, Huawei should take adequate measures to respond to unexpected events in foreign markets. This also helps to establish a good image of Huawei.

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