

# ***Huawei Smartphone Marketing Case Analysis***

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**Abstract:** Smart phones have become a part of people's lives, and Huawei mobile phones are the mainstream brand in China. This article will introduce Huawei's sales strategies in the context of the epidemic, Huawei's response strategies when its products are subject to U.S. sanctions, and Huawei's marketing and profit making skills in sandbox countries. In recent years, the price of conversation voice resources of major telecom companies in China has continued to decline, making the use of conversation voice resources by customers more and more. There are three reasons: the purchase of low-price models is price-driven and does not require on-site confirmation. The on-site display of medium and high-end models can strengthen the brand's positioning in the high-end field. The cost of offline channels is high, and the premium of first-line models is needed to ensure profits. Under the influence of COVID-19 and US policies, Huawei's smart phone marketing abroad must be reduced and also needs to increase its online marketing efforts. The relationship between the profitability of high-end mobile phones and retail outlets is a particularly important sales strategy of Huawei. Huawei should focus on facing different consumer groups at different times.

**Keywords:** smart phones, sales strategy, marketing strategy, case analysis

## **1. Introduction**

Huawei was founded in 1987 and is the main supplier in the world (information and communication) and intellectual terminals. Currently, Huawei has about 195,000 employees, and its business covers 170 countries and regions and serves more than 3 billion people around the world.

Huawei agrees to convey the digital world to every person, every family and each organization, and create an intellectual house in which everything is connected: in order to establish a connection everywhere in equal laws of all and the premises of the world; Provide a variety of computer power for the whole world, make a cloud everywhere and make omnipotent intelligence; All industries and organizations have become flexible, effective and powerful thanks to a powerful digital platform; Thanks to the experience of overright IA, consumers can get the perfect individual intellectual experience in the field.

After the event-- COVID19 in 2019, consumers all over the world, especially Chinese consumers, need to replace their mobile phones more than ever in this context, the challenges faced by mobile phone manufacturers are also increasing day by day. 5G mobile phones are in the form of blowout. Many new models, such as the Mi10 and Huawei Mate Xs, have been released in the market, and brand marketing has put forward higher requirements for the mobile phone industry [1].

In terms of economic background, the current situation needs to be seen from two aspects. The first aspect: As the whole international situation is in a downward trend, both the Asia-Pacific economic environment led by China and the western economic environment led by the United States are actually in a downward trend. The downward trend means that the growth trend has slowed down, and China is slightly better than Europe and the United States. But even under such conditions, both sides will be greatly affected by the trade friction between China and the United States. The second aspect: due to the three years' epidemic, many factories and retail businesses at home and abroad have been greatly affected, and the unemployment rate has also continued to increase, so the economy has grown very little. So these two aspects have affected the overall environment. Judging from the next five to ten years, picture trend can be predicted that is not very optimistic due to the impact of these two aspects and the recent war between Ukraine and Russia. But there are also countries that benefit from it, such as the United States.

Due to the impact of the environment, smart phones and other consumer goods industries have been greatly impacted. The reason is that consumers may have lower wages due to the economic decline of the general environment (such as company layoffs and salary cuts), and may have lower demand for non-necessities such as smart phones, and finally lower the sales of smart phones.

The role of four types of cell phones is compatible within four months. Mark Selim, consciousness and work grows rapidly. When the seller is transplanted, it is a judgment, it is the advantage of trying to do the same thing, and to consider their interests, valuable, prices, prices, and increased. Wedding, head, Heron and sellers will have technology. Markatem and Fire of Purrence are later letters to merchants. This document affected the possibility of being affected by the National Summit Conference and the songs of Huaiii Ynnaden [2]. Through the above literature, it is not difficult to find that this literature is based on the rapid development of the mobile phone industry. The same is true for most of the literature on Huawei mobile phones, which may not be suitable for explaining the current marketing strategy of Huawei mobile phones. This paper will add gaps in such literature in connection with the social news facts developed in recent years, such as the COVID-19 epidemic, the US sanctions on Huawei's mobile phones, and Huawei's future path. This article will discuss the marketing strategy and significance of Huawei mobile phone in the current situation from the 4p theory.

## **2. Huawei's Marketing Strategies in Different Environments**

Under the influence of COVID-19 and US policies, Huawei's smart phone marketing abroad must be reduced. The number of Huawei mobile phones is limited. In order to make the company profitable, Huawei should avoid investing too much in unnecessary places. The case study can take the Middle East as an example. Compared with other regions, the Middle East is less affected. A few years ago, Huawei would launch products in every Middle East country. However, due to the impact of the environment mentioned above, Huawei was forced to reduce the marketing scope of its products. It might only have 5 or 6 now. Some countries with relatively small sales volume will be merged by Huawei with other countries, and their marketing expenses will also change. In these countries with relatively small sales volume, Huawei will choose to invest less or not. Huawei's current marketing methods will also change with the change of the overall environment, mainly from three aspects: First, Huawei's original marketing methods are mainly in the form of offline flagship stores in many countries, but now most of these flagship stores only exist in the sandbox countries, that is, Huawei's marketing layout has changed. Second, Huawei's investment costs have also changed in recent years. Previously, Huawei would set up some billboards, television media, peripheral blackboard newspapers, and event sponsorship on the roadside. However, due to the impact of the epidemic and various policies in the United States, Huawei would only focus on propaganda in some important places. For example, when Huawei launches new products such as Mate40, the company will focus

on these popular media to promote their products. As a well-known country in the world, Huawei has put advertisements on the road signs, airports and shopping malls in Dubai. But after careful screening, Huawei finally chose to focus its advertising on a place with the widest audience and the most attractive attention, namely the Dubai Tower. It is the tallest building in Dubai. Both local aborigines and tourists will notice the Dubai Tower. Where to advertise will eventually bring huge profits to the marketing of Huawei's new products. Third, the number of Huawei chips has declined significantly due to the impact of the United States policy. Originally, the company had four or more mobile phones, namely, mate, p, nova, and Imagination. However, due to the reduction of shipments, the company now only focuses on the production of p series, mate series, nova, and Y. These products have different quality grades. Huawei will sell different products in different countries. For example, in Iraq, the average consumption level of this country is not as good as that of Dubai, so when selling mobile phones to this country, the company will choose middle and low grade mobile phones for marketing. This can meet the needs of the country and maximize profits.

In recent years, the price of conversation voice resources of major telecom companies in China has continued to decline, making the use of conversation voice resources by customers more and more. At the same time, telecom companies are also looking for new profit growth points, and 3G services are born. China Mobile (TD), China Unicom (WCDMA) and China Telecom (EVDO) will officially enter a new era of 3G. According to the relevant data of Saino, there are about 490 million potential customers in China (calculated according to the customer survey in December 2008), which has reached 76%; The annual revenue of 3 G services is about 150 billion yuan (according to a study, the per capita expenditure on 3 G services is 25.8 yuan/month); About 78 million 3G customers have a large demand for 3G services, and they account for a large proportion of 3G services; In the 3G application market, China's 3G application market has the largest development space compared with the rest of the world. In the face of the huge market of 3G, equipment manufacturers, operators, mobile phone manufacturers, national agents, dealers and other people in the industry chain are constantly strengthening the development of this field. At the beginning of the launch of Apple Mobile in the Chinese market, the official sales channels only included the official online store, Apple direct store and China Unicom. However, due to the strong demand of domestic consumers for iPhones and the low priority of supply in the Chinese market, iPhone products are often out of stock. A large number of speculators introduced seaplanes from Europe, America, Hong Kong and other places into the Chinese market through various channels. So far, Apple has realized the necessity of establishing and improving channels in China. The main contents include four aspects: first, to unify the Chinese Mainland, Hong Kong and Taiwan into the Greater China region, on the same level as Japan; North America improves the level of the Chinese market; Second, start to allow Meicheng, Gome, Zhongguancun, anazon and other dealers to start selling mobile iPhone devices online and offline on the mainland; Third, strengthen the construction of its own channels, and set up direct flagship stores in Beijing and Shanghai, with a total of four domestic direct stores; Fourth, increase the number of authorized and dealers through Unicom [3].

### 3. Strategy Analysis

High-grade Innovative Image is Deeply Rooted. From the beginning, Apple's iPhone has not competed with other mobile phone brands on the same platform, and has opened up a new world alone.

Apple gradually cultivates long-term customers by cultivating cultural identity among consumers. "Apple" products are not sold in the form of counterfeit products, but in an "Apple" culture that represents innovation, cool design, people-oriented, simple operation, and so on. Today, Apple has hundreds of millions of followers around the world. They have a good educational background, stress the taste and quality of life, and care about the trend of fashion trends. They have their own websites

or blogs, publish their own magazines, and even become public opinion leaders of a certain group. These characteristics have become the source of high-quality word of mouth communication for "Apple". It is precisely because Nanyu "Apple" has always had a loyal group of fans that it has established the foundation for hunger marketing. The unlimited expectations and aspirations of fans for "Apple" have led to the rapid expansion of "Apple"'s reputation with each fan as a point, winning a good publicity effect [4].

The price is getting higher and higher, but the sales volume is getting better and better. This seemingly abnormal phenomenon is mainly due to the successful positioning of Apple's iPhone in the high-end mobile phone and card slot market, such as the iPhone 14 5999 starting yuan. And its sales. The starting price is already a high price that most mobile phone brands cannot match. Counterpoint data shows that the average price of global mobile phones (ASP) will exceed 2000 yuan in 2021, of which the average price of Apple mobile phones is 5314 yuan. Among domestic mobile phone brands, the average price of Vivo mobile phones is about 1651 yuan. PPO is 1513 yuan, and Xiaomi is 1243 yuan. The average price of the world's first Samsung mobile phone is only 1776 yuan, less than one third of Apple's mobile phone. This is equivalent to Apple's iPhone sticking to the C price, which has a rock-solid advantage. Status, which has raised the global average price of mobile phones to more than 2000 yuan. In other words, based on the actual average transaction price, Apple is the high-end mobile phone brand in the world. Classical economic theory tells people that although the initial investment and risk of technological innovation are huge, a project may have a long period of market silence and training and promotion costs, but one day the market will open and the technology will be established.

The image of innovators brings broad and far-reaching benefits, such as rapid occupation of a larger market share, such as ultra-high profits in the early stage of the market, such as industry-leading technical standards and manufacturing standards. More importantly, it can create a unique high-end brand image in the eyes of global users [5]. These are Apple's plans for the Chinese market. As the leader of smart phones, Huawei has similarities in its strategic marketing skills, but still needs to be improved.

#### 4. Problems Analysis

In view of the problems faced by Huawei, this paper will give corresponding suggestions: First, Huawei needs to increase its online marketing efforts. In the context of digital economy, the popularity of digital marketing mode has changed the traditional offline enterprise channel construction mode. The key of digital marketing is to provide users with sufficient convenience. Therefore, when building online marketing channels, enterprises should also take convenience as the main standard and reduce the purchase cost of users by improving the product circulation speed. When formulating marketing strategies, enterprises must combine big data, cloud computing and other advanced information technologies to ensure the accuracy of digital marketing and understand the real needs of users. First of all, enterprises must release reliable and reliable product information when building network channels to eliminate user concerns. At the same time, users should be provided with various payment methods, such as online payment, installment payment, payment on delivery, etc. Secondly, enterprises must pay attention to the security of network payment when building network channels. For example, businesses can add credit payment, third-party payment and other indirect payment methods on the online trading platform [6]. In this era of data, Huawei can mainly expand online channels. For example, China's data technology is very advanced. Huawei can build some independent online platforms, such as Huawei Mall, and cooperate with some mature platforms to create independent online brands, which can greatly enhance the sales of Huawei mobile phones. At the same time, it is also very important for them to push Huawei products through local popular online platforms in different countries. Amazon is a relatively popular and well-known brand

in the world, and Huawei can focus on launching there. Secondly, it is also a good choice for Huawei to focus its products on the sandbox countries. With the continuous development of China's economy and the continuous improvement of its openness to the outside world, Chinese enterprises are playing an increasingly important role in the international arena. Domestic mobile phone brands have also performed well in the global market. Among the top 10 brands in the BRANDZ China Brand Internationalization Ranking in 2020, a total of 3 domestic mobile phone companies have been listed. Among them, Huawei ranks first, Xiaomi ranks fifth, and WP Plus brand ranks eighth. Among the top 10 mobile phone brands in the world, there are 7 mobile phone brands in China [7]. The location of Huawei experience stores is relatively special. Most of them are located in the places with convenient transportation in the main business districts of the city. One obvious phenomenon is to avoid the places facing the street on the first floor, but there are many entrances on the first floor. And non-core shopping centers. The business district usually faces the street. In addition, it also includes densely populated areas such as subway entrances and exits.

As the only offline channel for Huawei to accelerate its expansion, Huawei experience stores can play many roles. With the evolution of Huawei products to high-end products, offline shopping channels have been expanded simultaneously. At present, the high-end mobile phone market is highly competitive, and the product selling points and unique functions should provide consumers with sufficient decision-making space and powerful one-to-one conversion services.

The relationship between high mobile phones and profitability of retail stores is a particularly important sales strategy for Huawei. There is no strong correlation between exit and setting up mobile phones today. On the contrary, Apple Mobile is very stable. Prices and sales points are mostly the same because of their unique ecosystems. A simple example, this year's iPhone XR series was the most economical mobile phone, despite this year's screen, a thick black border, a thick pixel screen and a one-time camera.

Obviously, with the rapid sales of high-end models, Huawei's offline stores have become more eye-catching. In addition, offline experience stores can also provide good pre-sales for high-end mobile phones.

Huawei should play a good brand in the pre-sale time for high-free phones with a high end mobile, otherwise the product range is very dangerous, which is also the first feature of Huawei Offline shopping center. After displaying mobile phones in the shops, most offline branches are high models. Models with low end models less than 1500 Yuan have never occurred in Huawei -Umriß -Stores.

There are three reasons: buying models with a low background focuses on prices and does not require confirmation on site. The display with medium and high models -site can strengthen the positioning of the brand in the high-end range. The costs for offline channels are high and the premium of the first line models is required to ensure profits.

In addition, the store also serves as the senior marketing center of Huawei brand. In order to obtain Huawei's marketing information in daily life scenes (advertisements, news announcements, word of mouth, social consumption phenomena), consumers need a wide range of offline stores as a strong transformation means in marketing promotion.

Daily contact with high-density information requires the matching of relevant marketing strategies and the transformation of carriers from marketing to sales. Among them, the key target of transformation is Huawei experience store channel. The last point is that Huawei can accelerate its own industrial research and development. Huawei can drive some peripheral industrial chains to speed up the construction of the entire chip-related industrial chain. US sanctions will become meaningless due to Huawei's independent research and development of chips. This has a bearing on how far Huawei can go in the future or how well it can live.



## 5. External Difficulties and Challenges Faced by Huawei

From an objective point of view, Huawei's mobile phone sales situation in recent years is not optimistic. Both online marketing and offline flagship stores have been greatly reduced due to the sanctions imposed by the United States. In recent years, the United States has done everything to suppress Huawei. In 2019, the Trump government included Huawei in the "entity list", strictly restricting the export of technology from the United States to China. In March 2021, the Federal Communications Commission of the United States published a list of so-called "communication equipment and service providers that pose unacceptable risks to national security". Officially launched. But even so, the cooperation between China and the United States in science and technology during this period is still the most basic. The Trump government did not prevent the U.S. Department of Commerce from continuing to issue export licenses to Qualcomm, Intel and other companies, allowing them to supply non-5G technology products to Huawei, for example, Qualcomm was allowed to sell chips for Huawei. 4G smart phones in 2020. Biden also continued this policy when he took office. Huawei suppliers obtained a sales license worth \$61 billion from April to November 2021.

American media analysis said that the latest action planned by the Biden government was to "kill Huawei". The United States attempts to influence Huawei's production and supply by imposing export controls on high-tech products and listing Huawei and other related companies as legal entities. American high-tech companies have leading advantages in fields such as chip manufacturing, and can control the high-tech aspects of global high-tech production. American technology giants such as Intel and Qualcomm have always played an important role in Huawei's supply chain system. Before the escalation of trade tensions between China and the United States, American suppliers had a higher share in Huawei's supply chain, second only to Chinese suppliers. American companies can influence Huawei's chip design, chip manufacturing, and product manufacturing. This shows Huawei's dependence on the United States [8]. Clearly seeking to eliminate Chinese enterprises on the road of future scientific and technological development. The Wall Street Journal said that as the United States government took these actions, it would mean that the dangerous conflict between China and the United States, the two largest economies in the world, would restart [9]. Russell, a technical expert at the New American Security Center, said that one of the reasons for the latest measures of the United States was that compared with the company's focus on 5G four years ago, Huawei has undergone great changes, for example expanding to submarine cables, Cloud computing and other business areas. Triolo, Senior Vice President of China Affairs of Albright Stonebridge Group, said that the decision of the US Department of Commerce would have a significant impact on the income of US suppliers [10].

## 6. Conclusion

According to the current situation of Huawei, Huawei should speed up its own supply, unite with domestic companies to speed up chip production, try to get rid of the control of the United States and open up its own ecosystem. In the downward trend of the economy, the United States has been implementing a series of policies to suppress Huawei, as well as changing consumer purchasing habits and purchasing power. Considering the current situation, Huawei should focus on facing different consumer groups at different times. Focus on key products, countries, and consumer groups in a tight supply situation. The external demand focuses on the sandbox country, carries out targeted delivery strategies for target customers, strives to 'survive', and tries to 'live better' when everything is mature. This paper is intended to provide correct information for those who do not know Huawei's current situation. It fills the information gap in Huawei's mobile marketing in recent years and makes people know that every Huawei mobile phone they own is hard-won. At the same time, this article also has

some shortcomings. The solution and direction obtained may be slightly different from reality. Future study will give more academic knowledge about how Huawei mobile phones are marketed.

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