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**STRATEGIC RESEARCH ON HUAWEI'S RESPONSE TO THE  
CHALLENGES OF ECONOMIC GLOBALIZATION**

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## ABSTRACT

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<b>Name of thesis</b> STRATEGIC RESEARCH ON HUAWEI'S RESPONSE TO THE CHALLENGES OF ECONOMIC GLOBALIZATION		
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<p>Nowadays, economic globalization has formed an irreversible trend. While economic globalization brings great opportunities and convenience to enterprises, it also brings many challenges.</p> <p>The purpose of the study was to make a research on how Huawei makes strategic deployment and changes in the environment of economic globalization. As a typical representative enterprise in China, the research on Huawei will be of great significant for other Chinese enterprises. Therefore, the goal was to better understand the advantages and disadvantages of Chinese enterprises led by Huawei in the environment of economic globalization, and how to better develop and transform these enterprises.</p> <p>In the environment of economic globalization, Huawei is no longer simply an international enterprise, but a globalized enterprise with the world as the center. This means that Huawei has to constantly deal with the needs of the larger market. Faced with a volatile and demanding international market, Huawei's strategic managements are the focus of the research.</p> <p>My research has also spent some paper on 5G technology, which is the focus of the communications industry. It is also an important part of Huawei's future strategic deployment.</p> <p>Through the research and investigation of Huawei, I found that Huawei mainly focuses on the change of business strategy and management philosophy to cope with the challenge of economic globalization. The research methods of this thesis are mainly investigation method and literature research method.</p> <p>The study was based on public data and official researches.</p>		

### Key words

5G, Economic globalization, Huawei, marketing, strategic management

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## 1 INTRODUCTION

With the emergence and penetration of international trade, economic globalization has become an irreversible trend. It means that enterprises need to go abroad. Merely meeting domestic demand can no longer make enterprises achieve better development in the environment of economic globalization. At the same time, it also requires enterprises to make some changes to some extent, such as product design change, corporate culture change, staff recruitment requirement change, product marketing plan change, etc., to meet the needs of the international market, among which the most important is the change of corporate strategy. (Gao 2000.)

The aim of this paper is to study how Huawei conducts strategic transformation to cope with the challenges of economic globalization.

Global mobile communication equipment providers, such as Nokia, Ericsson and Cisco, are all in decline after rapid development. Even MOTOROLA, once the global wireless communication hegemony, cannot avoid the decline.

Huawei Technologies Co Ltd is a private communication technology company that produces and sells communication equipment. It was formally registered and established in 1987. Under the background of rapid development of economic globalization, whether such an enterprise will also decline like those communication equipment providers mentioned above is a question we need to discuss and study. Therefore, this paper is dedicated to studying how Huawei responds to the challenges of economic globalization.

The goal of this paper is to draw a conclusion about the strategic layout and development direction of other Chinese enterprises in the process of economic globalization by studying Huawei.

In the process of economic globalization, most enterprises in China are facing unprecedented challenges and they need to find ways to transform themselves. Huawei is a typical representative of Chinese enterprises, and its strategy will be a good reference for Chinese enterprises. From my point of view, there are three main reasons why Huawei can be a typical representative of Chinese companies. Firstly, from the perspective of Huawei's birth, it is a private enterprise developed from a very small company. Secondly, Huawei develops very fast, which is what Chinese enterprises need. Thirdly, Huawei's

international development is very successful, and internationalization is the only way for Chinese enterprises. That's why I choose Huawei for research and discussion.

The study also has potential limitations. Some of the collection of relevant data is secondary data, which may contain subjective factors of the data publisher. Due to the limitation of my personal ability, I may not be able to accurately and deeply analyze the root cause of some problems. After all, the current situation of Huawei is very complicated and international problems keep emerging. Although the research on Huawei can be used as a reference for other Chinese enterprises, the strategic management of Huawei cannot be carried out step by step, because the differences between enterprises are huge.

5G communication technology is a hot issue in the international market. According to Ipltytics, a German patent data company, China has applied for about 34 percent of the world's 5G patent by the end of March 2019. Also interesting, the share of 5G patent in China is around 50 percent higher than 4G share.

Among technological companies, the enterprise with the largest number of applications is Huawei technologies, accounting for 15.05%. Huawei has a better command of 5G communication technology than other countries. The application of Huawei's 5G technology will become a major breakthrough in the international market.

(FIGURE 1)

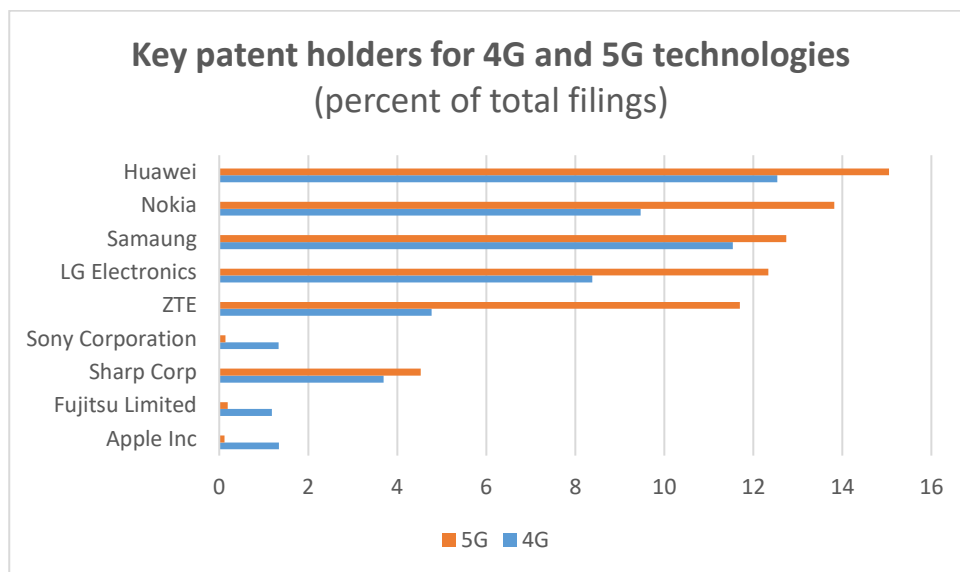


FIGURE 1. Key Patent Holders for 4G and 5G technologies (adapted from Nikkei Asian Review 2019)

## **2 RELATED THEORIES AND BACKGROUND**

This chapter will provide a brief analysis of the current economic environment based on the background of economic globalization, including the formative factors and manifestations of economic globalization. In addition, it is because this thesis is a strategy analysis on Huawei's strategy, the theoretical foundations related to strategic management will be discussed later in this chapter to provide a basis for subsequent research on Huawei enterprise.

### **2.1 Global environment – economic globalization**

Over the past three decades, a significant shift has been happening in our world economy. With the emergence and continuous development of free trade, capital flows and economic activities between countries have become more and more frequent. It can be said that economic globalization is an inevitable trend and one of the important characteristics of today's world economy, which is conducive to resources. And rational allocation of production factors. It is the world that we live in today. It is a world where more than four trillion dollars in foreign exchange transactions are made every day in 2009. In the following section, we will explore the formative factor and manifestation of economic globalization in the global environment. (Hill 2011, 33.)

#### **2.1.1 Formative factor**

The root cause of economic globalization is the result of productivity development. Since the industrial revolution, the total productivity has been developing and expanding, the scale of production has also been increasing, and the quantity and types of products have also been sharply increased. The domestic market is not enough to use up all the products, and has reached a state of oversupply. Therefore, in order to get more profits, we have to open up a larger market. (Husted & Melvin 2013, 29-37.)

The development of science and technology, especially the high development of information technology, has greatly reduced the cost of enterprise remote control and laid the material and technological foundation for economic globalization. This makes the economic activities of enterprises become more active and can reach more economic businesses and scope. (Husted & Melvin 2013, 29-37.)

The in-depth development of market economy in the world has laid an institutional guarantee for economic globalization. The closed economy shows a static state due to the lack of information circulation and external resources. The planned economy has too much planning and its limitations increase, resulting in reduced flexibility. In such an economic situation, the birth of a market economy. (Husted & Melvin 2013, 29-37.)

Market economy is a very effective means of resource allocation. Therefore, countries have stepped into the era of market economy. The convergence of economic system eliminates many barriers between countries, makes countries trade with market as the link, and lays a good foundation for economic globalization. (Husted & Melvin 2013, 29-37.)

The rapid development of multinational enterprises and the penetration of international trade are the direct causes of economic globalization. The price of commodity elements and raw materials varies between countries. Therefore, enterprises will allocate production and sales activities to all parts of the country according to the most favorable geographical advantages for international division of labor, thus forming an integrated network. This is the main reason for the rapid development of transnational corporations. Subjectively, transnational enterprises are established for profit maximization, but objectively, they also promote the development of economic globalization. (Husted & Melvin 2013, 29-37.)

A sound economic system. The economic system formulated by the world trade organization, the world bank and other international organizations provides a good legal environment for enterprises to conduct trade transactions worldwide.

### **2.1.2 Manifestation**

With the continuous development of world trade, economic globalization promotes the formation of multilateral trading system, reduces trade barriers, eliminates prejudice and discrimination in international trade, and expands the access of domestic market. Under such a mechanism, trade will continue to expand, the economy will develop to a greater extent, and customers will be able to get more cheap and beautiful goods. (Husted & Melvin 2013, 29-37.)

The development of science and technology, especially the development of information technology, enhances the interaction between countries and promotes the cross-border flow of production factors.

Due to the differences in the costs and attributes of production factors in different regions, enterprises continuously deepen the internationalization of production in order to seek to maximize profits. (Husted & Melvin 2013, 29-37.)

Financial markets are interconnected and a large number of financial businesses are interconnected across borders. Transnational corporations, transnational loans, transnational mergers and acquisitions and other system continue to emerge and form a mature system. (Husted & Melvin 2013, 29-37.)

Joint research and development of science and technology for optimize allocation between countries. Nowadays, high-level scientific and technological talents are engaged in large-scale transnational exchanges to learn advanced technologies. In addition, scientific and technological cooperation between countries enables the exchange and sharing of research and development capabilities and advanced technologies across borders. (Husted & Melvin 2013, 29-37.)

## **2.2 Global business**

Under the trend of economic globalization and trade globalization, the global trade in technology, services and goods is accelerating, which also drives the generation and development of global business and promotes the development of global trade liberalization.

Transnational corporations have become the main driving force of global business. The emergence of transnational corporations makes the economic relations between the countries and regions concerned become closer and closer. Local enterprises all over the world begin to expand their business overseas, develop global business, take the world market as their investment and sales target, realize the expansion of operation and sales, and achieve greater profits. (Staib 2009, 9.)

## **2.3 The meaning of enterprise strategic management**

After determining the mission, the enterprise sets its strategic goals according to the internal and external environment and conditions of the organization. And enterprise strategic management is to ensure the realization of enterprise strategic goals.



In another way, enterprise strategic management refers to the use of relevant management tools, management techniques and management theories to help enterprises make strategic decisions and ensure the realization of strategic goals. Enterprise strategic management is a series of management decisions that determine the long-term performance of an enterprise, including the formulation, implementation and control of enterprise strategy. (Staib 2009, 38-40.)

## **2.4 The system of enterprise strategic management**

The enterprise strategic management system refers to the strategic management organization, system and institution established in accordance with the corresponding strategic management requirements of the enterprise in the process of strategic management. The establishment of enterprise strategic management system is a long-term and continuous work, which requires enterprises to do in-depth and detailed research on management decision designation. The success of enterprise strategic management system construction largely depends on the strategic management concept of enterprise management. (Lynch 2009, 122-126.)

Enterprise strategic management system is generally divided into four modes:

- 1) Top-down model. Senior managers make decisions and send decisions and specific instructions to each department level by level.
- 2) Bottom-up model. Each department and division make plans, which are submitted to senior management for review, improvement and final decision.
- 3) Up-down combination. In the process of making plans, various departments and senior managers often contact and communicate with each other to participate in the decision-making and planning of enterprises.
- 4) Group planning mode. The general manager and top management of the enterprise form a team to deal with problems and make decisions together on a regular basis.

### **3 THE IMPACT OF ECONOMIC GLOBALIZATION ON HUAWEI**

Economic globalization is one of the main characteristics of the economy of the current era, and it is also an inevitable trend of the current era. Almost all international companies face the impact of economic globalization. These include opportunities as well as challenges. Huawei enterprise was registered in China in 1987. Nowadays, in the face of the rapid flow of capital and the development of overseas markets, it is not enough for the domestic market to be satisfied with Huawei. Huawei is constantly exploring overseas markets, and this process will inevitably under the influence of the economic environment. This chapter mainly studies Huawei's internal environment and external environment to study the impact of Huawei in the context of economic globalization.

#### **3.1 Internal environment analysis**

The internal environment of a company refers to the sum of the resources and cultural environment within the enterprise. It mainly includes factors such as corporate culture and corporate resources. The internal environment and strategy of the enterprise play a very important role and are the basis of the business operation. Therefore, the enterprise must start from analyzing the internal environment of the enterprise when formulating the strategy. In addition, the analysis of the internal environment of the enterprise can clarify the current time and disadvantages of the enterprise, help the company to develop a targeted strategy, effectively use the company's own resources, give play to its advantages, or adopt a positive attitude to improve the company's disadvantages. The good internal environment of the company is conducive to the normal operation of the enterprise and achieve the profit target of the enterprise. The content of this chapter mainly analyzes and studies the internal environment of Huawei enterprise based on the resources of enterprises and the competence of enterprises. (Lynch 2009, 122-126.)

##### **3.1.1 Enterprise resources**

The tangible resources contain stable consumer business revenue. At the end of July, Huawei released its annual report for the first half year of 2019: sales revenue was 401.3 billion yuan, 23.2% rise year-on-year, with a net profit rate of 8.7 percent. The revenue of the enterprise was 31.6 billion yuan, accounting for 7.9%; Operating revenue of operators was 146.5 billion yuan, accounting for 36.5%.

Consumer business revenue was 220.8 billion yuan, accounting for 55%. According to Huawei's 2017 annual report, its consumer revenue was 105.4 billion yuan, and 220.8 billion yuan this year. Huawei shipped 118 million smartphones in the first half of the year, up 24 percent from the same period a year earlier, despite sluggish growth in the fast-growing smartphone market. For enterprises, the greater the proportion of consumer business, the stronger the ability of enterprises to resist risks. That is to say, the more stable the consumer demand is, the less affected by the business cycle and sudden factors. In addition, the larger the proportion of consumer business, the easier it is to form brand effect, which enables enterprises to obtain higher product premium.

Besides, establishment of Huawei organization. Huawei has become a large-scale international enterprise, with 22 overseas markets, including Europe, the Middle East, Latin America and other regions, and more than 100 branches.

Intangible resources contain the patent. Huawei is one of the world's largest patent holders. By the end of 2018, Huawei had obtained 87,805 authorized patents globally, of which more than 90% were invention patents. In addition, Huawei's research on 5G has been very mature. Huawei has obtained more than 10,000 patents on 5G, ranking first in the world.

Besides, corporate culture. Huawei has an unusual corporate culture -- the Wolf culture. Its spiritual core is the Wolf nature. Huawei is a Wolf worshiper, believing that a developing company is like a hungry Wolf. Wolf has three characteristics, one is a keen sense of smell, the second is the spirit of attack, the third is the consciousness of group struggle. And an enterprise should also have these three characteristics.

### **3.1.2 Enterprise competence**

Huawei insists on investing more than 10% of its sales revenue in development and research every year, and constantly explores new technologies and new fields. In 2018, Huawei spent about 15% of its annual revenue on research and development. At present, Huawei has made great breakthroughs and development in the field of network, software and cloud.

Huawei implements global business strategy. By the end of 2016, Huawei's products and solutions have been applied in more than 170 countries, serving 45 of the world's top 50 operators and one third of the

world's population. Huawei has also set up regional training centers overseas to train local high-tech talents and vigorously promoted the localization of employees. Global localization operation not only deepens Huawei's understanding of local market, but also improves local social and economic benefits.

Huawei implements a dual-brand, multi-positioning product strategy. The price strategy of low price and high cost performance; The channel strategy of rural encircling cities and combining online and offline; Advertising, hunger marketing promotion strategy. In addition, Huawei attaches great importance to customer relationship management and its service tenet is "customer-centered".

### **3.2 External environment analysis**

In our society, every enterprise's conduct is influenced more and more by the political and legal forces. In 1978, the basic state policy of reform and opening up was determined. In this loose and open market conditions, a large number of Chinese enterprises began to emerge. Huawei was formally established in 1987, just in time to catch up with the tide of national reform and opening up. Huawei actively responded to the strategy of "going out" and expanded overseas markets, which gave the enterprise a great advantage in its initial development. (Etzel, Walker & Stanton 2001, 38.)

However, in the process of Huawei internationalization, it is restricted and blocked by a series of foreign laws and policies. Since 2018, the US government has been using "national information security" as the reason to abandon all Huawei telecom equipment and products, especially Huawei's 5G communication construction, together with Germany, Japan, Italy and other countries. On May 16, 2019, the US department of commerce added Huawei technologies co., ltd. and 68 subsidiaries in more than 20 countries to its "entity list." The move would limit Huawei from buying parts from US companies without government approval. In addition, the competition between China and the United States for 5G field escalates the trade war and worsens the relationship between China and the United States, which will lead to the decline of Huawei's terminal equipment shipments and the loss of most of the American market. (Bureau of Industry and Security 2019.)

With the improvement of people's living standard, values are also changing. The main manifestation is that the consumption concept is more advancing, and prefers products with higher cost performance and more comprehensive functions. This requires enterprises to have a positive insight into social value

orientation. From the perspective of Huawei's terminal phone function research and development and sales, Huawei's P series products are widely favored by consumers in the market. (Etzel et al. 2001, 38.) According to statistics, by 2018, the worldwide penetration rate of smart phones is shown in the figure. Today is an information era, people have a great demand for smart phones. Huawei predicts that global smartphone 5G network coverage will reach 58 percent by 2025.

Technical environment has a significant impact on our life and our economic well-being as well. We now live in the information era, which is full of data, big data and our lives have been inseparable. In the 5G era, data is crucial, as valuable as oil. China's population base determines the huge amount of data in China. We have three times the mobile Internet users of the United States and 50 times the mobile payment data, which will become the absolute advantage in the era of 5G. (Etzel et al. 2001, 44.)

In addition, Huawei has been relatively mature in the deployment and development of 5G. Huawei has owned tens of thousands of 5G patents, ranking first in the world. In February 2019, Huawei unveiled the world's first 5G commercial chip, the first 5G mobile phone and the first 5G commercial equipment at mobile world congress.

The economic environment is an extremely significant force that will affect just about any organizations of the marketing activities. With the establishment and gradual improvement of the socialist market economy system, China has been in a state of rapid development. Huawei has achieved rapid development by relying on China's stable market economic environment. At the same time, with the development of free trade, the trend of globalization is gradually emerging, and the economic environment is improving. Huawei uses the strategy of "going out" to continuously develop its business. (Etzel et al. 2001, 35.)

#### 4 HUAWEI'S OVERALL STRATEGIC RESPONSE ANALYSIS

In the face of the challenges of economic globalization, Huawei has made many strategic responses. As of the first quarter of 2019, Huawei's mobile phone shipments in the Chinese market accounted for 49% of total shipments, and shipments in the European market were 23%. (FIGURE 2) As can be seen from the data, Huawei's market is mainly concentrated in the domestic market, so Huawei's strategy on the road to internationalization is crucial. This chapter mainly analyzes Huawei's marketing strategy, management model and 5G communication technology. Marketing is an important strategy for corporate sales. In terms of products and prices, Huawei defines the target population through market segmentation and formulates corresponding mobile phone price segments to meet different levels of consumer groups. In terms of channels, Huawei is committed to open up more online and offline sales channels to open up the market, including offline new product launches to attract more potential customers. In terms of promotion, Huawei adopts a variety of promotional programs, such as the promotion of large-scale price reductions on older models when the new models are launched. In customer relationship management, Huawei pays attention to the principle of "customer-centered", increases the input of customer service personnel and continuously improves the quality of after-sales service.

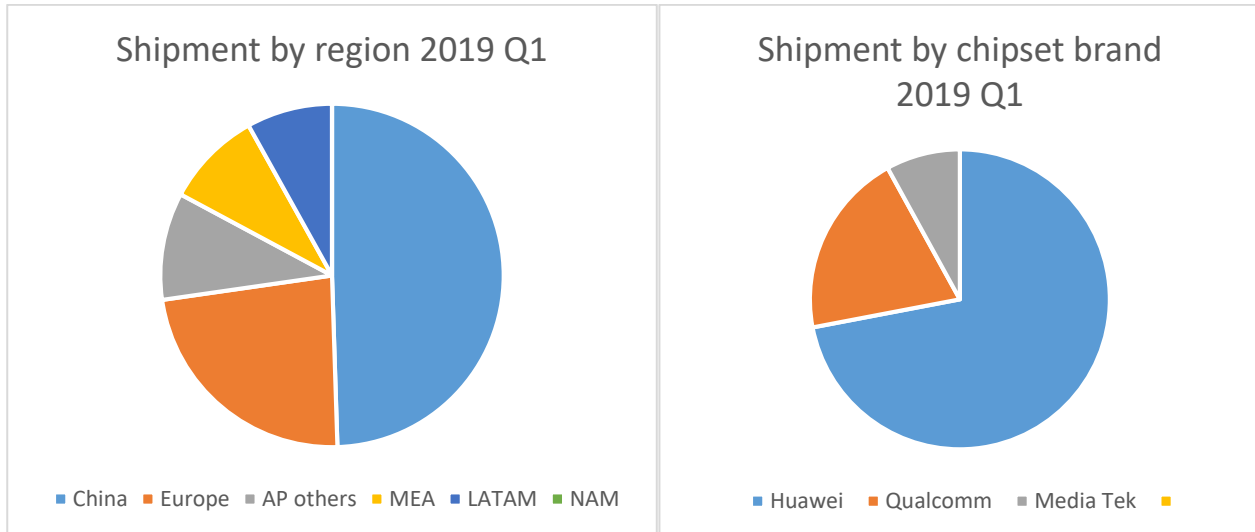


FIGURE 2. Huawei's shipment by region and chipset brand in 2019 Q1 (adapted from Counterpoint research 2019)

For any large enterprise, management is a top priority, and the quality of the management model often determines the development of a company. Huawei has always attached great importance to the management model of the enterprise and constantly updated it for the best state. 5G communication

technology is a very popular issue. Huawei's breakthrough and development in the 5G field will undoubtedly increase its weight to meet the challenges of economic globalization.

#### **4.1 About Huawei**

Huawei Technologies Co Ltd was founded in 1987, and its main business is the production and sales of communication equipment. Huawei is a private communication technology company with independent intellectual property rights, headquartered in BanTianHua, LongGang district, ShenZhen city, GuangDong Province, China. Huawei is committed to the field of information and communication technology, which has built end-to-end solutions to enterprises, telecom operators, terminals and cloud computing, providing a series of competitive services for consumers and target groups. Huawei is one of the major suppliers in the Chinese telecom market and has successfully entered the global telecom market.

As early as 1996, Huawei entered the Hong Kong market and cooperated with Hutchison telecom. Huawei has long recognized the importance of developing an international market. In the development of the international market, Huawei adopted the strategy of "easy before difficult", and first entered the developing countries with weak economic development, technology level and market competition. In 1997, Huawei established joint ventures in Russia and Brazil. Later, with the strengthening of its strength, Huawei made breakthroughs in the core markets of developed countries in Europe and America. Since 2001, Huawei has successfully introduced its products into developed countries such as Germany, France and Britain through cooperation with famous local agents in Europe. (Chen 2018.)

In addition to following the internationalization strategy in expanding the market, Huawei has also taken the international road in technology research and development, developing its own research and development centers in many high-tech regions of the world. In 1999, Huawei set up a research and development center in Bangalore, India. In 2000, it set up a research and development center in Stockholm, capital of Sweden. In 2001, it opened four research and development centers in the United States and joined the international telecommunication union.

After years of hard work, Huawei has become a large-scale international enterprise, with 22 overseas markets, including Europe, the Middle East, Latin America and other regions, and more than 100 branches.

According to the statistic of Counterpoint, the shipment of Huawei in 2019 Q2 is 56.7 million units, ranks second behind Samsung in global smartphone shipments. Similarly, Huawei's smartphone market share is also the world's second largest with 15.8% in 2019 Q2. (Counterpoint research 2019.)

On July 30, Huawei released business results for the first half of 2019: sales revenue reached 401.3 billion yuan, up 23.2% year-on-year, with a net profit margin of 8.7%. Of this, the revenue of consumer business was 220.8 billion yuan, accounting for 55%; Revenue of operators reached 146.5 billion yuan, accounting for 36.5%; Enterprise business revenue was 31.6 billion yuan, accounting for 7.9%. (Hu 2019.)

## **4.2 Marketing strategic analysis**

In the market environment, enterprises must develop an effective marketing strategy in order to survive and develop in a complex market. The enterprises must recognize that marketing is vital to develop and tend to success of their organization. The market strategy is based on the existing markets and products, through a series of measures to consolidate old customers, attract potential customers, expand product sales, and ultimately to increase the market share of enterprise products. The marketing concept is based on customer orientation, organization's performance objectives and coordinated marketing activities. Which is the foundation of customer satisfaction. And organizational success is the outcome of the customer satisfaction. The market share of Huawei's shipment continues to grow, which performed 5% in 2015 Q1 and 17% in 2019 Q1. (FIGURE 3) Central and Europe smartphone shipment market share of Huawei is 20% in 2019 Q1. (FIGURE 4) This chapter will analyze and research Huawei's marketing strategy through four sections: product, price, channel and promotion. (Etzel, Walker & Stanton 2001, 10-11.)



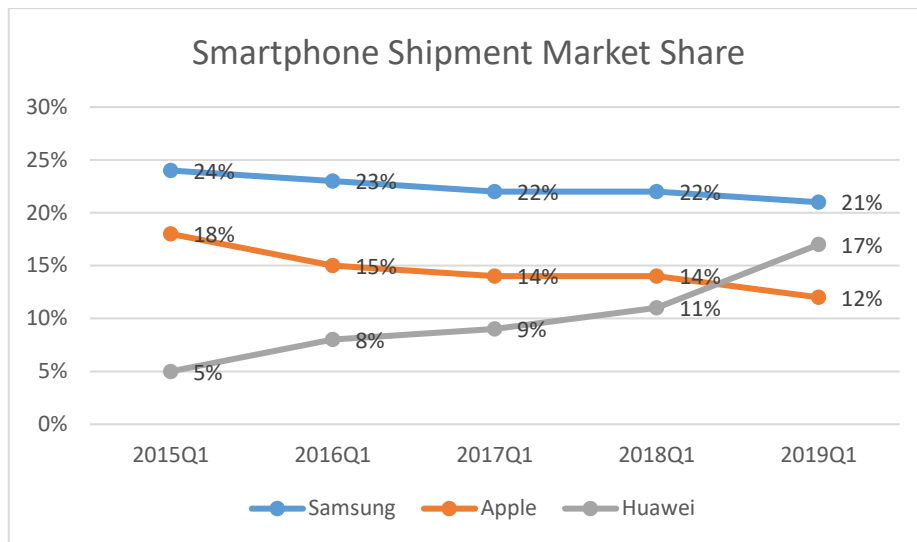


FIGURE 3. Smartphone Shipment Market Share between 2015 Q1 and 2019 Q1 (adapted from counter point 2019)

Central & Europe Smartphone Shipment Market Share (%)	Q2 2018	Q1 2019	Q2 2019
SAMSUNG	33%	37%	40%
HUAWEI (AND HONOR)	23%	26%	20%
XIAOMI	9%	7%	11%
APPLE	6%	6%	6%
NOKIA HMD	1%	1%	2%
OTHERS	28%	23%	21%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

FIGURE 4. Central & Europe Smartphone Shipment Market Share (%) (adapted from counterpoint 2019)

#### 4.2.1 Product

The product strategy is that when a company develops a business strategy, the company needs to know what products and services can be satisfied by consumers. Therefore, in the implementation of product strategy, a series of strategies on the product itself, including brand, packaging, product life cycle, etc. is the product strategy. For enterprises, they need an extensive definition of products to indicate that the consumers are not buying a lot of complicated attributes, but the benefits that satisfy their real needs. (Etzel et al. 2001, 214.)

Mobile phone is one of Huawei's three core businesses, which with dual-brands, Huawei and Glory. Glory brand mobile phone is an Internet mobile phone brand, mainly aimed at young people, focusing on cost performance. Comparatively speaking, users pay more attention to price and quality. The main market competitors are Internet mobile phone manufacturers led by Xiaomi. Huawei phones are mainly aimed at the high-end market, business people and those who pursue fashion. Its market competitors are Apple and Samsung. (Chen 2018.)

Huawei has five series of phone layout, including P series, Mate series, Nova series, Enjoy series and Wheat Awn series. Through such a product line layout, to cover the larger international mobile phone market, so as to reach more potential customers of different consumer levels. (Chen 2018.)

In Huawei's product strategy, Huawei divides its five product lines into three levels: high-end, mid-end and low-end. The P series and Mate series are high-end products with different market positioning. The positioning of Mate series is business model, mainly aimed at some professional business people and customers with requirements on configuration. The positioning of P series is fashion model, and the main consumption target is some white-collar and other business people. Nova series belongs to the mid-end models, and there is a certain gap between the high-end models, but they also have their own highlights. For example, the target consumer group of Nova series is women, and the most prominent advantage is the camera function. The Wheat Awn series is middle-end and low-end products, mainly aimed at young groups. It is launched by Huawei and operators in cooperation, but the market response is not good, the market attention as well. Enjoy series mainly main at low-end market, which is the entry level of Huawei mobile phone models. As Huawei moves into the high-end mobile phone market, the attention of the Enjoy series has been declining. However, as Huawei's early flagship model, although with not high configuration, but the low price, good quality, making it suitable for some middle-aged and elderly people to use. In Huawei's different model levels, there are mainly three features to show the differences:

The first is appearance. Some high-end Huawei models are generally made of high-specification and high-cost materials such as glass, such as Huawei's high-end models Mate10 and P20. The glass material makes the phone feel smoother and more beautiful. However, Huawei's low-end products are mainly made of metal materials, which are unique in appearance and have certain resistance to falling, ensuring the cost performance of low-end models. (Etzet et al. 2001, 219.)

The second is the processor. Different phone models typically have different processor levels. Huawei's high-end models typically use the Kirin 970 processor, which is impressive in graphics and performance. Huawei's mid-range models typically use Kirin 659 and Kirin 710 processors, while lower-end models typically use Media Tek processors. (Etzel et al. 2001, 214.)

The third is the intelligence level of AI. There is a direct correlation between the intelligence of AI and the processor of a phone. The better the processor, the smarter the phone. Huawei has developed a new generation of GPU Turbo technology to make phones smarter. But only Huawei's high-end flagship phone models now use NPU chips.

#### **4.2.2 Price**

Price is one of the most flexible factors in marketing and can often make or break a deal. Price is extremely significant in today's economy, in an individual enterprise, and in the customer's mind. When setting the price of products, enterprises should not only consider the cost, but also take the acceptability of the market into account. Therefore, a good pricing strategy can help enterprises to increase sales, thereby obtaining more profits. Huawei mainly uses two different pricing strategies when setting product prices. (Etzel et al. 2001, 325-332.)

Pricing stratification. By understanding the different needs of consumer groups, the corresponding products and configurations can be developed as the pricing parameters. For example, a large proportion of consumer groups are business people, who have certain requirements on the battery life of mobile phones. Therefore, after understanding the needs of specific consumer groups, Huawei specially formulated the Mate series. At the same time, an AI intelligent system is added in the configuration of this model, because business people will have certain requirements for the intellectualization of mobile phones. Such a high configuration corresponds to a relatively high price, and business people can clearly afford to pay. Similarly, for Huawei's Enjoy series products, the price will be relatively low, about 130 euro, because the target customers are some elderly groups and the configuration is relatively low. (Chen 2018.)

Global pricing. Huawei's products are priced higher internationally than in the domestic market. Because in the international market, many people will be biased against Chinese products, thinking that cheap must not be good goods. China has its natural advantages, lower labor and raw material costs, which keep the price of Chinese goods relatively low. Therefore, Huawei gradually eliminates the prejudice against

Chinese products in the international market by raising the price of its products. The high product pricing has gradually increased the attention of the international market, and the excellent technology and configuration have also increased the praise of Huawei in the international market. (Chen 2018.)

### 4.2.3 Channel

Channel strategy plays a very important role in improving the competitiveness of enterprises and is also an important part of the whole marketing system. Huawei has adopted the following strategies in channel development:

The countryside encircles the city. In the early 1990s, the price of communication products was relatively high. Considering the consumption capacity, communication companies would lock the market in big cities instead of expanding into rural cities. That brings opportunities for Huawei. All the sales staff of Huawei went deep into the countryside, obtained the market and survived. With the accumulation of capital and the expansion of the market, Huawei gradually entered the municipal to develop. Huawei has adopted the same channel strategy in international markets. Huawei has entered some developing countries with the advantage of low price, because it can avoid the high access system of developed countries. Huawei's starting point in international markets is some third world countries in Africa and Asia. In these markets, the development level and entry threshold are relatively low, which is very similar to Huawei's initial development market in China, which enables Huawei to adapt to and develop the market more quickly. With the gradual stability of the market, Huawei began to open up developed markets in Europe and the United States.

Combination of online and offline channels. Huawei works with major e-commerce companies online, such as China's JD mall, GOME online, and Amazon in the United States. E-commerce is developing rapidly, so online shopping has become a major trend. According to Counterpoint's statistics in the first quarter of 2019, Huawei and its brother brand glory account for 40% of the online mobile phone brand sales in China, far more than other brands. Huawei attaches great importance to offline channels. As of December 2017, Huawei has opened 45,000 offline retail stores at home and abroad. Huawei has successively opened high-end experience stores in Italy, Thailand, Malaysia and other countries, and Huawei has more than 3,000 experience stores worldwide. Year-on-year growth of 200%.

Huawei usually holds its own new product launch events abroad to attract the attention of foreign markets and increase the visibility of its brand and products. Huawei glory 10, for example, was launched

in London, UK. Because Huawei takes a high-end and international route and has large foreign platforms, it is conducive to Huawei's internationalization strategy.

From direct selling to distribution. Huawei started as a direct seller. In 1997, Huawei had developed very mature in the communication market. However, due to the low penetration rate of the network in China, the network market was dominated by foreign countries. Therefore, Huawei is not well known in the network communication market, and few distributors are willing to sell Huawei products. But after all, distribution can increase the exposure and distribution rate more than direct sales, so Huawei began to develop small and medium-sized distributors by itself. By 1999, Huawei's channel construction had achieved initial results, and it had established seven agency sales systems in China, gradually gaining market recognition.

#### **4.2.4 Promotion**

Promotion refers to that enterprises reach potential consumers through business sales promotion, advertising, personal selling, public relations and other means to convey enterprise product information to consumers and arouse consumers' attention. Promotion is essentially a process of communication with people, which can inform, persuade and remind current and potential customers. It is the place where sellers have advantages in their products and various messages that can stimulate consumers' consumption, so as to expand sales and increase revenue. (Etzel et al. 2001, 487-492.)

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

Huawei spent 869 yuan on advertising in March 2017, ranking second, according to foresight database. In addition, Huawei has also been increasing advertising in large shopping malls and other business areas with heavy traffic. Nowadays, Huawei is also increasing its advertising in overseas markets, and can be seen in central cities. The potential of the fan effect in today's era is limitless. Huawei also found a popular Chinese movie star to speak for its products, which drove a large purchase of potential consumers.

When the data spreads on the web, consumers will be curious about the product in the process. Therefore, once this product really appears in the field of vision, consumers will be eager to see. This is to take advantage of the psychology of consumers. Huawei launches new products or has product activities, it

will release information on the official website and other media channels, and then use such means as booking and snapping up to stimulate consumers.

When Huawei introduces new models, it often cuts prices sharply on older models, giving it a price advantage in the same range of phones, luring customers with lower prices while making way for its new product. Such a promotion method can greatly realize the sales of the old mobile phone models, which can reduce the accumulation of the old mobile phone warehouse, and can also open the way for the new mobile phone

#### **4.2.5 Customer relationship management**

Nowadays, social customer relationship management is critical to business success. The expectations of the customers are so great and their demands so empowered that a social customer relationship management must be built by the enterprise around customer engagement and collaboration. In the development of CRM, the concept of CRM is constantly updated, and slowly shifting from CRM to CMR. It might be more than just semantics. CMR is the version of CRM, which refers to our customers invite us into their lives and ultimately manage the relationship with them. Although the concept of CRM has been updated, the single core essence is still customer-centric. (Greenberg 2009, 32-34.)

Huawei's values are "customer-centric". For enterprises, customer relationship management is a long-term investment. Maintaining long-term relationship with customers can not only increase profits for enterprises, save costs, but also bring long-term benefits to enterprises. Therefore, maintaining the relationship with customers is the premise of CRM. In Huawei, customer relationship management is mainly reflected in three aspects.

The principle of "universal customer" relationships. In most enterprise systems, enterprises tend to only store the data of some large customers, and rarely conduct relationship management and information storage for small customers, because ordinary customers are not as prominent to the profits of enterprises as big customers. However, once the number of ordinary customers up, the profits generated are also huge. The universal customer principle proposed by Huawei is to tell employees that customers, big or small, should be taken seriously as long as they are related to the company's products and sales. (Chen 2018.)

A new concept will be mentioned here – social CRM. Social CRM is intended to enhance the experience of customer interaction with the enterprise, designed to engage the customer in a collaborative conversation to provide mutually beneficial value. It is because that Huawei is so close to its customers, it has a very keen insight into them. Huawei is aware that in the field of electronic communication, few customers can grasp the performance of products. Therefore, when carrying out customer relationship management, Huawei will hire experts to train employees around the world and send technicians to train customers. This kind of training for customers enables customers to master products and performance proficiently, making customers easier to use, thus enhancing customers' goodwill towards Huawei. In addition, the design of Huawei's product features is largely dependent on the needs of customers. Adapt to market needs by designing product features through customer interactions and customer feedback. Such a strategy is undoubtedly a win-win situation. (Greenberg 2009, 34-37.)

Since 1997, Huawei has set up joint ventures with the postal and telecommunications sectors, which are not only customers of Huawei, but also shareholders of Huawei. Huawei establishes a community of interests through the establishment of joint ventures to expand the market, consolidate the market and occupy the market. This binding of interests will encourage joint venture shareholders to work together. Huawei's behavior goes beyond a purely customer-enterprise relationship.

### **4.3 Management mode analysis**

Nowadays, Huawei has a certain position in the international market, and its precise strategic management and governance philosophy plays a crucial role. Huawei's management is divided into four parts. They are people, market, middle and change. People refers to employees and customers. Market refers to the products and the targeted market. Middle refers to the doctrine of the mean and the integration of Chinese and western cultures. Change refers to innovation and self-criticism. (Chen 2018.)

Huawei adheres to the value of customer-centered and striver orientation, and constantly carries out self-criticism and innovation to maintain its leading edge in the international market and constantly expand its market share. There is a special group of people in Huawei's management hierarchy, known as the "iron triangle". The company is composed of account managers, solution experts and product delivery experts, and its goal is to provide the best service for customers. The rest of Huawei's hierarchy supports the "iron triangle". Creating customer value is the reason for the existence of enterprises, strivers are the basis of creating value. (Chen 2018.)

Huawei adheres to the open innovation mode and the market concept of cooperation and competition. According to the fund usage of Huawei in 2018, 14.8% of its fund is used for innovation. Huawei's innovation should be manifested in two aspects: chip technology and management. For a long time in the past, the chips of Huawei's communication products were all provided by Qualcomm. Qualcomm is a global leader in the research and development of 3G, 4G and 5G technologies. Currently, Qualcomm has provided technology licensing to a number of manufacturers around the world, involving all the brands of telecom equipment and consumer electronic equipment in the world. Mainly engaged in radio communication technology research and development, chip research and development. But now, the chips of Huawei's communication products are all independently developed. (Chen 2018.)

In the past, Huawei's management mode was technology-oriented, but in the context of economic globalization with constant penetration of international trade, Huawei's has been constantly changing, learning from and citing the performance of other countries, combining Chinese and western management modes, and changing the management mode to customer-oriented. In this process, Huawei's adopts the method of learning first, optimizing later and curing later. The purpose of learning is to understand the management mode of other countries and the shortcomings of its own management mode in the international market. The purpose of optimization is to improve Huawei's management mode and better meet the needs of the international market. The purpose of solidification is to standardize, institutionalize and procedural. (Chen 2018.)

In general, Huawei's management philosophy is a philosophy of moderation with gray scale, openness and compromise, as well as a philosophy of self-criticism and energy dissipation.

#### **4.4 5G**

5G refers to the fifth generation of mobile communication technology. In the 5G era, we will realize the technological era of the Internet of Everything. For such a new thing, all communication technology companies in all countries are full of interest in 5G, and behind it is a piece of land waiting for development, human technology updates and benefits. Therefore, the 5G battle has become a hot topic in today's communication technology. According to the Iplytics, the number of 5G contributions of Huawei is 13155, which ranks the first in the world. (TABLE 1) All communication companies in all countries are taking the time to research and develop 5G, investing huge sums in the field of 5G communication technology, and only realize 5G technology as soon as possible to realize the benefits.



In the competition among countries, Huawei Co., Ltd. has taken the lead in the development of 5G and has become a worldleader. (Deloitte 2019.)

TABLE 1. Top companies submitting technical contributions for 5G standards (adapted from IPlytics 2019)

	Number of 5G contributions	As to first contributor	Weighted	In relevant groups	Approved
Huawei (CN)	13.155	11.989	8.359	7.066	3.961
Ericsson (SE)	10.528	9.398	9.027	5.541	3.588
Nokia (incl Alcatel-Lucent) (FI)	8.103	6.851	3.829	4.573	2.673
QUALCOMM (US)	4.087	3.278	3.176	2.602	1.267
ZTE (CN)	3.221	2.532	2.409	2.027	808
Samsung (KR)	3.158	2.494	2.403	2.233	867
Intel (US)	2.516	1.989	1.889	1.751	652
LG Electronics (KR)	1.787	1.387	1.314	1.411	467
CATT (CN)	1.786	1.410	1.395	1.240	383
MediaTek (TW)	759	562	563	645	216
NEC (JP)	703	456	487	456	206
OPPO (CN)	517	392	379	470	82
ETRI (KR)	434	264	277	345	108
Cisco (US)	346	235	226	241	113
InterDigital (US)	229	68	92	211	59
Sharp (JP)	212	174	180	211	73
KT Corp (KR)	161	1	43	70	32
ITRI (TW)	73	36	40	71	15
Fujitsu (JP)	67	27	34	36	13

#### 4.4.1 Background

With the rapid development of Internet and mobile communication, the era of 5G is coming. Human society has gone through great changes in communication technology from 1G to 4G.

The 1G era used analog communication technology, mainly for voice communication. The era of 2G has entered the era of digital circuit, realizing the improvement of mobile communication function. At the same time of the development of 2G, the Internet is also developing rapidly, making the market scale expand rapidly. The emergence of smart phones in the 3G era has accelerated the development of the whole communication industry, and the mobile network has begun to enter people's life and various fields. The era of 4G marks that human beings have truly entered the era of digital economy. Mobile Internet has penetrated into every individual's life. The emergence of 5G era will promote the age of the Internet of things. (Lopa 2015.)

Huawei develops rapidly in the field of 5G, and the United States feels that it is under great threat in the field of 5G communication, so the United States government launches countermeasures against Huawei. On May 16, 2019, the US government officially added Huawei to the "entity list". Such a move would

bar Huawei from buying components from U.S. companies without government approval. (Bureau of Industry and Security 2019.)

#### 4.4.2 Huawei's exploration and development

According to Iplytics, a German patent data company, with the number of 13155 5G contributions, Huawei has become the enterprise that makes the most technical contributions to the development of 5G standards, surpassing Qualcomm, Ericsson and other foreign institutions. We can see that Huawei's position in global 5G is a light weight. Huawei has become a leader in the 5G era, not only at home, but also in the world rankings. In February 2019, Huawei held the mobile world congress in Spain and unveiled the world's first 5G commercial chip, the first 5G mobile phone and the first 5G commercial system. (Iplytics 2019.)

Another way to judge the contribution of various communication companies in the 5G field is to evaluate involvement and investment in 5G standards development is the attendance of engineers at the standards-setting meeting. Figure 2 illustrates the number of employees per company that attend the 5G standards-setting meetings. Huawei's company is ranked first. (FIGURE 5)

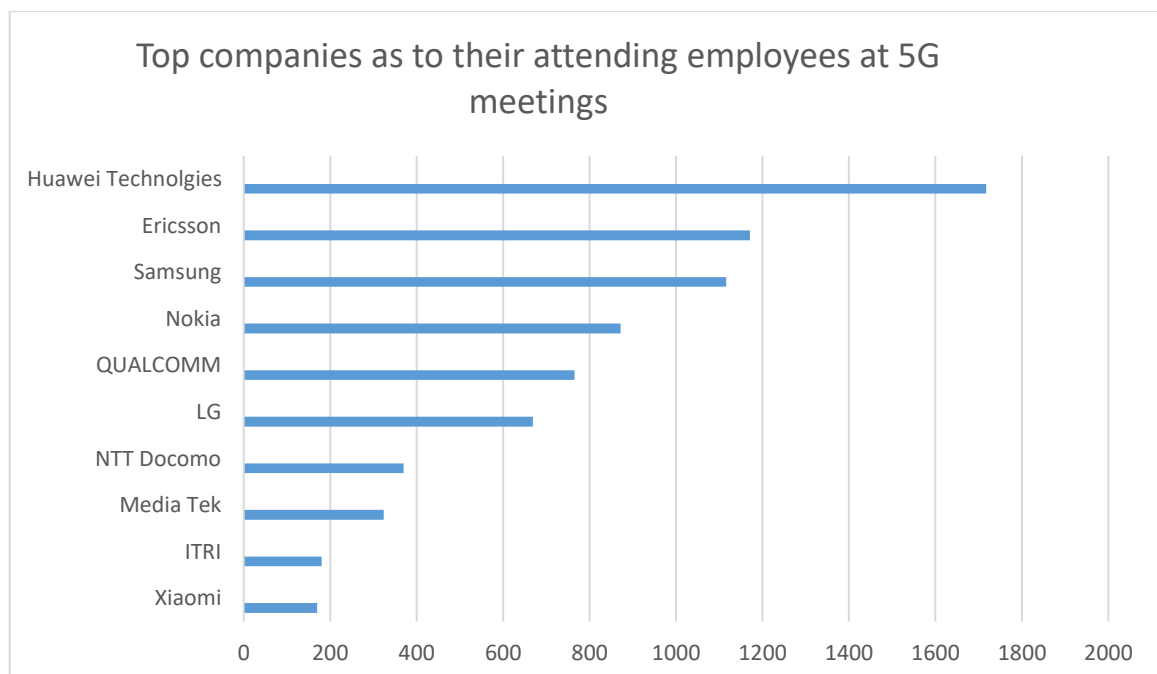


FIGURE 5. Top companies as to their attending employees at 5G meetings (adapted from Iplytics 2019)

### 4.4.3 Threaten

In Huawei's 5G development, the biggest threat is China-US relations. The US government has taken a series of actions that have crossed China's line. It is a high probability that the relationship between China and the United States will not go back to the past. As China continues to develop high technology and core technologies, trade and technological friction between the United States and China will become increasingly intense. No matter 5G technology or other technological competition, it reflects not only national security, but also the development of industry and market. China-US relations and trade flows have developed into an interdependent economy over the past four decades. (Lu 2019.)

No matter in the past, present or future, the advance of technology must require common development and technological cooperation between countries. Only through cooperation can we achieve win-win results. Behind the 5G incident, there is no doubt that is a threat to Huawei, which will lose a large market, and will undoubtedly do more harm than good to both China and the United States.

## 4.5 SWOT

Strengths can be divided into three parts. Firstly, technological innovation. Huawei attaches great importance to technological innovation and spends 10 percent of its annual sales on technology. In addition. The company is engaged in technical research and development personnel account for more than 30 percent of the total number of the company. By the end of 2016, Huawei had obtained 62,519 domestic and overseas patents, among which 90% were invention patents, and the number of research and development personnel reached about 80,000. (Chen 2018.)

Secondly, corporate culture. Huawei advocates "Wolf culture". Its spiritual core is the Wolf nature. Wolf has three characteristics, one is a keen sense of smell, the second is the spirit of attack, the third is the consciousness of group struggle. Huawei is a Wolf worshiper, believing that a developing company is like a hungry Wolf. In addition. Huawei insists on "militarized management", and these corporate cultures become the key forces driving Huawei forward. (Chen 2018.)

Thirdly, service system. Huawei attaches great importance to after-sales service, so Huawei constantly optimizes the quality of after-sales service. In Huawei's personnel system, there is a so-called "iron triangle" system composed of account managers, solution experts and product delivery experts. The

purpose of this team is to provide customers with the best service. They are the front-line decision makers of Huawei, while other departments are responsible for providing support for them. Huawei has established a high-quality service system, conveying the core values of "customer-centered" to the hearts of every service staff. (Chen 2018.)

Weaknesses mainly contain three parts. Firstly, lack of marketing. Fan economy has become a very popular marketing means for major brands. For example, China's VIVO, OPPO, foreign SAMSUNG, APPLE and other mobile phone brands will invite stars to endorse and publicize their mobile phones, so as to achieve the purpose of marketing and communication by taking advantage of the high penetration rate of fans economy. On the contrary, Huawei has relatively simple means, dull product copywriting, single advertising content and form, and poor public relations response. (Chen 2018.)

Mobile phone aesthetics is low, some performance response is not good. Huawei's rear fingerprint unlock design is a bit low-end in today's mobile market. Huawei's screen design also lacks fashion sense. According to Huawei's users, the performance CPU of Kirin processor developed by Huawei is relatively poor. (Chen 2018.)

Thirdly, higher prices. Huawei has always taken the cost-effective route. Here, the high price means that in the middle and low-end market, Huawei's price will be relatively high when its competitors are XIAOMI, OPPO and BBK. XIAOMI, OPPO, BBK and other brands are also cost-effective, but their prices will be lower than Huawei's. Therefore, for Huawei, it is difficult to grab the share of the middle and low-end market. According to Counterpoint, Huawei has not fared well in Indian handset sales in the second quarter of 2019. (Chen 2018.)

There are also some potential opportunities. Firstly, policy support. China's development strategy of "One Belt One Road" has brought more market demand to Chinese enterprises. Huawei quickly seized the market by taking advantage of the low and medium market price and high cost performance technology advantage. Coupled with the policy support of the Chinese government to encourage Chinese enterprises to "go out", Huawei has more opportunities for overseas development. (Chen 2018.)

Secondly, the upgrading of Internet communication technology and the expansion of mobile smartphone demand. The improvement of Internet infrastructure and the upgrading of communication technology will generate more demands. The arrival of 5G mobile Internet era will bring a large part of the demand.

With the progress of our living standard, the demand of the elderly and young population for intelligent terminal will expand, which will also generate new market demand. (Chen 2018.)

Thirdly negative news about competitors. The constant reports on the Internet about the privacy leakage of apple phones and the frequent explosion of SAMSUNG phones have caused consumers at home and abroad to lose some trust in these mobile phone brands, which also brings opportunities for Huawei. (Chen 2018.)

Huawei company also meet with some threats. For one part is existing competitors. Domestically, Huawei's main competitors are XIAOMI and ZTE, both of which are leaders in the industry. But Huawei faces a bigger threat from overseas rivals, such as APPLE and SAMSUNG. It is now preparing to enter the high-end market, and the presence of SAMSUNG and APPLE will inevitably threaten Huawei. (Chen 2018.)

For the other part is the trade war between China and the US nowadays. China has long exported far more to the United States than it imported from it. According to the data of 2018, China's exports to the United States totaled \$429.7 billion and imports totaled \$153.9 billion, resulting in a trade surplus of \$275.8 billion. That means China depends on the United States for a large portion of its exports. The emergence of a trade war has led the us to impose import restrictions such as quotas on many of our exports. In addition, the US has added Huawei to the entity list, which will affect Huawei's sales in the US. (Chen 2018.)

## 5 ANALYSIS ON THE OVERALL STRATEGIC EFFECT OF HUAWEI

In general, Huawei's globalization strategy can be divided into six major parts and the analysis will be followed.

The development strategy from easy to difficult. In terms of market selection, Huawei starts from developing countries. Relatively speaking, the threshold and barrier are relatively low. At the same time, after gaining achievements in these developing countries, Huawei has also gained experience in market expansion, which is of great help for Huawei to enter developed countries. Such a progressive market development strategy is undoubtedly more suitable for the survival and development of a startup. Learn from developing countries to stabilize their capabilities and develop markets in developed countries. (Li 2018.)

Huawei makes full use of all available resources locally. In terms of human resources, Huawei selects excellent technical talents from overseas to enrich the company's talent pool. Meanwhile, the selection of local employees can also improve Huawei's international image. Secondly, brand localization. Making the consumption habit close to the local country to draw the distance between merchants and consumers, and make the localized after-sales service more convenient. Adapting to environmental changes is a strategy that companies need to implement. The localization strategy is more than enough to help companies better integrate into the local environment, so as to achieve local sales of products. (Li 2018.)

Identify the breakthrough and improve the overall market share. Huawei uses advanced foreign science and technology to improve its research capacity, set up research centers in many parts of the world, and gradually enhance its economic activities, thus expanding its market share. Huawei attaches great importance to technological innovation and has a fixed capital expenditure for innovation and technology every year. For the enterprise, the innovation of technology is crucial, and the unchanging technology will lead to the loss of customers. The ultimate goal of Huawei's establishment of a research center around the world is to seek breakthroughs in technology and technology, while learning advanced technologies from other countries, and ultimately achieving market expansion. (Li 2018.)

Huawei firmly grasps the demand dynamics of consumers, pays attention to the segmentation of target market customers, and provides differentiated product production according to the demand information of consumers. Consumers' needs are always different. At this time, companies need to have a keen

insight to segment consumers in the market and provide differentiated products and services to different consumers. Huawei has introduced differentiated products to meet the different needs of different consumers. Huawei has five series of phone layout, including P series, Mate series, Nova series, Enjoy series and Wheat Awn series. Through such a product line layout, to cover the larger international mobile phone market, so as to reach more potential customers of different consumer levels. (Li 2018.)

Cost-effective products with core competitiveness. Huawei's terminal equipment has always been cost-effective. Huawei has the world's leading technology level, which is a very important reason for Huawei to go international. The application of independent intellectual property rights and independent research and development patents all reflect Huawei's core competitiveness. Consumers will always like more cost-effective products, no one will like expensive and complex products. Huawei's smart terminals are extremely cost-effective, and their prices are generally lower than those of other brands with the same performance, and the configuration and functions of the devices are extremely outstanding. Such price and performance advantages are fundamental to Huawei's internationalization strategy. The products are not excellent, and even the best marketing strategy will not make the company successful. (Li 2018.)

Huawei focuses on public relations. There is a department called public relations management and customer management, which is mainly used to solve the public relations between enterprises, customers, government and other departments. Reasonable solution of public relations, makes Huawei's international development road is more stable. Huawei has always regarded "customer-centric" as the company's standard. Huawei has invested heavily in customer service personnel and increased the quality of after-sales service in order to provide users with better service and experience. The establishment of such a public relationship is very conducive to the development of Huawei, because consumers are the source of power for enterprises. (Jiang 2018.)

## 6 THE SIGNIFICANCE FOR OTHER CHINESE ENTERPRISES

Generally speaking, there three main aspects are same between Huawei and other Chinese companies. That's why I choose Huawei for research and as an example for other Chinese companies. Firstly, from the perspective of Huawei's birth, it is a private enterprise developed from a very small company. Secondly, Huawei develops very fast, which is what Chinese enterprises need. Thirdly, Huawei's international development is very successful, and internationalization is the only way for Chinese enterprises.

Through the research and learning of Huawei, the following points are worth learning for Chinese enterprises:

Driven by international trade and economic globalization, if an enterprise only limits its business to the domestic market, it will eventually be eliminated by the times. Enterprises should have a broad vision, follow the changes and trends of the times, and learn advanced culture and technology. Globalization awareness also means not only selling the products of enterprises to overseas, but also that enterprises should meet international standards and change their strategies appropriately to meet the needs of the internationalization. (Li 2018.)

Huawei adheres to technological innovation. If enterprises want to have a speaking right in the international market, they must have their own core technologies. Only by possessing the core technology can we avoid being restricted by others in the competitive international market. A good example is the ZTE incident. The US government announced on April 16, 2018 that it would ban us companies from selling components, goods, software and technology to ZTE on the grounds that ZTE violated US sanctions restricting the sale of US technology to Iran. Once the policy was implemented, ZTE suffered heavy losses because it relied on American companies to make many of its chips. (Jiang 2018.)

Huawei pay much attention to corporate culture. Corporate culture is not only the driving force of corporate development, but also the soul of the enterprise. Corporate culture contains a lot of content, and its core is corporate values. Huawei's corporate culture has three characteristics: firstly, it centers on the interests of customers; Secondly, emphasize management, improve the company system; Thirdly, emphasize the sense of crisis. In addition, Huawei advocates Wolf culture and believes that a company



should be a wolf. Under such corporate culture, Huawei has a very strong fighting spirit, and always remember to focus on customers first. (Jiang 2018.)

Huawei focuses on risk management. Enterprises will encounter many risks and obstacles in the process of development and internationalization, including economic risks, legal and cultural risks, political risks and so on. Enterprises need to do risk management, establish a sense of crisis. For economic risks, enterprises can diversify their operations and establish joint ventures to reduce economic risks caused by factors such as exchange rate. For legal cultural risks, enterprises need to fully understand and investigate the target countries to reduce cultural conflicts. As for political risk, enterprises should always pay attention to the international political situation and policies. (Jiang 2018.)

## 7 CONCLUSION AND DISCUSSION

With the global smartphone shipments (Millions Units) from 54.2 in 2018 Q1 to 56.7 in 2019 Q2, Huawei has made a great success in the smartphone market. (FIGURE 6) With the development of economic globalization, the allocation and flow of social resources in the world have become more and more free. Chinese enterprises have responded to the strategy of "going out" and deepened their development in the world. Huawei is one of the typical successful Chinese enterprises, which is developing better and better on the international road. The success of Huawei's "going out" strategy is closely related to its business management mode and marketing mode. What is more noteworthy is that Huawei always puts the needs of consumers in the first place, implements the service concept of "customer-centered", which has a long-term layout and vision.

Three main aspects are same between Huawei and other Chinese companies. That's why I choose Huawei for research and as an example for other Chinese companies. Firstly, from the perspective of Huawei's birth, it is a private enterprise developed from a very small company. Secondly, Huawei develops very fast, which is what Chinese enterprises need. Thirdly, Huawei's international development is very successful, and internationalization is the only way for Chinese enterprises. It also brings good experience to the internationalization to Chinese enterprises. On the whole, enterprises in the Chinese market still exist many problems in the development of the globalization.

Therefore, the development of enterprises should be based on the vision of globalization, to strengthen the independent innovation ability of enterprises, to improve the overall service quality of enterprises, to strengthen management, in order to gain more benefits in the international market. (Sun 2019.)

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## APPENDIX: Summary of the articles

Authors, Year, Topic & Journals	Aim of Research	Method of Research	Main Results of Research.
Wenqing Jiang; Zaichuan Ma; Hao Ma; Fangyuan Yu, 2019, Research on Huawei SWOT Analysis under the Background of Globalization	The goal is to study the strengths, weaknesses, opportunities and threats of Huawei's business strategy in the context of globalization	Qualitative method	In the context of economic globalization, Huawei has developed very well by virtue of technological innovation, but at the same time, it also reflects Huawei's lack of marketing means, and this is the opportunity for Huawei's future development. At the same time, the author also pointed out that the deterioration of Sino-US trade relations will pose a great threat to Huawei's development.
Li Chen, 2018, Huawei mobile marketing strategy analysis	The aim was to study Huawei's mobile marketing strategy, mainly analyzes products from four aspects: product strategy, price strategy, channel strategy and promotion strategy.	Qualitative method	Huawei's sales strategy is very rich. Huawei pays great attention to the mobile phone product line strategy, subdivides the target market, provides different levels of terminal models, and has different price positioning. Huawei focuses on online and offline channel development, as well as o

			ffline new product launches. A large part of Huawei's expenses will be spent on advertising and event promotions.
Xingjie Sun,2019, Open up to deal with the ban on Huawei's experience shows the road to the rise of Chinese companies	The aim was to study the enlightenment of Huawei's business strategy to Chinese Enterprises	Qualitative method	Chinese companies should do business in an open environment to cooperate with the world, rather than relying solely on the domestic market. Technological innovation and independent research should become the image of Chinese enterprises.

## Global Smartphone Shipments 2018 Q2 and 2019 Q2 (adapted from Counterpoint 2019)

Global Smartphone Shipments (Millions Units)	2018 Q2	2019 Q2	% Growth
Samsung	71.5	76.6	7.1%
Huawei	54.2	56.7	4.6%
Apple	41.3	36.4	-11.9%
Xiaomi	32.0	32.3	0.9%
OPPO	29.6	29.0	-2.0%
Vivo	26.5	27.0	2.1%
Lenovo	9.0	9.5	6.0%
LG	9.8	8.0	-18.5%
Realme	0.5	4.7	848.0%
others	86.0	75.0	-12.8%
Total	364.3	360.0	-1.2%

Global Smartphone Shipment (% Share)	2018 Q2	2019 Q2
Samsung	19.6%	21.3%
Huawei	14.9%	15.8%
Apple	11.3%	10.1%
Xiaomi	8.8%	9.0%
OPPO	8.1%	8.1%
Vivo	7.3%	7.5%
Lenovo	2.5%	2.6%
LG	2.7%	2.2%
Realme	0.1%	1.3%
others	23.6%	20.8%
Total	100.0%	100.0%