Chapter 4 The Analysis of HUAWEI’s International Marketing Strategy

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

4.1 Analysis of HUAWEI's international marketing environment

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

4.1.1 Political Factors

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

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

2) Political stability

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

3) Political intervention

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

① Seek local partners, use local partnerships and influence in the host country, enhance the understanding of enterprises in all aspects of the host country, thereby reducing political risk. After years of efforts, HUAWEI has won the respect of western competitors in the international market, and then cooperate with HUAWEI at different levels in order to improve their market competitiveness. For example, HUAWEI and Motorola OEM way cooperation; HUAWEI through a joint venture
with 3COM enterprises successfully enter the data communications market in the United States; HUAWEI has established a partnership with NEE, Panasonic and SIEMENS to enter the global market.

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

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

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

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

4.1.2 Cultural factor

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

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

1) Cultural differences have a very important impact on all aspects of international
marketing. Performance in the following areas:

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

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

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

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

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

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

① Localization strategy. At present, HUAWEI in overseas with a total of more than 90 service branches, in addition to Chinese staff, also a lot of recruiting local employees, including technical, sales, finance and other personnel. In the largest overseas research institute, India Research Institute, more than 80% of employees are Indians. Currently Huawei in the Silicon Valley and Dallas of United States, Sweden's Stockholm, Moscow of Russia and India have R & D center, these research and
development centers can be 24 hours of simultaneous research and development in Huawei's strong data platform. In such a cultural background, habits and values, there is a big difference in the diversity of working environment; the culture of HUAWEI is also gradually internationalized.

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

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

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

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

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

4.2 Analysis of HUAWEI's STP

Marketing guru Kotler once said: "the core of modern strategic marketing can be defined as STP marketing, namely: market segmentation, target market selection and
Among them, market segmentation is the basis of strategic marketing activities, and also the key to develop marketing strategy. After market segmentation, the market should be evaluated effectively, and the target market should be selected, after the completion of these two basic steps, the more important link is positioning. Whether foreign or domestic, whether it is a small company or well-known large companies, is also positioning, positioning. success also positioning, defeat also positioning.

4.2.1 Market segmentation

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

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

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

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

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

Latin America has a population of 500 million, and is a market with great
potential for development. The Latin American telecommunications service industry just privatized soon, facing the adjustment of business strategy, update equipment, expanding the communication capacity, improve service, to meet the need of user's telephone, mobile phone, network and so on. According to the world bank analysis, by 2010, the Latin American telecom industry still needs to invest 100 billion dollars, which is a good opportunity for HUWEI to enter the Latin American market.

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

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

4.2.2 Target market choice

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

The detailed of choice can include geographical location, population distribution, population income, scope of interest and so on, according to the characteristics of different target markets, respectively formulate different marketing plans, according
to plan production target market of needed goods, to meet the different needs of consumers.

4.2.3 Market Positioning

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

Based like this, there have few key points:

1) Positioning not in the product itself, but in the heart of consumers. Must be oriented by consumer, cater to consumer psychology, product positioning in the target consumer preference position, hit the hearts wish of consumers, occupy a position in the heart.

2) Market positioning is to differentiate (functional differences, image differences), differentiation is the competitive advantage.

3) Positioning must be creative to express this positioning information, the expression is not in place, the image is not clear, it cannot shock the minds of consumers.

4) Positioning of the information expressed must be through certain and integrate means to the target consumer communication, the final be understand and accept to target customers. Huawei's market positioning will undoubtedly achieve the above effect.

Article 29, the market positioning of HUAWEI is the industry's best equipment suppliers. Market position is the core objective of marketing. We are not satisfied with the overall sales growth, we must know the company for each of the leading products in the market share is much, should achieve much. Especially the new products, emerging market share and the share of sales are more important. Brand, marketing network, service and market share are the key elements to support the market position.
To become a world-class supplier of equipment, this is the development target of HUAWEI. HUAWEI began to draw up a programmatic document on the set in 1996. At that time, HUAWEI was founded only 8 years, and enter the program-controlled switch market was only 1 years. Ren Zhengfei shows such an extraordinary ambition, many people ridiculed such an unknown private enterprise. However, just four years later, at the Beijing International Communications Exhibition, Huawei's new image shows that people are beginning to carefully weigh Huawei's soar ambitious. In addition to HUAWEI, Cisco Systems and Lucent Lucent Technologies such a world-class manufacturer also shows the broadband metropolitan area network, broadband access network solutions, however, like the domestic manufacturers such as Datang and Dragon, they eclipsed by Huawei's brilliant light and vast force of presence. Just on the performance of the show, in the "broadband MAN", Huawei has surpassed even Cisco and Lucent! I think there will nobody can doubt that one day the small Chinese company will rival the world giants.

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

Ren Zhengfei pointed out in his article, "Innovation is an inexhaustible motive force for development." Huawei's SDH optical transmission, access network, intelligent network, signaling network and carrier-grade Internet access server are now leading the world. Dense wavelength division multiplexing DWDM, C & C08iNET integrated network platform, routers, mobile communications and other system products into the world's advanced ranks, next year the broadband IP
switching system and broadband CDMA will also be commercialized. Huawei is also due to the latest iNET integrated network platform, known by Dittberner as "the few manufacturers in the world that can offer the next generation of switching systems."

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

4.3 Analysis of HUAWEI's 4P & 4C

4.3.1 Product and Consumer

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

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

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

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

4.3.2 Price and Cost

There is news that Huawei's advertising slogan on the U.S. media is "the only difference is the price", which of course is something to point out. Boston Consulting Firm made it clear that in its research report, "Grasp the Global Advantage," since 1999 the cost advantages of Chinese companies will continue to increase. By 2009, China's hourly wage is about 1.3 U.S. dollars, while the United States is 25.3 U.S. dollars and Germany is 34.5 U.S. dollars. In 2016, China's hourly wage is about $ 4.31, compared with $ 18.75 in the United States and $ 25.92 in Germany. This is means, even though Huawei's technology is still at a disadvantage in its competition with multinational corporations, the natural advantage of product cost will eliminate the strength gap between them. Under the precondition that telecom products become more massively consumer-oriented, the price factor may affect the operator's choice of products more than the brand factor. "Huawei’s R & D spending of over 3 billion
yuan can provide 10,000 technical developers with the opportunity to do business. But if converted into dollars, only a few million, how many technicians can support?" An employee of Huawei's overseas business unit said that compared with Huawei, the mainstream of western telecom companies in recent years is layoffs.

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

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

4.3.3 Place and Convenience

Huawei's channels are broadly divided into two types. The first is the sales channel, such as setting up offices in some target markets, selling products directly. According to insiders Huawei, Huawei footprints wherever he went, almost all have their own agencies. The functions undertaken by these agencies include both business development, technical support and market research. Now Huawei is gradually using distribution and sales agents to reduce overseas management costs. The second
channel is to take the joint venture road, borrow the boat to sea. Such as joint venture with 3Com, in the Chinese and Japanese markets, use the Huawei brand to export products; in the market outside of Japan and China, through the 3Com brand and channel sales of products.

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

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

Huawei is clearly aware of the need to mitigate the risks associated with extending the product line, so if possible, Huawei has launched foreign cooperation in all major product areas. In fact, Huawei has successively cooperated with Panasonic, NEC, Motorola, Siemens and 3Com, and each is a tactic of turning enemies into friends. And Huawei is very good at learning, through cooperation with customers, in the process of customer service to make substantial progress. Such as cooperate with Hong Kong Hutchison Telecommunications, and to accept British Telecom BT's "medical" is another example. To this end, Huawei spokesman Fu Jun does not recognize Huawei "closed" or "opaque", he said: "Huawei in the media and the public before the low profile, but in front of customers, partners, Huawei is very transparent. For example, Emerson to 7.5 Hundreds of millions of dollars to buy a Huawei technology subsidiary, the premise is that Huawei is very transparent. " Therefore, if Huawei's overseas offices are a direct channel for selling goods, the target points to
"seek immediate interests", and the joint venture is a channel for brand building with the goal of "becoming famous". As one consultant put it, Chinese companies going out to dances with wolves are not easy, because the premise is wolf agreed to dance with you. Now, Huawei's investment tools are also increasingly praised. In 2003, Huawei's contract with SUNDAY, the fifth largest telecom operator in Hong Kong, to invest and change orders opened up a new path for the 3G market, which has seen no signs of slowing down in the domestic market. When China Telecom listed overseas in 2003, Huawei held 740 million of its shares, achieving close ties with its customers and making the alliance of interests more secure.

4.3.4 Promotion and Communication

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

Of course, actively exhibiting and bidding cheaper than competitors is also an important means of promotion, while the printing of China's major cities and the success of major cities in the construction of photographic collection, opening up "Hong Kong, Beijing, Shanghai and Shenzhen ~ 'Oriental Silk Road, Global customers and potential customers are experiencing China in person and changing the image of China in their long-established robes and ghouls to communicate with customers and deliver the message that "modern China is creating high-tech Huawei is an inevitable." As an article in "New Marketing" explains, "China Kung Fu" in cross-border marketing by Huawei, "Huawei is best at using the most powerful
marketing tools to move customers." As long as you give me a chance, I'm not afraid that you will not be touched by me".

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

4.4 Analysis strategic fulcrum

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

Reviewing Huawei's performance over the past few years - 2013 results up 8.5% YoY, 2014 results up 20.6% YoY, 2015 results up 37% YoY, 2016 results up 32% YoY, it can be said that speeding growth and continued to exceed has become a normal of Huawei, Behind this normality, It is Huawei's persistence of values and methodology - no opportunism, down-to-earth work, unrelenting perseverance, sustained investment and to rise abruptly based on its accumulated strength. For the rise abruptly based on
its accumulated strength, HUAWEI's understanding contains three meanings, namely "insist on strategic focus, continue strategic investment, continuous strategic breakthrough", These tactics form the way of Huawei success.

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

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

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

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

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

Of course, Huawei's R & D investment is not blind pursuit of new trend, there are two major driving forces: First, from the industrial technology trends, from top
technology experts fellow, science and technology diplomats, scientists explore the direction, more than ten thousands senior engineer to responsible for the realization, the other driving force comes from the actual needs of customers, nearly 5000 marketing staff to listen the customer needs, put the customer's most business concerns into the product development goals.

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

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

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

In fact, Huawei's strategic investment is not only the R & D innovation, but also management change - the full introduction and digestion of Western business leading enterprise management tools. Since 1997, Huawei has continuously conducted IPD R & D process changes, supply chain changes, human resources changes, financial system changes and market system changes in 19 years. There have more than ten
consulting firms such as IBM that have conducted different management in Huawei Consulting, making Huawei’s management innovation, organizational innovation and the management of the entire organization ability have made great progress, laid the foundation for Huawei to become a global company. According to estimates, Huawei’s investment in the management of change accounted for 1.5-2.5% of annual sales revenue, total investment management change costs more than 40 billion yuan.

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

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

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

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