

Based on HUAWEI 's Mobile Marketing Strategy

—Research on Its Development Status and Future Research

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Abstract: Since the reform and opening-up on December 18, 1978, China's economy has experienced rapid development. As a key medium, the mobile phone has become increasingly integrated into people's daily lives and workplaces. After intense competition, the Chinese smartphone market in 2024 sees fierce rivalry between domestic and international players. However, the COVID-19 pandemic continues to pose significant challenges to global economic recovery and people's livelihoods. The world is still grappling with the economic downturn caused by the pandemic. This paper uses Huawei's mobile phones as a case study, applying various marketing theory tools to analyze and evaluate Huawei's current marketing strategy. The paper begins with an introduction to Huawei's mobile business, followed by an analysis of its marketing status and existing challenges from four aspects: product, price, distribution channels, and business environment. It also highlights the difficult macroeconomic conditions faced by the smartphone industry. Finally, we analyze the current situation of Huawei's mobile phone business. Using STP theory, this paper positions Huawei in the mobile phone market and proposes specific strategies and safeguard measures for optimization based on this positioning.

Keywords: Marketing strategy, Marketing, HUAWEI, Smartphone, 5G technology.

1. Introduction

Founded in 1987, Huawei initially focused on producing communication base station equipment. In 2004, the company officially entered the mobile phone production and sales market. Today, under the influence of the COVID-19 pandemic, the global economic downturn. With the continuous construction of 5G network base stations and the increasing demand of consumers for 5G services, smartphones have developed rapidly. As 5G becomes a hot topic of the times, its development could mark a significant turning point in the next stage of technology development. This article studies Huawei marketing strategy. Firstly, this paper studies Huawei's current situation from the aspects of product, price, channel and promotion. At the same time, the article will propose optimization measures to enhance Huawei's strategy. Finally, the article will provide some suggestions for Huawei to formulate mobile phone business marketing strategy.

2. Literature Review

Saryh Svetlana .et al. pointed out that Huawei continues to increase its share of the smartphone market , develop new technology products and attract buyers in the Chinese market.[1]Prince Chen analyzed the successful internationalization cases of Chinese mobile phone brands in the "Belt and Road" market. He emphasized three key strategies: first, using a dual-channel sales model, both online and offline; second, increasing sales by learning local cultures and promoting characteristic products; and third, paying attention to market changes and adapting strategies accordingly.[2]Irina V. Kozlenkova highlighted that the major advantage of Chinese brands is their high cost-effectiveness. For example, Huawei and Xiaomi are significantly more affordable than Samsung and Apple largely due to Chinese brands having more efficient supply chains and marketing channels than Apple and Samsung. [3]In terms of Huawei's international development, Carlos M. Baldo et al. documented how Huawei helped accelerate Venezuela's Latin American country development between 2006 and 2019 by facilitating large-scale technology transfers in the country's telecommunications industry. The study shows that Huawei's internationalization in Venezuela reflects the benefits of bilateral economic relations.[4]Baituk Raushan pointed out that Huawei's investments in Kazakhstan are progressing, noting that the company typically considers the specific characteristics of each country, such as how local culture affects marketing strategies and operations, as part of its business philosophy.[5]In summary, Huawei employs different marketing strategies and operational approaches domestically and internationally. Its success can largely be attributed to its effective marketing strategies, which have significantly contributed to Huawei's development.

3. HUAWEI Mobile Phone Brand Marketing Status

3.1. HUAWEI Mobile Marketing Status

Since the advent of the smartphone era, domestic manufacturers such as Huawei, Xiaomi, and OPPO, alongside internationally renowned brands like Apple and Samsung, have jointly shaped the main features of the global smartphone market. Huawei has made significant strides in the global science and technology field, especially in the R & D and application of 5G technology. This has positioned Huawei prominently on the international stage. According to the latest pre-survey report by Omdia on smartphone shipments, total shipments reached 290.3 million units in Q2 2024, reflecting a year-on-year growth of 9.3%. This follows similar year-on-year growth rates of 11.5% and 9.3% in the first quarter of 2024 and the fourth quarter of 2023, respectively.

Although Omdia's data shows a slight decline in Huawei's ranking, the company remains on a good growth trend. In the second quarter of 2024, Huawei shipped a total of 11.7 million units, down from the previous quarter. However, compared to the same period last year, this number increased by 58.1%, which is the fastest growth among the top ten smartphone manufacturers. The significant recovery from the decline in 2021 was driven by consecutive quarterly increases and the launch of the Mate 60 Pro and Pura 70 series.[6] From these figures, it is clear that Huawei's communication technologies and products are now available in more than 170 countries and regions around the world. With a workforce exceeding 170,000 employees, Huawei's global influence and extensive market presence are well-established. Leveraging its excellent technical capabilities and market expansion, Huawei has become a leader in the global communications industry, providing high-quality communications services to users worldwide. In the product field, Huawei was an early entrant into the mobile phone business, successfully launching popular product lines such as the Mate series, P series, G series, and Enjoy series. With top-notch product quality and a resonant brand identity, Huawei has not only won the favor of consumers, but also secured a position among the global high-end smartphone market leaders. This achievement reflects Huawei's outstanding capabilities in

technology research, development, and product innovation, laying a solid foundation for its future sustainable development.

3.2. Product Features and Advantages

3.2.1. Product Feature

The main features of Huawei smartphone products are as follows:

- 1.Product brand. Huawei is positioned as a mid-to-high-end mobile phone brand, with a product line spans the high, mid and low-end markets. The flagship models, the P series and Mate series, offer premium quality and a unique performance experience, competing directly with high-end smartphones like Apple's and Samsung's. Huawei runs extensive advertising campaigns and actively builds an international brand image through social media. At present, Huawei P series and Mate series have successfully secured their place in the high-end market. For the mid-range segment, Huawei offers the Nova and G series, which mainly attract young consumers with their fashionable appearance. These products are endorsed by young celebrities, which has proven successful in the Chinese market. Moreover, the Y and Enjoy series cater to the low-end market and have also achieved significant results.
- 2.Consumer Segmentation. Huawei has formed a relatively comprehensive product classification. Among them, the Y and Enjoy series meet the needs of consumers with lower consumption level. The Nova and G series mainly attract young students with average spending power and pursuit of fashion. P series pay more attention to appearance and shooting performance, mainly aimed at fashionable youth groups and female groups. Huawei Mate series is aimed at high-income people, so it is equipped with long-lasting battery, powerful processor, business-style design and large screen on mobile phone hardware. Huawei carries out market segmentation for different groups of people in product classification, and provides different products according to the consumption needs of different people.
- 3.Differentiation Strategy. The chip is a core component of any smartphone and plays a decisive role in its performance. Huawei's in-house chips not only allow for better optimization of hardware specifications, but also deliver an enhanced user experience. This showcases Huawei's advanced research and development(R&D) capabilities and reinforces its brand as a high-tech enterprise.

3.2.2. Product Superiority

- 1. The price gap among high-end smartphones has narrowed. In the era of mobile Internet, one of the key strategies for mobile phone manufacturers to increase revenue is to dig deep into customer needs and services. Huawei highlights the technical and experiential nature of smartphone products, and the higher the configuration of the phone, the higher the price. This reflects the price advantage driven by technological advancements.
- 2. With the advantage of brand power, Huawei is increasingly active in the international market. Huawei chose to take the developed country market as a breakthrough point and continuously enhance its brand influence. In this way, market recognition is obtained, and then extended to other countries 'markets. This is a concentrated expression of Huawei's strong brand influence and core technology competitiveness.

3.2.3. Channel Distribution and Management

Cao Hongmei pointed out that Huawei introduced three major changes in branding, products, and channels in 2012.[7] Over the years, Huawei has built multiple marketing channels and implemented

a multi-channel supply strategy. This approach reduces intermediate costs and increases control over the sales process. Additionally, Huawei has strengthened its partnerships with e-commerce platforms while also establishing branded offline brand direct-sale stores in the business districts of first-tier and second-tier cities. In summary, we can conclude that Huawei's smartphones have adopted an online and offline dual-channel sales model. To build powerful channel marketing, Huawei has invested heavily in offline channels. Once the market stabilizes and online channel profits decrease, consumer behavior may shift, with fewer online purchases and a return to offline stores. These existing stores can help Huawei retain some of its consumers.

4. Huawei Mobile Phone Brand Marketing Problems and Cause Analysis

4.1. Brand Marketing Problems

Liang Mengxue pointed out that the brand marketing strategy of Huawei mobile phones in recent years has strongly resonated with consumers, making more consumers willing to purchase Huawei mobile phones [8]. However, due to the strength of IOS system, Huawei mobile phones equipped with Android system are still perceived by many as prone to slowing down or becoming unresponsive. Even though Huawei has done a lot of advertising to show its mobile phone's superior performance, it still cannot entirely change the perception of some consumers. In fact, the performance of any system will gradually deteriorate in use, but why do people still choose to believe that IOS system won't slow down, while not believing that Android phones have been at the forefront of research and development? The author believes that this is not just a technical issue. In order to occupy more market share, Chinese brands need to launch models of different grades for different levels of people, which determines the performance of mobile phone hardware and software. Because there is still a gap between Chinese mobile phones and Apple in the field of high-end models. Even if Huawei launches many high-end models, it will not change the perception that mid-range models dominate. While Huawei is doing a better job of communicating its brand values to consumers than other Chinese smartphone brands, there are still shortcomings. For example, Huawei's brand positioning and values are not clear.

4.2. Cause Analysis

Although Huawei mobile phones have achieved good results in terms of market share, compared to other enterprises, the company still has many shortcomings in its marketing strategy. The following is a detailed analysis of the deficiencies in four aspects: product, price, channel, and environment.

4.2.1. Product

With the continuous escalation and enforcement of sanctions by other governments worldwide, Huawei's mobile phone business is becoming increasingly difficult. First of all, the chip is crucial as a core component of the mobile phone. Although Huawei can design high-end mobile phone chips, there is no manufacturing factory for high-end chips in China. Therefore, Huawei's existing high-end chips may not be enough to sustain its high-end mobile phone business. Although the launch of a new product proves that Huawei has temporarily overcome the chip crisis, this does not mean the company is completely out of danger.

4.2.2. Price

Market pricing is inconsistent. Huawei, as a manufacturer, has different pricing policies in the process of cooperation with operators, distributors and distribution customers. Additionally, Huawei has also signed agreements with online shopping platforms. However, faced with limited production capacity,

Huawei prioritizes supplying its major customers and its direct sales channels through online shopping platforms. As a result, other customers charge a premium when selling Huawei's high-end smartphones. This leads to inconsistent pricing for Huawei's high-end smartphones, which can have negative consequences.

4.2.3. Channel

The earliest marketing channels for smartphones in China were operator consignments and regional agents. But with the rapid development of online trading platforms in China, smartphone marketing has shifted to online sales channels. In particular, the distribution of operators on a commission basis in big cities has basically disappeared. At present, Huawei's main marketing channels now include independent online sales and offline sales through e-commerce platforms. However, Huawei's mobile phone marketing channels are flawed. For example, while Huawei's online marketing approach is effective, there are still consumers who prefer shopping offline. However, many low-end mobile phone consumers may not be accustomed to online shopping. Offline marketing channels provides opportunities for customers to experience and receive maintenance for Huawei phones, and they also benefit greatly from the Huawei's operations and management. And Huawei itself initially started in the network equipment business before entering the mobile phone market. As a result, Huawei's network business has achieved strong sales. Huawei has no obvious advantage in online marketing. Its offline marketing platforms are only present in big cities. In smaller cities, Huawei's presence is limited, and there is a clear gap compared to brands like OPPO, Vivo.

4.2.4. Environment

Huawei has 5G technology. 5G technology is the core of enabling the industrial Internet, artificial intelligence and other technologies. 5G technology has the potential to be the key to the next technological revolution. The political tensions between China and the United States are increasing manifesting as economic game. Among them, Huawei has been greatly affected by this. Manna Shaheen et al. points out that the coronavirus is affecting the world in the most conquered way, and all regions of the world are facing huge economic losses. [9] The pandemic has had a negative impact not only on health-care systems and community life but also on the global economy, causing widespread job losses and business turmoil, leading to one of the challenging periods in recent history. So far, the world has not recovered from the impact of coronavirus.

5. HUAWEI Mobile Marketing Strategy Optimization and Implementation Suggestions

Lei Guo et al. pointed out the catch-up process of latecomer companies in emerging markets as they transform into the global technological frontier. Their research suggests that Huawei first developed its own organizational innovation capability (OIC) before focusing on its core innovation capability (CIC). These findings significantly contribute to catch-up theory and hold valuable insights for both emerging and established enterprises.[10] This research may offers valuable guidance for Huawei to address its challenges. Additionally, Huawei's leading innovation capabilities can also help Huawei optimize its mobile marketing strategy. For example, Kaixuan Lou et al. explained Haier Group's innovative practices since it took the lead in innovation.[11] Furthermore, corporate culture is also very important. First, the enterprise culture is the accumulation of innovation ability. Secondly, the realization of leading innovation is always accompanied by an independent and controllable open innovation system. Third, the corporate culture can motivate employees to innovate. These are the potential advantages of Huawei. Huawei is already one of China's leading technology companies in terms of innovation capabilities. This is a unique advantage that competitors are hard to emulate.

At the same time, brand influence is one of the key factors for any product. For enterprises, a strong brand presence is essential for market expansion and development. In recent years, China's mobile phone market has become saturated, which means that the future market competition will be more intense. In the face of this situation, Huawei's strategy is to vigorously expand overseas markets. And this is inseparable from the support of brand influence. Therefore, Huawei needs to invest more resources to strengthen its brand influence in the Chinese market and international markets. In short, Huawei should stabilize China's domestic market share and pursue more overseas market share. This requires Huawei to develop more effective brand promotion plan, and spend more money to adjust the marketing plan. Chengbin Wang et al. examined a case study of how Huawei Integrated Product Development (IPD) facilitates new product development [12]. Research shows that Huawei uses IPD to build a sustainable closed loop of innovation management and enterprise value. However, further analysis of Huawei's IPD reveals limitations in customer development, agile development, and business insight. They propose a way to incorporate leading users into the IPD process to enhance the company's business insight into NPD.

Secondly, cultivating design thinking among employees is a way to improve team effectiveness and is very helpful in optimizing marketing strategies. Xi Zhang et al. studied Huawei's sustainable innovation project for electric vehicle R & D and explore the impact of design thinking on sustainable innovation capability and team performance. [13] In conclusion, this study provides fundamental insights into the complex relationship between design thinking, sustainable innovation in business, and team performance, offering valuable direction for future research. This is also an area where Huawei has seen success, and design thinking can also help further optimize its marketing strategies.

6. Conclusion

This paper applies various marketing theories to analyze Huawei's mobile phone marketing strategy from different perspectives, leading to the following conclusions:

As a successful enterprise in China's mobile phone market, Huawei has optimized its mobile phone marketing strategy but still faces some challenges. First, under U.S. sanctions, Huawei faces a shortage of chip supplies, resulting in insufficient production capacity and a sharp increase in product prices. Second, Huawei's HarmonyOS is still not mature, which weakens its competitiveness in mobile phones. Third, Huawei's channel distribution has shortcomings. Compared with other competitors, Huawei has significantly fewer offline sales channels. Moreover, it is concentrated in large and medium-sized cities, and the coverage in small towns is insufficient. Fourth, to address the varying demands of developed and emerging markets, Huawei needs to develop an adaptable and comprehensive international marketing strategy.

Based on these findings, the following conclusions and recommendations are proposed. First, Huawei should take advantage of its own advantages to further penetrate emerging markets. Moreover, Huawei should learn from the experience of other manufacturers to expand its presence in developed countries. This approach will help Huawei stabilize and grow its international market footprint. Second, Huawei needs to enhance its brand influence and tailor its products to meet the needs of its target customer groups, allowing it to better differentiate between different consumer groups. Third, Huawei should strengthen its online sales channels to build a complete online and offline sales system and optimize offline sales channels. Lastly, Huawei should focus on product research and development and technological upgrades, which will enhance the convenience and intelligent management of its sales channels.

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