



**“The Analysis of HUAWEI International Marketing
Strategy”**

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Abstract

Economic globalization could be described as the "century feature" of the 21st century, There are profound changes in the economic world in which a variety of resources in the global context flow and configurate; any country needs to face the opportunities and challenges it gives. International competition is becoming more and more serious. For Chinese enterprises, the focus should not be if we should the want of internationalization, but on how to internationalize the enterprises.

With the gradual transformation of Chinese society to the market economy, the role and influence of enterprises in social life are becoming more and more significant. Established international enterprises such as IBM, GE, Microsoft, Lucent, Hewlett-Packard and others, which have strong comprehensive strength and core competitiveness, will become an essential interest and important mission for Chinese enterprises to collaborate in the 21st century. While many multinational companies engaged in a large-scale strategic mission towards China, China's local enterprises have to seek opportunities abroad, and began its journey towards internationalization. Entering the world market is not the ultimate goal, competition for global market share with multinational companies giants and developmet of the international core competitiveness is the real purpose.

In this paper, the study used the case study and inductive method to carry out empirical research on HUAWEI's international marketing strategy. The study explore HUAWEI's overseas expansion strategy from its market segmentation, target market selection, product positioning and 4P (product, price, place, promotion) and 4C (customer, cost, convenience, communication), attempting to summarize the international development experience and problems of China's private enterprises from HUAWEI's international development process. The study provides important empirical reference for Chinese enterprises that have been and will implement internationalization strategies, and help the communication operators to conduct a comprehensive and systematic thinking of the selection and implementation on the international strategy.

Keywords: Marketing strategy; STP; 4P; 4C; 4Ps; SWOT; Cooperate; International Market

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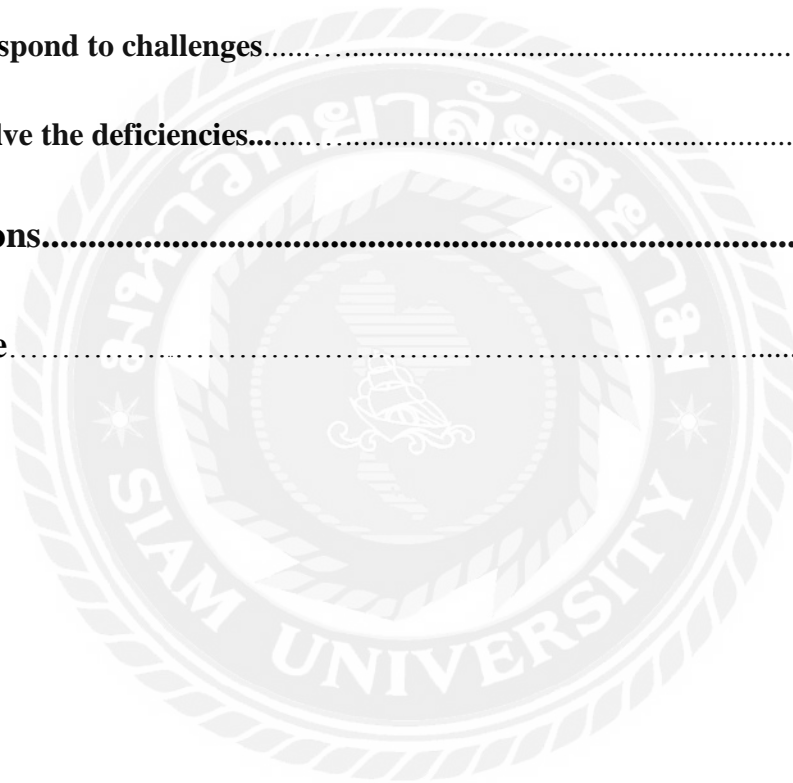
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Chapter 1 Introduction

1.1 Research background and research significance

1.1.1 Research background

Company Introduction

Huawei founded in 1988 and headquartered in Shenzhen, Guangdong Province, China, started with only a registered capital of RMB 24,000 and is a small company that can only operate by agency. But in 2016 it has become the largest enterprise with annual sales revenue of 520 billion yuan in China's telecommunications industry. A global sales and service network provided by Huawei shows that it has continuously made major breakthroughs in overseas markets, and now is continuing to expand its business all around the world. Its products have entered more than 40 markets of countries and regions including developed countries such as Western Europe and North America. In recent years, it has won the bid not only in the markets of developed countries, laid the position of the global mainstream telecom supplier, also won the favor of the world's major telecom operators in emerging technologies such as 3G, NGN and other important product areas.

Huawei is also the world's leading provider of information and communication technology (ICT) solutions. With a focus on the ICT sector, Huawei maintains a steady operation, continuous innovation, open cooperation, building solutions advantages in Telecom Operators, Enterprise, Terminal, and Cloud Computing Between Operators and Clients, provide competitive ICT solutions, products and services for carrier customers, corporate customers and consumers, also committed to enabling the future of social information fully connected, build a better world.

Currently, Huawei employs about 180,000 people and operates in more than 170 countries and regions, serving more than 1/3 of the world's population. And in 9 regions around the world set up about 90 overseas representative offices and 33 foreign solution offices.

1.1.2 Research significance

The most direct motivation for companies to engage in international activities is to develop overseas markets and to find new customers for existing products and services as domestic markets become more saturated. With the development of economic globalization, consumers in different countries tend to converge on the demand preference and spending habits, which makes it possible for enterprises to push their products and services to a broader market.

The internationalization of Chinese enterprises has always been a hot topic in China, especially the high-tech enterprises. From the last century 90's China's newly-growing high-tech enterprises, in the case of get the advantages of the domestic market, they are embarking on an international journey, these enterprises encounter various problems in the process of globalization. Such as international market access standards, globalization rules, market network and R & D network construction, cultural and legal conflicts, and intellectual property rights and standards issues. Chinese enterprises can enter the international stage only by carefully handling these problems.

The reason for choosing Huawei as my research and analysis object is the feeling when I visited the top 500 companies in the world. Chinese companies in the Fortune 500 are basically state-owned enterprises monopolized by the state, although this is caused by the system of my country, but in fact that the competitiveness of private-owned enterprises in China are not strong is irrefutable. Huawei is an alien entity company. As early as 2008, its contract sales amounted to 23.3 billion U.S. dollars, while its revenue in the international market has exceeded 75%. This has to arouse my profound thinking, why the most of chinese businesses are beaten badly by the domestic market, but Huawei has already completed its task of occupying the domestic market and has turned its eyes to the world. More importantly, unlike many Chinese enterprises that rely on foreign scientific research, Huawei has gone through a long and lonely journey of technology development and research. It is exactly this process that has created Huawei's strong technical strength. On the other hand, it is Huawei's advanced management and culture plan. In 1995, Huawei hired experts to

build Huawei's corporate culture in accordance with international standards. The Huawei Basic Law, the first corporate governance law in China, at the same time, Huawei adopts advanced international management concepts to transform its business management. For example, it hires HAY, Germany as human resource consultant, and German National Institute for Applied Research as quality management, and PricewaterhouseCoopers as its financial advisor to establish an internationally advanced enterprise management System. The internal management structure also appeared a larger adjustment, the department for the management structure of the model to the business process as the core management mode. These pre-departure reforms and accumulation have provided a solid foundation for Huawei's international success.

The article uses the combination of theory and practice; use HUAWEI Technology Co., Ltd. as a typical, through the study of its 20 years international development strategy since 1996 to now, analysis of its international strategy in the highlights and shortcomings, as well as the impact of the strategy. HUAWEI takes full advantage of distribution agreements and strategic alliances, use technology for oriented, from started imitation to the one of international three major telecommunications system suppliers, used a model similar like rural encircling the city, the final strategy to seize the international market gradually. HUAWEI's internationalization strategic is from easy to difficult; the target market choice is from near to far, first target market is Hong Kong, then to the third world countries and to developing countries, finally entered the major markets in Europe and the United States. In the market into the model is also from shallow to deep, take a pattern from export to contract, and finally the progressive development of foreign direct investment.

Chapter 2 Definition of 4P、 4C &4PS theory

2.1 4P Theory - to meet the needs of the market as the goal

4P is a marketing nouns, in the 1960s, the United States marketing scholar Professor McKinsey put forward four theories of marketing strategy, the four combinations are: product, price, place, promotion, because the first letter of these four word is P at the beginning, so it is also known as 4P marketing theory.

1) Product

Mainly include the product substantial object, after-sales service, brand effect and appearance display. It is a specific description of the goods and services provided by the business to the end customer, including the product's functions, quality, surface, style, brand, packaging and norms, also includes other factors such as service and warranty. Other factors include the system in which managers think, the company, and others.

Because although the products are constantly diversified, the combination of functions is constantly approaching. Therefore, how to make effective distinctions and unique displays from other factors, such as the cooperation between products and systems, the company's business philosophy and strategy, and even education training and the successful model are all points that must be pondered today.

2) Price

In addition to the basic price, also includes a variety of payment methods and pricing techniques, such as commission discounts, promotional prices, payment deadlines, commercial credit, as well as the psychological implications when the customer purchase. It refers to the economic returns pursued by companies for selling their products. Another important aspect of product sales is the added value of the follow-up industry chain. Marketing involves not only the product itself, but also post-sale services, professional advice on product use, and solutions to problems. From a strategic point of view, how to improve and increase the overall value to maintain customer loyalty is also the most important research direction for companies and managers.

3) Place

In fact, the word place is not very appropriate and should include two factors, one is distribution, including the production distribution of product categories, the choice of mode of transport and the control of geographical stocks, and the other is the channel, including sales methods, sales locations, as well as the choice and cooperation of operators, which represent the various activities an organization undertakes to bring its products in and reach its target markets.

4) Promotion

Promotional portfolio refers to the communication activities of enterprises using various information carriers to communicate with the target market, but in fact the word is not very accurate because it is not a single sales activity, but includes all means of communication strategies such as advertising, staffing, sales promotion and public relations. Promotion can only cover sales promotion and personal sales in communication strategies, but cannot cover advertising and PR strategies.

2.2 4C Theory - to build around the customer needs theory

Mr. Laurent in 1990 in the "advertising era" above, corresponding to the traditional 4P put forward a new point of view: "marketing 4C." It requires enterprises to design the product should first understand the customer's purchase direction, and then capture the needs of customers, and also reduce the cost of customer purchase costs, product's functions and services to be based on the purchasing power of customers targeted research and development , and then to the effective distribution and adjustment of the channel to facilitate the customer's purchase process, and finally to make effective marketing communication with consumer, including consumer recommendations at the time of purchase and sales advice after the issue. 4C is:

- 1) Customer's needs and wants (what is the consumers want);
- 2) Cost and Value to satisfy consumer's needs and wants (How much cost the consumers want pay for product);
- 3) Convenience to buy (make consumers easy for purchase);
- 4) Communication with consumer (Guide shopping and after-sales service).

4P is marketing strategy and means used, and 4C is the marketing concepts and

standards customized based the market. 4C's "satisfied customer desire, cut down customer purchase costs, purchase convenience and marketing communication" is based on consumer demand-oriented, established a marketing concept and standard analysis, and 4P's "products, prices, places and promotion" is the strategy before the product is sold to the customer. 4C sales base still need 4P's strategies and measure to provide. For example, to provide the practical needs for customers, it is necessary to improve the quality of products, to enhance the convenience of customers to buy, it is necessary to complete through the channel strategy, to attract consumers to buy, need to through advertising, PR and other promotional strategies to be reached. Such as Louis Vuitton bags to meet the pursuit of noble for consumer demand, the product strategy is used very sophisticated timber and classic design, Convenience strategy with top-notch or even super five-star terminal decoration, and the promotion strategy is organized superstar-studded public relations activities to spread the brand's grade and taste. Therefore, 4C is not the theory of replacing 4P. Their relationship is not contradictory and opposite. It is a combination of mutual complementarity and mutual improvement in the marketing market.

The relationship between 4Ps and 4Cs is shown in the table below.

category		4P		4C
expound	Product	Service scope, project, service product positioning and service brand	customer	Research customer demand desire, and provide the corresponding product or service
	Price	Basic price, payment method, commission discount and so on	cost	Consider the cost of the customer willing to pay, the price is how much
	Channel	Direct channels and indirect channels	convenience	Consider allowing customers to enjoy the convenience of third-party logistics
	Channel	Advertising, staff promotion, business promotion and public relations	communicate	Actively communicate with customers, looking for a sense of win-win identity
time	20th Century	Mid-60s (McCarthy)	20th Century	In the early 1990s (Lauterton)

2.3 4Ps Theory - to meet the needs of the market as the goal

4Ps is based on a single enterprise as an analysis unit, the factors that affect the effectiveness of corporate marketing activities are divided into two types: One is

beyond the control of enterprises, such as social / demographic, technological, economic, environmental / natural, political, legal, mores, Geographical Factors and other factors produced by the market, called uncontrollable factors, it can also be said that enterprises have to face the external uncertainties; another one is the marketing factors that the enterprise can control by management and adjustment, such as product, price, place and promotion, which are called the controllable factors of the enterprise, and also the internal environment in which enterprises can improve and enhance.

4Ps can be said to be a detailed explanation of 4P theory. The essence of an enterprise's marketing activities is a process of utilizing internal controllable factors to adapt to the external environment, that is carry out reasonable and effective planning and arrangement about products, prices, place and promotion, make the most appropriate response measures for the market uncontrollable factors, to meet customer needs and achieve the success of the transaction. The Kotler's has a very interesting concept of success, "If a company produces the appropriate product, sets the appropriate price, uses the appropriate distribution channel and complements it with the appropriate promotion, Then the company will be successful ". Therefore, the core of marketing activities lies in the development and implementation of an effective marketing mix.

Chapter 3 HUAWEI international causes and SWOT analysis

3.1 HUAWEI international agents

In fact, there are two trends of market development, domestic competition internationalization and international competition domesticization, market integration is getting higher and higher, in the past one-way product export thinking should be replaced by the global strategic layout. With the development of science and technology, the convenience of transportation and communication has led to the continuous opening up of world markets and the persistence of globalization services. The reasons for influencing and promoting Huawei's internationalization include the following:

1) The overall development of the domestic telecommunications equipment market has slowed down. Due to the policy of 1996, it is difficult to start large-scale application of new technologies (such as 3G), the domestic market has been unable to meet the development requirements of HUAWEI, however, in the international market, the network communication industry has a vast space for development. Especially in the Middle East, Africa, Southeast Asia, these emerging market industries require very little entry, the international telecommunications equipment manufacturing giants have not given enough attention to these areas, these changes in the external environment prompted Huawei choose to "go global."

2) As a high-tech enterprise, Huawei invests 10% of its sales revenue annually in R & D. The amount of R & D investment ranks first in the country and its product life cycle is short. So for achieve return on investment, reduce the risk of company management, Huawei needs a larger market size to reduce R & D costs of per unit product. By entering the international market, Huawei can study and draw learns from the modern management mode of foreign enterprises, introduce advanced management methods from abroad, enhance their core competitiveness, and then increase efficiency, sales revenue and profits, which is in favor of long-term rapid

development of the Company.

3) President Ren Zhengfei many times with the national leaders to visit, for HUAWEI to open Russia, Egypt and other countries to provide a rare market opportunities. HUAWEI also use a variety of international exhibitions and forums to speak to promote their own, proactive for enterprises to create and grasp the overseas market opportunities.

4) Unique corporate culture is HUAWEI to continue to explore the international market an important driving force. Ren Zhengfei's paragraph explains the corporate culture of HUAWEI:

"The development of enterprises like a wolf, enterprises to expand, must have the wolf's three major characteristics: keen sense of smell; indomitable, rushed to the spirit of the group struggle. "(2011)

HUAWEI's prey on the market prelude to the sense of smell, its all-conquering" wolf spirit "not only increased HUAWEI's" going out "courage, but also access to the company's employees on the decision-making recognition and support.

3.2 Introduction to SWOT analysis method

The so-called SWOT analysis is through the situation analysis of the internal and external competitive environment and competitive conditions, collect all kinds of major internal strengths, weaknesses and external opportunities and threats which be closely related with the research object, through the research, listed it in the form of matrix, and then use the system analysis idea to match the various factors with each other to conduct the correlation analysis. From this, a series of corresponding conclusions are drawn, and the conclusion usually has certain decision-making.

SW analysis: Because the enterprise is a whole and the sources of competitive advantage are very broad, so, while doing the advantages and disadvantages analysis, must start from every aspect of the entire value chain, make a detailed comparison between business and competitors. Such as whether the product is new and unique, whether the manufacturing process is complicated, the sales channel is smooth, and whether the price is competitive. If the one or more areas advantages of a business happens to be the key success factors for the industry need, Well, the company's

overall competitive advantage may be stronger than others competitor. What needs to be pointed out is that to measure whether a company and its products have competitive advantages, must stand in the perspective of existing market users, rather than standing on the business perspective.

OT analysis: Mainly used to analyze the impact of external conditions on the business. Such as the current social threat of alternatives, alternatives limit the maximum price of a company's products, but everything has a dual nature. Alternatives not only threaten the company but may also create opportunities. Businesses must analyze whether "substitutes bring to the company's products or services" extinction "or provide higher opportunities and value, buyers buy substitutes in order to reduce their own costs, what method that companies can do for reduce costs or increase added value to reduce the risk of consumers buying alternatives.

3.3 HUAWEI SWOT analysis

3.3.1 Strengths

Core competitiveness is the key of a company can continue fast and good development, want to strong competitors such as forest in the telecommunications industry foothold, not their own core competitiveness is not work certainly. And HUAWEI's success is from the beginning they started from the R & D, channels, services and other aspects of the establishment of their own core competitiveness. Its advantages are embodied in:

1) Business ranking

US market research firm ABI Research latest research report, HUAWEI in the third quarter in 2013 of global mobile network equipment accounted for 28.1% of total sales, the chain decreased by 3 percentage points, but still ranked first. Alcatel-Lucent is ranked third with 16.9% market share beyond Nokia Siemens Networks, Nokia Siemens with the 14.9% market share ranked No. 4.and Samsung to 9.5% of the market share of the No.5.

Today, HUAWEI has become the global mobile network equipment market "leader". Although the US government tried to prevent HUAWEI's expansion in the US market, but HUAWEI in other global markets have increased, especially in China

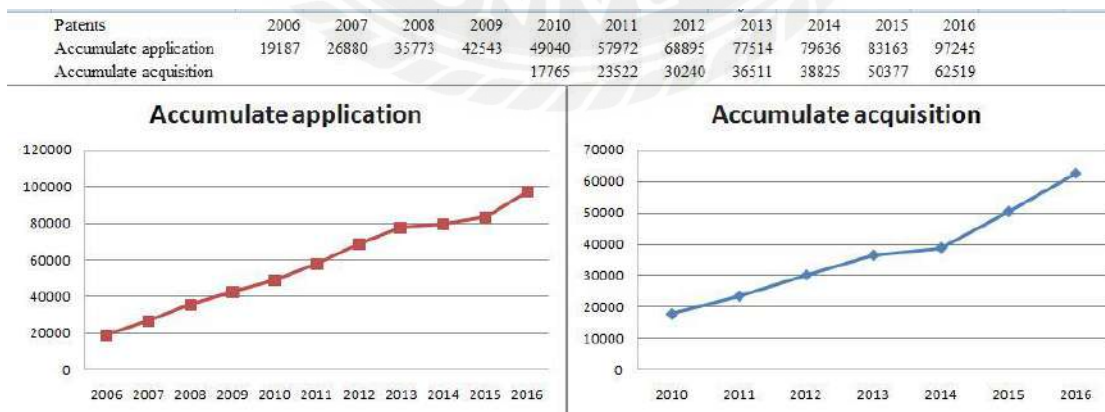
Mobile LTE network construction.

2) Technical strength

HUAWEI has long been engaged in R & D investment of not less than 10% of sales revenue, and adhere to 10% of R & D investment for pre-research, new technologies, new areas of continuous research and tracking.

Year	R & D expenses	The proportion of total income
2013	306	12.80%
2014	408	14.20%
2015	596	15.10%
2016	764	14.60%

At present, HUAWEI in FMC, IMS, WiMAX, IPTV and other new technologies and new applications, have been launched a solution successfully. HUAWEI has established a number of research institutes in India, the United States, Sweden, Russia and China, Beijing, Shanghai and Nanjing, HUAWEI engaged in research and development of about 80,000 people, accounting for 45% of the total number of employees. Until to December 31, 2016, HUAWEI has accumulated 6,2519 patent licenses; cumulative application for Chinese patents 57632 pieces, the cumulative application of foreign patents 39613 pieces.



Of which more than 90% are the invention patent. HUAWEI to keep the standard and patent investment, master the commanding heights of future technology, in the 3GPP base patent, HUAWEI accounted for 7%, ranking fifth in the world. HUAWEI

also the "The world's few manufacturers to provide the next generation of switching systems"(Dittberner 2003).

3) Cost advantage

One is high-quality, low-cost personnel advantages. 85% of Huawei employees have university degrees and master's degree or above, and senior research and management staff also account for 40% of the total number of employees. At the same time, the existence of a large number of low-cost knowledge workers in China's labor force structure also provides Huawei with a source of competitive advantage. The other is the advantage of R & D costs, the remuneration level of Europe and United States engineers is much higher than the china's engineers, Huawei's high-tech R & D personnel are often the company recruited from colleges and universities, then six months of full-time paid training, rather than the use of high pay to other companies digging. Compared with the method of self-cultivation of talents. Compared with the method of high-pay digging, through self-cultivation of personnel, it not only reduces the remuneration costs of R & D staff, also enhances employee-company fit and employee loyalty to the company, reducing turnover or job-hopping rates.

4) High-grade service

For domestic, Huawei according to the Chinese user's habits, to do with Chinese characteristics for service. China is not only the world's fastest growing demand for network equipment, but also become the world's second only to North America's network equipment supply base. For the international giants have poured into China, trying to carve up these worlds's largest market, HUAWEI to use their own as a natural advantage of local enterprises, on the basis of the mainstream technical standards, make development for the domestic user special business needs. In the international market, especially in developed countries in Europe and the United States, operators pay more attention to the quality and service of their products. Huawei has established more than 100 branches around the world to provide marketing and service on a global scale. Able to quickly respond and solutions for customer needs. Cost-effective products, coupled with rapid response to customer needs, are the main reasons that Huawei has repeatedly received orders from overseas

operators.

5) Leadership excellence

Ren Zhengfei, the president of HUAWEI, is a tough guy fighting for ideas, In 2005 he was named "Time" Global 100 list of "builders and Titans ". The theory and practice of Ren Zhengfei on the "crisis management" of the enterprise in the industry has had a widespread impact, his famous masterpiece<HUAWEI winter>has been many enterprises (especially IT) as a model of enterprise crisis management. Ren Zhengfei makes good governance for more than a decade, has built HUAWEI as a benchmark enterprise in China's IT sector, and the world's leading enterprises as many famous university students choose one of the preferred business. Because Ren Zhengfei origin is a military cadre, HUAWEI adhering to his many ideas, such as "Mao Zedong thought", "wolf culture", "and military management" and a series of new enterprise management culture, these ideas have been incorporated into HUAWEI's corporate culture.

3.3.2 Weaknesses

HUAWEI's disadvantage is also more significant, mainly reflected in the following aspects:

1) Lead personal color strong

This is a common phenomenon among all the private-owned enterprises. The leader of the private-owned enterprises is the "big housekeeper." All kinds of powers are put together. His behavior style and leadership style basically determine the style of the enterprise. Corporate leaders of the more concentrated personal, often not subject limits to the rules and regulations of the company, evaluation of subordinates' performance is subjective and arbitrary. This is not because the leaders have short-sighted or poorly-managed management, which is determined by the characteristics of the startup phase of the enterprise.

2) Financial resources are weak relatively

Compared with the international telecom equipment giant, HUAWEI's financial resources also too many weak. Because it is not a listed company, the company cannot finance in the capital market; nor need social publicity, this also caused a certain

degree for the opaque, for the company to enter the international market caused some obstacles.

3) Historical influence

Because of historical reasons, people doubt the innovation ability of Chinese enterprises, which makes the products produced by HUAWEI easier to be questioned, at the same time, HUAWEI's low price strategy, also easy to make people doubt the reliability of the product.

3.3.3 Opportunities

A new round of information technology revolution is accelerating and pushing forward the digitization process comprehensively, the technology application is spreading rapidly from life to production, the powerful digital infrastructure has become an important driving force for the economy to maintain its growth. Countries all over the world also put digitalization as an important means, shaping the international competitive edge for the post-crisis era. The United States released the "Industrial Internet" and "Advanced Manufacturing Partner Program", Germany established the "Industry 4.0" plan, Japan put forward "new robot strategy" and China layout "manufacturing 2025" and a series of strategies and policies. Huawei Global Connectivity Index (GCI) shows that, the global GCI average score increased by 2 points in 2016, a 5% increase over the previous year, the digital economy is growing at an annual rate of 10%, more than three times the rate of the global traditional economy.

The World Bank pointed out in the World Development Report 2016, the rapid promotion of digital technology in the world will have a wide range of development benefits, also called digital dividend. The global digital transformation involves tremendous opportunities. It is estimated that there will be a billion-dollar video industry, a trillion-dollar digital transformation in the global market, and the upcoming emergence of 10 times the growth of the Internet Things industry. Huawei owns the huge layout advantage of the world's network infrastructure, it can be said that in the future path of development has been made on the basis of progress.

3.3.4 Threats

HUAWEI is currently facing the threat of the following aspects:

1) Strategic: From a technological point of view, human society will evolve into a smart society in the next two or three decades. This will be a profound social change for human's life style, the depth and breadth are unimaginable now, but it is can be foreseeable, in the transformation of ICT industry, the uncertainty of technology, commerce and trading pattern will increase greatly.

2) Countries: Huawei currently operates in more than 170 countries in the world. Owing to the complicated international economic and political situations, conducting business in different countries involves certain unique risks such as civil strife, economic and political instability, sharp fluctuations in the exchange rate of currencies, foreign exchange controls, Sovereign debt crisis, supervision of management rights and labor issues. In particular, tensions in bilateral or multilateral relations between countries or countries as a result of special situations in certain regions, such as local wars, mutual sanctions and unrest caused by specific incidents, may have a serious impact on Huawei's local operation, cause significant impact on Huawei's business development.

3) Operation: In today's highly internationalized social division of labor, Huawei's manufacturing, logistics and service businesses inevitably rely on third-party vendors or professional organizations. Their business disruption will directly or indirectly adversely affect Huawei's business and operations.

4) Trade: The global trade growth rate has been below the world economic growth rate for five consecutive years. The overall trading environment is more complicated and harsh. The development of local economy and employment promotion have become the orientation of trade policies of all countries. New trade protection measures represented by environmental standards and intellectual property rights will have a significant impact on Huawei's exports of communications products.

5) Information Security and Intellectual Property: Although Huawei has taken strict information security measures to protect intellectual property in all aspects, it can not completely prevent other vendors unwarrantable use various means to utilize

Huawei's information, patents or licenses, despite the protection that can be done through intellectual property litigation, will still cause Huawei's loss.



Chapter 4 The Analysis of HUAWEI's International Marketing

Strategy

HUAWEI's international marketing is undoubtedly successful, and the key to the success of international marketing is to adapt to the differences between different market environments. Adaptation is the international marketer, trying to predict the impact of uncontrollable environments at home and abroad on the marketing mix consciously, and adjust the marketing combination scheme, to minimize the impact. The following will start from the international marketing environment analysis, STP analysis and 4Ps analysis, to explore the international marketing strategy of HUAWEI.

4.1 Analysis of HUAWEI's international marketing environment

Marketing activities, including political factors, cultural factors, technical factors, humanistic factors, economic factors and natural factors, for enterprises, these factors, always contains business opportunities and potential threats, and they are complex, ever-changing. Although companies have no ability to control or marketing environment. But enterprises can choose favorable environmental factors, and can take advantage of opportunities in the environment, through the use of appropriate marketing decisions, avoid threats and risks in the environment, I think, from the nature of HUAWEI's products; the biggest impact on the international market should be the political environment and cultural environment.

4.1.1 Political Factors

As a cross border economic and trade behavior, international marketing can not be separated from the political and legal environment of all countries. All countries in the world due to different political systems, different political situation, with different legal treaties, conventions and agreements, so that enterprises carry out marketing in different countries when facing different situations, also makes enterprises in the business decision-making, to consider the larger factor differences. In view of this, enterprises in the international marketing, must fully understand the political and legal environment of each country.

1) The role and behavior of the government

The policy and behavior of the government of a country in political and economic have established goals, these goals depends largely on national interests, such as the national economic prosperity, political stability, sovereignty and territorial integrity, national security and so on. A government behavior is driven by the interests of the state, government behavior goals have different characters in different periods.

2) Political stability

Too frequent or sudden regime change will result in the foreign enterprises in the country unable to respond to the strategy, and cannot adapt to the strategy and make appropriate adjustments. The unrest, civil war, coups and other political conflicts may not only directly to the foreign enterprise personnel and property damage, more likely to change the host government to the foreign enterprise policy due to the political conflict, so as to bring all kinds of unfavorable factors in the foreign enterprises have the marketing activities in a certain period of time. From HUAWEI insiders said the buyer's credit for some poor and unstable countries of the telecom operators, not only in the search for bank guarantee is difficult, and the operation risk is very high. The person also said, similar to the 2002 emergency withdrawal from Venezuela in the coup incident has occurred, which will affect the operator's repayment time and ability to HUAWEI.

3) Political intervention

Political intervention refers to the government taking various measures, forcing foreign enterprises to change their mode of operation, management policies and strategies. In this case, HUAWEI mainly from the following aspects to reduce the political risks of the host country:

① Seek local partners, use local partnerships and influence in the host country, enhance the understanding of enterprises in all aspects of the host country, thereby reducing political risk. After years of efforts, HUAWEI has won the respect of western competitors in the international market, and then cooperate with HUAWEI at different levels in order to improve their market competitiveness. For example, HUAWEI and Motorola OEM way cooperation; HUAWEI through a joint venture

with 3COM enterprises successfully enter the data communications market in the United States; HUAWEI has established a partnership with NEE, Panasonic and SIEMENS to enter the global market.

② The government set up-- follows diplomatic route. Nowadays the national competition has reflected in the economic competition increasingly. Enterprises in the international business activities are gradually showing tacit agreement with the country." Competition between countries is the competition between enterprises and enterprises." Before the HUAWEI went out, this is the politics concept that Ren Zhengfei understood. With the extension of the internationalization of HUAWEI, this sentence has been given a special meaning. In the early stage of internationalization, HUAWEI to comply with an unwritten rule: that is to Chinese foreign as the direction. The principle of setting up offices in HUAWEI is to establish diplomatic relations with China, what kind of manpower and material resources will be put into effect is decided by the direction of the country's diplomacy. In the past < Through the Eurasian dividing line >, Ren Zhengfei again clearly mentioned this point:

"Chinese diplomacy is successful and won many friends in the world, HUAWEI's cross-border marketing is to follow our diplomatic routes, I believe will be successful". (2004)

In 1996, President Yeltsin paid a state visit to Chinese, Jointly announced the establishment of "equal trust, for the 21st century strategic partnership of cooperation" with President Jiang Zemin, Ren Zhengfei is keen to be aware of this international relationship changes hidden business opportunities. HUAWEI immediately decided to seize this golden opportunity for the development of Russia. Similarly, HUAWEI's built joint venture in Brazil also took a fancy to the friendly relations between Brazil and China generation. In June 1, 1996, when Vice Premier Zhu Rongji visited HUAWEI, he made it clear that the domestic exchange was entering the international market, and the government must provide buyer's credit, this is a big support for HUAWEI, a large equipment manufacturer with a slow received payments. On November 2000, Vice Premier Wu Bangguo visited Africa, Ren Zhengfei be

appointed accompanying personally. In the foreseeable future, the shadow of the country still appears in the process of internationalization of HUAWEI.

③The financing partner is very important in the overseas market. A lot of overseas projects are talking about money, financing, and then talking about products, solutions and after-sales service. The earliest HUAWEI to do the buyer's credit is relying on China's Export-Import Bank, China's letter of insurance and China's export policy. Now through further open up the financing channel, HUAWEI has begun to use the buyer's credit from foreign banks to expand the market, such as HSBC, Bank of Holland. At present, HUAWEI has more than 20 overseas financing partners, these financing partners generally have a good reputation and social influence and the relationship between cutting closely with the government in the local area, which provides a strong guarantee for HUAWEI's local market development.

4.1.2 Cultural factor

At present, in contemporary global marketing, culture as a very important factor, has penetrated into all aspects of marketing. Only understand and respect cultural background and values concept of the country and ethnic, then according to the region, the national consumer psychology, behavior and needs to be effective measure to develop marketing strategy and tactics suitable for localization. In international marketing culture refers to "the sum of all acquired beliefs, values and customs, and guide the consumption behavior in specific countries markets. On the basis of this definition, culture has three basic components:

- Faith: a process that reflects a large number of psychological and linguistic questions about how we understand and evaluate products and services;
- Values: Indicators used by consumers to measure appropriate behavior (this indicator should have relative stability and persistence and be widely accepted by a particular market member;
- Custom: An open pattern of behavior, that is, behavior that can be accepted or endorsed by culture in certain situations.

1) Cultural differences have a very important impact on all aspects of international

marketing. Performance in the following areas:

①The influence of communication style, different countries and nations have different cultural norms and communication style, engaged in international marketing company in the new foreign market, we must understand the local cultural norms and local communication style, this is the basic condition of successful international marketing.

②The impact on international marketing negotiations, marketing negotiation is the key to the whole process of international marketing. The values displayed in different cultures have a profound impact on different cultures.

③The influence on marketing strategy, Each country or nation has its own cultural background and cultural norms, and provide values and codes of conduct to guide the members action based on these cultural norms. For international marketing personnel, need in-depth understanding of the local market cultural background and values, in accordance with the local consumer psychology and actual consumer demand to develop local marketing strategy.

Ren Zhengfei believes that an enterprise needs to have the world's strategic vision to make efforts, a nation needs to learn the essence of the world to be thriving and prosperous. A company needs to establish the business ecosystem of the world for make survive endless. an employee needs to have the world's mind and skills in order to harvest the outstanding career. (2008)

In the international marketing of enterprises, culture is mutual influence, and the integration of culture is the key to internationalization of enterprises.

2) Huawei mainly through the following strategies to cross-cultural management:

①Localization strategy. At present, HUAWEI in overseas with a total of more than 90 service branches, in addition to Chinese staff, also a lot of recruiting local employees, including technical, sales, finance and other personnel. In the largest overseas research institute, India Research Institute, more than 80% of employees are Indians. Currently Huawei in the Silicon Valley and Dallas of United States, Sweden's Stockholm, Moscow of Russia and India have R & D center, these research and

development centers can be 24 hours of simultaneous research and development in Huawei's strong data platform. In such a cultural background, habits and values, there is a big difference in the diversity of working environment; the culture of HUAWEI is also gradually internationalized.

According to a HUAWEI insider worker present, one time a project of India group in the discussion of technical scheme, worker who come from home to a staff plan under dispute, intense scenes, everyone desperately to shout, want others to accept their opinions, when it is difficult to understand the occasion, an Indian manager quietly pulled the side of the quarrel aside. "Do not be so loud and say, if you are angry, you have to hold your fist, and calm down to discuss it. " Chinese always First impressions are strongest in discussion, and that he is the most correct, the other is wrong, the task is not to discuss the problem itself, but to refute each other. Based on this culture, Chinese employees always express their opinions as fully as possible in the review, and strongly hope that the other side can be persuaded. Employees in India are different. Sometimes, although they want to be more comprehensive, they try to listen to each other as much as possible, rather than trying to refute each other first. India employees are more comfortable with peaceful discussion atmosphere.

On the one hand, the implementation of localization strategy is conducive to quickly get a firm foothold in the new foreign market, consolidate the market, and make HUAWEI expand the market scope faster; On the other hand, is conducive to reduce wages and cost for expatriates and transnational business must pay; at the same time, but also conducive to local cultural integration, reduce local social hostility to foreign capital.

②Cultural evasion strategy. Every country or nation has its own taboos. Taboo marks the boundary between a culture and another cultural difference, and it is the most sensitive factor in cultural differences. The role of taboos in international marketing has been confirmed by numerous international marketing examples. The main reason for the failure of some companies in international marketing is that they violate or breach the taboos of a certain region or nationality. HUAWEI in March in Thailand, Saudi Arabia, Jordan, Algeria and other countries to fully experience the potential

impact of this cultural taboo.

③With the help of third party culture strategy. Because of the huge difference exists in their own culture and the culture of the host country, and international businesses cannot copy the pattern of culture management of the company, also do not have the ability to fully adapt to the formation in the huge cultural differences based on completely different from the domestic business environment in a short period of time, in this case, we need to take "subsidiary with the aid of the third party". One of the most important features of Huawei's human resource management is his personnel rotation system, mostly of the staff will not be in a position to be too long time, especially in the opening up of the international market mileage, mobilize the head of a similar country or region to develop new markets, often achieve very good results.

Cultural differences exist in all kinds of human relationships, all of which are potential pitfalls for imprudent companies. In the process of business activities in foreign countries, the most difficult and most important is to understand the differences between cultural concepts. In such a cultural context, a company's products and services can be regarded as provided for the personal and social needs of the appropriate or acceptable solution. Since marketing is based on satisfying the different needs of consumers based on culture, so successful international businessmen should try to understand the cultural norms they follow in the markets they need to develop, and then develop a marketing program for local consumers. Therefore, the international marketing personnel should try to understand as much as possible the country and culture they want to enter, and actively contact with the people of the local countries, so as to formulate a suitable strategy for the development of enterprises and marketing work smoothly. For enterprises engaged in international marketing, it is always a big problem to integrate cultural differences into the overall marketing strategy to ensure the realization of enterprise goals.

4.2 Analysis of HUAWEI's STP

Marketing guru Kotler once said: "the core of modern strategic marketing can be defined as STP marketing, namely: market segmentation, target market selection and

market positioning", Among them, market segmentation is the basis of strategic marketing activities, and also the key to develop marketing strategy. After market segmentation, the market should be evaluated effectively, and the target market should be selected, after the completion of these two basic steps, the more important link is positioning. Whether foreign or domestic, whether it is a small company or well-known large companies, is also positioning, positioning. success also positioning, defeat also positioning.

4.2.1 Market segmentation

Market segmentation refers to the process that enterprises classify the need of consumers or users according to a certain standard and divide customers into different demand groups. The premise of market segmentation is the heterogeneity of customer demand. According to the difference of customer demand, the market can be divided into homogeneous market and heterogeneous market, when the customer reference products demand is substantially the same, and in the same enterprise marketing strategy was also very similar, called a homogeneous market; when the customer design for product quality, price, etc. have different requirements, but also to the enterprise the same marketing strategy will make a different response, called heterogeneous market.

International market segmentation is the application of market segmentation concept in international marketing; HUAWEI's marketing has always been carried out on the basis of market segmentation. There are many reasons for market segmentation. Because HUAWEI products mostly are standardized products, the market demand is basically the same, so HUAWEI faces when preparing to enter the international market, the problem is: there are many countries in the world, HUAWEI how to enter the most (or what) advantageous market? This needs to be based on a certain standard (such as economy, culture, geography, etc.), the whole market is divided into several sub markets, and each sub market has the same marketing environment. The enterprise can choose a group or a few countries as the target market.

HUAWEI mainly studied the market situation from the geographical point of view:

1) Russian market. The privatization and shareholding reform of the Russian telecommunications industry began in 1992, resulting in the formation of more than 100 joint-stock companies, the telephone companies in each city monopolized the local telephone business basically, traditional telecommunications business monopoly in the telecommunication industry still exist, the pace of infrastructure update and innovation is slowly, has not yet formed a unified telecommunications network and charges, technical standards and market specifications to be improved, there are human and technical barriers in the communication between companies, and there is a great market space for development. Foreign manufacturers still occupy the main market share, such as Al Carter, Nortel Networks, Lucent, 3Com, Juniper and other brands, these old products generally high prices.

Russia's telecommunications industry is affected by the sluggish economic development, the market demand is large, when there is no uniform technical standards in the industry market, more attention should be paid to the cost performance and value-added services for the purchase of communication equipment. And Russia's stock system reform began to start, the country has a large stake in it, politics has a big impact on the economy. The advantage of HUAWEI is that the Chinese government has maintained a good diplomatic relationship with the Russian government, which provides convenience for Chinese enterprises to enter the Russian market.

2) Latin American market. The overall economic level of the Latin American region is in the of global, the government investment in the communications industry is relatively large, affected by the economic impact of the development of the communication industry is fast, but the uneven development between regions; Brazil and Argentina are the largest telecommunications market in Latin America, accounting for 80% of the Latin American telecommunications market, it has become one of the most popular places for investors in developing countries. There are CISCO, NOKIA, Nortel Networks, Lucent, several giants occupy about 90% of the market share.

Latin America has a population of 500 million, and is a market with great

potential for development. The Latin American telecommunications service industry just privatized soon, facing the adjustment of business strategy, update equipment, expanding the communication capacity, improve service, to meet the need of user's telephone, mobile phone, network and so on. According to the world bank analysis, by 2010, the Latin American telecom industry still needs to invest 100 billion dollars, which is a good opportunity for HUWEI to enter the Latin American market.

3) African market. As the poorest continent in the world, Africa is seriously lagging behind in the global wave of information revolution, and the communication market is weak. With the continuous development of the economy and the support of the government, communication in Africa has developed rapidly. In Egypt, South Africa, Nigeria and so on, it has formed a certain scale. However, due to the existence of high cost, poor service and unstable political situation in African telecom market, there is still some risk to enter the African market.

4) European and American markets. This market belongs to the high-end market, with advanced concept of consumption, consumption is higher than the level of communication most of the rest of the world, they pay more attention to product performance requirements. And Europe and the United States and communication market is a mature market, the network has been finalized and unified standard, other manufacturers without considerable strength is very difficult to make a difference.

4.2.2 Target market choice

According to the company on the market segmentation, in the comprehensive consideration of the enterprise resources, properties of products in the market. HUAWEI has chosen the way from easy to difficult. In the choice of target market is from near to far, Select the Hongkong as the first target market, from Hongkong to the third world countries, then to the developing countries, finally entered the mainstream market in developed countries. Formulate corresponding marketing programs, concentrated forces for high share in these target markets.

The detailed of choice can include geographical location, population distribution, population income, scope of interest and so on, according to the characteristics of different target markets, respectively formulate different marketing plans, according

to plan production target market of needed goods, to meet the different needs of consumers.

4.2.3 Market Positioning

Market positioning is to determine the location of enterprises and products in the target market. Market positioning is proposed by American marketing experts Al Ries and Jack Trout in 1972, which means that the enterprise according the location of competitors existing products in the market, focus on the degree of customer attention to certain characteristics or attributes of these products, the shape out of the ordinary for the enterprise products, gives the impression of a distinctive image, and bring the image vividly to the customers, in order to determine the appropriate location of product in the market.

Based like this, there have few key points:

- 1) Positioning not in the product itself, but in the heart of consumers. Must be oriented by consumer, cater to consumer psychology, product positioning in the target consumer preference position, hit the hearts wish of consumers, occupy a position in the heart.
- 2) Market positioning is to differentiate (functional differences, image differences), differentiation is the competitive advantage.
- 3) Positioning must be creative to express this positioning information, the expression is not in place, the image is not clear, it cannot shock the minds of consumers.
- 4) Positioning of the information expressed must be through certain and integrate means to the target consumer communication, the final be understand and accept to target customers. Huawei's market positioning will undoubtedly achieve the above effect.

Article 29, the market positioning of HUAWEI is the industry's best equipment suppliers. Market position is the core objective of marketing. We are not satisfied with the overall sales growth, we must know the company for each of the leading products in the market share is much, should achieve much. Especially the new products, emerging market share and the share of sales are more important. Brand, marketing network, service and market share are the key elements to support the market position.

----- From "Huawei Basic Law <Marketing>"

To become a world-class supplier of equipment, this is the development target of HUAWEI began to draw up a programmatic document on the set in 1996. At that time, HUAWEI was founded only 8 years, and enter the program-controlled switch market was only 1 years. Ren Zhengfei shows such an extraordinary ambition, many people ridiculed such an unknown private enterprise. However, just four years later, at the Beijing International Communications Exhibition, Huawei's new image shows that people are beginning to carefully weigh Huawei's soar ambitious. In addition to HUAWEI, Cisco Systems and Lucent Lucent Technologies such a world-class manufacturer also shows the broadband metropolitan area network, broadband access network solutions, however, like the domestic manufacturers such as Datang and Dragon, they eclipsed by Huawei's brilliant light and vast force of presence. Just on the performance of the show, in the "broadband MAN", Huawei has surpassed even Cisco and Lucent! I think there will nobody can doubt that one day the small Chinese company will rival the world giants.

A few years ago, HUAWEI and ZTE over size show the five-star red flag is always a laughingstock of other manufacturers. At that time, the relevant national leaders and the Ministry of information industry has unequivocally support the development of national communications enterprises. The concept of "Great China" was rampant, while the title of "national manufacturers" was unlimited scenery. However, Huawei's goal is not limited to this; it just uses policy support to build the cornerstone of its ambitions. After the "national manufacturer" became the yesterday's yellow flower, unlike the rapid fall of Datang, Dragon and ZTE, Huawei's strength has come more and more close to the "first-class manufacturer" standard.

Ren Zhengfei pointed out in his article, "Innovation is an inexhaustible motive force for development." Huawei's SDH optical transmission, access network, intelligent network, signaling network and carrier-grade Internet access server are now leading the world. Dense wavelength division multiplexing DWDM, C & C08iNET integrated network platform, routers, mobile communications and other system products into the world's advanced ranks, next year the broadband IP

switching system and broadband CDMA will also be commercialized. Huawei is also due to the latest iNET integrated network platform, known by Dittberner as "the few manufacturers in the world that can offer the next generation of switching systems."

Whether Ren Zhengfei's assertion is credible or not, Only from the "Broadband Network" concept of hype, and "Custom Network Solutions" slogan put forward, Huawei has begun to demonstrate its "first-class manufacturer" style in marketing, and in an orderly manner the transformation of corporate image, there is no longer someone slightly ridiculed it as "national manufacturers" list, also no one doubts it can really become "a world-class equipment supplier."

4.3 Analysis of HUAWEI's 4P & 4C

4.3.1 Product and Consumer

Even in the market by China and other companies such as Huawei forced very bitter, Nortel CEO Owens still confidently said that compared to Huawei, "our trump card is innovation and creativity." Over the years HUAWEI has been to imitate the strategy follow up multinational product and technology, even not be convincing the words of Owens may, but still have to accept the reality at hand.

Nevertheless, Huawei's cleverness is not that it must invest resources in R & D with multinational companies, or fight the quality of staff, fight the absolute advanced technology, or as Japan Telecom companies made the mistake of that year - "Rob the standard." Ren Zhengfei stressed that Huawei's R & D is "engineering technology" that can enter the market-oriented chain, instead of participating, participating in the "academic technology." It should be said that Huawei's investment in technology research and development is staggering, every year, 10% of R & D investment even makes some big international companies fail to catch up, but its actual orientation is very pragmatic. Because of this, Huawei in the development of customer needs technology doing both focused and fast. "At the level of application technology, our technical reserves are not lost on multinationals," said Hong Tianfeng, COO of Huawei, confidently said in an interview with reporters.

When it preparing to enter the Russian market, initially the Russian Ministry of Posts and Telecommunications started with "the current exchange mechanism (type)

in Russia, there are as many as 12, too much, inconvenient management. Moscow may not be easy to introduce new models." to deny Huawei's CAC08 network application. But Huawei staff conducted fruitful communication with the Leningrad Institute of Posts and Telecommunications; this Institute conducted a careful analysis of technical information provided from Huawei, and make multi-party rigorous testing of the product. Final confirmation a point of view from technical, the introduction of Huawei's C & C08 switch will not cause any management difficulties in Russia. And it will save billions of dollars in Russia's investment.

The product is not necessarily the best performance, but it must be appropriate; Technology is not necessarily the most advanced and cutting-edge, but it will certainly meet the urgent needs of customers, and help them to get the efficiency and profit they want. For competitors, even more frightening is Huawei's advantage is not only the lower price, but the range of devices it provides is also surprising. For example, despite being questioned in the profession is not confident and swinging, but Huawei has all developed R & D in the third generation of the major mobile communication technologies WCDMA, CDMA and TD-SCDMA, demonstrated the all-encompassing ambitions.

4.3.2 Price and Cost

There is news that Huawei's advertising slogan on the U.S. media is "the only difference is the price", which of course is something to point out. Boston Consulting Firm made it clear that in its research report, "Grasp the Global Advantage," since 1999 the cost advantages of Chinese companies will continue to increase. By 2009, China's hourly wage is about 1.3 U.S. dollars, while the United States is 25.3 U.S. dollars and Germany is 34.5 U.S. dollars. In 2016, China's hourly wage is about \$ 4.31, compared with \$ 18.75 in the United States and \$ 25.92 in Germany. This is means, even though Huawei's technology is still at a disadvantage in its competition with multinational corporations, the natural advantage of product cost will eliminate the strength gap between them. Under the precondition that telecom products become more massively consumer-oriented, the price factor may affect the operator's choice of products more than the brand factor. "Huawei's R & D spending of over 3 billion

yuan can provide 10,000 technical developers with the opportunity to do business. But if converted into dollars, only a few million, how many technicians can support?" An employee of Huawei's overseas business unit said that compared with Huawei, the mainstream of western telecom companies in recent years is layoffs.

When Huawei enters Russia, the price of the program-controlled switchboard in the Russian market is about 220 to 250 USD / line. Huawei promised during the initial negotiations that if Huawei was allowed to enter this market, it would have been less than 2 years, the price of the program-controlled switchboard in the Russian market would drop to about \$ 150 to \$ 180 / line, and two years later the price will drop significantly again. Therefore, to allow Huawei to participate in the Russian market competition, the final winner is the Russian government and people, and Huawei has also achieved his promise.

Huawei has done a good job in reducing costs for its customers in the early days of their businesses. Due to the customers prevailing unfamiliar and unconfident of "high-tech" products at that time, Huawei even deployed 20 or 30 service personnel in small county-level cities. As soon as the customer called out, Can come to service no matter what happens to the product. Today, Huawei's extraordinary service ability and sincere attitude are still the important points to win the trust of customers. For example, in the earthquake in Algeria, Siemens business people chose to withdraw, while Huawei chose to stick. This "shared hardship" type of adherence, of course, Huawei has won business opportunities. Conversely, if you are not around when your customers need you the most, it is inevitable that your customers will be wary of the concept of "deals."

4.3.3 Place and Convenience

Huawei's channels are broadly divided into two types. The first is the sales channel, such as setting up offices in some target markets, selling products directly. According to insiders Huawei, Huawei footprints wherever he went, almost all have their own agencies. The functions undertaken by these agencies include both business development, technical support and market research. Now Huawei is gradually using distribution and sales agents to reduce overseas management costs. The second

channel is to take the joint venture road, borrow the boat to sea. Such as joint venture with 3Com, in the Chinese and Japanese markets, use the Huawei brand to export products; in the market outside of Japan and China, through the 3Com brand and channel sales of products.

When Huawei entered the Russian market, it chose to take a joint venture and set up a joint venture with Beitou of Russia. Utilizing the relationship between Beto and the Ministry of Posts and Telecommunications and the government, start Huawei's C & C08 switch, transmission access equipment and high-frequency power network card application procedures, and eventually successfully entered the Russian market.

Due to the rapid extension of product lines, Huawei's competitors in various product battlefields are more and more powerful. In the field of wireless communications, there are rivals Nokia, Siemens, Motorola, etc .; in the field of data communications, Huawei has been the world's oldest Cisco as the top competitor; and optical transmission, also have Lucent, Nortel, Siemens and other powers. Huawei this product line after the formation of high-quality brand extension, the effect of reducing customer transaction costs is obvious, of course, once a certain product out of flames, it is possible to affect the full range of products.

Huawei is clearly aware of the need to mitigate the risks associated with extending the product line, so if possible, Huawei has launched foreign cooperation in all major product areas. In fact, Huawei has successively cooperated with Panasonic, NEC, Motorola, Siemens and 3Com, and each is a tactic of turning enemies into friends. And Huawei is very good at learning, through cooperation with customers, in the process of customer service to make substantial progress. Such as cooperate with Hong Kong Hutchison Telecommunications, and to accept British Telecom BT's "medical" is another example. To this end, Huawei spokesman Fu Jun does not recognize Huawei "closed" or "opaque", he said: "Huawei in the media and the public before the low profile, but in front of customers, partners, Huawei is very transparent. For example, Emerson to 7.5 Hundreds of millions of dollars to buy a Huawei technology subsidiary, the premise is that Huawei is very transparent. " Therefore, if Huawei's overseas offices are a direct channel for selling goods, the target points to

"seek immediate interests", and the joint venture is a channel for brand building with the goal of "becoming famous". As one consultant put it, Chinese companies going out to dances with wolves are not easy, because the premise is wolf agreed to dance with you. Now, Huawei's investment tools are also increasingly praised. In 2003, Huawei's contract with SUNDAY, the fifth largest telecom operator in Hong Kong, to invest and change orders opened up a new path for the 3G market, which has seen no signs of slowing down in the domestic market. When China Telecom listed overseas in 2003, Huawei held 740 million of its shares, achieving close ties with its customers and making the alliance of interests more secure.

4.3.4 Promotion and Communication

Of course, Huawei's promotional tools include advertising. Only a handful of industry media in China have the honor of tasting Huawei's advertising cake. In the international market, Huawei has always hired a veteran British advertising company, to guide the release of strategic advertising. Proper communication with the media is also one of the promotional tools. Fu Jun, a spokesman for Huawei, told a media reporter: "Our low-key media means that we almost never invite media interviews, however, for the media's active interview request, we will certainly give a very good cooperation." According to Fu Jun introduction, the foreign "Financial Times" "The Wall Street Journal" "Fortune" "Forbes" and so have come to interview Huawei. While France's second-largest telecom operator chose Huawei's products, the French media are also curious came.

Of course, actively exhibiting and bidding cheaper than competitors is also an important means of promotion, while the printing of China's major cities and the success of major cities in the construction of photographic collection, opening up "Hong Kong, Beijing, Shanghai and Shenzhen ~ 'Oriental Silk Road, Global customers and potential customers are experiencing China in person and changing the image of China in their long-established robes and ghoul to communicate with customers and deliver the message that "modern China is creating high-tech Huawei is an inevitable." As an article in "New Marketing" explains, "China Kung Fu" in cross-border marketing by Huawei, "Huawei is best at using the most powerful

marketing tools to move customers." As long as you give me a chance, I'm not afraid that you will not be touched by me".

Huawei's spirit in Russia's marketing process has been fully reflected. Liang Guoshi was the chief representative of Huawei's Russian market department at the time, in the negotiations with the Russian Ministry of Posts and Telecommunications after many setbacks, even several negotiations into the cold state, which could use repeated defeats to describe the difficulties of the time. Fixed telecommunications network equipment to enter the Russian market need to apply to the Russian government to obtain network access network certificate, and two of the most crucial aspects are: First, the Russian Ministry of Posts and Telecommunications agreed to accept the manufacturers' application; second, pass the test, the main including factory test and online test two steps. Liang Guoshi has successively negotiated with the director of the Communications Department of the Ministry of Posts and Telecommunications, the fixed communications department of the Leningrad Post and Telecommunications Research Institute of St. Petersburg (the testing unit), Beto Company, etc. In the end, with the help of the Chinese Embassy in Russia, it succeeded.

4.4 Analysis strategic fulcrum

In addition to a strategic vision, the persistence of strategy is an indispensable success point for Huawei. Two months ago, Huawei released its operating results for the first half of 2017. The first half of this year, the company achieved sales revenue of 283.1 billion yuan, a year-on-year increase of 15%; operating profit margin of 11%. Also four months ago, the Fortune Global 500 was released in 2017. Huawei ranked 46 forward and has risen to 83rd place.

Reviewing Huawei's performance over the past few years - 2013 results up 8.5% YoY, 2014 results up 20.6% YoY, 2015 results up 37% YoY, 2016 results up 32% YoY, it can be said that speeding growth and continued to exceed has become a normal of Huawei, Behind this normality, It is Huawei's persistence of values and methodology - no opportunism, down-to-earth work, unrelenting perseverance, sustained investment and to rise abruptly based on its accumulated strength. For the rise abruptly based on

its accumulated strength, HUAWEI's understanding contains three meanings, namely "insist on strategic focus, continue strategic investment, continuous strategic breakthrough", These tactics form the way of Huawei success.

4.4.1 Adhere to strategic focus; do not waste resources on non-strategic opportunities

In the next two or three decades, the traditional society will surely evolve into an information society. This is the most important turning point in human society for thousands of years. Huawei predicts that by 2025, the world will add 4 billion broadband users, while more than 100 billion Goods and services will be connected. Each will consume 1.7G / day of traffic. This will bring a trillion dollar market space. The development of big data traffic needs larger, coarser and faster pipes, which is Huawei's strategic opportunities. The pipeline strategy is exactly the core strategy of Huawei and is the main channel of future forward. However, only the right direction is not enough. Huawei is well aware that it must keep the right direction take decades like one day, insist on self-criticism, and keep correcting.

Therefore, in the past 28 years, Huawei has always adhered to focusing on strategic opportunities; do not invest opportunism and not using strategic competitive forces at non-strategic opportunities. According to Huawei founder and CEO Ren Zhengfei's words, it is 28 years, hundreds of thousands workers of Huawei aimed at the same city wall, sustained assault. In such a sustained charge, Huawei has finally made a breakthrough in the era of big data, in the world's leading position.

4.4.2 Continued strategic investment, follow the big data era of success footsteps

Speaking of inputs, the most famous of Huawei as "research and development" input - Huawei has invested 240 billion yuan in R & D innovation in the past 10 years, accounting for up to 45% of the 180,000 employees. In the meantime, Huawei has set up 16 R & D centers and 31 joint innovation centers around the world and joined more than 170 standards organizations and open source organizations. As of December 31, 2016, Huawei had obtained a total of 62,519 patents.

Of course, Huawei's R & D investment is not blind pursuit of new trend, there are two major driving forces: First, from the industrial technology trends, from top

technology experts fellow, science and technology diplomats, scientists explore the direction, more than ten thousands senior engineer to responsible for the realization, the other driving force comes from the actual needs of customers, nearly 5000 marketing staff to listen the customer needs, put the customer's most business concerns into the product development goals.

In the meantime, Huawei will also build its capacity center for strategic resources. For example, in Russia R & D center to do algorithm research, in France studying aesthetics and color, materials research in Japan, engineering capabilities research in Sweden, software development in India, Germany in high-end manufacturing and engineering process research in Germany, etc. With the help of basic research to establish differentiated competitive advantage, thus forming a source of profit.

Huawei's investment in R & D is also a microcosm of Huawei's overall strategic investment philosophy. That is, Huawei advanced the multi-path, multi-step approach in the focused main waterway, use intensive investments to shorten the time to explore, rapidly form a competitive advantage.

However, such a strategic investment is doomed to be a long-term, painful process of accumulation. Some data show that Huawei's insistence on success, wireless from the introduction of GSM programs to lead the global LTE commercial, for 16 years (1997-2013); Huawei router from the start to 400G industry-leading, then insisted 17 years (1995-2012); and chip design from the R & D started to commercial scale of Kirin processor, even insisted 22 years (1991-2013). Fortunately, now Huawei has heard the footsteps of success, the continued intensive investment over the past 28 years, so that Huawei has become a major contributor to the era of big data.

In fact, Huawei's strategic investment is not only the R & D innovation, but also management change - the full introduction and digestion of Western business leading enterprise management tools. Since 1997, Huawei has continuously conducted IPD R & D process changes, supply chain changes, human resources changes, financial system changes and market system changes in 19 years. There have more than ten

consulting firms such as IBM that have conducted different management in Huawei Consulting, making Huawei's management innovation, organizational innovation and the management of the entire organization ability have made great progress, laid the foundation for Huawei to become a global company. According to estimates, Huawei's investment in the management of change accounted for 1.5-2.5% of annual sales revenue, total investment management change costs more than 40 billion yuan.

4.4.3 Continuous strategic breakthroughs still require long-term adherence to hard work

Deep accumulation may not be able to quickly burst, breakthrough is not a simple matter. Sometimes, there is no breakthrough in ten or twenty years. For example, Roentgen has experienced 26 years of long academic career before X-ray was discovered. So, a breakthrough is need have strategic commitment and patience.

In order to make strategic breakthroughs, Huawei has chosen to stick on its goal, remain open and tolerant, and attract a large number of talents from different fields. Today, Huawei employs 180,000 people in more than 170 countries around the world. Among them, the localization rate of foreign employees is as high as 72%. Huawei hopes to capture more breakthrough opportunities in various fields through the collision of ideas and mutual inspiration.

In the meantime, Huawei chose not to go public, instead, 100% of the shares are held by employees, to form a closed-loop of interests, which also stimulated the lasting vitality of its employees. Huawei's core values of "customer-centricity, striving for struggle and long-term persistence in arduous struggle" make Huawei employees highly agree with the idea of paying more for reward more, at the same time recognize the value creation, value evaluation and distribution Mechanism, which is also a key element that Huawei can continue to grow and make breakthroughs.

Chapter 5 The Analysis of Huawei's international Marketing

Problems

The key success factors of Huawei's marketing strategy are: first, reasonable market positioning and target market selection; second, excellent product quality and service; third, Huawei's organizational structure and management system in line with international standards; fourthly, Reasonable distribution of channels. These factors are done in detail the above analysis. In the path of Huawei's success, there are also some discordant factors. Huawei's internationalization mainly includes the following problems:

5.1 Resource allocation of second - tier operations in domestic and international markets

In order to increase investment in the international market, Huawei from 2000 onwards, and gradually improve the company's marketing system will be deployed to the international market. Ding Shaohua, former General Manager of North China Area and Representative of Beijing Representative Office, was sent to Saudi Arabia. Xu Zhan, former Representative of Guangzhou Representative Office, was sent to the United States. Cao Songjie, the former general manager of New Network Marketing Department, was sent to Southern Africa, Huawei's overseas regional market leadership, also by the marketing president and vice president original responsible for the domestic market, president Ren Zhengfei also pay more than half of the time in various regional markets shuttle back and forth. The strength of the original very strong domestic market department has been seriously affected, many office directors are young employees who entered the company after 1998, They are still lack of experience, this makes Huawei and ZTE competitors such as competing for customers in the domestic market gap gradually narrowed.

In addition, the reason why Huawei has been reluctant to enter the PHS market, without judgment errors to the market size and cycle of strategic, also with PHS only for the domestic market, and Huawei's international strategy does not match the

relevant. This gave ZTE and uT Starcom a chance to enter the "no competition area".

5.2 International brand building

China's domestic brand, in the development of the international market, the value is very limited. A developing country's brand, the more high-end products business, the lower the international influence. Similarly, the core competence of domestic first-class enterprises, whether its market operation, core technology, or talent pool, is hardly known as an advantage in the internationalized environment.

Huawei has been considering its own brand and OEM way in parallel. In the early stages of international market development, Huawei set up a joint venture in Russia and sold the brands owned by both parties, but at that time, it mainly adopted its own brand approach. After several years of exploration, it found that even in the developing countries, the process of brand building is quite long, and in Europe and the United States and other developed markets, the difficulty of own-brand establishment and investment will be huge.

Based on this, after 1998, Huawei began to consider many well-known international companies to discuss the OEM mode of cooperation. First of all, Huawei and Motorola negotiate cooperation on GSM products and combine Huawei's mobile switches with Motorola's base station equipment to sell under the Motorola brand in the international market. Due to the obvious disparity in the balance of power between the two sides, the progress of the negotiations was very slow. It lasted three years before an agreement was reached in 2002, but with little success. In 2000, Huawei negotiated with Lucent Technologies to provide medium and low-end optical network equipment to OEMs and sold them globally under the Lucent brand. But Lucent was in trouble at the time, did not mind on the cooperation with Huawei, At the same time, Lucent also fears HUAWEI's growing power, resulting in the final negotiations could not be reached..

During these tough negotiations, the deepest feeling was that each other had already had a very strong fear of Huawei's growing strength. CT0, a famous international enterprise, said after visiting Huawei's R & D and manufacturing base: "Now I finally know Who are our real adversaries. "At present, except Cisco has

clearly listed Huawei as its most threatening competitor in the world, most of the world's leading companies in the industry also rank Huawei as its first rival. Not willing to "lead the wolf" just because of short-term interests, bringing Huawei into the markets of North American developed countries.

Although so hard, Huawei has never give up efforts in this regard, and finally in 2003 with 3Com to set up a joint venture company, 3Com can take advantage of Huawei's sales channels and product cost advantages in the Chinese market, Huawei can take advantage of 3Com in the international market The brand and status of 3Com to sell the joint venture company's data communications products, to achieve the purpose of "borrow boat across the river". The reason why the joint venture with 3tom can be achieved is mainly due to the fact that the scale strength of both parties is relatively close. And Huawei has been at a disadvantage in channel marketing in the international market. However, 3Com is facing relatively large operating difficulties, forced by Cisco's strong competitive pressure, it also hope to find a way of "joint war of resistance."

5.3 Marketing talent and marketing network

In the early stage of internationalization, Huawei uses domestic sales force, take the same sales model like domestic, that is directly negotiate with the telecom operators mode. It hoped to extend the experience of the domestic market to a larger market. However, practice has proved that this road is more effective in the markets of developing countries like South America, but encounters many difficulties in the markets of developed countries.

1) The domestic market is a market dominated by connections, while the markets in developed countries are relatively mature and rational. As for the "big boys" in China, they are completely relying on the operational experience of the domestic market to develop, just as the "Boxers" of that year dealt with "big spears" to deal with "foreign gun artillery."

2) The short history of more than 20 years in China's market economy and the particularity of the environment have determined that china cannot produce high-end international marketing professionals. Many of the marketing staff sent by Huawei are

well-tested and highly qualified officers in the domestic market. However, in the face of many obstacles such as the political and cultural environment, language and communication habits in foreign countries, they often do not know what to do and successful experience in the country is completely unavailable.

At present, Huawei's three major regional markets are the Commonwealth of Independent States, Asia Pacific, and the Middle East and North Africa. However, the two major markets in Western Europe and North America account for nearly 70% of the global telecommunications market. Therefore, accelerating the introduction of talents with international marketing experience and enriching Huawei's headquarters and regional marketing teams should be a more sensible alternative. In order to fundamentally solve the problem of market expansion in developed regions, there are two alternative routes: one is to increase investment and adopt a similar Haier way to open up the North American market to realize the localization of manufacturing and R & D; the other is to reach deep cooperation with well-known international companies . These require great strength; Huawei also takes more time to do it.

5.4 Difficulty in competition caused by different types of industries

From the type of industry, domestic enterprises that expand into the international market can be divided into the following three categories. The first category is represented by Galanz foundry enterprises; the cost advantage is their winner. The second category is Haier, TCL and other traditional industries as its own brand enterprises, in addition to manufacturing advantages, but also have a more comprehensive ability and capital strength. The third category is the so-called emerging industries represented by Huawei, which face the most resistance in their journey to the international market. In the face of Cisco, Nokia, Motorola, Siemens, Ericsson and other world-class top-class enterprise competition, a bit like the Chinese football team with the world between the games. Fortunately, after years of hard work, Huawei has shown us a glimmer of hope. The case of Cisco's intellectual property litigation happened against the background of its data products being marketed in North America and threatening Cisco's foundations.

5.5 Huawei's business scope depends too much

Huawei has three major businesses, namely, carrier business, consumer business and corporate business. Among them, the operator's business revenue has been occupied. According to Huawei's performance last year, in 2016, Huawei's carrier business achieved a sales revenue of 290.6 billion yuan, an increase of 24% over last year and accounting for 55.7% of Huawei's total revenue. Earlier, this is higher than the column.

In addition to the consumer business, Huawei has never released the revenue of the other two businesses in its half year performance. Huawei said in the semi-annual report that in the first half of 2017, it achieved steady growth in all three business areas. Among them, the carrier business to help global operators continue to promote the digital transformation of the industry.

However, Tencent Technology learned from Huawei, the first half of the operator business only slightly up, basically the same as last year.

"The main reason for not seeing a sharp increase is that in many overseas countries, the economy is not so good and operators have a weak investment, while the domestic market is still stable, but the overall situation is not as good as in previous years," Xiao Jun said.

Industry knows very well that the carrier business is Huawei's traditional business. In the past, Huawei relied on the cost advantage and continuously increased investment in research and development, snatched a large number of orders to squeeze out rivals. In 2014, for the first time, Huawei surpassed Ericsson in revenues and became the world's largest telecom equipment supplier. In this process, Huawei succeeded in capturing the transformation of operators from 3G voice traffic to 3G traffic. According to statistics from relevant agencies, in the past three years, global operators have invested over one trillion yuan in the deployment of 3G / 4G networks and the three major operators in China have made a lot of investments. Benefit from the carrier 3G / 4G network deployment boom, Huawei's carrier business soared.

It is understood that during the period from 2014 to 2016, when the operator network was put into the craziest time, the service revenue of Huawei's operators

reached 166.5 billion yuan, 192.1 billion yuan and 223.3 billion yuan respectively, achieving a double-digit increase for three consecutive years.

"In 2013, the world started large-scale investment 4G network construction, as well as escalating fixed line business, Huawei seize this opportunity so fast growth. However, with the subsequent 4G network has matured, operators related input also began Slow down, for Huawei, the carrier business into the bottleneck. "Chu Jianjun from a carrier network department told Tencent Technology.

This can be glimpsed from the performance of Huawei. Since 2013, although the revenue of Huawei's carrier business has increased, the growth rate has obviously slowed down. The data shows that the growth rates of this business from 2013 to 2016 are: 4%, 16.4%, 21% and 24% respectively. Huawei's revenue has been rising curve, there is no ups and downs. However, we can see that in the two years before the scale-building of the network, the business of operators grew rapidly, and has been shrinking since then. The growth rate of last year only increased by 3 percentage points.

For the operator with the largest contribution to revenue, once the growth has stagnated or declined, the impact on Huawei can be imagined. Industry analysts pointed out that the telecommunications equipment provider itself is a mature market, participating competitors are relatively fixed. Before 5G has been commercialized, the communications industry will be in a huge window. Under such circumstances, there is not much room left for mining, let alone growth.

Currently, telecom equipment vendors are mainly Huawei, Ericsson, Nokia and ZTE. Last year's data show that Huawei accounted for 35% on the top share of revenue, Ericsson and Nokia about a similar share of about 30% followed it, and next is ZTE. Ericsson stagnated for many years, eventually losing its "No. 1 telecom equipment provider". Today, Huawei is still facing a difficult problem. Although Huawei's overseas listing has basically no suspense, but most of the money listed in the market will be used for Huawei's overseas market extension. Therefore, the overall game for the future of Huawei, the market is only one part of the overseas strategy is the final winner.

Chapter 6 Solve the problem Opportunities, challenges and deficiencies.

6.1 Seize the opportunity

According to the statistics of international authoritative consulting agency Dittberner, Huawei switches ranked first in the world for three consecutive years, accounting for 32% of the world's shipments; the number of intelligent network users is the highest in the world; NGN shipments ranked the first in the world, accounting for 24.5%; in the international market Huawei, the United Kingdom and Thailand all use Huawei's backbone network. Huawei data communications are changing the market structure of global network products. According to RHK statistics: the world's second largest broadband products, accounting for 18.9%; optical networking products in the world, accounting for 9%. According to Gartner's statistics: the world's third-largest integrated access products, accounting for 14%. 3G products among the world's first camp, has taken the lead in the United Arab Emirates, Mauritius, Malaysia and other countries and regions to achieve commercial "" After more than 10 years of hard work in the international market, Huawei's steady development in the international market.

Enterprise business market and high-end smart phone market has great potential for development. According to the authoritative forecast, in the next few years, the global enterprise business market will continue to expand, far higher than other business areas. As a result, Huawei should adjust its business structure to launch competitive and differentiated solutions and further enhance the brand awareness of Huawei in the business market as soon as possible.

In the transitional phase, Huawei continued to develop a diversified market. This is a good opportunity for the company to adjust its business structure and explore new profit growth points. Huawei's overseas markets have been frustrated by such factors as trade protectionism. However, if properly utilized, these will be a perfect time for Huawei to promote its brand and corporate image to the world.

6.2 Respond to challenges

1) The current communications industry is gradually becoming saturated with fierce competition in enterprise networks and terminal markets. The profit margins in the traditional communications industry can no longer guarantee the long-term development of telecom equipment manufacturers. In order to cope with the future market competition, Huawei may face the pressure of business compression, industrial transfer, cost increase, profit declining and market development.

2) Based the current global economy, especially the economic downturn environment in Europe and the United States, in order to protect their own manufacturing and employment rates, many countries have tended to trade protectionism. Such as in 2010, due to the Committee on Foreign Investment's refusal to approve which responsible for reviewing the impact of cross-border transactions on national security, Huawei forced release of transaction for acquires US \$ 2 Million to purchase US cloud computing service provider 3Leaf company's patent. The EU launched a anti-countervailing and anti-dumping investigation on China's wireless communications equipment. The threats from these external environments have put a serious strain on Huawei's overseas revenue growth

3) For a country, the telecommunications industry belongs to the country's strategic basic industries. Major actions in this key area will be linked to national interests in the short or long run. The accompanying state will determine the space of interests for related acts through various forms of expression and intensity.

4) The target market policy is unstable with the country's bad environment, and the international business is at risk. Huawei's major international markets are still concentrated in the third world countries and new developing countries. These countries or regions are characterized by the imperfect or imperfect market mechanisms, the stability of the country's political and political power, the general quality of their citizens and the serious religious influence , Widespread prevalence of economic environment, poor system, instability of state power, instability of policies and regulations, civil unrest and other business development adverse factors.

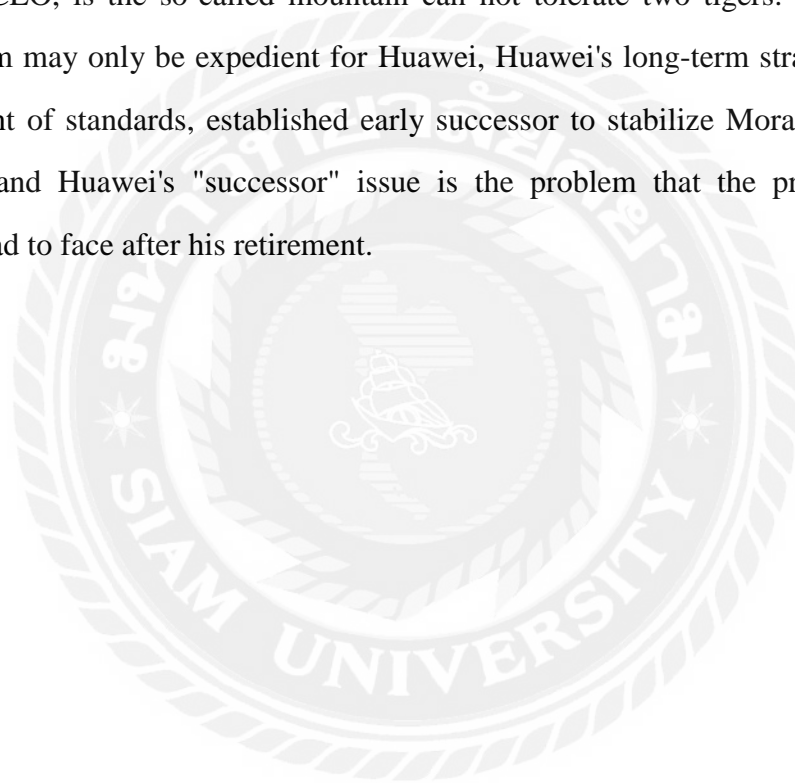
6.3 Solve the deficiencies

Huawei has been 20 years since its founding, and although the current achievements have shocked all the communications companies in the world and become the reference for many domestic enterprises, under the perfect balance and success of Huawei, there also have some deficiencies, as follows:

- 1) As we all know, Huawei is currently the only full-owned, not listed privately owned enterprises. Of course, it seems that the current shareholding employees can guarantee the combat effectiveness of most state-owned enterprises in China have employee equity stake Incentive programs, but those are real shares, and Huawei company from 1999 full ownership until 2001, issued a virtual stock, employee stock by the union on behalf of, but because the "Company Law" is not perfect, resulting in employee stock ownership The definition of the lack of standards, but the risks and hidden dangers of virtual stock cannot be underestimated. In 2012 Jiannan company employee shareholding reform, the original employee's holdings of real shares into virtual stock, resulting in company civil unrest, Huawei must take precautionary measures against this situation. What needs to be mentioned here is, Huawei's rotating CEO Xu Zhijun in an interview with Forbes also admitted that Huawei virtual stocks is illegal into the present, at that time can be implemented just rely special approval from the Shenzhen Special Administrative Region. That is, if one year the communications industry downturn, resulting in a loss of Huawei, the employees did not dividend, it will lead to a very serious situation. Therefore, it is proposed that Huawei as soon as possible to put forward new programs in the financing or employee excitation, converting employees to hold the virtual stock situation, reduce the potential risks of the enterprise; also Huawei companies can prepare for IPO.
- 2) In recent years, Huawei has been expanding overseas rapidly. At present, about 70% of its sales come from overseas markets. If overseas markets still develop in this way, when overseas markets develop to a certain extent, their sales in the domestic market Huawei's position will be weakened so that Huawei will lose its balance of domestic and overseas fronts and will not be conducive to the follow-up development of Huawei. The rapid and smooth development of Huawei is due to the support of the

national policy in recent years. If the state helps to lose this favorable asylum, his advantage in the international market will be greatly reduced. Therefore, Huawei must take a proper balance of the domestic and overseas fronts in order to avoid any loss and lead to failure.

3) Huawei's current rotation CEO system is not conducive to the company's long-term strategic development norms, although Huawei to calm the storm of the successor succession last time, but in fact, the rotating CEO system does not prevent the recurrence of succession incident, an enterprise May be long-term by a group of people as CEO, is the so-called mountain can not tolerate two tigers. The rotating CEO system may only be expedient for Huawei, Huawei's long-term strategy for the development of standards, established early successor to stabilize Morale, eliminate suspicion, and Huawei's "successor" issue is the problem that the president Ren Zhengfei had to face after his retirement.



Conclusions

The road of the future, open and cooperate is the key to success

In recent years, new technologies such as mobile internet, cloud computing, big data, internet of things, artificial intelligence, etc., is continuing to affect the development of various industries, and opened the curtain of global digital transformation. This means that the business processes of the enterprise should be reconstructed for digital operations, IT system will from the support system to the production system, the network to the data centric architecture, ICT infrastructure to software definition and cloud computing, and so on.

Therefore, single technology cannot support the digital transformation of enterprises; only business, networking, operating systems, ICT infrastructure and other common supports can achieve it. And in this process, cloud computing is undoubtedly the most effective method. Of course, it is not only refers to the landing of cloud computing technology, that is, cloud like gas, water and electricity, unscrew the switch, on-demand services, also includes the business model, organizational system, enterprise architecture, operational strategy, such as a comprehensive cloud. So, the penetration and influence scope of "cloud" is more than most enterprises imaged..

The result of the enterprise cloud is that the enterprise boundary disappears completely, all closed is broken, and everything is in the open connection. The opening means the ability to output, means the construct alliance, also means to re-build the ecosystem. For more means, in the future the commercial competition is not the competition of a single company, enterprises and groups, also is not a competition between factions, but between the organization and organizational, standards and standard competition.

In today's world, new technology emerge in an endless stream, the market is constantly changing, Huawei cannot start everything from himself, also no ability to capture the world business, it is impossible to fully occupy the market, even the top few Western giants in the world are not able to dominate the world. On the contrary,

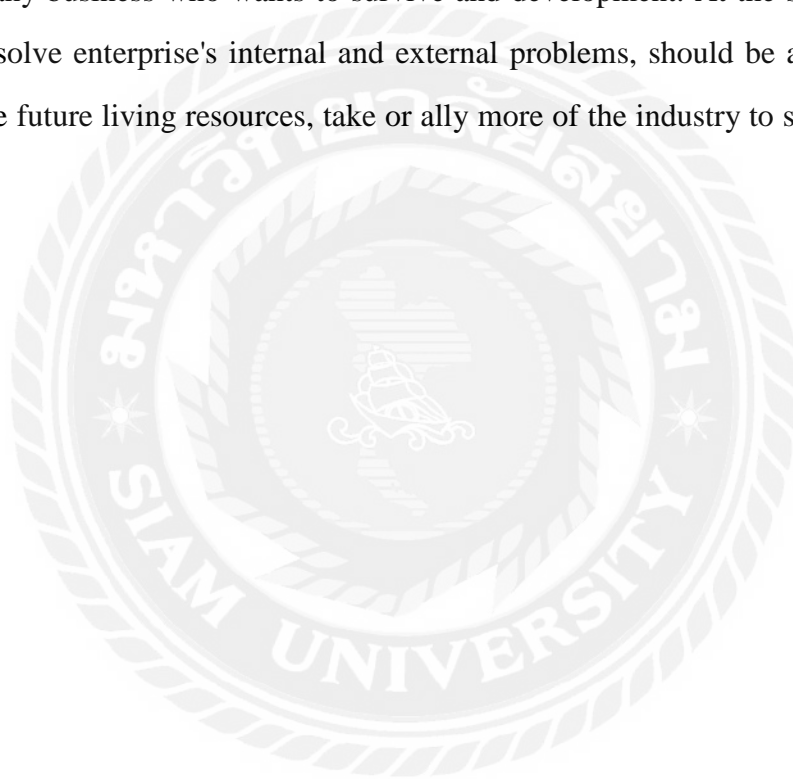
only strong alliances, have competition and cooperation, enterprises can become stronger more and more, Huawei should conduct more exchanges and cooperation with the world and win more opportunities for innovation breakthrough through open cooperation.

Especially for building an open ecosystem, even more adhere to the pipeline strategy, focus on ICT infrastructure, and fully open up ICT capabilities to provide customers, partners, developers with an open, easy-to-use, efficient and secure platform, build open Labs for aggregation partners and joint innovation, creating value for customers; continue to contribute in the standard organization and open source community, to boom the developer and community ecosystem.

In this way, it was necessary to mention a word - "global village", which was first presented from Canadian communication scientist M. McLuhan in his book "Understanding the Media: Human Extending" in 1967. McLuhan's analysis of the modern media profoundly changed the notion that people, especially contemporary youth, the concept of life in the 20th century and the 21st century, and the city he had predicted was a reality in today's society. In the view of McLuhan, the main meaning of the "global village" does not mean that the developed media makes the earth smaller, but that people's ways of communication and the social and cultural forms of people have undergone significant changes. The development of the transport has made the original "village" urbanized on the earth, and the direct intercourse between people was interrupted, from the direct, colloquial exchanges into an indirect, textual communication. But the electronic media also implementation of the anti-urbanization, that is, "re-village", digest the city's centralization, make people's way of communication back to personal contact with the individual. "The city no longer exists, only as a cultural ghost to attract tourists. Any small hotel on the side of the road plus its television, newspapers, magazines and networks can be the same as the international community in Paris, New York." McLuhan thinks this time the difference between time and space becomes redundant. This new pattern of perception brings mankind into an extremely harmonious environment, eliminating geographical boundaries and cultural differences, transforming the human family into one, creating

a new harmony and peace.

And now, the global erection of the network has let the old value system collapse, the new system is being established, a people involved, the new, integrated global village appears in people's life stealth, Huawei's advantage provides support basis for this invisible System architecture, and now need to seek a higher level of development, an independent business empire in the global village cannot exist for a long time, union is the best choice. In the future, network life will account for a large proportion in people's lives, set up or join a full range of online community, will be the necessary choices of any business who wants to survive and development. At the same time of Huawei to solve enterprise's internal and external problems, should be arranged and integrate the future living resources, take or ally more of the industry to seize the first advantage.



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