



**RESEARCH ON THE MARKETING STRATEGY OF DOMESTIC
SMARTPHONES IN THE CONTEXT OF THE INTERNET
---- A CASE STUDY OF HUAWEI TECHNOLOGIES CO.,
LTD.**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
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Thematic Certificate

To

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This Independent Study has been Approved as a Partial Fulfillment of the Requirement of International Master of Business Administration in International Business Management

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ABSTRACT

Title: Marketing Strategy Research of Domestic Smartphones in the Context of the Internet - A Case Study of Huawei Technologies Co., Ltd.

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The "Internet Plus" development plan prompted the Internet as an integral component of China's economic development while propelling the scaling growth of e-commerce in China. For companies to survive, they must adopt and participate in the evolution of being online. The smartphone market in China grasped the opportunity to expand rapidly; it was hard to ignore the importance of mobile phone brands bringing products to the hands of a broad audience with purchasing power. With the rapid development of the Internet, utilizing highly interactive social networking platforms has gradually become the main battleground for mobile phone brands to launch their marketing and brand communications. However, the complexity of the Internet marketing model continued to affect mobile phone brands' marketing, and communication strategies brought more challenges to be faced.

This paper applied Huawei as the object of study and centered on literature and studying theories to analyze and examine their marketing and strategy for smartphone products. One of the top 100 companies globally, Huawei has developed its mobile phone products quite rapidly and become one of the leaders in the mobile phone industry. Their market share and brand recognition also reached a particular level. However, it is worth studying how Huawei launched accurate marketing strategies and online marketing campaigns for its smartphone products to win a more significant market position. This study focused on the basic situation of Huawei mobile phones, the market, and the marketing situation for their series of products. This research analyzed and interpreted the operational problems and status of Huawei's marketing processes, price, market share, and marketing methods.

Keywords: smartphones, marketing, strategy, market positioning



摘要

题目： 互联网背景下国产智能手机营销策略研究——以华为为例

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中国“互联网+”发展计划的提出，使得互联网成为推动中国经济发展的重要组成部分，同时推进了我国电子商务的发展，并使其规模呈爆炸式增长。对于各行各业的企业来说，只有积极参与其中，方能与时代接轨，获得持久的发展动力。中国智能手机市场借此机会迅速扩张，手机品牌作为品牌的重要分区，受众广泛，购买力不容忽视。由于互联网的迅猛发展，特别是具有高度互动性的社交型互联网平台已经逐渐成为手机品牌展开市场营销和品牌传播的主战场，同时互联网营销模式的复杂性也不断影响着手机品牌的营销传播策略，并为其带来更大的挑战。

而作为世界 100 强的华为公司的手机产品发展也非常迅速，成为了手机行业领跑者之一，华为公司手机产品的市场份额及品牌认可度也达到了一定的高度，尽管如此，华为如何对智能手机产品展开精准的市场及网络营销来赢得更大的市场值得研究。

本文以华为公司作为研究对象，在阅读文献和学习理论的前提下，对华为公司的智能手机产品的市场营销及策略，进行深入分析和研究。首先在介绍华为手机基本情况的基础上，描述了华为手机系列产品的市场及营销现状，并分析解读营销过程中存在的价格、市场占有率、营销手段等方面存在的一系列问题及原因。

并且，对中国智能手机市场及外部环境进行了 PEST 分析。具体分析内容包括对环境和支持条件的分析；通过 SWOT 分析法讨论产品营销策略中的各种不同

选择和各自不同的策略特征。并在以上分析的基础上，对华为智能手机产品的市场细分、目标市场和市场定位进行更加深入的研究。针对华为智能手机产品在我国智能手机市场笑料规模方面虽处于领先地位，但线下渠道、宣传推广等方面仍存在问题的现状，提出了具体营销策略。

关键词： 智能手机、市场营销、策略、市场定位



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Chapter 1 Introduction

1.1 Background of the study

According to the 41st Statistical Report on Internet Development in China released by the China Internet Information Centre (CNNIC), the number of Internet users in China had reached 772 million by the beginning of 2018, with the Internet penetration rate reaching 55.8%, including 40.74 million new additions in the year 2017.

The explosive growth of internet users has driven the rapid development of e-commerce in China, and has also changed the marketing model and pattern of the Chinese market, making smartphones more and more competitive in the market. Over the last decade, brands such as Apple and Samsung have firmly dominated the front end of the global smartphone market share. And with the rise of mobile internet in the country and the huge domestic population base, China has undoubtedly become the number one consumer market for smartphones worldwide. By the end of 2018, the world's top six smartphone manufacturers were Samsung, Apple, Huawei, Xiaomi, OPPO and VIVO. 2018 Samsung was the first in terms of mobile phone shipments, with a cumulative shipment of 292.3 million units and a global market share of 20.8%; Apple was the second in terms of mobile phone shipments, with a total shipment of 208.8 million units, accounting for 14.9% of the global market share; Huawei mobile phone shipments were 206 million units, accounting for 14.7% of the global market share; Xiaomi mobile phone shipments were 126.6 million units, accounting for 8.7% of the global market share; OPPO mobile phone shipments were 113.1 million units, accounting for 8.1% of the global market share; and other brand manufacturers shipped a total of 462 million mobile phone products, accounting for 32.8% of the global market share. In addition to Samsung, Apple and other globally renowned and established manufacturers, domestic brands represented by Huawei and Xiaomi have made an impact that cannot be ignored globally. Huawei, in particular, has become a leader in mobile phone brands through its independent research and development technology and

communication technology capabilities. Sales of its smartphone products have nearly doubled sevenfold in eight years.

Although Huawei is a leader in the domestic smartphone industry, the pressure from competitors at home and abroad has been increasing. In order to prepare for the company's long-term growth, Huawei has had to adapt its past marketing strategies in response to the new consumer orientations emerging in the market, taking into account the current domestic and international marketing environment. The adjustment of the strategy should not only meet the consumer demand, but also help to enhance Huawei's brand influence, thus achieving the ultimate goal of expanding market share, improving brand influence and increasing the company's efficiency.

It is against this background that this paper proposes marketing strategies for Huawei's mobile phones by studying the current situation of Huawei's products and its marketing strategies, and analysing the problems and causes of Huawei's mobile phone market impact.

1.2 Significance of the study

The rapid upgrade of mobile communication technology in China is also driving the iteration of the Chinese mobile phone market and promoting the rapid development of the Chinese Internet market. The excessive pursuit of cost performance has led to a significant reduction in mobile phone profitability, while the homogenisation of mobile phones currently on the market is very serious, lacking innovation and being more or less the same in terms of appearance and parameter configuration, but consumer demand is becoming increasingly refined. While domestic smartphone brands such as Huawei, Xiaomi and OPPO have gained a large market share in the Chinese market, the two mobile phone giants, Samsung and Apple, have always led the industry with their core patented technologies such as chips, systems and screens, as well as their strong ability to create innovations making them firmly dominate the high-end smartphone market. The technology and software app support gives Apple and Samsung absolute pricing power in the market, while the advertising effect further

enables both companies to achieve an absolute leading position in the market, how to innovate and sustainable development concept as the main significance of this study

1.3 Objective of study

This paper by analyzing Huawei's product line and branding, we analyze and compare the marketing differentiation between Huawei smartphones and its peer competitors to improve the most optimal marketing strategy for Huawei smartphones.

1.4 problem of study

- 1, How to enhance Huawei's product line and brand building?
- 2, How to improve the marketing differentiation of Huawei smartphones from competitors?
- 3, How to improve the marketing strategy design and optimization of Huawei smartphones?

1.5 Scope of study

This paper follows the theory of marketing and takes Huawei's smartphone products as the research object, and analyses the marketing strategy of Huawei's smartphone from three aspects: product strategy, channel strategy and price strategy. On the basis of the existing marketing strategy, theory is combined with practice to make the main research scope of this paper for Huawei in improving product competitiveness, increasing customer loyalty and how to expand the market share.

Chapter 2 Review of the literature

2.1 General overview of smartphones General overview of smartphones

Founded in Guangdong in 1987, Huawei is now, after 30 years of development, the world's leading information technology and communications technology solutions provider, focusing on the ICT sector and building end-to-end solutions in enterprise, terminal, carrier, big data and cloud computing. As one of the few private enterprises among China's Fortune 500 members, Huawei's development has written a myth of Chinese private enterprises and is one of the outstanding representatives of Chinese private enterprises.

Back in the late 20th century, it was the era when the mobile communications sector was transformed from beepers to mobile phones. Huawei set out to lay out the mobile phone terminal industry with keen intuition, but the first attempt was not successful, compared to Motorola, Nokia and other brand products, price and quality are lack of competitiveness, and missed the first opportunity for the development of domestic mobile phones. In the article Su Xiao (2017) Smartphone Strategy Research, the domestic market for smartphones was analysed, with first- and second-tier cities and third- and fourth-tier cities generating different product demand and market characteristics, and therefore different construction in terms of channel construction and marketing strategies. At the beginning of the 21st century, ZTE seized the node of change from the approval system to the approval system in mobile phone terminals, and deepened its layout in the business of SmarTone. In the article Gao Ling (2015) Big Data Applications for Operators, the system construction of mobile phone manufacturers and operators in terms of contract machine cooperation is elaborated to understand the basis of win-win cooperation between the two sides. The point of the above analysis is that the direction of product marketing strategies can be dissected from a macro level, and mobile phone companies have reference significance in terms of development direction and adjustment strategies. In order to curb the rival ZTE, Huawei with the operators in the contract machine layout, in the field of contract

machines quickly increase market share and adjust the sales strategy. However, for several years afterwards, Huawei's presence in the mobile phone market was not high due to the fact that Huawei's mobile phones were still limited to the operators' 3G customised market, while there were almost no other sales channels in the market.

It was not until 2011 that Yu Chengdong, Vice President of Huawei, believed that Huawei's products did not have high enough market recognition and low profits to enter the mid-to-high end market. Huawei then began to focus on building the P series and M series of products and started to enter the mid- to high-end mobile phone sector. After nearly a decade of development, it moved from low-end to high-end and became the world's second largest mobile phone market manufacturer in one fell swoop.

2.2 Marketing problems with Huawei smartphones

Qi Yongqin and Wang Xukun (2016) In the 1930s, "marketing" was newly emerged in China, and after the reform and opening up, the literature of "marketing" and "marketing" first After the reform and opening up, the literature of "marketing" and "marketing science" first appeared in 1983, 1986 and 2016, the database included 2158 articles of "marketing" literature, social demand strongly pull the development of marketing science, marketing science has become a popular introduced discipline for more than 20 years. Although Huawei is the world's second largest mobile phone shipper and has overtaken Apple in sales, it still faces a number of problems in its development, such as technical hounding by Western countries, illegal political sanctions, problems with supply chain raw material disruptions, and problems with access to Android. There is also room for improvement on the sales side. The following article analyses the difficulties and problems encountered by Huawei in marketing its smartphones from a marketing perspective.

In the article Cao Xing (2015) Exploring mobile phone mobile internet strategies, a survey on smartphone online sales and consumer recognition of online purchases provides an in-depth analysis of the value and significance of the existence of physical after-sales service in the context of the internet era. The construction of a two-line brand strategy leads to higher marketing costs. Huawei attaches great

importance to the construction and operation of offline channels in the construction of its brand and operational channels, including retail channels and operator channels, emphasising the sense of customer experience in physical shops, but this also brings higher operational costs and shop construction costs, which dilute product profits to a large extent, but in order to maintain the brand image and physical shops' offline The experience is an unavoidable cost. The marketing focus of the Glory series products is online, with an emphasis on the fan spillover effect brought about by celebrity endorsements. Although Huawei and Glory's products are independent, there is duplication in channel construction, which can erode some of the profits of the phone without achieving the effect of maximum resource use. If the offline channel resources of the two sub-brands can be properly integrated, some resources such as shops can be shared, which can save some money in cost control channel construction.

Zuo Wenming and Chen Huaqiong (2015) analyse the development of China's domestic consumption model in a more comprehensive manner since the reform and opening up, and believe that the transformation of the consumption model under the Internet environment and the transformation of the green consumption model is a major direction of consumption development in the future. Huawei's smartphone products are currently divided into five series, and each series is divided into standard, high and top versions according to key components such as camera, memory, chip and fingerprint lock, etc. In order to occupy the market of various price segments of mobile phones, each series is also divided into E, S, SE, PRO and PLUS models according to the differences of models such as size and pixels, etc. However, among these series of products However, it is agreed that there are few differences between the models in the series, including the older models on sale, and that the data parameters are not very different. Although this marketing strategy can quickly and effectively help Huawei to capture different markets, it also leads to a certain degree of waste of internal resources. In terms of selling price, Huawei's net profit on a single unit is only 115 yuan, a profit ratio of 8%, far lower than Apple's 1171 yuan per unit and Samsung's 185 yuan. The reasons for this are mainly the following. 1, for the high-end product market, Huawei entered late, want to easily seize the market share of Apple, Samsung is not easy, the

high cost of research and development and investment led to Huawei's high-end product development and manufacturing costs are much higher than the other two. 2, Huawei through advertising, celebrity endorsement, event sponsorship and other situations to attract consumers, but these forms of publicity often require high 3. Western countries, led by the United States, have jointly suppressed Huawei's upstream and downstream customers in the supply chain, especially in the production of chips, which has affected not only Huawei, but also various Chinese technology companies. Huawei, in this case, is fostering domestic chip production brands to expand production capacity and increase production numbers, and secondly, through price, to briefly obtain products from chip manufacturers such as TSMC. All of these reasons have, to varying degrees, raised production and operating costs and reduced the profitability of Huawei's products per unit. Ma Jin (2018) argues that from a branding perspective, companies can tailor their products and strategies to different consumer groups to get higher profits while reducing the level of competition. Although such articles cannot directly guide companies in the development, adjustment and implementation of their strategies, they can provide reference for product marketing strategy development departments in terms of focus. Huawei currently has nearly 200,000 employees and operations in 180 countries and regions around the world, but as the company continues to expand, its internal management has become more standardised and rigorous, but the standardisation and rigour of the approval process can also make the internal operational processes of management cumbersome. Too long, then the timeliness is not as good as before. And in the marketing end of the approval, Huawei uses TIM panoramic process to run the approval, covering the procurement of raw materials, channel maintenance and management, contract signing, after-sales service and maintenance, etc., the cost of the process goes in to take monitoring and management. Although to a certain extent to reduce the problem of corruption due to personal factors, but on another level led to the involvement of too many processes and links too detailed, timeliness can not be guaranteed, so that they miss some marketing characteristics of the tracking and feedback.

Synthesizing the points raised above about the problems Huawei has experienced in its channels, layout, individual products and management, this paper will focus on constructive comments and suggestions for Huawei in terms of the problems that have arisen.

2.3 Smartphone marketing strategy, market positioning

Gao Ling (2015) operator big data applications in an article, for mobile phone manufacturers and operators in the contract machine cooperation system construction is elaborated, to understand the basis of cooperation and win-win situation on both sides. The point of the above analysis is that the direction of the product marketing strategy can be dissected from the macro level, the direction of development of mobile phone companies and the adjustment of strategy has reference significance. He Jipai (2018) believes that brand awareness and brand marketing are extremely important factors in the development process of enterprise manufacturers; Ma Jin (2018) believes that from the perspective of branding, enterprises can adjust their products and strategies for different consumer groups to get higher profits while reducing the degree of competition. Although such articles cannot directly guide enterprises in the development, adjustment and implementation of strategies, they can provide reference for product marketing strategy development departments in terms of focus. A study on marketing strategy improvement in the mobile phone industry. In Xing Lan (2017) Huawei from a marketing perspective, a detailed analysis of Huawei's continuous self-adjustment and strategy adjustment in the market competition, through a high degree of staff mobility to bring continuous vitality and competitiveness to the company and gain market share. In Chen Cheng (2014) Analysis and comparison of Xiaomi's online marketing model for mobile phones, the article explores where the core logic of Xiaomi's online marketing lies. As well as the accidental and inevitable factors for the success of this model, it is a biochemical and development for modern marketing tools. In Xu Liang's (2015) article on precision marketing theory, he dissects the real-life cases of Fortune 500 companies positioning themselves in the market competition for cutting themselves out of non-main areas and taking the initiative to make internal and

external strategic adjustments to occupy their core markets. From the development of the same industry, we look for minefields and lessons to be avoided in the process of formulating product competition strategies in the future, and then seek innovative points in the formulation of product competition strategies, taking into account the industry environment and modern changes in consumer behaviour.

(1) Appropriately optimise product production and explore new models of mobile phones. Huawei smartphone products are currently divided into five series, each series has its own exclusive positioning, but each series according to the camera, memory, hardware parameters and other subdivided into top, high, standard versions, etc., in the same series is divided into PRO, PLUS, X series, etc., every year nearly 20 new products, plus the old products not discontinued, so that consumers have no choice, so it is not appropriate with the development of corporate brand This is also inappropriate for the development of the company's brand, so it is recommended that the product queue be optimised to avoid competition between different models of phones within the brand. After the product restructuring, Huawei has simplified its mobile phone product range, but it still has too many different types of mobile phones, and there is competition between the models of the different types. At present, Huawei should continue to use the guiding principle of "high precision flagship phones to sort out the brand and earn reputation, mid- to high-end phone models to stabilise the market and increase market share, and high-quality smartphones to support the mass market" to further adjust product types, strengthen the delineation of each phone product, avoid internal competition, and allow consumers to more clearly identify This will allow consumers to identify the differences and characteristics of each series of models.

(2) High-end innovation and improved competitiveness at the mid- and low-end. The current technological evolution of smartphones has become slower, the existing industry chain has gradually improved, and a large number of smartphone manufacturers have joined the design and manufacture of product solutions. In the face of consumer demand differentiation and personalised demands in the consumer upgrade environment, only continuous investment in R&D can be added, such as the current Mate series of fast charging technology, graphene technology, etc. to the

following product R&D investment, i.e. flattening the high-end mobile phone products faced by Huawei's part of the technology gradually back to the middle and low-end products, and leveling out R&D costs for market differentiation operations, while being able to strengthen the middle and low-end the competitiveness of its mobile phone products.

2.3.1 The pricing of Huawei's smartphone products is currently based on the "skimming pricing method", with price optimisation based on price range segmentation.

(1) Pricing strategy for mid-range products

At present, most of the products on the market are priced between RMB 2,000-4,000, and there is no obvious difference between the products. As consumers at this level of consumption, they have a certain degree of financial ability and a certain degree of preference for products. These consumer groups are mainly concentrated in white-collar companies, intellectuals and university students, who use mobile phones more frequently every day and spend fragmented time on entertainment, shopping and study. .

(2) Pricing strategy for high-end devices

The price difference between the two Huawei Mate and P series models is not significant and is low compared to the high-end flagship models from Apple and Samsung. The main difference between the two models is in their appearance, and there is not much difference in performance, so the two models should highlight the differences in performance and appearance, with the Mate focusing on business, making it a high-end business flagship for male white-collar workers, and the P series focusing on photography and photography, making it a high-end lifestyle flagship for women. Such high-end products represent the brand and recognition of mobile phones, and expanding their influence and reputation can boost the sales of other mid- and low-end products.

(3) Pricing strategy for low-end machines

Low-end machines are less profitable, but the number of users is large compared to the mid- to high-end market, and with the development of the social economy, such consumers will gradually upgrade to mid- to high-end consumers, which makes consumers in the low-end market also particularly important. Huawei can make use of its existing technological advantages, especially in chips and communications, to create quality products at low prices, cultivate user loyalty and expand its share of the low-end handset market.

2.3.2 Channel strategy optimisation

OPPO and VIVO stand out in the fierce market competition by the marketing strategy of encircling cities in rural areas. Although China's urbanisation rate has increased, there is still a huge population in the vast countryside. And the third and fourth-tier cities and counties and towns are not high wage levels, which also makes the residents of the area to the high price of smartphone products acceptance is not high, and due to limited awareness, larger cities consumers are relatively conservative, many people's knowledge of the Internet is not as affordable as the physical shop, so you can use their own brand effect to Huawei company's glory mobile phone brand, to deepen the development of the third and fourth-tier city channels, while Maintain Huawei's usual quality after-sales service strategy to capture the low-end market.

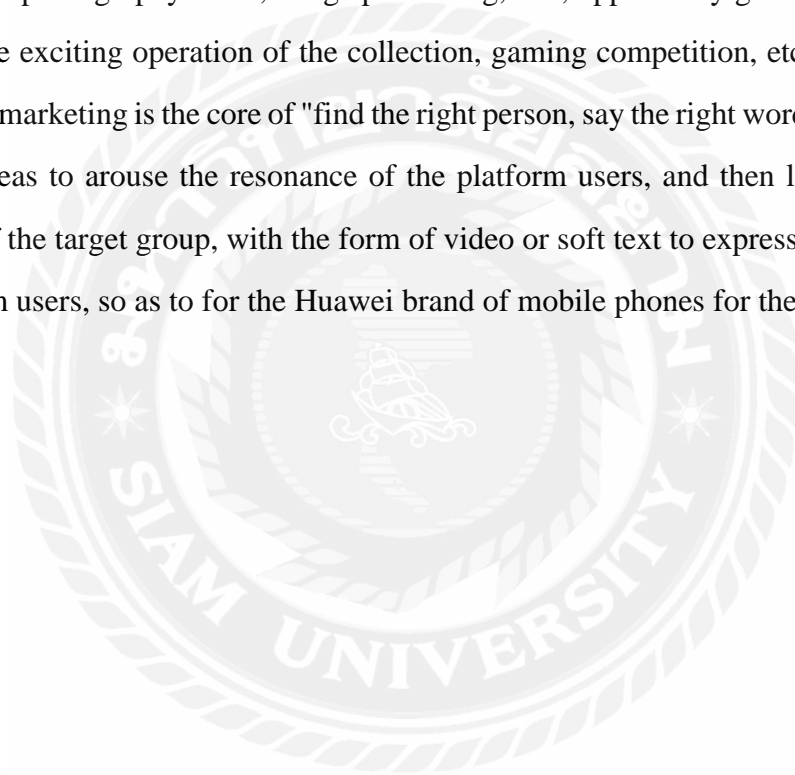
On the basis of the above, it is also necessary to sort out the basic plate of the current retailers, find their break-even point, maintain the existing cooperative relationship, while discovering shops with retail capacity and Huawei's image to ensure their break-even, connect them with online marketing and after-sales service, pull the whole product sales, regulate the operation and cooperate in supply.

2.3.3. Propaganda strategy optimisation

For social networks, the mainstream social networking platforms are currently Facebook, Weibo, WeChat, QQ, etc. In terms of marketing, the more mainstream social network in China is Weibo, which attracts users through hot searches and topics, thus

gaining a lot of traffic. Weibo attracts users through hot searches and topics, thus gaining a lot of traffic. There are also QQ Watch Point in QQ and the WeChat public platform and WeChat shop, which are attached to WeChat.

For short video publicity, the mainstream APP and video sites are Jitterbug, Racer, Beeping Beeping, YuouTube, the most mainstream short video platform in China is Jitterbug, and the video site with the most young people is Beeping Beeping. Therefore, online publicity and video marketing should be able to find the "social topics" that can trigger the user group. For example, opportunity photography groups can focus on photography skills, image processing, etc.; opportunity game players can focus on the exciting operation of the collection, gaming competition, etc., especially short video marketing is the core of "find the right person, say the right words". Through different areas to arouse the resonance of the platform users, and then lock the core concerns of the target group, with the form of video or soft text to express the voice of the platform users, so as to for the Huawei brand of mobile phones for the powder.



Chapter 3 Research Methodology

3.1 Literature research method

Literature research method. Through reading reference literature, news reports, enterprise annual reports, academic journals, etc., to understand the characteristics of the brand in their respective marketing, as well as the advantages and disadvantages, the development history and future development trend of the smartphone industry for research and analysis, so as to analyze and discuss the specific implementation of marketing strategies and tactics in the marketing management process of Huawei mobile phone products from multiple perspectives.

3.2 Case Study Method

Case study method. By analysing the marketing characteristics and respective focuses of international and domestic mainstream brands, analyse the commonalities and reasons for their different focuses, and then analyse the ideas and methods that can be learnt from each other.

3.3 Survey and research method.

Through visits to Huawei dealers, channel dealers and network shops to further understand the market acceptance and sales growth space of Huawei's mainstream mobile phone products. Analyse and study the sales situation and trends of Huawei's mobile phone products in recent years, and then analyse and study the marketing strategies conducted to provide reference for the development of the mobile phone industry.

Chapter 4 Data Analysis

4.1 Smartphone market demand

In 2020, China's GDP was 91.928 trillion yuan, or approximately US\$13.89 trillion, making it the world's second largest economy. At the same time, with a population of 1.4 billion, China's strong economic base coupled with its huge population base has made it the world's largest mobile phone market. Looking at domestic and international markets, in addition to economically developed regions such as North America and Europe, the consumer markets in less economically developed regions such as Africa and South America have also grown rapidly in recent years, becoming the preferred place for sales growth in the coming years.

In the early days of smartphone development, Apple, represented by the iPhone 4 launched in 2007, exploded the entire global smartphone market and completely refreshed consumers' perception of smartphones. Guided by the new consumer demand, mobile phone manufacturers around the world started producing their own smartphones. Looking at the domestic mobile phone brands, represented by ZTE, Huawei and Lenovo, the share of the domestic smartphone market reached 75% in its heyday. Although the market share was high on the surface, the presence of domestic smartphones in the domestic market was not high at that time, and most consumers preferred foreign brands such as Samsung and LG, and domestic brands were mostly contract machines in cooperation with operators and were not fully marketed, and it would have been difficult to stand firm in the fierce market competition without the support of operators. With the elimination and turnover of the domestic mobile phone market, Huawei, OPPO, VIVO and Xiaomi have become the four giants of domestic smartphone brands. By 2018, Huawei, Xiaomi, OPPO and VIVO occupied 82% of the Chinese mobile phone market, and their market position was already established.

4.2 Macro-environmental analysis

China has always attached importance to the development of the information technology industry, from the 15th National Congress when it first proposed to promote the development of the information industry to the 19th National Congress when it clearly proposed the three major tasks of Internet development in its report. The concept of "Internet+" has been mentioned several times in government work reports, which also shows that the Chinese government spares no effort in promoting the development of information technology. In its latest industry development plan, China has highlighted the need to accelerate the construction of operators' facilities on communication infrastructure, carry out research and development, standards and layout of 5G technology, and strengthen the information technology reserve of the network in terms of mobile networks. In terms of mobile terminals, more encouragement will be given to domestic terminal brands to develop a full industry chain ecosystem, reduce dependence and reliance on foreign technologies, and give terminal manufacturers tilted support in terms of specific policies. In summary, under the guidance of the development plan, information technology represented by 5G is ushering in a vigorous development of the upgrade, the industrial landscape at the crossroads of innovation and change, strong government support and market assurance make domestic smartphone manufacturers in China's policy environment can be further developed.

4.2.1 The Economic Environment

The year 2018 marks the 40th anniversary of the implementation of China's reform and opening up. During the past 40 years, China has leapt to become the world's second largest economy and the world's largest developing country, with a large population and a broad market as an emerging economy, the strong economic base has ensured the orderly development of China's various industries and industries, while the continued development of the economy is most directly driven by the continued growth of

disposable income of the residents, providing a good economic environment for smartphone brands and manufacturers of smartphones. With a strong economic base, smartphone manufacturers are able to develop in a more orderly and healthy way in the Chinese market.

4.2.2 The social environment

As of June 2018, the number of mobile internet users in China is as high as 788 million, and the scale of mobile internet users is growing while the market for users to access the internet is also increasing. In 2018, Chinese internet users spend up to 27.6 hours per week online, and with the development of mobile internet and the development and promotion of various functional APPs on smartphones, a mobile phone can easily solve most of the daily life Learning, entertainment and shopping have become more borderline, and also our lifestyle has become more and more efficient and concise, which has profoundly changed our habits and ways of living.

4.2.3 Technical environment

The 3G era was a time when computers and mobile phones were mutually exclusive, with computers unable to achieve most of the functions of mobile phones and mobile phones similarly unable to achieve most of the functions of computers; 4G was to increase data and voice capacity and mention oh overall transmission speed and quality; and the arrival of 5G is to support the enhanced mobile device experience and the entire ecosystem of communication technology at a much faster speed. The development of smartphones and 5G technology has facilitated the formation of the related industry chain, while the complete industry chain provides the environment for the production of smartphones. The two interact to form a positive cycle, which will also largely accelerate the R&D and development of smartphones in China and provide Chinese smartphone manufacturers with greater market advantages and pricing advantages.

4.3 Micro environment analysis

This paper focuses on the characteristics of Huawei's internal environment, the internal environment of the industry and the strengths and weaknesses of its competitors to clarify the strengths and weaknesses of Huawei's mobile phones and to understand the opportunities and challenges faced by the company, so as to develop corresponding marketing strategies.

4.3.1 Huawei's internal environment

In 2018, Huawei's mobile phone business officially became Huawei's number one revenue source, and the development of Huawei's mobile phone business cannot be separated from the support of Huawei's marketing strategy and investment in R&D resources, as summarised below are several key features of Huawei's internal environment.

(1) High investment in research and development

Huawei's R&D teams are spread across the world, such as Japan, Germany, the United Kingdom and other countries and regions, covering areas such as chips, systems, supply chain, etc. According to Huawei's 2018 annual report, Huawei's R&D expenditure investment accounts for more than 14% of Huawei's revenue amount in the whole area, and the investment in R&D expenditure is the highest among all national brands. Ren Zhengfei, the founder of Huawei, also attaches great importance to the investment in R&D. In order not to be subject to the technological blockade of the United States and other Western countries such as Europe, Huawei has devoted more than 10% of its revenue to scientific research since many years ago. Over the years, Huawei has been subjected to numerous ridiculing and cold eyes, but the company's strategy in the field of research and development has not wavered in the slightest, and the high investment has resulted in the various technology patents it has today. Huawei is riding high on the road of technological research and development, and in December 2017 completed the international standard of 5G for non-independent networking NSA,

which puts Huawei far ahead of its competitors, and the success of these industry sectors cannot be separated from the importance Huawei attaches to R&D investment.

(2) Emphasis on reserve technology personnel

Every year, Huawei is popular among fresh graduates in campus recruitment and is extremely competitive in the recruitment market. Being able to obtain an Offer from Huawei is proof of its excellent performance during school and during the interview process. And Huawei's position is not only a matter of salary package, but also the recognition and pursuit of platform, corporate culture and development space.

(3) Highly rewarding remuneration system and incentive mechanism

Million annual salary in Huawei is not surprising, the lucrative equity incentive makes every Huawei employee full of enthusiasm for the work, Huawei always believes that the harvest is always proportional to the pay, which also means that the high salary also has a huge pressure, which fully stimulates the enthusiasm of the staff for the work, but also makes the folding bed culture in Huawei everywhere.

(4) Internal competition model

The value of employees is reflected in their work, and the better the internal competition mechanism, the more transparent it is, the higher the efficiency of work will be. Although not everyone is suitable for the wolfish corporate culture, the employees who stay are those who have a high recognition of Huawei's corporate culture and are in line with and adapt to Huawei's value system. Although its last-place elimination system is controversial, its competitive recruitment mechanism has maintained Huawei's vitality. The wolfish corporate culture is certainly cruel, but it is also the only way out in the face of fierce market competition and the harsh technology market environment, which has enabled Huawei, a private company, to kill the market and carve out its own territory in the fierce world market competition.

4.3.2 Competitor Analysis

(1) Advantages of Apple's mobile phone

Apple mobile phones have long been synonymous with high-end in the Chinese smartphone market. Its iPhone series products firmly occupy the high-end mobile phone market. Its brand premium ability is unmatched by other brands. The vast global market supports Apple's trillion dollar market capitalisation share price, and today the world's number one mobile phone brand has not been broken, and its brand advantage remains obvious.

At the ecological level, Apple's IOS operating system has advantages over Android, and the Apple ecosystem has been self-contained since its inception, so the system is solid and not easily disturbed. Due to the lagging of the Android operating system and other phenomena, users of the Android line-up may switch to the Apple line-up at any time, while Apple users rely on a stable ecosystem and generally do not actively withdraw to the Android line-up, so the good ecological advantage firmly locks the user group.

Furthermore, Apple also has an advantage over other brands in terms of concept. Since the introduction of iPhone, it is no longer just a product, but a concept and attitude of life and work. The simple ecology advocated by Apple has profoundly influenced its consumer groups, and once they accept this concept, they can simplify the tedious work, so there is no reason for consumers to change camps, and this concept has penetrated into the heart of every Apple consumer, which is also its advantage.

(2) Advantages of Samsung phones

Samsung's S series and Note series have been leading the trend of Android phones in terms of design, such as curved screens, triple cameras and so on, all leading the trend of smartphone appearance. And while other brands have followed the curved screen trend, Samsung's phones are breaking the screen straight. And with the release of a series of concept phones, Samsung is once again leading the way in smartphone design.

Secondly, Samsung's technology in photography and imaging has always been at the top of the world's technology level, which also makes Samsung mobile phone products in the level of the advantages of the photo function, from megapixels to 100 million pixels, from triple zoom to 100 times zoom, in the development of the photo

function Samsung never left behind. At the same time, relying on its mature screen display technology, Samsung smartphone products in the photo imaging advantage is very obvious.

Finally, Samsung has a perfect product gradient, its smartphone products from a few hundred to over ten thousand, covering the whole age and price of the market, the gradient advantage to ensure that Samsung mobile phone shipments of the world's first position. Although the Chinese market has shrunk sharply due to the explosion of the NOTE series, the overseas market continues to be highly recognized and still maintains the world's number one shipment despite the loss of the Chinese market, and its strength remains strong.

(3) Advantages of Xiaomi mobile phones

Since its inception, Xiaomi's products have been known as the most cost-effective mobile phones. The low-cost online channel has squeezed the profit margin of the middlemen market, making Xiaomi mobile phones linked to "good value for money" since its inception. The success of Xiaomi in the Indian market is no coincidence, as its product attributes effectively fit the needs of India's vast low-income market. And after years of development, Xiaomi has now positioned its flagship products at the top end of the market, and at a price point of RMB 4,000, it is still very cost-effective compared to other manufacturers' flagship products, which can cost tens of thousands of dollars.

Furthermore, Xiaomi's smart home appliances have been recognised by consumer groups of all ages since the beginning of its launch, which has also tied up the consumer base of Xiaomi's smartphones in disguise, and has made Xiaomi earn a lot of attention in the market, and the speed of its brand building and expansion can still be seen as a beautiful marketing case in the history of marketing.

(4) OPPO and VIVO's mobile phone advantage

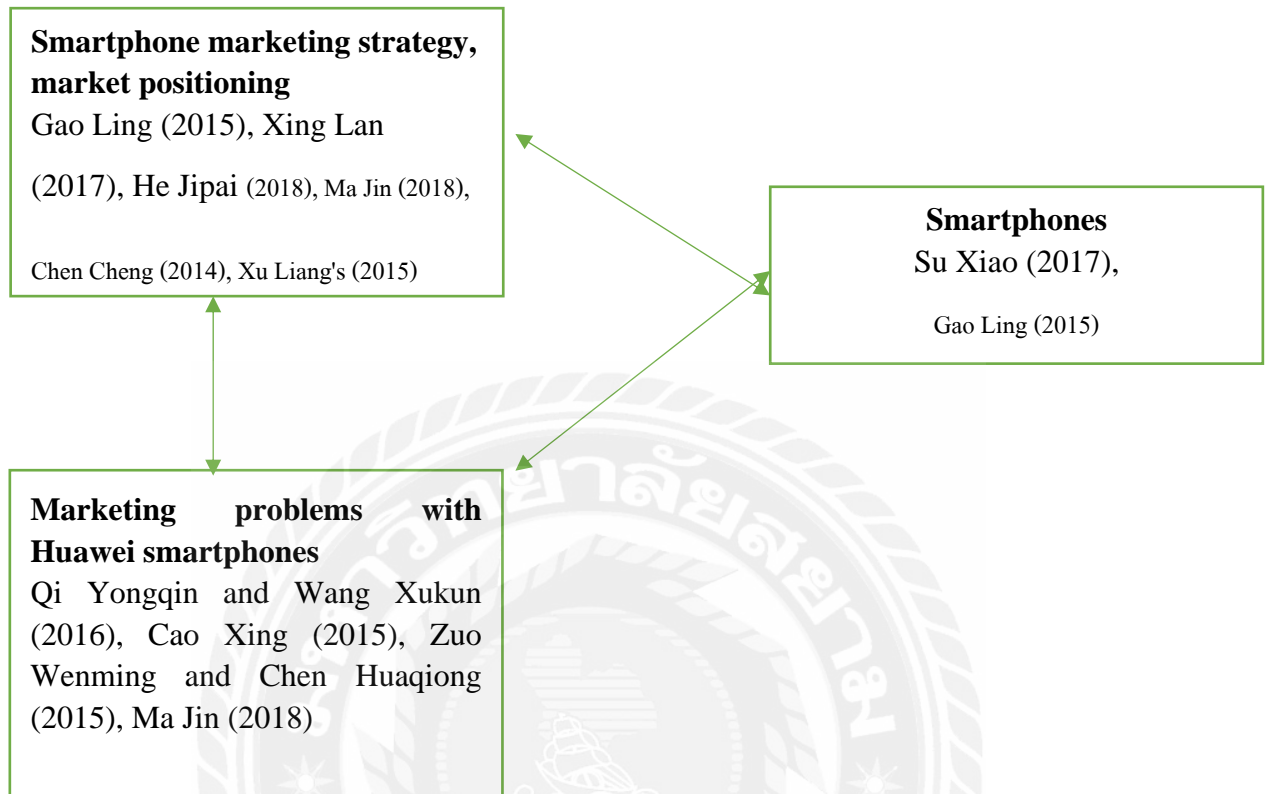
The advantages of OPPO and VIVO's smartphone products are mainly in their audience groups, which have a specific buying group due to the channels established at the beginning of their establishment, mainly fashionistas, photo enthusiasts, school students and less developed areas such as rural towns, and the above-mentioned people have a common characteristic of pursuing individuality and refusing to repeat

themselves. As a result, the product coverage of the two manufacturers in small and medium-sized counties and student groups is so high that other brands are unable to match.



Chapter 5 Conclusion and Discussion

5.1 Finding and Conclusion



This study summarises the current situation of Huawei's smartphone sales, uses marketing theory, combines the macro environment analysis of today's smartphone industry, the industry competition profile, combines SWOT analysis, points out the shortcomings of Huawei's past marketing links and products, and then optimises the marketing strategy adopted for future development, and draws the following conclusions.

Firstly, although Huawei's smartphone products are still in the leading position in terms of market share, they have their own strengths and weaknesses in terms of product development, design, channel construction and promotion compared to their competitors at home and abroad, but some of their shortcomings are difficult to make up for with other advantages. If Huawei is to maintain its market share in the mobile phone industry, it must improve its insight into the consumer market and remain

efficient and up-to-date, grasping the changing direction of the consumer market and changes in consumer groups in order to adjust its products and market positioning.

Secondly, we need to innovate the way we promote our products, taking advantage of today's social networking platforms, combining online and offline, and increasing the construction and promotion of each channel to find precise customers for our products while securing our existing market share.

Finally, Huawei needs to maintain its established advantages in R&D, technology and resource integration, choose the SO portfolio model, give full play to its national brand advantages, enhance its strategic innovation in mobile phone marketing, carry out targeted marketing activities for different target markets, make Huawei's smartphone products meet the new needs of the consumer market, and continue to strengthen its safeguards and provide support in terms of organisation, technology, talent and resources to further expand Huawei's smartphone market share.

5.2 Recommendation

This paper focuses on Huawei's marketing strategy for its own smartphone products from the product, channel, price, publicity and other aspects of the adjustment, in order to ensure that the terminal can effectively complete the sales task and ensure the effective implementation of the marketing measurement, the need to improve the implementation of this strategy in the following aspects of the marketing organization structure.

- 1, the organisation system to ensure
- 2, financial and technical security
- 3, talent security
- 4、 Resources guarantee

As this paper mainly adopts the method of literature research to study and explore, there are certain limitations, in the follow-up research will add questionnaires with the help of statistical tools to join the quantitative research to provide strong support for the arguments of this paper.

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