

# Equipment Management Strategy and Industrial Performance in China - Huawei as an Example

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**Abstract** In recent years, although Huawei is a leading company that still faces numerous challenges in its operation level. This paper takes Huawei as the research object and conducts in-depth analysis and exploration of Huawei's management strategy, mainly focusing on marketing, technology innovation and human resources. Firstly, through analysis of internal and external environment faced by Huawei, it shows some problems such as marketing channel construction, technology blockade and staff management in the process of operation. Secondly, through analysis of the current marketing status of Huawei and marketing strategies of other brands in the same industry, it found that channel construction in third and fourth tier cities is not perfect, and puts forward corresponding optimization suggestions like finding clear target market, target positioning, learning other brand marketing strategies, etc. Thirdly, through the study of its technological innovation strategy, it found the shortage of core chip supply and put forward improvements, such as giving full play to entrepreneurship to stimulate creativity of employees and continuing to expand research and development investment. Fourthly, through analysis of Huawei's corporate culture and industry environment, it found that higher staff turnover, and give suggestions like perfecting the incentive mechanism and adhering to a people-centered approach, etc.

**Keywords:** *Huawei, strategic management, business strategy, marketing strategy, technological innovation strategy, human resource strategy*

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## 1. Introduction

### 1.1. Statement of Issues

#### 1.1.1. Research Background

Providing various terminal application equipment for end users is one of the main businesses of communication equipment manufacturing industry, which plays an important role in the entire industry.

After experiencing learning and imitation of western telecommunication enterprises in the early stage for more than 30 years, communication equipment manufacturing industry has reached the international leading level and participated in the research and formulation of standards in this field. Additionally, the application of information technology and 5G network have brought new development opportunities to China's network equipment industry. However, 5G technology is immature and communication networks need to upgrade to cope with market changes, which is still a challenge for Huawei.

Huawei faces challenges on many fronts. In terms of marketing, the market share in third-tier and fourth-tier

cities is low, resulting in unreasonable regional layout, imperfect channel construction and low profit rate of single product. In terms of technology innovation, although a large amount of money has been invested in research and development, domestic high-end chip technology is facing shortages due to the short entry time and the suppression of foreign high-tech. In terms of human resources, due to the development and expansion of Huawei, it strives to cultivate all-round talents. However, due to the surge in the number of employees, the quality of employees is not balanced, and there is a lack of professional talents, which results in a high talent turnover rate.

#### 1.1.2. Research Significance

Although Huawei's sales have surpassed Apple and Samsung, which made great achievements in 5G technology, the power of pricing has been controlled by them because the core chip technology that made great impact on the domestic market. Additionally, Huawei is influenced by the "Wolf" corporate culture and has its own characteristics in human resource management, which has reciprocal effect on its marketing and technology development.

Therefore, this paper takes Huawei as the research object, analyzes and studies its management strategy from marketing, technology innovation and human resources, taking advantage of Huawei's resources, and provides theoretical support for Huawei's future long-term development on the basis of theory and reality. Therefore, its business strategy can more adapt to the market and obtain greater competitive advantage to ensure the stable and healthy development of the enterprise. Meanwhile, the development of Huawei will also serve as a reference for the development and growth of the industry.

## 2. Research Methodology

### 2.1. Summary of Huawei

#### 2.1.1. Overview of Huawei

Huawei is a 100% employee-owned private enterprise and implements employee stock ownership plan through the labor union, and no government department or organization holds any equity. With development, Huawei has now become an international company focusing on ICT infrastructure and intelligent terminal providers, which started as a user exchange agent.

#### 2.1.3. PEST Analysis of Huawei

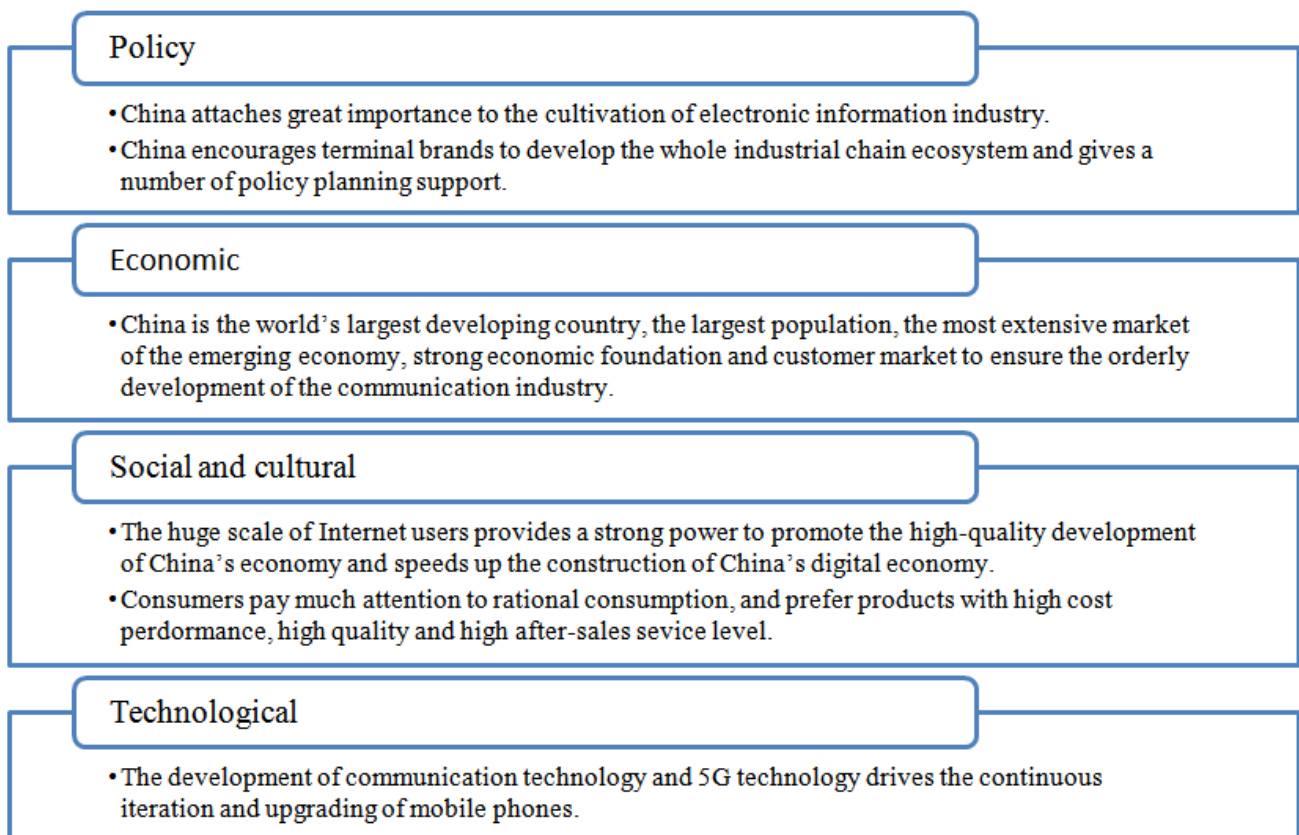


Figure 1. PEST analysis of Huawei

### 2.1.2. Current Situation of Domestic and Foreign Industry Development

Recently, the income of the communication terminal equipment manufacturing industry has been growing steadily year by year. Since entering the 21st century, emphasizing on technological innovation, intellectual property rights and brand value, the market and scale of the industry has been expanded, the industrial benefit has increased, and the overall export scale has increased significantly. China has the comparative advantage of the low price and maintain a certain competitiveness due to the improved quality and technology products compared with some developed countries. In terms of market share, China's communications equipment exports accounted for one third of the world since 2011. Additionally, with China's deployment of 5G network and series of reform and policies, the growing demand for intelligent, high-end and high-quality consumption upgrading has increased, which plays a significant role in the transformation and upgrading of Huawei [1].

But because the industry started relatively late, developments still face large differences between China and developed countries, like lack of chip technology, high value-added products, which result in some key parts still rely on imports and industrial chain is in mid-range. Therefore, it is necessary for Huawei to change its business strategy to reform and lead the industry to develop and create more benefits.

2.1.4. SWOT Analysis of Huawei



Figure 2. SWOT analysis of Huawei

3.1.5. Core Competitiveness of Huawei

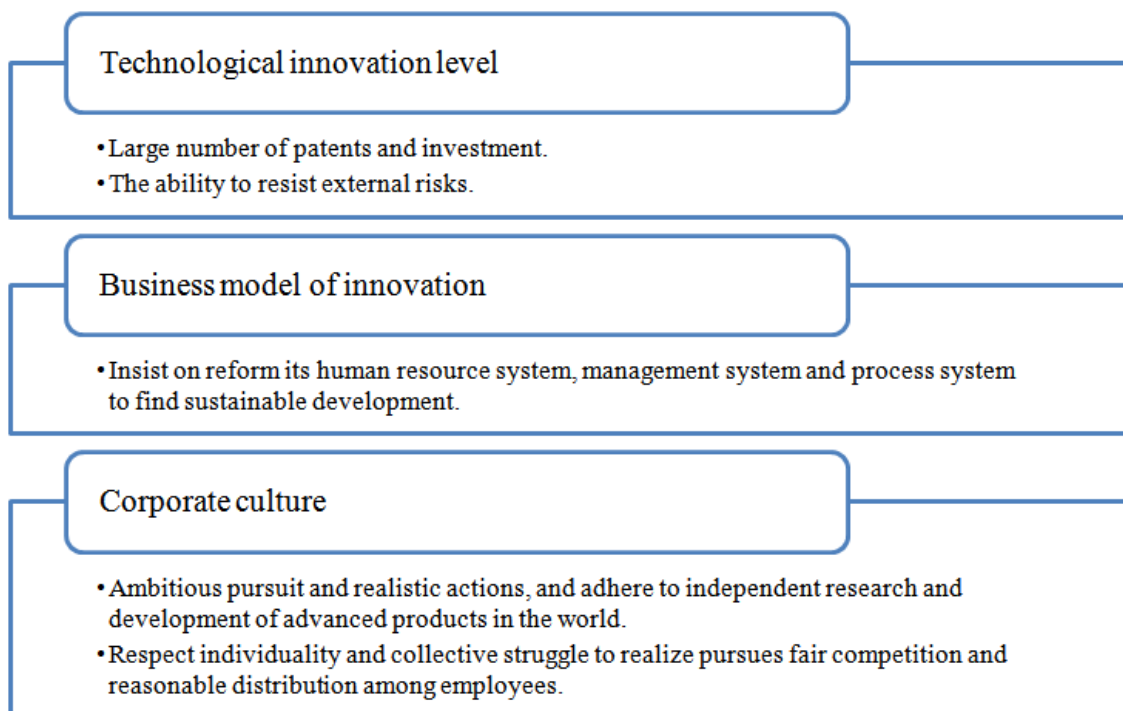


Figure 3. Core competitiveness of Huawei

## 2.2. Research Methods

### 2.2.1. Questionnaire Method

Questionnaire method is the content of quantitative analysis. In the process of writing the paper, questionnaire is issued to obtain first-hand data about Huawei's marketing according to the real situation of mobile phone users and Huawei mobile phone users, which is useful to avoid data that are unrepresentative. Also, there are special tools for data collection and analysis of questionnaire.

The questionnaire analysis mainly concentrates on marketing strategy of Huawei in third and fourth tier cities. Analyze and study the development situation and trend of Huawei smart phones in recent years, mobile phone users' preference and thoughts for Huawei, and then expand into marketing strategy of the whole company.

### 2.2.2. Literature Review Method

Literature review is belonged to mixed research methods. Through systematic, objective and quantitative analysis of the literature content, so as to form a scientific understanding of facts.

Before the writing of this paper, through literature review of previous articles on strategic management to determine the research content and direction of this paper. In the process of writing, I read relevant literature with the keywords of "communication equipment manufacturing industry", "business strategy", "technological innovation", "marketing" and "human resource management", and carefully understood the research results related to the topic of this paper.

### 2.2.3. Case Analysis

Case study is an important part of qualitative research. Through in-depth excavation and detailed description of the background and process of important events or behaviors occurring in Huawei, the real appearance and rich background of things are presented, so as to analyze, explain, judge, evaluate or forecast on this basis.

Taking Huawei company as the case object to research its management strategy in marketing, technology and human resource, it puts forward some problems existed in operation and gives some improvements.

## 2.4. Data Analysis Methods

Data analysis methods are specific tools through description, explanation, and relationships to conduct data analysis that are depending on whether data is quantitative or qualitative. Quantitative data analysis methods include average, range, frequency, standard deviation, and hypothesis testing. While qualitative data analysis methods include content analysis and grounded theory.

Firstly, processing of primary sources of information. I use WENJUANXING to distribute, collect and analyze questionnaires in order to draw more reliable primary information and results. Firstly, make the questionnaire through the website, and distribute to investigators for filling. Then, after a period of data collection, stop issuing questionnaires, lock the number of questionnaires, and export the data results for analysis. Meanwhile, use the website to perform frequency analysis, classification

statistics and cross-analysis, regression analysis on the data. Statistical analysis tables and graphs can be downloaded and then can further use other office software to perform statistical analysis on the data.

Secondly, processing of secondary sources of information. I always use the CNKI to search latest research results from this website to help me collect much information related to my topic. Through analyzing secondary information, I can transform it to many forms like tables, charts, and figures in order to be visual. Although secondary resources have some limitations for my paper, it gave me much supports and creativity.

## 3. Summary of Findings

### 3.1. Descriptive Statistical Analysis

Descriptive statistical analysis is a general descriptive summary of the gender, age range, disposable monthly income, occupation and current mobile phone brand in third and fourth tier cities, in order to investigate the marketing situation of Huawei in less developed areas, to get the basic characteristics of requirements for mobile phones, and then to put forward some advice to improve Huawei's marketing status quo.

I totally collected 164 valid questionnaires. After the data statistics of the valid questionnaire, the general results are shown in [Table 1](#).

Table 1. Questionnaire statistical analysis table

Classification	Sign	Number	Percentage
Gender	Male	91	55.49%
	Female	73	44.51%
Age	<18	42	25.61%
	19-25	22	13.41%
	26-35	44	26.83%
	35-45	26	15.85%
	45-65	28	17.07%
	>65	2	1.22%
Disposable monthly income	<3000	55	33.54%
	3000-5000	28	17.07%
	5000-8000	34	20.73%
	8000-11000	24	14.63%
	>11000	23	14.02%
Occupation	Professionals	19	11.59%
	Service personnel	24	14.63%
	Freelancers	25	15.24%
	Workers	17	10.37%
	Company staff	9	5.49%
	Public institutions/ civil servants/ government staff	18	10.98%
	Students	47	28.66%
	Housewife	3	1.83%
	Others (merchants)	2	1.22%
Mobile phone brand	Huawei	47	28.66%
	Apple	44	26.83%
	Xiaomi	37	22.56%
	OPPO	21	12.80%
	VIVO	9	5.49%
	Samsung	5	3.05%
	Others	1	0.61%

Through the questionnaire, it shows the brand of Xiaomi and Apple are the largest and strong competitors in current industry (Figure 4). Compared with other brands, consumers think Huawei has some drawbacks (Figure 5), like it is difficult to purchase, system operation is not smooth enough, and the appearance is not attractive enough. Therefore, Huawei needs to learn more about the marketing through opinion survey to improve the impression in the market (Figure 6), including mobile phone function configuration, mobile phone appearance design, customization system optimization, after-sales service, short battery life, and others in order to increase its market share.

With the development of economy, brand, price and appearance that have become more important factors for

current consumers when purchasing mobile phones (Figure 7). Therefore, it is necessary for Huawei to use some marketing methods to improve its brand awareness. For example, most of consumers want the price can be lower and more discounts when in the online or offline. Additionally, Huawei can change its previous traditional marketing channels and add more attractive online marketing to get more attention, like discounts, small gifts, and cooperate with media platforms for promotional activities (Figure 8, Figure 9).

According to a grade from questionnaire investigator about the Huawei mobile phones from nine performance, the results are positive and can be deemed as good. However, the operating system needs to be improved in order to improve using experience.

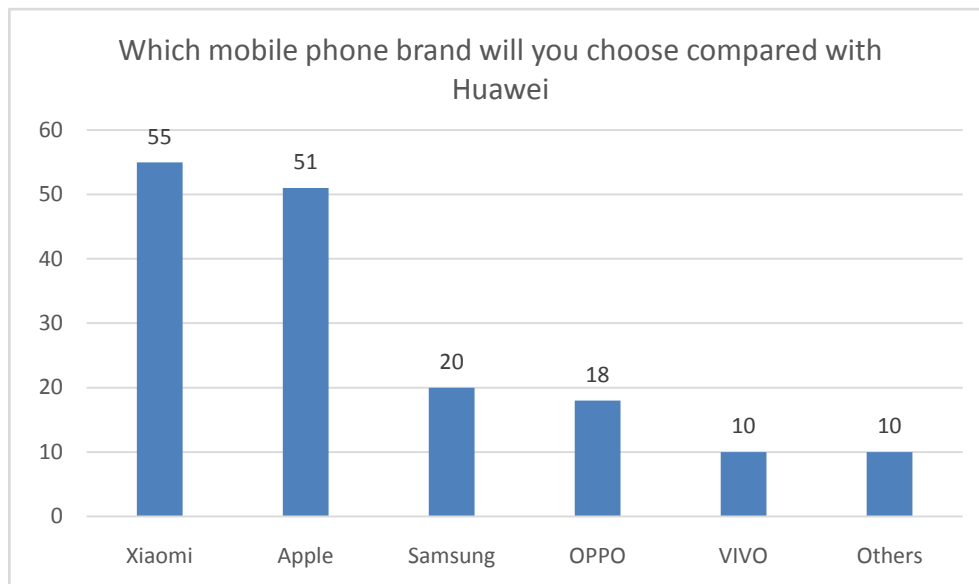


Figure 4. Huawei's main competitor in the market

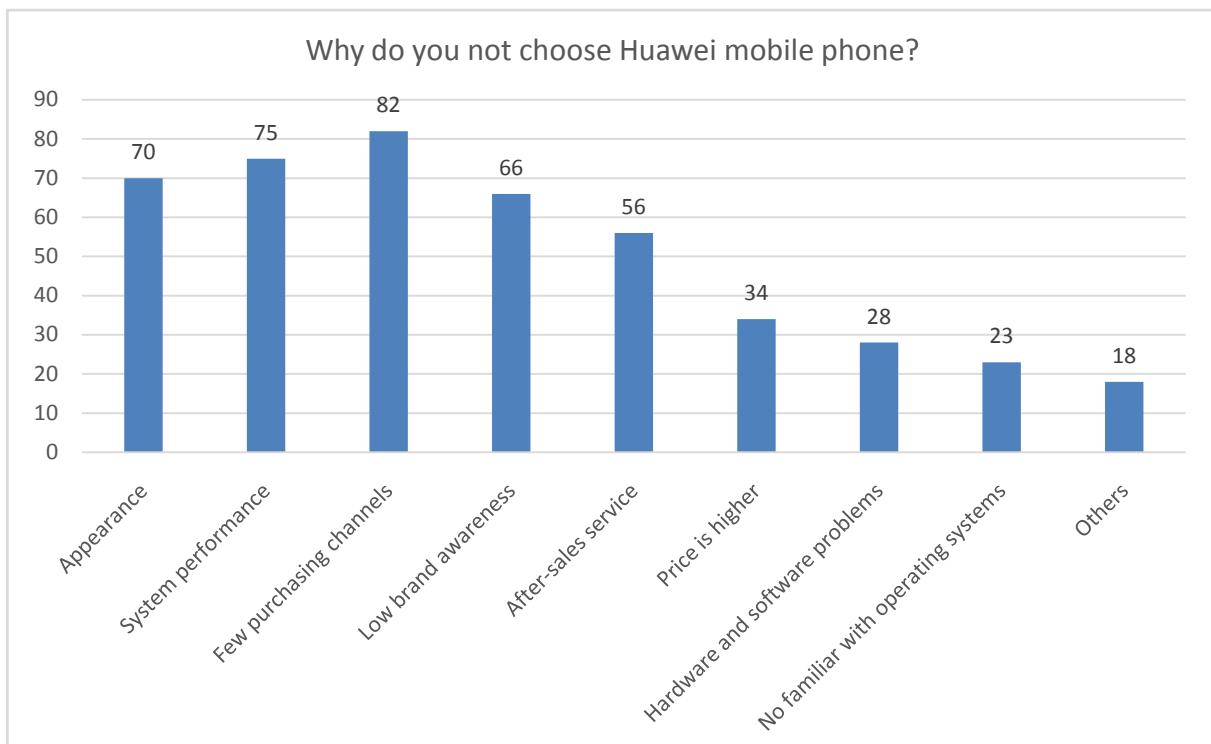


Figure 5. Shortcomings of Huawei

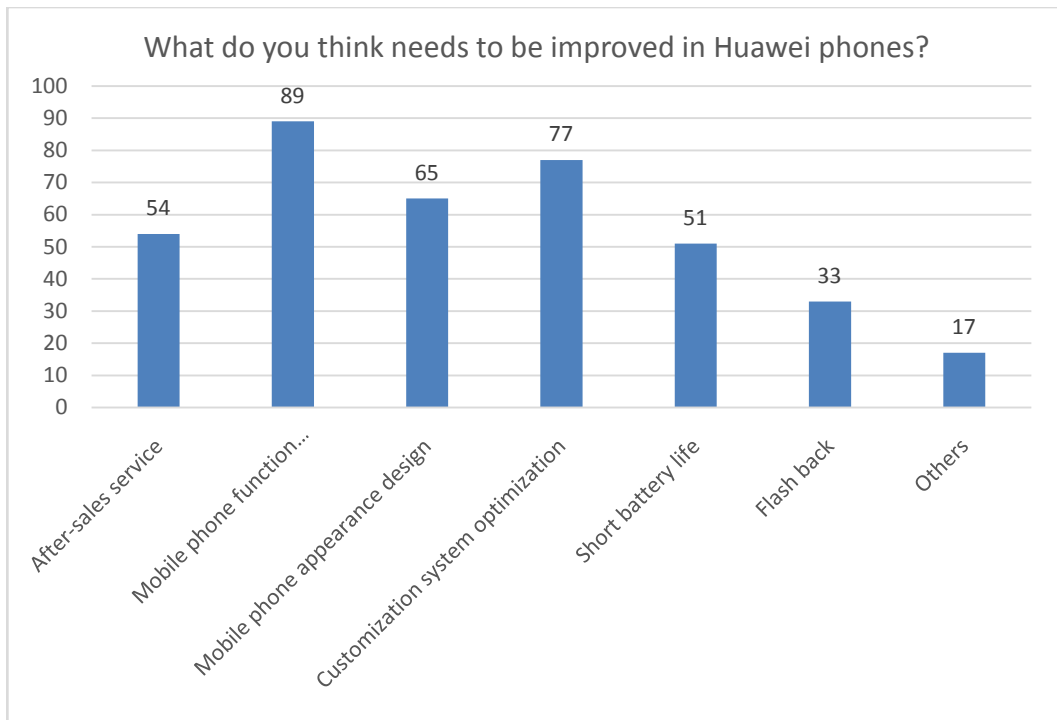


Figure 6. Improvement direction of Huawei

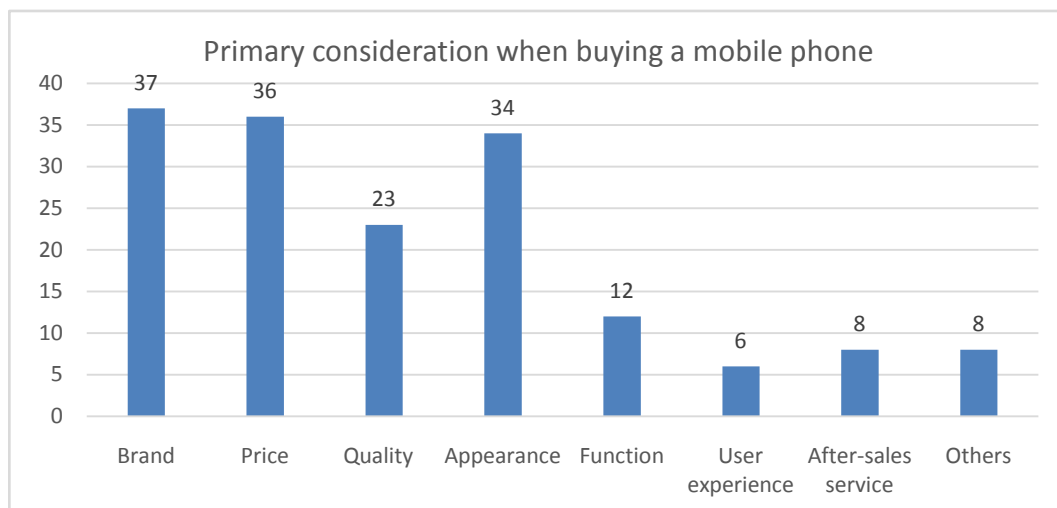


Figure 7. Primary consideration when buying a mobile phone

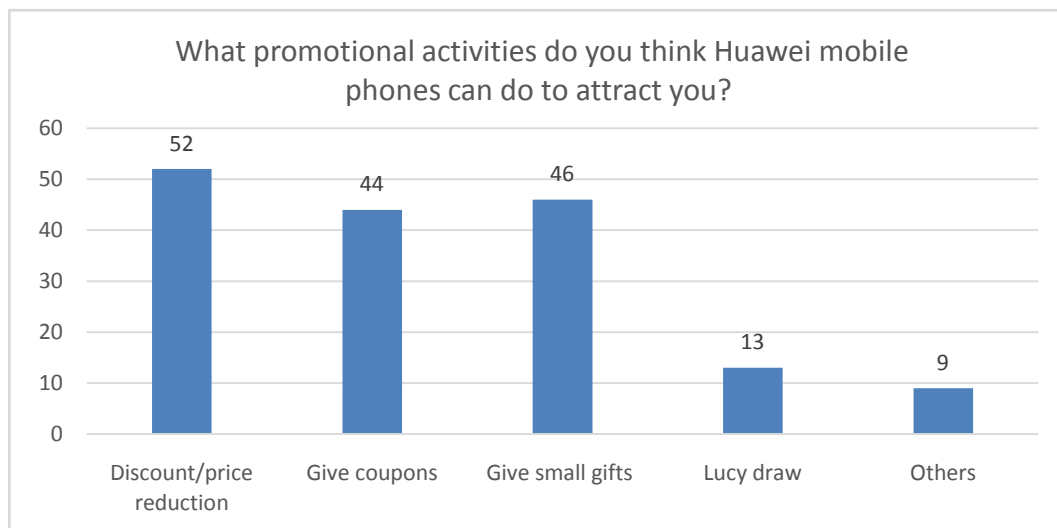


Figure 8. Attractive marketing methods to consumers

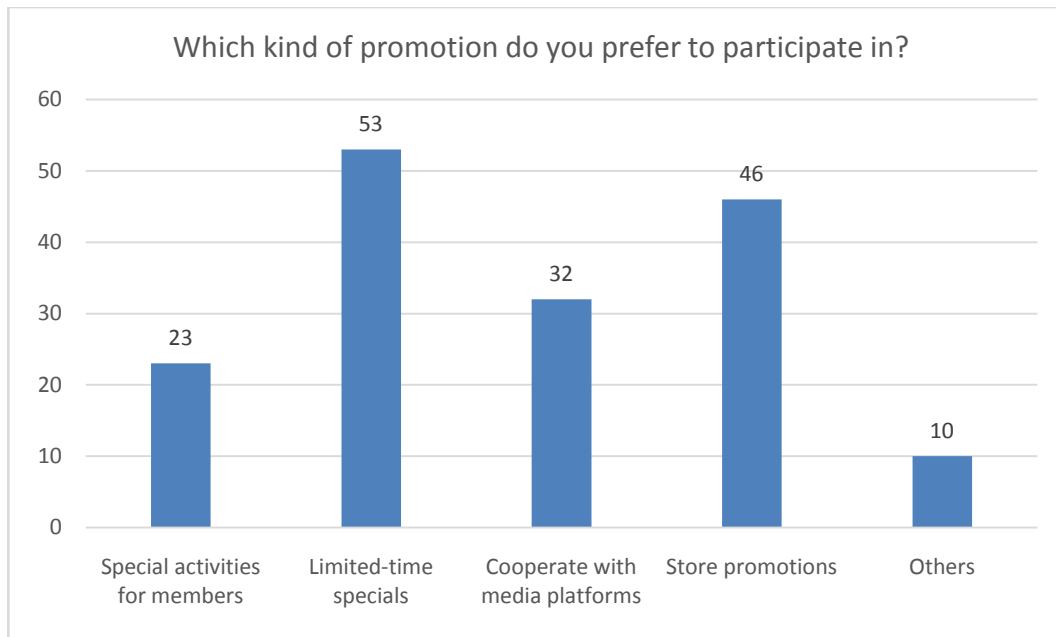


Figure 9. New marketing promotions consumers prefer

Table 2. Score of Huawei’s mobile phones

(1-5 1:Very bad,2:Not satisfaction,3:Just so so,4:Good,5:Very good)					
Score	1	2	3	4	5
The operation system	6(3.66%)	16(9.76%)	53(32.32%)	39(23.78%)	50(30.49%)
Appearance design	10(6.1%)	11(6.71%)	37(22.56%)	61(37.2%)	45(27.44%)
Memory	8(4.88%)	12(7.32%)	39(23.78%)	63(38.41%)	42(25.61%)
Pixel	7(4.27%)	17(10.37%)	37(22.56%)	49(29.88%)	54(32.93%)
The screen	16(9.76%)	9(5.49%)	40(24.39%)	42(25.61%)	57(34.76%)
The running speed	7(4.27%)	15(9.15%)	42(25.61%)	48(29.27%)	52(31.71%)
Battery capacity	16(9.76%)	10(6.1%)	48(29.27%)	39(23.78%)	51(31.1%)
Cost performance	9(5.49%)	12(7.32%)	43(26.22%)	48(29.27%)	52(31.71%)
After-sales services	5(3.05%)	14(8.54%)	46(28.05%)	41(25%)	58(35.37%)

This questionnaire is mainly about marketing, but it can reflect some technology and human resources issues in the operation of Huawei. Therefore, it can be useful data to support my paper.

### 3.2. Marketing Strategy Analysis

#### 3.2.1. Overview of Huawei’s Marketing Strategy

Since entering the 21st century, Huawei has changed its business channel from the traditional direct sales model to consumer-oriented sales model. In 2011, Huawei’s mobile phones were still not well recognized in the market, and profit margin of each product was low, so it could not enter the middle and high-end market. Therefore, Huawei focuses on the development of P series and Mate series mobile phones to develop into the high-end market, gradually developing into the world’s second largest mobile phone market manufacturer today.

Ranging from 2013 to 2020, the brand of HONOR relying on low-level consumer market and P series and Mate series depending on high-end customer market almost covers all the market demands, which achieved success through dual-brand strategy. In 2020, Huawei sold “HONOR” business as a whole, which also shows that

Huawei has changed its strategy to focus on high-end mobile phone production in the era of chip shortage to gain higher profits and promote the overall business development of the company.

Furthermore, Huawei has many after-sales service centers in large and small cities, and the after-sales maintenance price is transparent, so there is no hidden consumption. Meanwhile, the return and repair service process is perfect, which had good reputations and won the favor of consumers [2].

#### 3.2.2. Comparison with Rivalry on Marketing Methods

##### Apple

Apple’s differentiation strategy in product, price and marketing makes its brand famous and has epoch-making high-tech products.

In terms of products, Apple adheres to the strategy of high-quality products like mobile phones and computers are almost perfect. Each product is a star in its field.

In terms of price, the price of all Apple products is higher than those of similar products on the market, which attracts more attention from consumers.

In terms of sales channels, online mainly cooperates with mainstream e-commerce platforms to attract consumers through a series of shopping festival activities

and offline market coverage is mainly through retailers, distributors and self-owned stores.

In terms of marketing strategy, Apple mainly adopts four marketing methods. Firstly, word of mouth marketing strategy. Promote and sell products by promoting apple's corporate culture. Secondly, extreme hunger marketing. Through the extreme contrast between consumers' anxious waiting for new product information and unexpected product release, some consumers have strong purchase desire. Thirdly, product differentiation. Apple adheres to the strategy of high-quality products and the service concept of "first-class products" and "first-class experience". Fourthly, emotional economy. Apple uses emotional resonance to make consumers want to buy. [3]

### **Xiaomi**

Xiaomi's mobile phone through official website of the only scheduled sales of hunger marketing to cause consumers to panic buy to increase consumers' attention to the product, which create an illusion that the market is short of supply, and successfully increase consumers' desire to buy. This method of direct selling products successfully reduces marketing costs and avoids the appearance of fake and shoddy products. Additionally, Xiaomi also adopts microblog marketing, product release conference, media hype topics and other ways to market its products and gain consumers' attention.

### **OPPO and VIVO**

In third and fourth tier cities, OPPO and VIVO adhere to the path of "rural encircling the city", which has led to a high domestic market share. Additionally, OPPO and VIVO have specific consumer groups mainly concentrated in small and medium-sized counties and student groups due to their design concept of pursuing individuation.

### **Huawei**

Over the years, Huawei has adhered to the development concept of "customer-oriented" and insisted on market-oriented product design and development.

Huawei insists on the strategy of combining multiple sales channels. Firstly, offline channels, mainly including dealers, agents, retailers franchise stores, etc. Consumers purchase products through experience products, which is conducive to the improvement of after-sales channels and improve consumers' satisfaction with products. Secondly, sales channel of cooperation with operators. Huawei relies on cooperation with telecommunication operators to expand the consumer market through contract phones, especially in the low-end rural market. Thirdly, Internet sales channels. Through the opening of official flagship stores on e-commerce platforms for online sales, Huawei mobile phone sales channels are constantly shifting to online due to free space and time constraints and convenient transportation services.

The advertising and promotion methods of Huawei mobile phones are mainly promoted through TV advertisements and product information released on the official website. Compared with other brands, the methods are simple, and the effect is not good. However, Huawei's promotion methods, such as issuing coupons or giving mobile phone accessories, are not strong enough to attract a large number of consumers.

### **3.2.3. Issues Existing in Marketing Strategy of Huawei**

In recent years, the sales of Huawei mobile phones both domestically and abroad have continued to rise. However, due to the influence of international relations, problems such as limited chip capacity, cut-off of raw material supply chain and unusable operating system have followed, which undoubtedly has an impact on marketing.

According to the data, In the third quarter of 2021, Huawei topped the list with 30.7% market share of 5G mobile phone brands, followed by VIVO and OPPO with 16.1% and 14.6%, and Apple ranked fourth with 12.5%. Therefore, Huawei should adjust its marketing strategy in time to expand its market share and maintain its leading position in the market.

Huawei attaches great importance to the construction and operation of offline channels and pays attention to consumers' experience in offline stores. As a result, it incurs high construction and operation costs of stores, and reduces product profit margins to a certain extent.

In the new Internet era, the consumption level of residents is increasing, which result the consumption market of third and fourth tier cities is extremely broad. Huawei is the leader of domestic mobile phone brands, but its influence and market share in third and fourth tier small cities are far behind OPPO and VIVO.

## **3.3. Technology Strategy Analysis**

### **3.3.1. Summary of Huawei's Technological Innovation**

Huawei has achieved great success in the consumer end market of mobile phone, including independent chip research and development, product design and manufacturing and supply chain capabilities [4].

In 2014, Huawei terminals began to focus on entering the middle and high-end mobile phone market. At that time, Huawei first used the world-leading fingerprint unlock and payment chip designed by Haisi in Mate 7 mobile phone, which has become the core competitiveness in the mobile phone market and achieved great success. In 2019, Huawei launched 5G mobile phones based on 5G technology, which helps it accounted for 75% of the Chinese market share.

While continuously increasing R&D investment, Huawei also actively develops in the field of intellectual property. By the end of 2016, Huawei has obtained 62,519 patents, applied for 57,632 Chinese patents and applied for 39,613 foreign patents.

Additionally, Huawei also actively maintains close cooperation and communication with universities, research institutes, and organizations around the world, and sets up R&D bases to absorb advanced technology and management experience and talents from all over the world, which keeps the latest developments in domestic and foreign industry. As of 2019, Huawei has 36 global joint innovation centers and 14 research institutes. According to statistics, the number of R&D personnel in Huawei in 2020 was about 105,000, accounting for 53.4% of the company's total. [5]

### **3.3.2. Overview of Huawei's Technology Innovation Strategy**

The development process of Huawei's technology research mainly includes three stages of imitative innovation,



improved innovation and leading innovation, which run through and integrate with each other to form an organic whole and promote the rapid development of Huawei. [6]

At present stage, Huawei's R&D foundation continues to grow, and it insists on leading the development of the market and the industry with creativity, continuously expanding its R&D capacity, introducing advanced technologies, leading the industry with innovation, and becoming a leader in the industry.

Huawei has been adopting differentiation strategy in the development process, which has brought better competitive advantages and more profits to the enterprise.

Firstly, Huawei has been focusing on the ICT product market. Although Huawei insists on diversified development, the industry is mainly focused on electronic information and communication technology. In consumer business, carrier research and enterprise business, Huawei has always invested and developed in accordance with the principle of focusing on ICT. After years of accumulation and development in related fields, Huawei has continuously improved its technical capabilities and enjoys a dominant position in the ICT product market.

Secondly, Huawei is committed to continuously improving its R&D capabilities. Huawei invests 10%-15% of its sales revenue in R&D every year and has made a great breakthrough in chip development capability. The success of Haisi is one of the results of Huawei's continuous efforts in R&D.

Thirdly, we should maintain exchanges and cooperation with the industry on innovation and upgrade technology. Huawei has established research institutes around the world to strengthen international exchange and innovation, provide analysis and suggestions for Huawei, and improve the company's innovation capacity. Meanwhile, in the process of research and development to increase the quality control of production, continuous technical transformation, improve the process. [7]

From September 2020, the limitation on Huawei's chips took effect in the United States. Although there is a trend of easing the ban nowadays, the US regulation and suppression of China's high-tech sector will be the norm in the future. Huawei uses its self-developed Harmony system and "Kirin" chip to maintain normal business operations. However, due to the shortage of self-developed chips and the supply of foreign chips, Huawei's 5G mobile phone sales have been affected. At present, it guarantees the normal update of products and starts to use "Snapdragon" chip for the production and sales of 4G mobile phones.

### 3.4. Human Resource Strategy Analysis

#### 3.4.1. Organizational Culture of Huawei

Huawei once emphasized that "The greatest wealth of Huawei is its staff with effective management and serious responsibility" and "The appreciation of human capital is due to the appreciation of financial capital". Meanwhile, "Wolf" culture enables employees to have enough sense of crisis to face changeable challenges. [8]

Firstly, Huawei advocates respect for individuality and adheres to the value of "people first". Huawei does not advocate individualism but emphasizes collective efforts.

It gives every employee a platform to give full play to their individual talents. It deeply recognizes the subjective role of employees and respects individual cultivation and development. To some extent, this will combine the personal development of employees with the development of the enterprise, laying a solid foundation for the business development of the enterprise.

Secondly, Huawei always takes customers as the center and puts customer service in practice, which makes Huawei adhere to the research of core business, carry out continuous innovation and develop subsidiary products in the process of development and growth. The clear development positioning makes Huawei invincible among many enterprises. This is an important reason why Huawei has maintained its leading position in 5G technology research and development and communications.

In Huawei's corporate culture, the concept of human resource development has penetrated into every aspect of the company and has become a very important link in the strategy, which deeply recognized that the development of employees' personal ability is an important factor to improve its core competitiveness.

#### 3.4.2. Overview of Huawei's Human Resource Strategy

##### Recruit talented people from all over the world

The talent development strategy is a necessary guarantee for Huawei's development.

Firstly, attract outstanding graduates from colleges with excellent salary packages. Huawei values its full vitality, enthusiasm and drive, and believes that its creativity can create more value for the company. There are detailed recruitment plans like TopMinds, experienced recruitment, and campus recruitment, which would be attractive enough for persons to apply for a job.

Secondly, the composition of Huawei's personnel is younger in the field of technology research and development. By the end of 2019, Huawei has 194,000 employees, with up to 45% R&D personnel. Such human resources guarantee Huawei's technology research and development, which is conducive to the implementation of technology innovation strategy. According to the data, the average age of Huawei employees is about 27 years old. Young employees have strong creativity, which brings vitality to enterprise development and is conducive to technology research and development and creation.

##### Reward system

Huawei's incentive mechanism consists of two modes that are salary incentive and spirit incentive.

Firstly, salary incentive includes compensation incentive and equity return incentive. Huawei has developed a distribution system suitable for its own value creation and aroused the enthusiasm of employees to obtain long-term benefits for the company by means of employee stock ownership.

Secondly, spirit incentive includes honor incentive and culture incentive. Huawei's "Wolf culture" plays a cohesive role in the early stage of enterprise development which encourages employees to work together in the process of development and expansion. Additionally, "Honor Department" has been set up specially to assess and award employees.

Under the material incentive mechanism, there are strict grading regulations on employees' salaries, which is easier to achieve than spiritual incentives. As a result, Huawei provides more material incentives than spiritual incentives.

Although material incentive system can be easier to stimulate employee's motivation, it may cause too much psychological pressure in the long-term. Meanwhile, because of the lack of pertinence, the spiritual needs of employees are ignored, which affects the enthusiasm of employees.

#### **End elimination system**

Huawei sets corresponding elimination system for its employees. [9] For example, if employees ranked lower, Huawei would transfer them to other positions or conduct secondary training. If they are still incompetent, they will be dismissed with economic compensation, so as to achieve the purpose of talent management.

On one hand, it can increase the crisis awareness of employees and improve work efficiency, thus creating more value for the enterprise. But on the other hand, it may make the "996" working mode become routine, so that some employees cannot accept the high load of work and choose to quit. This is because the company does not pay attention to the humanistic care of employees, resulting in a certain degree of brain drain, which is not conducive to the long-term development of the enterprise.

## **4. Results**

### **4.1. Recommendations for Huawei**

#### **4.1.1. Marketing Strategy**

##### **Adopt a more segmented market strategy**

Based on personalized consumption, Huawei can further segment price market and function market. For example, in the price segmentation market, the price of mobile phones is further subdivided into low-end, mid-end and high-end machines and look for specific consumer groups and promote their purchase desire according to appropriate marketing means, so that consumers can improve their consumption grade and enter the ranks of high-end models as soon as possible.

In the functional segmentation market, differentiated functional attributes are created according to different series of mobile phones. For example, Mate series is focused on business, which should be simple in product appearance design and be convenient in the use sense to highlight business style. P series is featured by fashion and fashionable design in appearance. It can engrave personalized signatures for consumers for free or designed mobile phones with diversified theme backgrounds under the joint brand name. Also, it should always improve the level of photography in performance. [10]

##### **More clear target market and market positioning**

Huawei should take multi-dimensional selection including price, culture, region and function into consideration and adopt differentiated market strategy. [11] To continue to explore high-end models, Huawei can improve the performance and appearance design of Mate and P series to attract consumers, continue to improve the fold-screen

technology, and attract urban consumers through cultural publicity and other ways. For the mid-range Nova series, Huawei can attract young consumers by adopting personalized appearance design. For example, consumers can customize mobile phone styles by themselves, and there are shells with various styles and themes for consumers to choose. Meanwhile, it pays more attention to the construction of offline physical experience stores and after-sales service centers, so that consumers can truly understand and experience the sense of using mobile phones and sincere service attitude.

#### **Highlight selling points**

Huawei can hire more professional marketing team for Huawei to design attractive advertising language in order to attract consumers' attention, brand features, improve the user's recognition and loyalty, training more "pollen fans", make "emotional economy", fan economy, and excellent ecological experience. [12]

Learn from Xiaomi's ecological channel experience and adhere to the implementation of the smart life strategy of all scenes.

Huawei may establish experience store "Huawei intelligent life", through the concept of intelligent life and ecological layout for consumers to create a full range of intelligent life scenes, including smart home, entertainment, green travel, etc., in order to meet some high-end user experience and increase customer stickiness from high-end consumers.

#### **4.1.2. Technology Strategy**

##### **Expand R&D spending in key core technologies**

Huawei should continue insisting on maintaining a fixed proportion of budget guarantee, with no less than 10% of sales revenue as R&D investment every year. The high-intensity R&D investment has not only improved the scientific research conditions and level, but also improved the treatment level of employees, which is conducive to attract global talents to join Huawei. However, due to Huawei's wide product line and variety of product models, there is still very limited investment in spreading research and development expenses across products. Therefore, Huawei insists on investing its R&D expenses in key and core technologies, such as the improvement of Harmony system and independent research and development of chips, while the rest actively reaches consensus with third-party partners to provide customers with the best products. [13]

##### **Play entrepreneurial spirit and stimulate creativity**

Huawei should continue to stimulate the creativity and subjective initiative of R&D personnel, release their creative potential, improve the speed of new product research and development, and improve the conversion rate of technological innovation achievements. [14] In this process, Huawei will provide good logistical support for research and development personnel, give employees a high degree of trust and encouragement, and building good innovative platform for the employees, create a good innovation atmosphere of harmony, let employees have "sense of ownership", which will enable the personal development of employees and the company's overall

development combine together to form a tight community of interests.

#### 4.1.3. Human Resource Strategy

##### Combination material and spiritual incentive

Firstly, Huawei should improve the employee appraisal system, appropriately reduce the salary gap among employees, promote fair distribution of enterprise, and reduce internal contradictions caused by uneven distribution of interests. The former emphasis on material incentives that should be gradually changed to pay attention to the improvement of personal development space and personal work ability of employees. Under the enterprise culture that attaches importance to innovation, innovation factors are often brought into the assessment system, so as to promote the realization of personal value of employees and the completion of enterprise goals and improve the enthusiasm of employees. [15]

Secondly, enrich the incentive methods of enterprises and attach more importance to spiritual rewards. For example, advanced employees can be praised and awarded honorary titles at the annual meeting of the company, so as to further enhance the sense of accomplishment of employees and their enthusiasm to strive to create more value for the company.

Thirdly, there are different reward systems for different levels of employees. For example, for middle and senior managers, we should improve their equity incentive system and establish open and transparent competition and selection rules to make them full of confidence in the future development of the company. We should pay more attention to the emotional needs of expatriate employees, appropriately increase annual leave and care for relatives. For employees who are under too much pressure, psychological counseling should be provided timely to meet their spiritual needs. [16]

##### Continue to philosophy of "people oriented"

Firstly, it should provide suitable positions for employees' personal development and provide them with training platforms. [17] In staffing, it should realize that high salaries are not the way to keep talent stable. Pay attention to the personality, ability and needs of employees, and provide them with the most appropriate job positions and training programs. Meanwhile, in order to ensure the stable improvement of the company's scientific research strength and business level, it is necessary to insist on cultivating high-quality and efficient employees for the company.

Secondly, while emphasizing "Wolf culture", harmonious working atmosphere should be created to avoid vicious competition. Creating a fair competition environment can be conducive to enterprise's benign development to create more value for the company, achieve the effect of  $1 + 1 > 2$ .

Thirdly, protect the physical and mental health of employees. Huawei should encourage its employees to do efficient time management, improve work efficiency and complete work tasks within limited working hours. Meanwhile, the corresponding system should be improved, such as staff physical examination and psychological counseling services, and corresponding training should be given to middle managers, so that they can reasonably allocate staff's work, pay more attention to staff's physical

and mental health after work, and increase staff's sense of belonging to the enterprise.

## 4.2. Implications for Future Research

Through research on management strategy for Huawei, there are many research results for marketing, technology, and human resource respectively. However, there is lack of research on the combination of these three aspects and the relationship between these aspects. Therefore, it is necessary for some researchers to analyze its topic and attain more development in order to help leading company Huawei to adapt current situation and promote the whole industry to improve. Additionally, due to the changeable market, there are some uncertainty factors that can affect on its strategy. Therefore, it is necessary for researchers to follow market conditions to change.

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