

Analysis of Internationalization Strategy of Mobile Phone Brand Under the Background of Economic Globalization -- Taking Apple and Huawei as Examples

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Abstract. In recent years, the domestic mobile phone market has gradually become saturated. In the context of economic globalization, developing countries and emerging economies have great potential in the mobile phone market. This paper will analyze the internationalization strategy of domestic mobile phone brands. Taking apple and Huawei as examples, this paper compares and analyzes the different strategies adopted by the two brands in the process of internationalization. Domestic brands should carry out reasonable market positioning in combination with the target market environment, select appropriate market entry mode in combination with their own situation, pay attention to online and offline sales channels, choose appropriate ways to increase product publicity and promotion, pay attention to market changes and adjust strategies in time.

Keywords: Economic globalization; Apple; Huawei.

1. Introduction

1.1 History of China's mobile phone industry

China's mobile phone industry sprouted in Hangzhou communication equipment factory of the Ministry of Posts and telecommunications, and began OEM and production of mobile phones for Motorola in 1990. In the early stage, Chinese local mobile phone manufacturers completely relied on simple assembly capacity and did not have independent production capacity in essence. In 1999, China's local mobile phone manufacturers, such as Shouxin, China Kejian and Putian Oriental communication, began to establish production capacity through joint venture production cooperation with foreign-funded enterprises. China has adopted the mobile phone license policy for the mobile phone industry to support local manufacturers. By the first half of 2006, a total of 70 enterprises in China had obtained mobile phone licenses, of which 13 joint ventures had obtained GSM mobile phone licenses, while in CDMA licenses, except for Motorola, a foreign-funded enterprise, the rest were awarded to domestic enterprises.

1.2 Development status of China's smartphone market

In recent years, China's smart phone market is developing rapidly, occupying some high-end markets in China's mobile phone market. The users range from 15 to 50 years old, mainly young consumers. Of course, due to the relatively high level of knowledge and more familiar with electronic products, this kind of consumer group naturally has a high demand for the network. The advantage of smartphone is that it has an independent operating system, which allows users to download some programs provided by third-party service providers in terms of games, and has the functions of GPS and e-mail, so it will naturally be favored by consumers.

In the future, the competition in the smart phone market will be more and more fierce, the number of popular smart phones in China will be more and more, and the market demand will certainly increase to a certain extent. Huawei and ZTE will strive to occupy more market share in China by virtue of their own advantages. It has to be said that domestic mobile phones are developing and rising rapidly. However, domestic mobile phones can only step by step, and strive to surpass mobile phone giants such as Samsung and apple in the next few years.

2. Analysis on the environment and competition of China's mobile phone industry

2.1 PEST analysis

2.1.1 Economic environment

The trend of national macroeconomic development has a significant impact on enterprise activities. The economic environment mainly refers to a country's GDP trend, interest rate level, currency depreciation and appreciation, inflation rate, unemployment rate, wage / price control, disposable income, etc. In the past few years, China's economy has continued to maintain a steady growth trend, with GDP generally between 8% and 10%. With the improvement of people's living standards, the per capita disposable income of urban and rural residents has continuously increased. In the first half of 2020, the per capita disposable income of urban residents in China was 35997 yuan, an actual increase of 10.2%; The per capita cash income of farmers was 8797 yuan, an actual increase of 11.9%. With the development of economy and the increase of communication, people's demand for communication is rising, and the investment and consumption of mobile communication industry are increasing. The development of China's economy has provided a solid economic foundation for the development of mobile communication industry.

2.1.2 Social and cultural environment

Social and cultural environment includes population growth, population age distribution, marriage rate, consumer lifestyle, career expectation, etc. Due to the development of urbanization in China, the rural population continues to migrate to cities, and the urban population continues to increase. The Ministry of construction of China predicts that by 2030, China's urban population will reach more than 80% of the total population. The increase of urban population will promote the increase of mobile phone demand and stimulate the development of communication industry.

2.1.3 Technical environment

Technological environment refers to the emergence of new products and technologies, the transfer of technology from laboratory to market, the national R & D investment and the importance of science and technology. Communication technology has developed and changed rapidly, from analog technology to digital technology, from narrowband to broadband, from 4G to 5g. The development of the communication industry has driven the development of related industries, such as chip and computer technology, production technology, etc., and the development of related technologies in turn promotes the development of the communication industry, making the quality of mobile terminals better and the cost lower.

2.1.4 Political and legal environment

Any enterprise is restricted and influenced by specific politics and laws. In 2015, the national development and Reform Commission of the State Council issued several provisions on the approval of investment projects in mobile communication systems and terminals. Mobile phone production will be changed from approval to approval system. More enterprises will enter the mobile phone industry, and enterprises relying on rental licenses will face difficulties.

In addition, the Chinese government attaches great importance to the development of 5g and has launched the technical experiments of networks and terminals with three 5g technical standards: TD-SCDMA, WCDMA and CDMA2000. And firmly support the national 5g standard TD-SCDMA, promote the TD-SCDMA process and inject funds into the alliance.

2.2 Industry market environment analysis

2.2.1 Development of world communication technology

Communication technology has developed rapidly since the 18th century. It is synchronized with the development of electromagnetic communication technology and promotes each other. Information and communication technology has been developed from the first line to the later optical fiber technology, and then to the development of fixed telephone. The invention of satellite communication has been developed to the current mobile phone. Each development is of great help to the progress of the telecommunications industry. The improvement of the communication ability of the telecommunication network has also greatly promoted the improvement of the service quality of the social communication industry. This has benefited from the development of microelectronic technology, optical fiber and information technology such as the Internet. The development of electronic technology and microelectronics technology is also very rapid. The invention of transistors and the emergence of integrated circuits make electronic equipment smaller, lighter and more energy-saving. With the development of integrated circuits, the functions of chips are also continuously enhanced, and the development of satellite communication technology is also of great concern. From the development trend of global communication technology, various communication modes have formed a situation of mutual penetration and relative competition. With the rapid development of information industry, digitization, broadband, optical fiber and wireless have become the mainstream development trend of communication network technology.

2.2.2 Development of communication technology in China

After the reform and opening up, with the rapid development of China's science and technology, China's communication technology has made a great leap that attracts the attention of the world. After entering the 21st century, the scale of China's communication network has quickly jumped to the first in the world, and the advanced level of technology and equipment has also reached the world-class level. You can also see people using analog cell phones in the United States. Some cities also have relay telephone exchanges in operation; Some cities in Europe also use cable transmission technology. China has already fully realized digitization and optical cable. Nowadays, the combination of mobile and broadband has been very common. In the field of radio communication, the development of technology is getting faster and the competition in technology is also intensifying, which makes the network of the future communication industry continue to be merged, the access technology will also be integrated for application, and some new services will be launched one after another. Under the influence of the telecommunications industry, China's communication product manufacturing industry has developed rapidly, and the technical level has been significantly improved. The output of program-controlled switches, mobile phones and other products has ranked first in the world. It can be said that the development of the telecommunications industry provides a broad market space for the communication product manufacturing industry, and the development of the manufacturing industry provides a strong technical support for the development of the telecommunications industry, forming an interactive and benign development trend. With the continuous expansion of the production scale of domestic communication products, China's mobile communication products have won the market and consumers with excellent cost performance and personalized design, and the market share of products will continue to increase.

3. Strategy analysis of Apple

3.1 Hunger marketing

Hunger marketing means that manufacturers deliberately reduce production and create the illusion that supply is in short run, so as to make profits in the context of rising commodity prices. Apple's hunger marketing has gone beyond the traditional definition. Taking the release of the iphone as an example, apple first held a new product launch of the iphone, and then announced the launch date of

relevant products. Next, the iPhone fans spent their time waiting. Before consumers felt tired, Apple used advertising to build momentum. Then consumers lined up all night, and finally the iPhone officially went on sale. Hunger marketing has great risks. Once the degree of hunger marketing is not well controlled, consumers will feel bored. Apple can satisfy consumers' appetite and officially sell Apple before consumers and manufacturers are dissatisfied. Under the dual influence of supply and demand, the equilibrium price of Apple's mobile phones is often higher than the commodity prices produced by a different manufacturer of the same type in the market. Because the profits increased by the price rise are much greater than the profits reduced by the decline of demand, Apple may obtain excess profits in short-term production.

Mastering the degree of hunger marketing can indeed bring profits to enterprises, but not every enterprise is suitable for hunger marketing. The premise of Apple's hunger marketing is that its products are different from the same type of products in the market. Take Apple computer as an example, the number of patents applied for by Apple computer every year is 1.5 times that of Dell, the computer giant in the industry. It is because of Apple's continuous innovation and increasing investment in scientific and technological R&D that it has the capital of hunger marketing. Apple's strong support for scientific research and innovation reflects the overall concept and long-term vision of enterprise leaders, because Apple not only pursues short-term profits, but also prepares for long-term profits, reasonably distributes all kinds of production factors and wins scale effect.

3.2 Advertising and public relations competition

Apple attaches great importance to the role of public opinion such as the news media when engaging in hunger marketing. Before consumers get tired of waiting, Apple will use the internet, television, newspapers and other media to promote new products, plus the recommendations of some celebrities to attract consumer's attention. In economics, the theory of spillover proves this well. The core master of a resource will easily have spillover effects in another field or multiple fields. In other words, stars, rich people and public figures with social prestige can often have greater market influence in unrelated fields. In addition to marketing, Apple also attaches great importance to the sales channel of iPhone. Taking the sales in China as an example, Apple implements the strategy of mainly selling by operators and shipping to some large electrical appliance manufacturers, such as Suning and Jingdong. Operators hope to attract middle and high-end old users and tap new users through Apple, while some offline retail channels hope to bring more sales to the accessories market and profit from it with the help of Apple's brand effect. Apple can often achieve twice the result with half the effort by selling through influential operators and offline retailers. By creating the illusion of imbalance between supply and demand, and raising prices to make profits, this is only the way that Apple's profit from the surface, but behind hunger marketing is Apple's huge scientific and technological investment and public relations strategy.

4. Strategy analysis of Huawei

Apple's mobile phone represents the market of high-end smartphone products. Its target market is for consumer groups with medium and high income. The product is currently in a stable and mature period. According to Apple, compared with its competitor Huawei, it provides consumers with higher perceived value and is threatened by Huawei's great price advantage. The reasons for this situation are analyzed as follows. Firstly, in terms of use value, it can be seen from the product configuration parameters that the hardware configuration is at a disadvantage compared with the market competitor Huawei. It can be said that it is at a disadvantage in terms of the use value provided to consumers. In terms of social value, Apple has always been a leader in industry innovation. Apple's unique ecosystem and business model is a model of brand construction, marketing model and profit model. Apple has achieved great success in social value. Huawei is the latter to enter the smartphone market, and does not have the strength to compete with Apple on an equal footing in terms of brand building.

and brand value. Therefore, the consumer satisfaction and evaluation of apple mobile phones, which do not have an advantage in terms of use value, are higher than those of huawei, indicating that apple has an advantage in terms of social value.

In addition, compared with its competitors, although apple is stronger than its competitors in the social value of perceived value, its product competitiveness is relatively strong. However, it has no competitive advantage in terms of perceived price. It is greatly threatened and challenged by competitors, especially by the strong impact of huawei. It can be seen that the price is apple's disadvantage.

According to the actual situation of the market, it can be seen that apple's market share is threatened and squeezed, and the market attention has decreased, but it still maintains a certain advantage in corporate profits. Therefore, apple can use its strong profitability and brand influence to vigorously implement promotion strategies, expand its product line and penetrate into the downstream of the market, in order to obtain new competitive advantages. Apple's marketing mix improvement strategy is mainly in two aspects. The first point is to improve products and strive to improve the use value of consumers. The second point is the strategy of changing pricing, vigorously promoting sales and actively expanding the downstream market.

Huawei's smartphones are becoming more competitive in the market. From the initial new entrants in the market, positioning their products in the low-end market to the full coverage of high, medium and low-end product lines, which has created a great threat to similar competitors in the market. In order for huawei to gain advantages in the next fierce market competition, huawei should adopt the following market strategies. Firstly, product improvement strategy. In addition to keeping up with the leaders in product configuration, huawei should also continues to learn from the leaders in product functions through R&D and innovation, and make use of its price advantage to compete with market competitors, in order to obtain competitive advantages. secondly, market improvement strategy, also known as market diversification strategy. That is to develop the new market of huawei brand and seek new target customer groups.

5. Conclusion

Since the development of China's mobile phone industry for more than 20 years, mobile phone manufacturers have been in an increasingly competitive environment, and the competitive pattern has been changing with the development of industry technology. Since entering the market, Huawei mobile phone has been actively exploring its own development path and gradually occupied a favorable position in the fierce market competition. Entering the era of smart phones, facing a more complex and fierce competitive environment, the marketing mode of mobile phones will also undergo major changes. Opportunities and challenges coexist. How enterprises can keep themselves strong and invincible is a problem faced by every enterprise. This paper makes an in-depth analysis of Huawei's mobile phone marketing strategy by using various marketing theories. On the one hand, through analysis, find out the main problems existing in the marketing process of Huawei mobile phone, and study reasonable countermeasures to improve, so as to enable the enterprise to achieve long-term development. On the other hand, it is also hoped that through the research on Huawei mobile phones, it can provide reference and reference for other domestic mobile phone manufacturers in the same industry environment.

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