The global marketing strategy for high-tech companies which founded in the developing countries for entering the global market: Case study of Huawei Technologies

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ABSTRACT
This research aims to explore the factors of entering the global market for high-tech companies which founded in developing countries, by taking Huawei Technologies as a case. By understanding the theory of the global marketing strategy (GMS) and applying the three aspects: standardization, configuration-coordination and integration, this paper explores the factors’ influences of the GMS of Huawei. Specifically, issues of how to take into account the aspects of the strategy of entering the global market and how to employ different aspects in market are discussed and illustrated based on this case study. The data for the study is obtained mainly through the interviews, in order to identify the key factors for Huawei’s GMS. During the data analysis, keywords-in-context approach has been applied. The findings reveal that in terms of the high-tech enterprises’ GMS which founded in the developing countries, integrating the marketing resources as well as building partnership play an important role.

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Keywords
Global marketing strategy, high-tech companies, developing countries
1. INTRODUCTION
The globalization of marketing activity is a well-known phenomenon, and the global marketing strategy (GMS) has been the subject of intense academic debate and research for decades. The GMS is a strategy that aims to coordinate the company’s marketing efforts in several different regions across the world (Johansson, 2010). Many studies suggest that a firm’s GMS affects its global market performance (Griffith, 2010; Wu, 2011; Zou & Cavusgil, 2002). However, for the high-tech markets, the study of the GMS is still limited.

This study aims to identify the factors that affect Chinese high-tech firms’ global marketing strategy applied. This thesis based on a case study in Huawei Technologies, which aims to investigate what factors could affect Huawei’s GMS. After comparing the global market performance of technological companies in the developing countries, the researcher chooses Huawei Technologies as the study object to research. Huawei Technologies is a Chinese multinational networking and telecommunications equipment and services company, which was established in 1988 in Shenzhen, China (Nakai & Tanaks, 2010). After about 20-year development, it grew into a famous supplier of networking and telecommunications equipment in mainland China. In 2012, it became the largest telecommunications equipment manufacturer in the world. Even though, the Huawei Technologies still not halt the expansion of overseas market. The fast growth of Huawei Technologies, not only obtains reputation in China, but also becomes the market leader in several segments of the telecom global market (Luo, Cachchione, Junkunc & Lu, 2011). Therefore, the Huawei Technologies is a good example of a company’s globalization process, moreover, inspires other technological companies accessing to the global market.

Huawei’s achievement in the global market shows the success in applying the GMS to some extent. Huawei developed a strategy by applying the GMS, which cooperating with the key partners, expanding distribution as well as understanding the customers’ needs. Based on Huawei’s story, it would be meaningful to learn that “What are the strategies could be used for those technological companies in the developing countries which are accessing the global market, taking Huawei Technologies as an example?” In order to answer this main research question, the researcher formulated three sub questions, “What are the perspectives of the global marketing strategy?”, “How did Huawei Technologies apply the global marketing strategy in practice?” and “What are the challenges of the Huawei Technologies when accessing the global market?” The key aspects have been identified by analyzing the GMS. In addition, the key factors of Huawei’s GMS in practice are figured out and would summarized some suggestions for the other companies.

In this research, the general ideas will be gained through the surveys and the insights will be gained through the analysis of interviews from employees who are working in the marketing department of Huawei Technologies. These employees are experienced and knowledgeable in implementing the GMS and resolving challenges when they implementing the GMS. After interviewing these managers in Huawei, some unexpected differences be found by comparing the theory and the practice.

In this study, the researcher found out the GMS played an important role for the high-tech companies which founded in the developing countries by taking Huawei Technologies as an example. Specifically, three main aspects: standardization, configuration-coordination and integration of the GMS are important for Huawei Technologies. Huawei applied the “standardization” in product, promotion and channel structure globally; Huawei is conducting the marketing activities in the global scale; Huawei does not only pursues marketing operations in all major markets but also want to achieve the interdependence of competitive marketing moves. In addition, alliance also could be included in Huawei’s GMS, since Huawei always starts from building the partner relationship with high reputation companies when entering a new market.

This study contributes to the academic literature by two ways. First, it is a pioneering study which firstly explore the global marketing strategy for the high-tech companies which founded in the developing countries. It addressed the urgent need for conducting more researchers on the GMS, as there is limited understanding from existing literature. Secondly, it supported Zou and Cavusgil’s (2002) findings to the GMS. In addition, in practice, figuring out Huawei’s GMS would give some ideas to the other high-tech companies founded in the developing countries for entering the global market as a good example.

2. BACKGROUND: HUAWEI’S EXPANSION IN THE GLOBAL MARKET
After three decades’ development, Huawei Technologies become a representative company in China today. The development and the growth of Huawei Technologies in the global market tells a story that how could a high-tech company in the developing country successfully accesses the global market. Looking through the history of accessing the global market of Huawei, it can be concluded as three stage: export, entering developing countries’ markets and entering developed countries’ markets.

Huawei Technologies Corporation (Huawei) was established in 1988 in Shenzhen, China’s special economic zone. In 1995, the company generated RMB 1.5 billion sales, which mainly derived from its home market. In 2009, Huawei Technologies ranked No.2 in global market share of radio access equipment and successfully received “2009 Corporate Award” from IEEE Standards Association (IEEE-SA) (“Milestones: About Huawei”, 2016). Nowadays, it becomes the largest telecommunications equipment manufacturer in the world. However, Huawei Technologies still not halt the expansion of overseas market. Huawei currently has more than 170,000 employees worldwide, more than two-thirds of its revenues come from overseas market till now. With the fast growth in these years, Huawei now becomes the market leader in several segments of the telecom global market (Luo, Cachchione, Junkunc & Lu, 2011; Zhu, 2008).

Huawei Technologies follows an international market enter modes, from exporting to joint-venture and builds up the subsidiaries. The first stage of Huawei Technologies accessing the global market started from providing three months customized design service to Hutchison Telecoms (Hong Kong) in 1996 (Wu & Zhao, 2007). Afterwards, Huawei started to consider exploring the markets in developing countries and transition economies. Huawei made a decision to enter Russian market, Southern America market (like Brazil), Asian market (like Yemen), as well as African countries (like Ethiopia). For example, in 2007, when Russia encountered the economic crisis,
Huawei cooperated with Umberto Konzern Russia and formed a joint venture named Beto-Huawei to develop Russian market (Wu & Zhao, 2007; Zhu, 2008). Beto-Huawei, considered as a high-quality mobile-network builder, winning the market share and the reputation through offering lower prices than the competitors ("Milestones - About Huawei", 2016).

The second stage was the fastest international expansion period. In 1999, Huawei launched the “New Silk Road” marketing initiative and participated in several international exhibitions. Moreover, Huawei also invited foreign customers going to China to visit Huawei’s campus in Shenzhen in order to help the customers getting a direct impression of Huawei’s company (Zhu, 2008; Godinho & Ferreira, 2013). After 1999, Huawei accelerated the process of expanding the global market. According to “Milestones - About Huawei” (2016), Huawei differentiated itself from its rivals on three main perspectives: price, relationship building and the introduction of ecological and power saving equipment. Huawei entered Thailand, Singapore, Saudi Arabia, South Africa and Egypt by following the three main perspectives (Godinho & Ferreira, 2013; Ahrens, 2013).

After getting successes in Russia and some other developing countries, Huawei started focusing on the developed market. This is the third stage of exploring the global market. Huawei started entering the EU market, first step was entering the market of Germany and the Netherlands in 2001. In 2004, Huawei set up its European Headquarters in London, United Kingdom while British Telecom designated Huawei as provider of Multi-Service Access Node (MSAN) and optical transmission (Zhu, 2008; Godinho & Ferreira, 2013). After exploring the European market, Huawei entered the U.S. market. Huawei faced a barrier that a telecom company called “Cisco Systems” which occupied 80 percent of the router market. But After three years' development, Huawei captured 12 percent to Cisco’s 69 percent with lower prices (Zhu, 2008; Godinho & Ferreira, 2013).

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![Figure 1. Huawei’s development in the global market](image)

**3. LITERATURE REVIEW**

This research strives to achieve two purpose: getting some knowledge from the current literature findings and formulating necessary global marketing strategy for the high-tech companies founded in the developing countries with interests to access the global market. It is essential to outline the relevant literature findings from the large amount of current literature findings in the field of the GMS. In the past decades, many researchers (e.g. Samiee & Roth, 1992; Zou & Cavusgil, 2002) have contributed to the development of the GMS with regard to the three main aspects, standardization, configuration-coordination and integration. The understanding of the GMS grew over time through different researchers and diverse approaches. Therefore, the literature review in this thesis, is an attempt to construct the most comprehensible connection between the different approaches and to involve the most important factors when using the strategies.

In the current literature research, there are three major perspectives of the GMS, which are standardization, configuration-coordination and integration. By doing research in these three perspective, a broad conceptualization of the GMS would be get.

**3.1 Standardization**

Standardization of the GMS regards to product offering, promotional mix, price, distribution on a worldwide basis (Jain, 1989; Zou & Cavusgil, 2002). Standardization might be considered as the most influential aspect of the GMS as many researchers have studied (Jain, 1989; Samiee & Roth, 1992; Ryans, Griffith & White, 2003; Zou & Cavusgil, 2002). The theory development began with cognitive impairment when it was first raised in 1961 by Elinder (Ryans, Griffith & White, 2003). He aimed to emerge similarities among European consumers make uniform advertising both desirable and feasible (Jain, 1989). Afterwards, academic researchers began to formulate questions in broader fields.

It is a general consideration when testing whether the adjustment of academicians norms or international companies marketing strategies are effective (Ryans, Griffith & White, 2003). Jain (1989) defined standardization as a common marketing program on a worldwide basis, Cavusgil and Zou (1994) viewed the issues under the general “degree” of adaptation (Ryans, Griffith & White, 2003). Some conclusions have been reached by the more than 40-years researches with large amount of study. From a theoretical point of view, the market definition and market segments are the important aspects of the implementation of the global standardization. From a conceptual perspective, global standardization verification requires marketing reexamination management process (Samiee & Roth, 1992). In addition, from an evolutionary perspective, the market thought and its strategic focuses have switched from simple production and product-related to the needs of consumers and society (Ryans, Griffith & White, 2003).

Referring to Zou and Cavusgil’s (2002) research, there are four indicators of standardization: product standardization, promotion standardization, standardized channel structure and standardized price. Product standardization refers to the degree to which a product is standardized across country markets. In Huawei, there are three different business groups focus on different products. Mainly in telecom career, the products are under the same standard but also customized to satisfy the local markets. Referring to the customer career, the products have the same characteristics. Customers could buy the same products in different countries. Promotion standardization refers to the
degree to which the same promotional mix is executed across country markets. Huawei has the global promotion activities which involved all the customers in the world, such as HCC (Huawei Connect Congress) 2016, and also has different promotion activities in different regions such as Western Europe Partner Summit 2016. The promotion activities attract different groups of customers and could bring more benefits. Standardized channel structure means the degree to which the firm uses the same channel structure across country markets. Huawei has two classification of channel partners. Tier 1 partners include distributors and value-added partners (VAPs) and Tier 2 partners include gold, silver and authorized partners. The standard channel structure helps Huawei to gain more efficiency in finding the right partners and identify the cooperation. Standardized price means the degree to which the firm used the same price across country market. As a multinational company, selling the products in different countries, Huawei draws up the different prices to adapt the local situations.

3.2 Configuration-coordination
Configuration-coordination has been considered as the second aspect of the GMS, which focus on the value-chain activates of the company (Wu, 2011; Zou & Cavusgil, 2002). Configuration and coordination within the global industry determine the alternative types of international strategy. The configuration range from centralized to the decentralized. In other words, it refers to the changing of performing location. Customers may obtain the service in their own countries rather than in the only centralized location. This view was proposed by Porter (1986) which explain the central role of configuration and coordination to the GMS. Also, from Porter’s (1986, p22) perspective, “there are many different kinds of global strategies, depending on a firm’s choices about configuration and coordination throughout the value chain” and that “there are configuration issues and coordination issues for every activity”.

Moreover, there are two major aspects of configuration and the first one is the degree of concentration (Porter 1986; Roth, Schweiger, and Morrison 1991; Zou and Cavusgil, 1996). Different countries have their unique competitive advantages. Concentration of value-chain activities in a few countries where they can be performed most efficiently enables a firm to maximize efficiency (Yaprak, Xun & Cavusgil, 2011). As to coordination, which ranges from low degree, where each function activity in sites in different countries, independently of other sites, to high degree, which functional activities tightly integrated connection or across geographically. In addition, based on Zou and Cavusgil (2002), the second indicator is the coordination of marketing activities, which refers to the extent to which a firm’s marketing activities in different country locations, including development of promotional campaign, pricing decision, distribution activities, and after sale services, are planned and executed interdependently on a global scale.

Huawei concentrated the customer-centric innovation, focusing on closing cooperation with partners and firmly implement a transparent channel policy. Fulfilling the requirements from the customers and exploring more benefits from the development of different marketing activities are the basic to support Huawei’s rapid growth. Huawei invited the customers to HQ in Shenzhen to get in-depth information there and could get a comprehensive overview to Huawei’s company strength. And it also benefits the customers to propose the requests for Huawei.

3.3 Integration
The third aspect of the GMS is the integration. It is concerned with how a firm’s competitive battles are planned and executed across country market. World markets are viewed as an integrated whole, and emphasis is placed on the importance of conducting operations in all major markets worldwide, and integrating strategy development and execution across these markets (Douglas & Craig, 2010). By creating a global competitive arena, the rivals compete against each other on a truly world-wide basis. Based on this understanding, a key of the success in global marketing is the participation of the world’s major markets, to gain competitive leverage. In the global industry, doing business in different countries are interdependent; companies must be able to operate subsidiary resources in some markets with others, and respond to attacks in a competitive market (Zou & Cavusgil, 2002). Thus, the integration allows the firm to disperse its value-adding activities across national markets and to integrate the firm’s competitive moves across the major markets in the world (Yaprak, Xun & Cavusgil, 2011; Zou & Cavusgil, 2002).

Integration has two dimensions: global market participation and integration of competitive moves (Zou & Cavusgil, 2002). Global market participation refers to the extent to which a firm pursues marketing operations in all major markets in the world. The second dimension, integration of competitive moves, it refers to the extent to which a firm’s competitive marketing moves in different countries are interdependent (Zou & Cavusgil, 2002). Till now, Huawei’s products and services have been deployed in more than 140 countries and it currently serves 5 of the world’s 50 largest telecoms operators. And approximately 80% of the world’s top 50 telecoms companies had worked with Huawei because of Huawei’s competitive advantages.

From Zou & Cavusgil (2002)’s research, the three main aspects of the GMS offers an explanation of how a firm enhances its performance and distinctive GMS dimensions are used to represent each of the three perspectives of global marketing strategy. Also, there are eight indicators for measuring the GMS, and the GMS is linked to its main antecedents and performance effects. In line with the need, the research will zoom the main three aspects.
4. METHODOLOGY
This part provides a description of the research design, the choice of respondents, and instruments, procedures and data analysis of this study.

4.1 Research description
This research investigated the factors of the GMS applied in Huawei Technologies, afterwards it aimed to look into this company’s challenges and to come up some suggestions for other companies. A qualitative method, which is used to gain an understanding of underlying reasons, opinions and motivations (Onwuegbuzie & Leech, 2006) and also provide insights into the problem or help to develop ideas or hypotheses for potential quantitative research (Kohlbacher, 2006), is used to leading the selection of case-study research design. According to Baxter & Jack (2008), case study is a study that explores a phenomenon of some sort occurred in a bounded context. Therefore, the qualitative method applied by exploring participants in more depth.

4.2 Respondents
This study used survey and interview to develop that how the indicators applied for Huawei’s GMS. The aim of qualitative research was to gather more in-depth insight from respondents and there were twelve interviewees involved in this research. The selection criterion for the interviewees was their experience with the GMS application during their work. The respondents for answering the surveys are 10 employees from four different departments. Two of them has more than five years working experience in Huawei. Additionally, for gaining more in-depth ideas, therefore, the three chosen interviewees were with the senior level from Marketing Department in Huawei Technologies. The interviewees had enough experience and understanding to express their opinions about the GMS and the challenges of Huawei during the process of the overseas market expand.

4.3 Instrumentation
4.3.1 Survey
In the first part of qualitative phase, the researcher used a survey of descriptive research. The researcher modified the existing survey previously used in the Internationalization of Chinese MNEs and Dunning’s Eclectic (OLI) Paradigm (Zhu, 2008). The modified survey was developed on the ground of the eight concepts from Zou and Cavusgil (2002). In total, the survey consists of eight indicators to collect information of data use from the employees of Huawei Technologies. The survey used for this research is shown in Appendix 1.

4.3.2 Interview and document analysis
In the second part, the researcher used interview questions and document analysis. Interviews, are believed to provide a ‘deeper’ understanding of social phenomena than would be obtained from purely quantitative methods. The interviews were carried out among three independent respondents. These interviews were semi-structured by a prepared list of questions and topics, usually in a particular order. All interview questions are based on

![Figure 2. The GMS: A Broad Conceptualization of Global Marketing Strategy](Source: Zou & Cavusgil (2002))

![Figure 3. The indicators of Huawei's GMS](Source: Zou & Cavusgil (2002))
research literatures and Huawei official website source. The researcher designed the “Huawei’s GMS indicator” (see Figure 3) which mainly based on “A Broad Conceptualization of Global Marketing Strategy”, designed by Zou and Cavusgil (2002), to construct the interview questions. Zou & Cavusgil (2002) stressed that the GMS is driven by external globalizing conditions as well as by a firm’s global orientation and international experience based on the three main aspects: “Standardization”, “configuration-coordination” and “integration” by applying structural model of the GMS. Because of the confidential rule of Huawei Technologies, an indicator which presents standardized channel structure could not be measured by the in-depth questions, therefore, the researcher deleted that part. The interview questions are about the understanding of the GMS, the GMS aspect could be used in Huawei and the challenges and alliance in the expanding global market. The example for the interview is shown in Appendix 2. The interviewer followed the sequence of the list, but also able to make adjustments in the conversation when the interviewer felt that is appropriated. Furthermore, the documents used for this research are represented from Huawei Technologies official website. These documents provided the information in analyzing the situation of Huawei Technologies.

4.4 Procedures
In the first part of qualitative phase, the surveys were distributed to ten employees in Huawei. The estimated time to fill in the survey was five minutes. Referring to the interviews, the researcher directly visited the Huawei Technologies to interview the three participants. The researcher interviewed two managers and one experienced deputy manager from Marketing department. The average time to interview each person was one hour. Referring the document analysis, the 2015 annual report of Huawei Technologies was collected from official Huawei website. Table 1 below summarizes the data collection per research theme.

<table>
<thead>
<tr>
<th>Research Themes</th>
<th>Survey</th>
<th>Interview</th>
<th>Document Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of data use</td>
<td>v</td>
<td>v</td>
<td>v</td>
</tr>
<tr>
<td>Factors promoting or hindering data use</td>
<td>v</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

5. RESULTS
The result part composed by three parts. The first part conclude the results from the respondents of surveys. In the second part, three interviewees present the in-depth thoughts about the GMS of Huawei according to their experience. And the third part shows the results of Huawei market performance via Huawei Annual Report, and business review and observation.

5.1 Results from survey
In this part, it involves summarizing the data and interpreting the meaning in a way that provides clear answers to questions that initiated the survey. At first, the four indicators of “Standardization” were measured as Figure 4 shown. Three of the four indicators played “Well”, while “standardized price” showed “Neutral”, which means the respondents are satisfied with the current performance of “Standardization” in Huawei generally. It means, the researcher found out that the standardization in product, promotion and channel structure dimensions in Huawei are recognized by the respondents. Huawei applied the standardization in product, promotion and channel structure globally. Being a multinational company, Huawei could get more benefits and keeping the company in a stable development. Huawei provided same products globally, but also providing the customized products to fulfil their requirements. Every year, Huawei organized several events in the different countries from diverse industries and products. That helps Huawei to generate customers together to gain more benefits, such as HCC Shanghai, 2016 and HCC Portugal, 2016.

Secondly, the two indicators of “Configuration-coordination” were measured as Figure 5 shown. It showed that the “concentration of marketing activities” is relatively low, which is in line with the high recognition of “coordination of marketing activities”. This means, Huawei is conducting the marketing activities in the global scale from respondents’ perspectives. Huawei would like to invite the customers to visit HQ in Shenzhen to get a comprehensive overview of Huawei’s strength. And also, the input of the marketing activities are planned and executed interdependently on a global scale. Taking Huawei P9 phone as an example, the promotional activities and services are under the same globally. Customers could have the chance to buy the phones with bonus packages and could gain the maintained service for one year globally.

Lastly, “Integration” was measured via two indicators “global market participation” and “integration of competitive moves”. From Figure 6, it could be observed that global market participation and integration of competitive moves in Huawei are accepted by the respondents. Huawei does not only pursues marketing operations in all major markets but also want to achieve the interdependence of competitive marketing moves. For example, Huawei focusing on the finance sector globally in 2016, and for the Western Europe region, specifically focus on banking.

The results answered the question: “How did Huawei Technologies apply the global marketing strategy in practice?” In general, the three figures showed that how the GMS applied in Huawei in practice. Huawei applied the standardization in product, promotion and channel structure globally. Huawei is conducting the marketing activities in the global scale as well. And it also showed that Huawei does not only pursues marketing operations in all major markets but also want to achieve the interdependence of competitive marketing moves. Afterwards, the researcher would like to use interviews to gain more in-depth information.
“integration” side, he thought “the integration of competitive moves in HQ and subsidiaries need to be focused”. He proposed that “We have international alliances with Western companies like Accenture. We expect in this co-operation many results. We need to work with companies in the West to grow together.” However, considering of the factors which may challenge the process of Huawei Technologies in accessing the global market, he stated that although Huawei is still growing while Western ICT companies are shrinking and laying off people, there still a lot of challenges for a Chinese company to work in a much regulated (by law and bodies within high-tech sector) and mature market, particularly, some of the challenges for Huawei to accessing the global market may because “Growing too fast poses some risks, in some countries (e.g. USA) the government's boycotts Chinese company”.

Interviewee 2 is Sr. Manager of Marketing Operations of Huawei Technologies. From her opinion, Huawei’s GMS is a result of a thorough study and consultancy with best in class global companies and marketing firms advising Huawei with respect to Huawei’s marketing position and the best approach for improvement. After introducing the three aspects found from literature to her, she thought “standardization” is very well maintained, “coordination – configuration” is in the middle of mature process within Huawei and “integration” may can be the most effective factor for Huawei in applying the GMS and need more time to be accomplished. Referring the indicators of the “standardization”, she said, “Huawei use integrated and aligned promotion approached using the same branding” to express the key message to the public. And for the indicators for “coordination – configuration”, she pointed out that “Huawei have established dedicated team and implemented a clear framework to conduct marketing”. Regarding to the indicators of integration, “Huawei is mentioned on global ranking list for as a recognized brand and attracting more and more customers, and we also made a competitive move by starting two business groups to focus on the particular markets”. Integration plays an important role, especially for the future development, the partner alliance is more important than current stage. In addition, she pointed out that the approach to customers within China is very different from Western countries. “Huawei’s challenge in entering the global market is not from the external competition but much more to manage its own fast growth”. To increase the esteem of Huawei and to improve the reputation as well as the recognition of Huawei in the Western countries, Huawei need to manage its own fast growth.

Interviewee 3 is the marketing insight manager from West European Marketing department, Huawei Technologies. As an expert in GMS, he announced that “For Huawei, the main focus of the GMS is around tactical and event driven activities”. From his point of view, Huawei need to more focus on the customers rather than only products. Referring to the three main aspects of the GMS, “The GMS is being set in China, and deployed across regions led by to the global marketing team”.

The interaction of the GMS decision is being expected. Regarding to the three indicators of “standardization”, he pointed out that the price is standardized which HQ made the decision for all subsidiaries globally and the promotion materials also sent from HQ. Besides, for the indicators of “coordination configuration”, he proposed, “there are global events, regional events and local events”, different subsidiaries and representatives has the rights to make the decision about the meeting. And for “integration”, he pointed out that “Competitor research plays a big role within Huawei”, “Huawei is gathering the information of the competitors and creating their own moves

5.2 Results from interview

Interviewee 1 is performed with a digital marketing manager of Huawei Technologies. From his point of view, the GMS of Huawei is that “Alignment and integration play an important role in outside and inside”. He pointed out, there are a lot of thoughts of the GMS and the most important is integration of them. Referring to the indicators of “standardization”, he pointed out that “Huawei aligning issues as well as with standardized price from HQ”. Considering of the indicators of “coordination – configuration”, he pointed out “marketing events have paid much attention in Huawei to realize the brand recognition”. From the
based on competitor actions”. To integrate the western market, Huawei needs more competitive advantages rather than only low price. In spite of the advantages of price, local subsidiaries need to differ per country in the strategy to make a complete breakthrough into the western market. Referred to the challenges of accessing the global market, he said “the reputation of Huawei is still being shaped and gaining more reliability in the global market is still important”. Huawei is relatively new in the global market, building the brand reputation should be pay attention. Alliances and partnerships are key to enter the market with huge players like T-Systems, DLL and Accen.ture.

From the responses of the interviewees, by using keywords-in-context method (Leech & Onwuegbuzie, 2007), two keywords “alliance” and “competitive moves” can be extracted. Table 2 includes the actual keywords-in-context, and the interpretation. The overall description from this might be “Alliance is important for Huawei” and “Integration of competitive moves in Huawei are focused via different ways”. In addition, the results also answered the question: “What are the challenges of the Huawei Technologies when accessing the global market? “The challenges for Huawei accessing the global market are figured out. The main challenge is from “reputation” perspective. Lack of reputation in the western market is a barrier to Huawei’s process.

Table 2. Analysis with Keywords-in-context

<table>
<thead>
<tr>
<th>Keywords-in-context</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huawei have the international alliances like Accenture and Huawei will be stronger if all are aligned</td>
<td>Alliance is important but maybe not for now</td>
</tr>
<tr>
<td>Especially for the future development, the partner alliance is more important than current stage</td>
<td>Alliance is important but maybe not for now</td>
</tr>
<tr>
<td>Alliances and partnerships are key to enter the market with huge players</td>
<td>Alliance is key to enter the global market for Huawei</td>
</tr>
<tr>
<td>The integration of competitive moves in HQ and subsidiaries need to be focused</td>
<td>Integration of competitive moves need to be focused</td>
</tr>
<tr>
<td>We also made a competitive move by starting two business groups to focus on the particular markets</td>
<td>The competitive moves is important</td>
</tr>
<tr>
<td>Huawei is gathering the information of the competitors and creating their own moves based on competitor actions</td>
<td>Huawei integrates the competitive moves based on the competitors’ moves</td>
</tr>
</tbody>
</table>

Table 3. Business Review 2015

<table>
<thead>
<tr>
<th>CNY Million</th>
<th>2015</th>
<th>2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>167,690</td>
<td>108,674</td>
<td>54.3%</td>
</tr>
<tr>
<td>EMEA</td>
<td>128,016</td>
<td>100,674</td>
<td>27.2%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>50,527</td>
<td>42,409</td>
<td>19.1%</td>
</tr>
<tr>
<td>Americas</td>
<td>38,976</td>
<td>30,844</td>
<td>26.4%</td>
</tr>
<tr>
<td>Others</td>
<td>9,800</td>
<td>5,596</td>
<td>75.1%</td>
</tr>
<tr>
<td>Total</td>
<td>395,009</td>
<td>288,197</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

Figure 7. Revenue 2011-2015

Source: Huawei Annual Report 2015

6. CONCLUSION AND DISCUSSION

In this study, the researcher found out the GMS played an important role for the high-tech companies which founded in the developing countries by taking Huawei Technologies as an example. Specifically, three main aspects: standardization, configuration-coordination and integration of the GMS are important for Huawei Technologies. Huawei applied the “standardization” in product, promotion and channel structure globally; Huawei is conducting the marketing activities in the global scale; Huawei does not only pursues marketing operations in all major markets but also want to achieve the interdependence of competitive marketing moves. In addition, alliance also could be included in Huawei’s GMS, since Huawei always started from building the partner relationship with high reputation companies when entering a new market.

Developed from the GMS, Huawei created a strategy for the global market by cooperating with key partners, expanding distribution as well as understanding the customers’ needs in
depth. Huawei also faced a lot of challenges in facing the different situations in the global market. One of the challenges is lacking of reputation. To solve this sort of problem, Huawei chose to build the reputation step by step. Huawei Entered the easiest market first, aligned with partners and then expanded the business. Afterwards, gradually entering the developed countries and integrating the resources to finding the opportunities to cooperate with the partners. Building the long-term partnership and setting up a comprehensive and harmonious industry ecosystem play an important role in Huawei’s GMS.

In this study, the researcher have demonstrated that for the high-tech companies which founded in the developing countries, they could choose to integrate the marketing resources and find the alliance locally. Such as to apply the product standardization, that will bring the benefits in costing reduction, improving quality and enhancing customer preference. When entering the global market, the companies could try to mix and match to face the challenges. Recognizing this, many global companies not only focus on the go directly to the markets, but also need align with local partners. The alliance could help the companies staying closer to the customers and building affinity. Each company should focus on the most applicable factors to develop their own strategy in line with their advantages and situation by applying the GMS, consequently, establishing a good ecological system to become a competitive companies, such as Huawei Technologies.

This study makes contributions both to the academic literature and practical situations. It brings forward valuable new insights to explore the global marketing strategy of high-tech companies which founded in the developing countries. From a practical perspective, this study figures out Huawei’s GMS, and that would give some ideas to the other high-tech companies founded in the developing countries for entering the global market as a good example. It encourages the other companies to engage in the global market by sharing the successful experience of Huawei Technologies.

7. LIMITATIONS AND RECOMMENDATIONS

There are several limitations regarding this paper. First, the interview results gained only from three people, who are all from Huawei Technologies in the Netherlands. They could have the same thoughts in facing the problems and it could limit the generalizability of the result. In spite of this, Huawei is a high-tech company and is very sensitive and cautious in protecting its core competency and the company’s core development strategy. Therefore, feedbacks from the interviews with regard to some certain strategies and questions tend to be general. Secondly, some components could affect the GMS as well, such as culture and leadership, are ignored. That could cause the missing points of the suggestions. Thirdly, in this paper, when considering the factors which could affect the GMS, it is only focused on the developing countries companies, but for the other companies, the results of research are not suitable.

This research studied and investigated further on the knowledge about Huawei’s GMS and further explored the suggestions for the high-tech companies founded in the developing countries which would like to access the global market based on Huawei’s experience. In the further research on the GMS, the researcher can focus on other industries, such as manufacturing. It is highly recommended to explore in-depth about the difference within one specific aspect and explain the role of foreign background. Another recommendation can relate to examine the other factors, such as culture and leadership. Culture and leadership could affect the GMS to some extent, especially from developing markets to enter the developed market. With the different sectors, there might be more interesting insights on the GMS applied.

8. ACKNOWLEDGMENTS

First of all, I would like to express my thanks to my first supervisor Dr. Liqin Ren and second supervisor Dr. Kasia Zalevska-Kurek for granting me the opportunity to work with them on my graduation thesis. I am truly appreciate their supporting in the past few months for all the feedbacks and critical insights on my thesis. I am also appreciate the help from Ricky Abdoelrahman, Hans Christiaanse and Diana de Valk – Masé from West European Marketing Dept., Huawei Technologies for being interviewed. Lastly, my sincere appreciation is extended to my families and my friends, Yingxin Zhang and Lifei Mao, without all the help and support from them, I would not to be able to accomplish this work.

9. REFERENCES


**APPENDIX 1: SURVEY**

**Huawei’s global marketing strategy indicators**

**Name:**

**Position:**

**Working Experience in Huawei:**

**Instructions:** Please indicate the extent to which your thoughts in the topics based on your experience on a scale of 1 to 5.
### Global Marketing Strategy

#### Aspect 1: Standardization

<table>
<thead>
<tr>
<th>1.1</th>
<th>Product standardization</th>
<th>The degree to which a product is standardized across country markets</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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<table>
<thead>
<tr>
<th>1.2</th>
<th>Promotion standardization</th>
<th>The degree to which the same promotional mix is executed across country markets</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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<table>
<thead>
<tr>
<th>1.3</th>
<th>Standardized channel structure</th>
<th>The degree to which the firm uses the same channel structure across country markets</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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<tr>
<th>1.4</th>
<th>Standardized price</th>
<th>The degree to which the firm uses the same price across country markets</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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#### Aspect 2: Configuration-coordination

<table>
<thead>
<tr>
<th>2.1</th>
<th>Concentration of marketing activities</th>
<th>The extent to which a firm’s marketing activities, including development of promotional campaign, pricing decision, distribution activities, and after-sale services, are deliberately performed in a single or a few country locations</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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<tr>
<th>2.2</th>
<th>Coordination of marketing activities</th>
<th>The extent to which a firm’s marketing activities in different country locations, including development of promotional campaign, pricing decision, distribution activities, and after-sale services, are planned and executed interdependently on a global scale</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
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#### Aspect 3: Integration

<table>
<thead>
<tr>
<th>3.1</th>
<th>Global market participation</th>
<th>The extent to which a firm’s pursues marketing operations in all major markets in the world</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
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<th>Very well</th>
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<tr>
<th>3.2</th>
<th>Integration of competitive moves</th>
<th>The extent to which a firm’s competitive marketing moves in different countries are interdependent</th>
<th>Not at all</th>
<th>Not well</th>
<th>Neutral</th>
<th>Well</th>
<th>Very well</th>
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#### APPENDIX 2: INTERVIEW QUESTION

1. What is your understanding of the global marketing strategy?

2. Are you familiar with the market strategy of Huawei Technologies?

3. Is there any global marketing strategy applied in Huawei Technologies? If so, do you know which kind of strategy does Huawei applied?

4. And according to the three main aspects of the GMS, standardization, configuration-coordination, and integration, which one do you think is the most important factor in Huawei Technologies? Please tell me the reason and maybe show some examples.

5. While, Huawei Technologies is a company which founded in a developing country, so what hindering factors do you think that affect the process of accessing the global market?

6. What do you think about the challenges in the process of global market expansion of Huawei Technologies?

7. Do you think in alliance with other companies is a benefit for extending the global market? If it is, could you give me an example?

#### APPENDIX 3: INTERVIEW TRANSCRIPTION EXAMPLE

**Interview with interviewee 3**

1. Thank you for accepting my interview. This study is about the global marketing strategy and firm performance. Do you know global marketing strategy and what is your understanding of the global marketing strategy?

I am familiar with the theory of Global Marketing Strategy. However, I strongly believe in Global Local Marketing strategy instead of the high level overview.

2. Are you familiar with the market strategy of
Huawei Technologies?

Partly yes

3. Is there any global marketing strategy applied in Huawei Technologies? If so, do you know which kind of strategy does Huawei applied?

Only on very high level, the marketing strategy is shared. For our region, the relevant information is shared into more detail.

4. And according to the three main aspects of the GMS, standardization, configuration-coordination, and integration, which one do you think is the most important factor in Huawei Technologies? Please tell me the reason and maybe show some examples.

For Huawei, like any other company, the integration and making the strategy more tangible is key to accessing the market potential, this means, you need to take the global milestones and slice them down into regional level but it is not just a top-down approach as well as it is a bottom-up approach with the local needs as a starting point. For Huawei, the company is trying to make this transformation but right now, we are not there yet. For example, HQ still determines the important verticals, from their point of view. It is a valid approach but not for all regions or countries relevant. E.g. Safe Cities, the need is everywhere, but not all countries/cities have the right infrastructure or budget to invest in this.

5. While, Huawei Technologies is a company which founded in a developing country, so what hindering factors do you think that affect the process of accessing the global market?

The reputation of China being a developing country is old fashioned. In many ways, China is much further developed than it is in Europe. I strongly believe that lots of Chinese companies are still a bit impressed by the reputation of the “old” world, meaning from historical and also political point of view. But the important thing is that Huawei slowly realizes that Huawei’s reputation that they have in Asia, is not applicable here. There are cultural differences. The name of Huawei does not automatically provide you access to the senior management of a company. Deals with companies are not the simple, and negotiation will take longer time than expected. It is not just an invitation to a dinner that leads to sales. There has to be full understanding of the potential customer need, full dedication and reliable reputation. Price is obviously important but that is a sales tool. Local needs differ per country in Europe, to make a complete breakthrough into the European market is to have a differentiated strategy per market which can consist of approx. 90% overlap with the rest of European strategy, but this specific 10% refers to the local input and execution.

6. What do you think about the challenges in the process of global market expansion of Huawei Technologies?

The key for being successful outside the main land China is the role local people can have within the organization. For Europe, the reputation of Huawei is still being shaped, which is a good thing. The key for Huawei to gain more reliability is being successful in Germany, which is still the key to Europe.

7. Do you think in alliance with other companies is a benefit for extending the global market? If it is, could you give me an example?

Because Huawei is relatively new, we are still in the process of building our brand within Europe. Alliances and partnerships are key to enter this market with huge players like T-Systems, DLL, and Accenture. Ideally companies like Bosch and Siemens should be on this list as well, especially the focus on Germany will help us.