
Research Competitive Marketing Strategy of Huawei Mobile Phone

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ABSTRACT

In an era of rapid growth in user demand for smartphones, there are many well-known mobile phone brands, such as Apple, Huawei, Samsung, Xiaomi, OPPO and VIVO in the smartphone market. Competition in the mobile phone market is fierce. In addition, In recent years, Huawei has been subject to technical blockades and trade restrictions from Western countries such as the United States. The situation of Huawei mobile phone is extremely difficult, but Huawei still achieved sales revenue of RMB 454 billion in the first half of 2020, a year-on-year increase of 13.1%, and a net profit margin of 9.2%. The reason why Huawei mobile phones can achieve such impressive sales results is largely due to Huawei's unique marketing strategy. This article uses the SWOT analysis method to specifically analyze the strength, weakness, opportunities and threat faced by Huawei's mobile phone business marketing, and uses the 4P principles of product, price, channel, and promotion to analyze its current development stage, and then use the theory of Michael Porter's generic competitive strategies analyses and chooses the competition strategy, and then draw conclusions from Huawei's experience and problems, and provide suggestion for the development of Huawei and other companies

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INTRODUCTION

A. Background

For Huawei, 2020 is particularly difficult. In the past two years, amid the trade war between China and the United States, the United States has sanctioned many companies, including Huawei, to restrict China's technological development. Huawei has gone through multiple rounds of sanctions by the United States. Among them, Huawei is prohibited from using products that contain more than 25% of American technology, including mobile phone chips. This makes it impossible for Huawei to use the most advanced chips after running out of chip inventory. The performance of Huawei's mobile phones is severely restricted; in the

trade ban signed by the United States in 2019, Huawei's overseas sales of smartphones cannot be equipped with Google's GMS (Google Mobile Services), which has severely affected their overseas sales of smartphones. Even if Huawei launched HMS (Huawei Mobile Services) in time, it would be difficult to make up for the huge loss in sales caused by banning GMS.

Before the US sanctions, the internationalization of Huawei's smartphones was a perfect growth curve. According to the latest data released by Counterpoint for the first quarter of European smartphones in 2019, Huawei's European market share reached 26%, second only to Samsung's 31%. According to a Gartner research report, in the first quarter of this year, Apple's share of the

global smartphone market fell to 11.9%, and Huawei's mobile phone market share rose from 10.5% to 15.7%, surpassing Apple to become the world's second largest smartphone supplier. Among Huawei's total revenue of 721.2 billion yuan in 2018, the combined revenue of Europe, the Middle East and Africa accounted for about 28%, an increase of 24.3% compared to 2017. It is the fastest growing market for Huawei's revenue.

But overseas markets have been hit hard by the sanctions. For example, in Germany, Huawei's handset sales accounted for 26 % of the overall market in May, but fell to 12 percent in the last week, according to market research firm GFK. Meanwhile, since the sanctions., Huawei's handset sales have fallen by 50 per cent month-on-month and its glory range by 40 per cent, according to German retailers Saturn and Media Markt, leading the company to forecast a sharp 40-60 per cent drop in international handset shipments this year. (Xiao, Y. 2017)

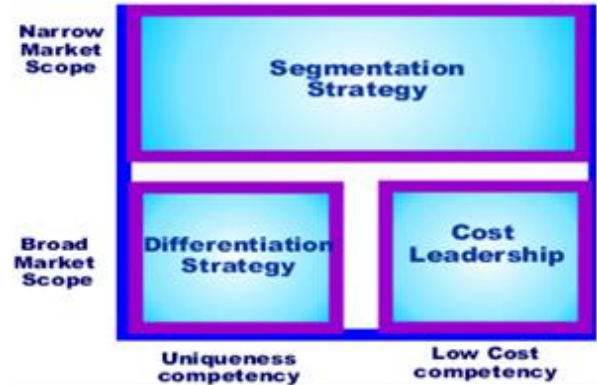
The situation is extremely difficult, but Huawei still achieved sales revenue of RMB 454 billion in the first half of 2020, a year-on-year increase of 13.1%, and a net profit margin of 9.2%.

B. Theoretical studies

Market competition strategy is a strategy formulated and implemented by enterprises to seize or maintain market leadership or competitive advantage to adapt to the ever-changing market competition environment. Refers to the specific action methods adopted by an enterprise to realize its competitive strategy and adapt to the competitive situation based on its position in the market.

According to Michael Porter, there are three fundamental ways in which firms might achieve sustainable competitive advantage (can be seen in Fig. 1). These are: 1) cost leadership strategy, 2) differentiation strategy, and 3) focus strategy. It is in the context of the overall generic strategy which a firm may be

pursuing that strategic options may be usefully considered. Let us examine the implications of each of the three generic strategies. (Porter, 1985).



Source: Porter's Generic Competitive Strategies

Fig. 1. The three Competitive Strategies

- 1) Cost leadership Strategy- A firm which finds and exploits all sources of cost advantage and aims at becoming a lot cost producer in the industry is said to pursue a sustainable cost leadership strategy.
- 2) Differentiation Strategy- A firm seeking to be unique in its industry along some dimensions of its product or service that are widely valued by customers is said to have adopted differentiation strategy.
- 3) Focus Strategy- When a firm seeks a narrow competitive scope, selects a segment or a group of segments in the industry and tailors its strategy to serving them to the exclusion of others, the strategy is termed focus strategy.

C. Literature review

Junming (2011), when studying Huawei's marketing strategy, found that Huawei's corporate success comes from long-term development planning, rather than just looking at immediate interests, and has a larger structure to formulate the company's development strategy. He also believes that it is Huawei's emphasis on R&D that can survive and develop in a fiercely competitive

environment. At the same time, his advice for Huawei is that carefully plan the company's marketing strategy when the product technology level is significantly improved.

Caihong (2014) studied the marketing strategy of Huawei's mobile phones. She believes that Huawei mobile phones should constantly adjust their marketing strategies by changes in the external environment. In the competition between Huawei mobile phones and Apple mobile phones and Samsung mobile phones, it has always adopted a price-following pricing strategy, that is, the price of similar mobile phones are slightly lower than those of the two major competitors. This is a feasible and effective pricing strategy at this stage. Through this pricing strategy, Huawei's mobile phone market share in the Chinese market is constantly increasing. However, whether this pricing strategy is effective in overseas markets remains to be tested. Because consumers in overseas markets are different, including consumption levels and consumption preferences. Therefore, in the competition in overseas markets, adequate market research should be done in advance to fully understand the needs and consumption habits of local consumers. After making sufficient preliminary preparations, we can formulate effective marketing strategies based on the research situation. Also, she believes that the replacement of smartphones is very fast, and the R&D investment in mobile phones must maintain a certain proportion. Outstanding performance and innovative products are the foundation of enterprise development. If don't pay much attention to R&D investment, will be eliminated from the market like traditional mobile phone manufacturers Nokia and Motorola.

Yani (2014) studied the marketing strategy of Huawei mobile phones in the international market and believed that Huawei mobile phones in the international mobile phone market, especially the European mobile

phone market, began to adopt a steady and progressive marketing strategy. Because Huawei mobile phones have acquired certain technical capabilities through continuous R&D and the accumulation of their own, the performance of mobile phones produced is constantly close to that of Apple mobile phones and Samsung mobile phones. However, the share of mobile phones in the European market lags far behind Apple and Samsung mobile phones. She believes that to increase the share of mobile phones in the European market, Huawei mobile phones need to adjust their marketing strategies in the European market and increase investment in brand influence and visibility.

Zixu (2014) mainly studied the marketing status of various mobile phone manufacturers in the international mobile phone market at this stage and summarized some suggestions. Suggestions include that should fully understand the overseas political environment, economic environment, and competition conditions before exposing overseas markets.

Research found through research on smartphones that successful smartphone manufacturers will adopt marketing strategies that combine their characteristics, and believe that the marketing team of mobile phone manufacturers often determines the possibility of mobile phones surviving in brutal competition.

D. Identification of problem

Despite such a severe external environment, Huawei, as a private enterprise, still persevered. Although Huawei's mobile phone business has suffered greatly in overseas markets, Huawei has survived and achieved positive revenue growth. This article mainly explores:

1. What is the market competition strategy of Huawei's mobile phone business?
2. What shortcomings still exist in the market competition strategy of Huawei's mobile

phone business? How should it be improved?

The current market environment has undergone big changes. For Huawei, what kind of strategy should be used to deal with the changes in the market environment is particularly important. This article uses Huawei's SWOT analysis and analysis of its current strategy to find out. Problems that can be improved and corresponding suggestions are given to fill the gaps in the current research on its coping strategies.

RESEARCH METHODS

This article uses the SWOT analysis method to specifically analyze the strength, weakness, opportunities and threat faced by Huawei's mobile phone business marketing, and uses the 4P principles of product, price, channel, and promotion to analyze its current development stage and mobile phone business market competition strategy, and then use the theory of Michael Porter's generic competitive strategies analyses and chooses the competition strategy, and then draw conclusions from Huawei's strategy and problems, and provide suggestion for the development of Huawei and other companies.

RESULTS AND DISCUSSION

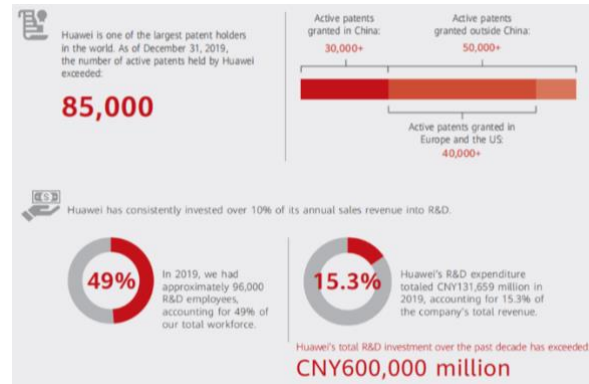
A. SWOT analysis of Huawei

Strength

1) Technical Strength

Huawei has long been committed to R&D investment of no less than 10% of sales revenue, with a total investment of over 88 billion dollars over ten years and R&D spending accounting for 15.3% of total revenue in 2019. At present, Huawei has successfully launched solutions in new technologies and application fields such as FMC, IMS, WIMAX, and IPTV. Huawei has established research institutes in India, the United States, Japan, Russia, and China in

Beijing, Shanghai, and Nanjing, and employs about 96,000 researchers worldwide, accounting for 49 percent of the company's total workforce. Fig. 2 shows the Huawei investment in R&D.



Source: The annual report of Huawei in 2019

Fig. 2. Huawei investment in R&D

The company has applied for more than 85,000 patents in total, ranking first in the world as China's largest patent application enterprise for several years in a row. Huawei has consistently invested in standards and patents, mastering the commanding heights of future technologies. Huawei is also "one of the few companies in the world that can provide next-generation switching systems".

2) Cost Advantages

• The human cost

In China, an R&D worker's salary is one-third to one-fourth of that in Europe, the legal working hours are 1.5 times that of European engineers, and the Chinese are diligent and often work overtime. More than 80% of the R&D cost is the cost of human resources. Therefore, Huawei's investment of 1 yuan in R&D is equivalent to that of 10 yuan invested by European companies, which means that Huawei's R&D cost is one-tenth of that of European companies.

• Raw materials cost

Another kind of cost advantage is in raw materials. In the 1990s, Huawei's long-term good cooperation with upstream raw material

suppliers, as well as the low domestic resource price compared with that of the international market, made Huawei spend relatively low cost on raw materials.

3) *Corporate culture*

Huawei advocates "Wolf culture". Its spiritual core is Wolf nature. Wolf has three characteristics, the first is a keen sense of smell, the second is the spirit of attack, the third is the consciousness of group struggle. Huawei is a Wolf worshiper, believing that a developing company is like a hungry Wolf. Also, Huawei insists on "militarized management", and these corporate cultures become the key forces driving Huawei forward.

Weakness

1) *Relatively weak financial resources*

Huawei finances are still relatively weak compared with those of the global telecom-equipment giants. As it is not a listed company, Huawei cannot raise funds in the capital market. There is no need for public disclosure, which to a certain extent causes Huawei opacity and forms a certain obstacle for Huawei to attack the international market.

2) *Insufficient publicity and public relations*

Many people in China know About Huawei, mainly because "it is a high-salary enterprise", but most people don't know exactly what products it sells. The lack of publicity is not conducive to establish a corporate image and visibility of the lasting spread. In recent years, Huawei has also been posed a lot of negative news about "employees committing suicide due to excessive pressure", which has aroused the public's discussion and criticism of Huawei's "Wolf culture". In the face of the questioning voice of the media and the public, Huawei adopted a silent approach, which seriously affected the Huawei corporate image.

3) *Big enterprise disease*

The illness of Huawei's big enterprise manifested in many ways. Not long ago, there was an article on the Internet by a former Huawei executive, which was even more explicit. Bloated institutions, slow processes, internal politics, and corporate maladies have all the hallmarks of Huawei.

Opportunities

1) *Intelligent Infrastructure: Launching the Age of Intelligence*

Intelligent infrastructure is the foundation for the intelligent world and a core enabler of modern industry. Intelligent infrastructure can be created either by adding AI to conventional ICT infrastructure or by building new networks with new ICT technologies. No matter how it's created, intelligent infrastructure will be fertile ground for innovation in all industries as we launch into the age of intelligence. Digital technology is an integral part of how we think, work, and live in the modern world. For businesses, digital transformation is a way to meet new consumer needs and adapt to the workforce of the future. 5G will support hundreds of billions of connections, high bandwidth (up to 20 Gbit/s), and ultra-low latency (down to 1 millisecond). This means 5G is almost as fast as fiber and more real-time than industrial Fieldbus systems. In combination with technologies like cloud computing, edge computing, VR/AR, AI, IoT, big data, and blockchain, 5G will upgrade dumb pipes into the intelligent network infrastructure, enabling the digital transformation of every sector: smart government, smart finance, smart energy, smart transportation, smart manufacturing, and smart education, etc. According to Huawei, by 2025, there will be more than 100 billion connections in the world, which will be an unprecedented market. How to store and process, transmit and distribute, acquire, and present this huge data traffic is not only a huge

challenge but also a strategic opportunity for Huawei.

2) *National strategy:*

Against the backdrop of slowing global economic growth, strategic emerging industries have been taken as important growth points and become the focus of this government's development. With the release of a series of national broadband and information power strategies in the 12th Five-Year Plan of China, a new round of "growth" trend of China's economy and communications industry will be triggered. This undoubtedly provides strong policy support for Huawei's sustainable development, business expansion, and industrial upgrading.

3) *Chinese market support*

China has a population of 1.4 billion and a middle-income group of more than 400 million. It is forecasted to become the largest consumer market in 2020. Due to the impact of the China-US trade war, Huawei, as a local company, has been sanctioned and blocked by the United States due to its advanced technology, creating an image of confrontation with the United States in the hearts of the Chinese people, which undoubtedly aroused the patriotic enthusiasm of the Chinese people. A large number of users of other mobile phone brands have moved to Huawei to show their support for Huawei. The market share of Huawei mobile phones in the Chinese market rose from 27% in the second quarter of 2018 to 41% in the third quarter of 2020.

Threat

1) *Industry competition:*

The mobile phone industry is an industry with fast iteration speed and rapid technological development, and the market is an open and fair competition market, so there are many and very fierce competitors. In the mid-to-high-end market, there are mobile phone manufacturers such as Apple and

Samsung, and in the mid-to-low-end market, there are mobile phone manufacturers such as Xiaomi, VIVO, and OPPO. In the international mobile phone market, Huawei wants to enter the high-end market. It is mainly facing two kinds of competitors, Samsung and Apple. At present, the comprehensive strength of these two companies is higher than that of Huawei. In the low-end market, Huawei has to face the threat of other potential entrants. In the third quarter of 2020, Xiaomi's market share in the European mobile phone market has surpassed Huawei, ranking third after Samsung and Apple. Xiaomi mobile phones have the potential to become Huawei's strong new competitors in the international market.

2) *New trade barriers*

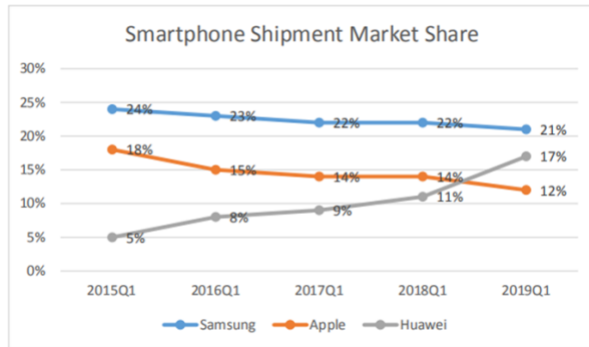
Due to the continuous outbreak of the economic crisis in western markets in recent years, most European and American countries will investigate and suppress Huawei and other large multinational companies under the pretext of intellectual property rights, trade protection, and "national security" to protect their economies.

3) *The US technology embargo on Huawei*

With the development of Huawei 5G technology, the United States has gradually felt the pressure brought by China in respect of science and technology. Therefore, the United States has carried out a series of policies to block and suppress Huawei and banned suppliers from selling chips to Huawei, to restrain the development of Huawei and consolidate its position.

B. Market competition strategy analysis

Huawei's smartphone shipment grows fast, which from 5% in 2015 Q1 to 17% in 2019 Q1 (Fig. 3). And then will analyze Huawei's competitive strategy through four aspects, that are product, price, channel, and promotion. (Kilduff, 2019)



Source: counter point 2019

Fig. 3. Smartphone Shipment Market Share between 2015 Q1 and 2019 Q1 (

In theory, the 4Ps of the marketing mix are product, price, location and promotion. The essence of its thinking is that enterprises are market-oriented to produce products, and it is determined that because 4P theory highlights an overall marketing awareness and can provide a systematic method for market competition strategic planning, this article uses 4P theory to analyze Huawei's mobile phone market competitive strategy.

Product

1) *Product strategy*

Huawei mobile phones always adhere to the principle of "customer-oriented and produce products that meet market needs". Its product strategy is to "find out consumer needs, develop and produce products based on needs, and promote products quickly." Huawei's mobile phones benefit from Huawei's long-term technical accumulation, and their hardware advantages are obvious. This is also the reason why Huawei's mobile phones have set aside their competitors, occupied the market and better consolidated its market position.

The types of Huawei mobile phones are not complicated. This is because Huawei's enterprise focuses on the mid-to-high-end market. The "Boutique Strategy" launched in 2011 is dedicated to simplifying mobile phone

models and at the same time making each mobile phone product the most competitive product at the same price. The classification of Huawei mobile phones is very distinct. Taking the Ascend product series as an example, Huawei mobile phones are divided into D series, P series, G series, and Y series, which are the ultimate technology, the ultimate fashion, the ultimate performance cost ratio, and the ultimate availability. Huawei mobile phones have always rejected the "machine sea" strategy, and its product types are controlled in a small range. The number of mobile phone models has dropped from 75 kinds in 2011 to 20 kinds today, and the number of models has decreased by 73%.

2) *Problems with product strategy*

In recent years, the number of patents applied for Huawei mobile phones in Europe has been on the rise, even surpassing Samsung in 2016, but it is undeniable that compared with Apple and Samsung, Huawei's basic research is relatively weak. For example, Apple began to study wireless communication technology as early as the 1960s, and it has only been more than 20 years since Huawei began to study wireless communication technology. Huawei has also realized the importance of basic research. Only by doing a good job in basic research can it not be constrained by others.

And the smartphone products are constantly being updated and the cycle is usually short. Therefore, if mobile phone manufacturers want to gain market share furtherly, they also need to increase investment in R&D, including investment in hardware and software and establish a complete loop. More importantly, it is necessary to increase investment in the development of chips. The supply of mobile phone chips mainly depends on the Qualcomm Group in the United States. Only by developing chips by itself can it occupy a favorable position in the long-term competition.

In 2020, Huawei is banned from using products that contain more than 25% of American technology, including mobile phone chips. This makes it impossible for Huawei to use the most advanced chips after running out of chip inventory. The performance of Huawei's mobile phones is severely restricted and further limited Huawei's handset shipments.

Price

1) Price strategy

The price strategy adopted by Huawei's mobile phone products is to compare prices and quality first and then set prices based on the comparison results, and finally adjust prices according to market demand. This means of pricing through competition gives Huawei mobile phones a cost-effective advantage that cannot be underestimated and thus can seize a larger domestic market share.

2) Problems with price strategy

Although the "low-price strategy" of Huawei mobile phones is favored by ordinary people including students, in recent years, China's economy has developed rapidly and there are more and more customer groups with higher spending power. They are more willing to buy Apple mobile phones as the main product of high-priced products. However, with the development of the world economy in the direction of globalization, the communications and information industry is no longer suitable for low-price strategies, and customers not only prefer to use high-tech products but also prefer to use cost-effective products.

Channel

1) Channel strategy

The sales channels of Huawei mobile phones are mainly as follows.

- Cooperating with operators, because Huawei itself has Carrier Business, it is easier for its mobile phone business to

cooperate with telecom operators. For example, China's three major telecom operators have strengthened their cooperation with Huawei through customized mobile phones. According to Huawei's 2016 annual report, the sales of Huawei mobile phones through the three major telecom operators accounted for the largest proportion of all sales channels, more than half.

- Cooperate with major offline chain stores. Huawei enterprises follow the trend of continuous integration in the mobile phone retail market and the rapid popularization of the home appliance store chain model. Its mobile phone products are not only sold through intermediaries such as GOME and SUNING, but also cooperate with China Telecom and D. Phone. On January 18, 2018, while Suning's New Year's Goods Festival was in full swing, Huawei's Mate 10 Pro, Mate 10, nova 2s and other popular models were launched. As of 24:00 on January 18, it was only one day. The sales of Huawei's mobile phones in Suning omnichannel sales exceeded 200 million yuan, a rapid increase.
- Huawei brand experience store. Huawei currently has established its own brand offline experience stores across the country to maintain a unified brand image.
- Online stores, Huawei not only has direct stores on major e-commerce platforms such as Amazon, Taobao, JD.com, and Shopee. Huawei has also been operating Internet sales channels since 2012. It has built its own Huawei mall, which allows consumers to choose more conveniently. Purchase favorite mobile phone products.

2) Problems with channel strategy

At first, due to the unique production and sales model of Huawei mobile phones, that is through telecom operators to understand customer needs and then targeted production

of products, and then through the telecom operators to purchase and distribute, so that Huawei mobile phones will inevitably appear bundled software, especially charging software will undoubtedly reduce consumers' favorability of Huawei mobile phones. So far, the sales volume of mobile phones completed by Huawei through business accounts for 60% of the total sales volume.

Secondly, The marketing channels of Huawei mobile phones in the international market are not yet perfect. Huawei mobile phones entered the international market later than Samsung. The overall sales channels are not yet complete, and marketing strategies have not been effectively formulated and implemented. The mobile phone sales in the international market mainly adopt the method of cooperation with telecom operators for sales. Therefore, the marketing channels in the international mobile phone market are still relatively single, which results in a disadvantage in the competition between Samsung and Apple mobile phones. Samsung mobile phones and Apple mobile phones have been deeply involved in the market for many years, and they have built a rich sales and marketing channel. In the developed international mobile phone market, the importance of marketing channels is self-evident. How to expand marketing channels and how to attract more large distributors to actively distribute their products are issues that Huawei mobile phones have to face and urgently need to solve in the competition in the international mobile phone market.

Promotion

1) *Promotion strategy*

The following is a summary of Huawei's promotion strategy:

- Offline advertising. Huawei has placed lots of advertisements in shopping malls, billboards, and roads in many cities at

home and abroad. Not only that, but Huawei sponsored large-scale sports events and invited many celebrities to endorse them, such as Messi, Scarlett Johansson.

- Online promotion. Usually, Huawei will place elaborate advertisements on major social media. When Huawei launches new products or product activities, it will publish information on the official website and other media channels, and then stimulate consumers through reservations and panic buying.
- The strategy of the new model comes out. When Huawei launches new models, it often gives good-sized discounts to old models, so that it has enough advantages before competing products at the same price, and uses its price advantage to attract customers. Such a promotion method can greatly realize the sales of old models, reduce the inventory of old models, and open the market for the launch of new models.

2) *Problems with promotion strategy*

The promotion strategy of Huawei mobile phones is relatively conservative and lacks highlights. The promotion effect is far inferior to mobile phone brands such as OPPO, VIVO and XIAOMI. Although Huawei mobile phones have established a brand virtual community such as the Huawei Pollen Club, they attach great importance to the construction of Weibo, WeChat and other marketing platforms. There is still a lot of room for improvement in the promotion strategy. Especially in the international market, the publicity effect of Huawei mobile phones is not very good, so that users do not know Huawei mobile phones very well. Compared with OPPO, VIVO and XIAOMI, Huawei mobile phones have a low sense of presence in towns and villages.

C. Suggestion

Based on the above analysis and discussion, there are some suggestions for the development of Huawei's mobile phone business:

1) *Increase investment in basic R&D*

For mobile phone manufacturers, the product life cycle is very short, and a new generation of mobile phones will be released at an average of twelve months. Therefore, the speed of technological improvement is extremely important for mobile phone manufacturers. In recent years, Huawei has gradually increased its investment in R&D, but there is still room for improvement in R&D investment in the mobile phone business. Huawei should increase its investment in basic technological knowledge innovation in the frontier fields of mobile phones, especially in the field of original knowledge and R&D of breakthrough innovations in key technologies, such as mobile phone chips and other key mobile phone components

Huawei is increasing its investment in R&D in its mobile phone business, and it should also consider the consumption characteristics of international consumers and take consumer demand as the guide to create more humane mobile phone products for consumers. Only through continuous innovation can Huawei gain a foothold in the highly competitive international market, avoid being eliminated by the European market, and become a leader in the mobile phone industry.

2) *Experiential marketing*

Products produced in China have always been considered in the international market as products with relatively low technical content and relatively average quality. Therefore, in order to change the past stereotypes of Chinese products among consumers in the international market, Huawei mobile phones can adopt experiential marketing to directly display the high-tech content of mobile phones to consumers. Only through experiential marketing can we better attract elite users who

have the ultimate pursuit of visual art, the high pursuit of quality life, and artistic style.

In addition, Huawei mobile phones can also allow consumers and distributors to increase product visibility through real experience by participating in electronic product exhibitions. Participating in large-scale electronics exhibitions can enable distributors and consumers to experience mobile phones more closely, and the staff can also conduct further explanations and promotions while they experience. Participating in the exhibition can eliminate the stereotypes of distributors and consumers about Chinese products. At the same time, Huawei can continuously broadcast the company's promotional videos on the exhibition booth, including company profile, company development history, company R&D team, and company corporate culture, etc., which are conducive to the company's promotion of brand awareness.

Huawei should also set up more Huawei brand experience stores, which are similar with the role of Apple experience stores. Because Huawei's technological innovation is already one of the technology leaders in the mobile phone industry, Huawei should continue in the future. Increase the investment in this experiential marketing of Huawei brand experience store, and increase the promotion of its own brand by continuing to increase the exhibition and promotion of Huawei brand experience store to enhance its own brand influence.

3) *Shaping high-end brands*

In addition to increasing investment in mobile phone research and development and increasing investment in experiential marketing, Huawei mobile phones must also establish a clear market positioning. In the past, Huawei mobile phones deployed products in both low-end and mid-end high-end products. Based on the current technological level of Huawei's mobile phones and the reputation established over the years of

operation, Huawei should gradually reduce its marketing investment in low-end products and increase marketing investment in the mid-to-high-end product market. This can also reduce the impact on marketing revenue due to reduced shipments. Including deepening cooperation with well-known European companies such as Leica, sponsoring world top competitions, and so on. To enhance its brand image in the European market and enhance its brand influence in the international market. In addition, on the service side, Huawei must also improve the quality of services to consumers, give consumers the feeling of a high-end brand, and create a better brand image for themselves.

CONCLUSIONS

Based on the above analysis, this article concludes that Huawei mobile phones should adopt differentiation strategy that combines internal advantages with external opportunities in the mobile phone market. Although the situation is extremely difficult, Huawei still achieved sales revenue of RMB 454 billion in the first half of 2020, a year-on-year increase of 13.1%, and a net profit margin of 9.2%. The market occupies a place because of its continuous technological innovation through investment in R&D, and the quality of mobile phone products continues to move closer to high-quality mobile phones such as Apple and Samsung.

In the past, Chinese mobile phone manufacturers entered the international mobile phone market primarily for the international low-end mobile phone market share. According to the inertial thinking of competing in the Chinese mobile phone market, it is a market strategy to get into the international mobile phone market through low prices, hoping to gain market share through price advantages, and then raise prices after gaining market share. But the international mobile phone market is not the same as the Chinese

mobile phone market. International mainstream consumers, mainly in Europe and the United States, are more concerned about product quality than price.

Huawei mobile phones take a place in the international mobile phone market, and at the same time, they must learn from the previous failures of domestic mobile phones in the international mobile phone market. If Huawei wants to acquire more market share in the international mobile phone market in the future, they must continuously improve their technical level and give full play to their technical advantages, and adopt differentiation strategy that combines internal advantages with external opportunities in the mobile phone market. Build itself into a high-end brand image in the international mobile phone market, and develop a set of marketing strategies suitable for its brand positioning to improve its core competitiveness in the international mobile phone market.

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