## Huawei Mobile International Market Development Strategy Research

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## **Submission of Thesis and Dissertation**

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## **Abstract**

This thesis used a comparative case study as a qualitative method to analyse the internationalisation strategy of Huawei mobile, as well as its benefits, challenges and implications. In developing global market, Huawei has been customer-centric, innovation-driven and focus on building its global leadership by enhancing its competitive capabilities after its preparation in growing its capabilities in the domestic market before internationalisation. In different markets, Huawei adopted both standardisation and adaption strategies, including its innovation focus and high-end smartphones and 5G facilities based on its highly-focused and standardised research and development, its strategic partnership in the developed countries and adaption to local legal, technological and political issues.

It is no wonder that Huawei has benefited from its strategies that contributed to its performance enhancement. However, some aspects have been neglected in Huawei's internationalisation strategy, such as failing to meet the dynamic customers' need (Li, 2019; Huang, 2019). Also, brand communication and pricing strategy have been challenged along with the product design (Dmitrijevs, 2020; Xia & Gan, 2017; Li, 2019). Moreover, it seems Huawei has neglected or poorly managed some aspects from the external environment, especially in legal and regulation, as well as political and technological perspective.

## **Declaration**

I declared that this thesis had been composed by myself, and I confirm that the work submitted is my own. I also confirm that appropriate credit has been given within this thesis where reference has been made to others' work properly.

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## 1. Introduction

## 1.1 Background

The world now is becoming more unified than ever before that blowing across countries, regions, continents to formalise the world into a global village. The global trade then begins to spread all over the world when an increasing number of countries and firms are advocating free trade. During the process, it can be evident that valuable experiences and good practices can be learned by many multinational corporations, especially from the study of internalisation. Also, a considerable number of scholars have been investigating on the motives of going abroad, such as Dunning (1977) with his OLI paradigm, which stands for Ownership, Location and Internalisation advantages, intending to explain the determinants of these activities of multinational corporations. In his research, some companies are seeking market, resource, efficiency and strategic asset (Dunning, 1977). In order to achieve these advantages, the management of the companies needs to establish an appropriate strategy. It is essential to recognise what strategies are feasible and proper to be transferred abroad and then adapt the strategy accordingly. Considering this, Ohmae (1994) argues that localisation can outweigh any other components in the globalisation process based on the environment of host countries, such as political, economic, legal and cultural issues. However, other scholars may ascertain that standardisation can impact on organisation performance positively, such as Chung (2008) and Sashi & Karuppur (2002) and others.

Moreover, Vrontis and Thrasou (2007) argue that business either keep or change the marketing strategies and marketing mix is to perceive better performance, which implies that standardisation and adaption strategy is to serve the company's performance. However, during the process, many factors may contribute to its success, the internal and external environment. Also, as multinational

corporations are operating within different countries; therefore, managing cultural difference can be another issue (Moon & Park, 2011). Hence, companies need to achieve economic, political, law and regulation, cultural and social, as well as technology matters to determine the most effective strategy. And when deciding on adopting standardisation and adaption strategy, it has been addressed that both have their advantages and limitations. Hence, one possible solution for this would be to apply both strategies (Rocha & Silva, 2011). More importantly, the three potential factors in determining which approach should be used are provided, i.e., the degree of possibility of competitive advantage can be transferred, the similarity of customers' reactions on marketing mix and homogeneity of economic freedom (Wei & Yazdanifard, 2014).

### 1.2 Purpose

The objective of this research is to organise and add up to some knowledge in the study field of international business and marketing, analyse how companies within the emerging economies to go abroad and suggest possible solutions for the similar organisations. To realise this purpose, this thesis studied international strategies of standardisation, adaption with a contingency approach as a tool in analysing the global market development and how companies could react to different marketplaces. This study will enrich the insight and knowledge of international strategy based on various considerations within the complicated global market after the investigation.

#### 1.3 Delimitation

This study field involves a considerable number of factors so that it can be a broad and complicated subject. And for different companies, the international process can be altered; therefore, one of the limitations of this research could be its narrowness, as only one company is selected. However, an in-depth understanding and analysis can be obtained based on this case study. The past researches on this

theme have contributed to the study; however, the conclusions have brought more controversies as internationalisation can be a complex phenomenon and therefore, different perspectives are demanded (Bjorkman & Forsgren, 1990). Also, given the limitation of time and resources, this study only focuses on one company.

## 2. Literature Review

Since the start of the 1980s, globalisation has developed dramatically, and this process helped in reducing the differences among different countries. The increasing level of globalisation has a significant impact on how business plan and implement their marketing strategy (Wang & Yang, 2011). With a large number of companies that become international, as a result, researchers have been investigating the global marketing strategies and on the relationships between the strategy with their performances. One critical decision for the business that starts their overseas operations can be whether to keep or to change the marketing strategies and marketing mix to perceive better performance (Vrontis &Thrassou, 2007). One perspective shows that markets are becoming more sophisticated while others consider the potential challenges in adapting their marketing strategies to local markets. This section will introduce the international marketing strategy, in general, to provide the optimal answer for this issue based on previous literature, as well as analyse precisely strategy in different countries, such as Thailand, Japan and Turkey in Asia, the United States in North America and the United Kingdom in Europe.

### 2.1 International Marketing Strategy in general

Researches regarding the international marketing strategy standardisation can be the central theme of international marketing studies. Global marketing involves the needs and wants of customers, identifying the best method to satisfying the customers, focusing on the process to satisfaction and meeting the organisational objectives of a firm (Doole & Lowe, 2008). For a company, a leader should have a sense of direction, which is about making a definite judgement on the way forward out of uncertainties, and also the decisions to lead the team to escape from the chaos (Huang, 2019). The uncertainty and confusion could happen within or outside a business.

#### Managing environment

The externality remains the fundamental issue for the multinational corporations. The key difference between domestic marketing and international marketing can be the complexity of the situation of foreign country markets. Therefore, a global firm requires knowledge and awareness of the complexity and the implications of the environment on international marketing strategies.

One of the approaches to analyse the environment is the SLEPT approach (Doole & Lowe, 2008), which include factors of social or cultural context, legal, economic, political and technological dimensions. The social and cultural conditions involve religion, aesthetics, values and other factors. For example, McDonald's in India has considered the vegan consumers, and to satisfy the tastes, they provide vegan burgers with the Indian spice. Also, the legal environment is critical for the business as well since the outcome of violation can be significant and may cease the operation forever if with a problematic situation. Therefore, the international marketing strategy needs to understand both content and interpretation within the host countries.

Moreover, both the local domestic laws, international law and domestic laws in the firm's home base are essential for business activities as they are the rules of the game (Doole & Lowe, 2008). For the economic environment, the business needs to understand the economic policies and the key markets that are developing economically to consider whether the strategy will make a difference in the target market. Furthermore, the risk could lie within the currencies, from which the companies may be caught in huge loss, especially in the more volatile foreign markets. Besides, the political environment regulates the organisation's operations and decision makings. This was considered as one of the critical factors,

especially in investment and developing markets. If the government has an unfavourable attitude towards the business, it is possible that the company cannot produce the market within the nation. And the forms include operational restrictions, discriminatory restrictions, physical actions (Doole & Lowe, 2008). Lastly, the factor of technology environment cannot be neglected as innovation advance can be the primary driving force for international marketing. The technology could facilitate the company in data analysing and another decision making, however, cyber safety may remain a concern for the host country, as well as the technology competitions.

Speaking of the externalities, uncertainty often shows up. Uncertainty of the future can pose many risks for a company, so management should be more alerted to the changes in the external environment (Huang, 2019). Uncertainties can be analysed based on the framework discussed above, and also, they are examined by Huawei in perspectives of economic, financial and market changes (Huang, 2019). Huang (2019) stated that it is suggested to identify the operational, financial and compliance risks posed to Huawei, mapping the risks, and delegate people to reduce the impacts of these uncertainties. This is advised as strategic planning in dealing with externalities. However, compared with the previous framework, the model or the process mentioned can be relatively simple. And there might be some overlaps between operational and financial risks since the results of operations within a company will be reflected in the business performance. So, the SLEPT model seems more comprehensive and complete in the planning process. However, Huang did mention some of the strategy implementation processes, for example, identify the risks, assigning the people to eliminate the potential dangers from these uncertainties. But still, fail of managing difficulties could bring some problems.

Huang (2019) gave an example by using Huawei's operation case and introduced that in Europe, it costs 20,000 Euros to install a base station, however, the price is 3,000 Euros in other countries. The CEO, Zhengfei Ren summarised that the higher costs stem from its failures to manage business uncertainty effectively and he said

that if these businesses are process-based and standardised, data is consistently integrated, the costs can be reduced (Huang, 2019). But the costs are related to the management bonus package; Ren claims that if these costs can be managed, the savings would become bonuses. He used this way to encourage the team to manage uncertainties effectively and connected efficiency with the contribution, and with a long-term perspective. Then, he applied what has been learnt from the case to the projects in Turkey and incentive employees to improve business performance (Huang, 2019). From this case, it can be discovered that uncertainties can be managed. If they are handled expertly, business performance, such as financial performance, can be enhanced, as, in some way, some costs can be reduced. And as Ren said, in the long-term, the company could enter a positive cycle (Huang, 2019), so, managing uncertainties can be beneficial for business' long-term development.

#### Managing cultural difference

Despite all types of uncertainties, culture may have a significant effect on international marketing strategy since it could affect the product, price and some other internal components and it could also have an influence on externalities, such as industry and export market and so forth. Cultural distance is defined as the extent to which the cultural norms and values of one country vary from another state (Shenkar, 2001). In the process of investment consideration, entry mode determination and channel controls, the cultural difference cannot be neglected. This has been analysed by quantitative methods, primarily undertaken by Kluckhon & Strodbeck (1961) and (Ng et al., 2007) by providing the six culture dimensions. More importantly, Hofstede (1980) analysed 117,000 employees from IBM that work more than forty countries and discovered that the performances vary based on a different level of power distance, individualism, masculinity and uncertainty avoidance.

Some scholar discovered that internally, culture has a significant impact on price, but may not impact significantly on promotion and product adaption strategy.

Moreover, if management could predict or deal well with the cultural issues, the

business strategy can be more effective (Moon & Park, 2011) since understanding culture could shape the nature of the strategy of global marketing.

After analysing the external environment, the internal evaluation is needed and following this; the international marketing strategy can be prepared. There are several elements in the process; the company need to consider stakeholder expectations, the situation of the firm, resources and capabilities, aims and objectives, its marketing strategy, the implementation and feedback of the plan (Doole & Lowe, 2008). And the international marketing strategies after the analysis process would be the growth strategy, standardisation, and adaption. Zou and Cavusgil (2002) note that the strategic perspectives of international marketing are integration, configuration-coordination and standardisation. However, Karuppur (1995) argues that strategies involved with three terminologies, that are standardisation, multi-domestic and mixed approaches. And more recently, Moon (2005) notes that global marketing strategies can be divided into standardisation and customisation.

#### Strategy Standardisation

The standardisation of marketing strategy was defined as the uniformity of product, price, place and promotions, as well as process components, are used in a foreign and domestic country, which could be cost-efficient and bring economies of scale (Chung, 2008). Sashi and Karuppur (2002) determine that standardisation incorporates the whole marketing programme, product, price, promotion and place and this strategy can bring economies of scale, an opportunity to share positive ideas with companies in the worldwide, and this could also be in accordance with customer demand and services (Zou and Cavusgil, 2002).

Some researchers investigated in the 4Ps and process and standardisation while some studies aim to unveil the relations between structure and marketing standardisation strategy. It tuned out that the decision-structure can be an essential element in standardisation strategy as it represents the degree of the authorisation given when companies are planning on their policy (Picard et al., 1998). This issue is also known as centralisation, and some companies may have

autonomy in decision making while others have more concentration where the strategy is made by the headquarters (Tai & Wong, 1998). Chung (2008) demonstrated that the structure of decision-making is associated with marketing standardisation, and in further, the strategy could have an impact on organisation performance and market size.

Brouthers et al. (2005) argue that standardisation strategy could lead to an improvement in performance by the emerging market firms that are operating in the Triad nations, i.e., the United States, EU and Japan, especially by imitating the home country generic product strategy. And the analysis was based on the samples of Romanian and Chinese exporters. The product standardisation in the mature markets is proved to be successful as the previous decisions could facilitate the future decision-making process. Therefore, this could avoid some uncertainties in the next stage (Brouthers et al., 2005). Two of the researches managed to provide related empirical evidence to this argument, that is the Henisz and Delios (2001) and Lu (2002), who argued that the previous decisions could predict current choices. However, the performance element is neglected in the two studies. Nevertheless, the Brouthers et al. (2005) discussed this factor and found out that the capability or performance on attracting foreign market demand could determine the success of a company.

#### Strategy Adaption

Some scholars have been endeavoured in analysing the standardisation of international marketing strategies. Sashi and Karuppur (2002) have decided by the collective research that the ability of a company to reach its success sometimes requires it to overcome both internal and external uncertainties and related risks. Therefore, the companies are encouraged to embrace the flexibility in the process of the plan for international marketing strategy and adjustment of such strategies. The international marketing strategy supports a positive impact on the performance of a company, in specific, on competitiveness and efficiency (Zou and Cavusgil, 2002).

At the same time, some of the existing researchers suggest adaption in

international relationships, such as Salaza et al. (2007). The latter extended the theoretical framework to increasing the level of commitment in relations by building and promoting trust in the international relationships in terms of cultural aspects. For example, they mentioned that the cultural adaption could lead to increased confidence in relationships which can be seen in more Japanese firms. Therefore, management is suggested to prepare the knowledge and develop the related skills to deal with the cultural difference. And the trust and positive relationship will eventually lead to cooperation and increased profits for both parties (Salaza et al., 2007). Moreover, the authors advise that the empirical settings of business are to be obtained and evaluated to control the risks from externalities. And the cultural adaption may have different effects on countries, depending on it is a developed economy or a less developed country, such as Nigeria (Salaza et al. 2007).

Similarly, an analysis on the sample of 183 exporters in Hong Kong has proposed that the adaption could aid the company to identify the competitive advantage and this process could, in turn, affect the performance in the host country (Albaum & Tse, 2001). The adaption strategy involves changing the components of the marketing mix to fit for the needs and perceptions in the target market. And the adaption first leads to competitive advantage and then the performance can be improved by strengthening the position of the company. However, the decisionmaking orientation and adaption strategy have not been proved to be significantly related, and this is because the decision-making process is involved with the external environment. Therefore, more recently, the contingency approach could affect the companies' behaviour, and performances are advised accordingly (Albaum & Tse, 2001). The adaption of international marketing strategy can be more appropriate since there is no panacea for success compared with the standardisation of global marketing strategy. Based on the complexity of the environment, the customised strategy is contingent. However, which method is employed, the objective of companies in the internationalisation process can be to reach their competitive position in the foreign marketplaces (Albaum & Tse, 2001). Therefore, the future researches on the 4Ps based on different markets can be critical and suggested.

In particular, some scholars have been investigated on the relations between the level of standardisation and the entry mode, for example, Haveman (1993) and Davis et al. (2000). The entry modes may include the wholly-owned companies, exporting, licensing, franchising, outsourcing, joint venture, and others (UNCTAD, 2011). Haveman (1993) stated that the entry modes can be determined by several successful companies within the target market but cannot be affected by the number of organisations that are like the entering firm and the. Moreover, the analysis clarified profitability can be considered as the only metric to define a successful company in this research, which means that the author suggests that the profitable organisations can be set as models in the target marketplace by the entering company and the number of such enterprises could have an influence on the choice of entry mode. However, the analysis was only limited to one industry. And Davis et al. (2000) argue that the forms of wholly-owned entry-modes could show high levels of isomorphism, while the JV, exporting, licensing may indicate external isomorphism.

Moreover, the mixed-use of both could reflect the low-level pressure from standardisation. However, this research selected only a single industry as a sample, therefore, the sector factor can be omitted. Thus the potential influences of this factor on the standardisation can be vague, which would require further investigations. So, a cross-sector analysis is demanded the two types of research. However, some companies adjust their product characteristics in accordance with the target market and the meantime; they also maintain a standardised marketing approach (Karuppur, 1995). So, a certain degree of standardisation can be necessary for the application of adaption strategy. Karuppur (1995) notes that it is somehow vital to determine the level of standardisation at the initial and implementation level and by doing so, the company is likely to create a framework for assessing the components of its international marketing strategy.

Contingency Approach

The contingency approach was defined as a management theory that suggests the more proper management can rely on the situations and context of individual circumstances. Therefore, according to this theory, it indicates that no single strategy can be optimal for all business and the relationship between strategy and performance can be conditional. There is no universal set of strategy for all situations (Chung et al., 2012). Chung et al. (2012), for example, analysed the adaption strategy with the contingency approach and demonstrated that the marketing programme, the product, price, promotion and price could be significantly related to the market share as the indicator of the performance of a company and also associated to its adaption of strategy. This study examined 151 exporting companies that have been operating in the EU ranged from the manufacturing and service industries. However, apart from these factors, the research has not illustrated the close relationships between adaption and company size, business experience, consumer characteristics, the legal environment, cultural distance and the nature of the product that the enterprise provided, which indicate that these factors may not affect the companies' performance evidently.

Nevertheless, the 4Ps could have influences on the adaption and behaviours of a company. More dominantly, the research reveals that the type of products could affect the performance of a company in different strategies applied. For example, the researchers found out that for industrial products, the standardised approach could lead to higher performance. In contrast, for those who produce mainly the consumer products, the adaption approach can be more effective regarding its performance. As for other elements in the marketing programme, the price, promotion and place, they seem to show less significantly related to the strategies applied in terms of performance. However, compared with other contingencies, such factors can be more crucial.

#### Standardisation vs Adaption

After the discussion on both strategies and the contingency approach, the most appropriate strategy is to be determined for the best practice for companies that

go abroad. Both strategies have benefits and drawbacks. Many scholars have contributed to identifying the various benefits of standardisation and uniformity. Firstly, customers may be the top reason. Hise and Choi (2013) note that this strategy facilitates positive consumer opinions on particular products, which could bring more profits for the business.

Moreover, the economies of scale are another attribute for this strategy (Hise & Choi, 2013) since the fixed cost per unit can be decreased if with a bulk purchase of materials or anything needed for corporations. Moreover, with the economy of scale, the business could benefit from the reduced investment costs, marketing costs. Therefore the research and development can be invested with additional resources and support. Also, the trade barriers can be diminished by applying the standardisation strategy (Melewar et al., 2008) as the marketing mix can be standardised by managers to combine customer's needs, and it has been testified one of the main obstacles for free trade can be strategy standardisation.

Also, the strategy has been disputed for some of the drawbacks. For example, different markets may embed with the different appetite of customers. Therefore, if a company is selling the products without uniqueness, customers may not be satisfied. Taking the Walmart as an example, Kim (2008) argue that it encountered some challenges when it entered Japan, South Korea and Brazil as the customers did not fully accept the standardised American food and the performance in these markets were not as satisfying as in the U.S. More importantly, in Germany, the company witnessed a massive loss in 1998. Therefore, the case enlightened some enterprises to reconsider the international strategy and its tactics in foreign countries. Besides, the strategy is criticised for bringing economies of scale. Dimitrova and Rosenbloom (2010) state that some countries in the EU and the U.S. have posed some trade barriers and the multinational companies usually participate in global manufacturing in different countries. So, for these enterprises, this can be an issue. Furthermore, this standardisation strategy is positively related to performance enhancement for a company. However, this result is only applicable to those companies who are involving in the globalisation. And, the flexibility and reactivity can also present as the shortcoming of this strategy.

Adaption strategy has its advantages and potential limitations as well. Firstly, as discussed earlier, consumers can be responsive to different habits and tastes under some circumstances, for example, for the food industry. And the demographic features for each country is various. Therefore, it could be more proper to adopt the adaption strategy. Theodosiou and Leonidou (2003) argued that the flexibility of this strategy could expand the market for a business with the condition of a certain level of customer loyalty and affordability. Hence, this approach enables the company to understand better of the customers, especially, the preferences, demand, needs and so forth. Also, according to the contingency theory, elements such as regulation and rules, economic conditions, culture and social factors are required in the success of a company (Hussain & Khan, 2013). And this approach aid company to obtain a competitive advantage. Poturak & Duman (2014) argue that unlike standardisation strategy that neglects contemporary marketing, the relevant components, such as consumers who are becoming more sophisticated and diverse, are included in adaption strategy. And in further, the financial performance in terms of sales and profitability can be improved.

There are also some disadvantages to this strategy. For instance, the plan may be costly as the individually designed promotion campaign in the different market cannot be duplicated; therefore, the cost could increase if this method is used. Moreover, companies may demand more knowledge and understanding of the target market (Hossain & Yazdanifard, 2015).

So, based on the discussion above, the most appropriate strategy needs to be determined. One possible answer for this is that the two strategies coexist, even in one company (Rocha & Silva, 2011). Specifically, standardising some marketing programme in the planning process while adapting some elements is suggested (Vrontis & Thrassou, 2007). The reason for this could be to maximise the function out of the advantage and to control the certain disadvantages. For example, the potentially high cost of employing the adaption strategy can be limited (Schilke et al., 2009). More importantly, the three possible factors in determining which

strategy should be applied are provided, i.e., the degree of possibility of competitive advantage can be transferred, the similarity of customers' reactions on marketing mix and homogeneity of economic freedom (Wei & Yazdanifard, 2014). Therefore, this can be determined as criteria for companies to decide which strategy shall be adopted and the degree of the strategy.

### 2.2 International Marketing Strategy in various countries

Based on the discussion above, the standardisation and adaption strategy will be discussed in specific countries, and six of countries were selected in three different continents, i.e., the United Kingdom in Europe, Thailand, Japan and Turkey in Asia and the United States in North America. After the discussion, the strategies will be compared and contrasted in this section.

# 2.2.1 International Marketing Strategy in the U.K. in Europe

Emerging-market firms & Adaption strategy

Brouthers et al. (2005) hypothesised that the emerging market firms that target the E.U. and use a premium strategy would averagely reach a higher level of satisfaction on export than those who do not. And this was demonstrated by the scholars by analysing the Chinese and Romanian companies as defined as the emerging market firms. And the Chinese samples exported premium products to the E.U. and the strategy is consistent with the companies in the host countries' multinational enterprises, and it has been discovered that their performance can be significantly better than those who do not. Therefore, the adaption strategy in Europe can be useful.

2-in-pair market & Standardisation strategy

Moreover, Chung (2005) investigated 66 New Zealand companies which are now operating in more than at least two countries in the E.U. and demonstrated that

countries with standard or similar marketing features, such as U.K. and France, UK and Germany, UK and Ireland could be deployed with the standardisation of international marketing strategy. This literature narrows down the scope of standardisation application in global marketing strategy, specifically on the regional area, in this case, the Europe Union, which provides a direction for future analysis of the related studies. Additionally, this study has verified strategies on marketing programme can be imitated on the countries in pairs, such as the U.K. and Ireland.

Appropriateness and factors in Standardisation & Adaption

Katsikeas et al. (2006) researched into the appropriateness of standardisation and adaption based on the companies in the U.K. that come from the U.S., Japan and Germany. And the results of the study shows that the level of standardisation of a multinational company can be associated with the similarities between markets, such as the factors of regulation environment, technology intensity and velocity, cultural and social factors, customers characteristics, the product stage in its life cycle and the competition within the market. For example, laws and regulation is a factor to conducive to the application of a standardised strategy; however, the regulatory environment can vary from country to country. Therefore, the similarity or discrepancy of this factor between the home and host country could affect the decision making of standardisation strategy. After the analysis, the research discovered verified this hypothesis, which indicates that if the regulatory environment is different from the host market, the company is likely to adopt the standardisation in the target market. Also, the technological intensity and velocity can be positive concerning the degree of uniformity of the multinational corporation since the retooling or similar process for the high-technology products can be costly. Therefore, the companies of technology-intensive probably will employ the marketing strategy standardisation. And this argument was testified by the research. Also, if the home country shares the customs and traditions with the host country, the company is more possible to adopt the standardisation strategy or the level of standardisation can be relatively high. Apart from this, some microenvironmental factors could affect the degree of standardisation, such as customer characteristics, product life cycle stage and competition in the market. All these factors are proved to be positively related to the degree of standardisation within the U.K. However, the economic conditions and marketing infrastructure was not established to be active in the relation. Furthermore, the research discussed that the performance benefits only could stem from the coalignment of the environmental context and the companies' strategy choice, which could indicate that the standardisation strategy application in the U.K. has its limitations (Katsikeas et al., 2006). Hence, in the market, the adaption strategy is suggested. However, according to the SLEPT theory framework, this study seems to address less on the political factors as it shows slight evidence on the regulation and legal considerations in different countries, which leaves less emphasis on the political issues as a variable. Thereby, firms can promote a strong international marketing strategy with the related structure, attitude, and externalities to attain an effective approach to compete in the global markets.

# 2.2.2 International Marketing Strategy in Thailand, Japan and Turkey in Asia

Coalignment & Performance

Samiee & Chirapanda (2019) investigated into the emerging markets and the performance of the exports in such economies and discovered that imitating successful competitors' strategies can lead to a lower cost and efficiency in the uncertain host market in the advanced economies. Also, the mimetic isomorphism is suggested on the way to becoming an active exporter. But most importantly, the strategy coalignment is verified to be useful in matching the international marketing strategy with local market conditions could result in superior performance.

Adaption Strategy

The emerging-market exporters can be remote from the more competitive market

in the environment. And the difference in environment between the home country and the host markets, the adaption can be critical for such firms. When the firms from the emerging markets, they likely to export as in the primary state as an entry mode (Xie & Li, 2018). Then the companies could extend their experiences within the home country in marketing plans and strategies that have been proved effective before. During the process, the international marketing strategy could become standardisation. Also, some of the emerging-market firms imitate the intense rivalries in the developed countries (Wright et al., 2015). The results of copying their strategies and experiences can bring profits (Brouthers et al., 2015).

#### Coalignment in Thailand

With plenty of Asian companies develop, the exporting can be witnessed in Thailand and exporting remains critical and also to the emerging markets. The companies mainly used the strategy coalignment within the country. The results of the study showed that emerging-market exporters' pursuit of mimetic isomorphism, and it can take less time and cost than directly engaging with the research internationally. Although faced up with scarcity, the companies with strategy coalignment and those who can adapt their international strategies to the host country conditions can outperform than others (Samiee & Chirapanda, 2019). The requirements include, mainly, the economic, sociocultural, regulatory, technological environment, the characteristics of customers and marketplace, marketing intermediaries, competitive intensity and product life cycle stage (Samiee & Chirapanda, 2019). And each of the metrics can be influential on companies' performances. Therefore, compared with standardisation, the adaption can be more crucial for the emerging-market exporters.

#### Standardisation in Japan and Turkey

Apart from Thailand, some companies are applying the standardisation strategy in Asia, such as some firms or their subsidiaries in Japan and Turkey and the research finds out that the standardisation of marketing programme in Japan and Turkey is positively correlated with the companies' performance. On the contrary, the centralisation of the product-irrelevant decision can affect the corporation

performance negatively (Özsomer & Simonin, 2004). Notably, the authors pointed out that in the customer's aspect, the similarity could lead to a high level of standardisation in Turkey and Japan. Moreover, the customer similarity has been broken down into the similarities in product usage, the product life cycle stage, and the target market feature. However, the market infrastructure has been proved irrelevant to the standardisation of the marketing programme. All these two conclusions are mostly aligned with the Katsikeas et al. (2006)'s argument. The model of this research begins with analysing the customer similarity's relations with marketing programme standardisation. Then the standardisation strategy could have affected corporation performance directly or via the effect the centralised decisions, such as product decisions and nonproduct plans. This was designed based on the observation of some of the potential negative performance stemming from standardisation. Therefore, one of the relevant factors was chosen to further demonstrate the relations between standardisation and execution, in additional consideration of management structure, i.e., centralisation and decentralisation. In this study, Japan was selected as the leading country, while Turkey represents the emerging economy. Based on the analysis of the different level of centralisation in both countries, it can be discovered that this factor plays an essential role in affecting the relation of standardisation and performance (Özsomer & Simonin, 2004). Also, another study showed that the isomorphic behaviours could be found in Japan and it has been demonstrated that the later entrants are likely to follow and imitate the early entrants in this market so that the standardisation can be notable in Japan (Lu, 2002).

# 2.2.3 International Marketing Strategy in the U.S. in North America

Importance of International Marketing Strategy

The entry decision into a multinational or international market embedded in taking advantage of the firm's strengths and benefiting from the conditions and

accessible resources of the target market and most of the U.S. companies have utilised the global marketing strategy to avoid and mitigate some hurdles and risks to entry to become successful in contemporary global marketplaces (Dev et al., 2007). Therefore, in order to understand their reactions to international marketing strategy, it is necessary to research the relevant argument on globalisation. For example, Denton and Richardson (1992) discovered that the reason for most of the companies moving to international market might not result from global quality or demand considerations from the firms since most management had no past experiences in researching the possibility of globalisation and theories of this can be quite personal. The survey of the researchers shows that the world is becoming increasingly global and competitive, so in such cases, the American companies demand to reach foreign marketplaces for expansion, and more profits is increasing. Moreover, some studies also showed that American corporations could be short-sighted in the future focus, while other foreign companies may have a more long-term perspective and visions (Kennedy, 1996). Therefore, some companies may lack of international marketing strategy and without measures to determine the return of investment and the leaders of these firms also require the envision of the value of going international (Kennedy, 1996). In addition, Moon (2005) addressed the importance of strategic advantages in the global environment to meet both the domestic and international markets. In further, he argued that a comprehensive marketing strategy is critical for the United States companies, especially in the retail business to in the global competition and to create more potential profit. For these firms, the entry barriers could be productivity, investment, international trade, the environment of political, legal, education and technology (Hagen, 1998). Therefore, the possible solutions to this may be strategic partnerships and alliance, as well as cooperation (Larson 2009).

Standardisation Strategy

Beside this perspective, Brouthers et al. (2005) also examined the Chinese and Romanian companies who export economy products to the USA whose strategy is aligned with that of the multinational corporations in the market. It turned out

that 48% of the Chinese companies that target the economy products in the U.S. have outperformed than other sample firms in terms of export performance. Hence, the standardisation strategy in this market can be positively associated with the companies' performance.

#### Adaption Strategy

Despite this, some other scholars have been analysing the adaption strategy in the U.S., and they argue that the government regulation, market infrastructure, can be the significant factors that affect the adaption in the host market (Johnson & Arunthanes, 1995). As for this strategy and companies' performance, the authors identified that the sales growth could be most affected by the adaption strategy. Therefore, adaption is associated with corporation performance. However, this argument can be controversial to the conclusion of Chung et al. (2012) who have pointed out that the marketing programme can be significantly correlated to adaption strategy; however, other factors were not proved to be significant in relation with this strategy. The difference could result from the time and the sample of the two pieces of research. For example, the first study was conducted in the 1990s while the second one can be more contemporary. Therefore, the latter could be more relevant based on more updated information included.

## 2.2.4 Compare and Contrast the strategies in the global markets

#### Similarities

Based on the analysis of strategies in the mentioned countries, it can be discovered that both strategies applied are interrelated with corporation performance, which has also been tested before. And the empirical evidence can be notable in these selected countries. Moreover, both strategies can be found among the countries. For instance, the standardisation and adaption strategies are used in the U.K., according to the journals, the premium products under the guidance of standardisation strategy are employed in the U.K. and proved to be positively

associated with performance. More importantly, determents for selecting the strategies are discussed within the scope of a country. Notably, it is more acceptable than the marketing mix can be the fundamental variables in affecting the selection of a strategy. However, the externalities, such as regulations, market structure, technology, culture and customers, and product state can vary.

#### Differences

Some scholar mentioned that the market structure is correlated with adaption strategy based on the analysis focusing on one country while others proved that this factor could be less significant. Therefore, the determination of a specific strategy demands some further investigation. One new direction from the researches in these countries can be that the companies involved in globalisation are divided into emerging-markets companies and the firms from the mature markets, which is not as other studies that only differ the target markets into developing market and emerging economies. This new approach could address not only the externalities of the companies are faced up with, but also the internal competencies, experiences, and infrastructures. And this method can be considered as a way of a more scientific and comprehensive analysis of the companies and external environment. From this process, the contingency theory can be reflected to assess the appropriateness of the strategy to be selected. Additionally, based on the U.K. market, the scholar did not conclude on the homogeneity of EU countries, but narrow it down more specifically, in 2 countries as a pair, which can exclude more discrepancies for all the marketplaces involved. In summary, the analysis in both strategies deployed within these countries has demonstrated that the variables of individual strategy vary from country to country based on a different context.

#### Conclusion of the Literature Review

This part discussed the international marketing strategies of standardisation and adaption, as well as the contingency approach. The method could stem from the idea of managing the environment and cultural difference. These two variables can be quite complicated as the external environment involves economic, political, law

and regulation, cultural and social, and technology issues. As for cultural factor in specific, this interacts directly with the people, the customers and the customers' preference and changes are closely associated with this aspect. Therefore, to plan for a fit strategy for a company, these related factors are needed and are advised to be analysed and evaluated beforehand. During the process of planning, both approaches have pros and cons. For example, for standardisation, it could result in economies of scale, less time needed and better in communication and so forth. However, some scholars might challenge this strategy for being with less flexibility and reactivity. As for the adaptation strategy, this could outperform in managing consumers and lead to market share increase. However, this method can be both time and money and resources consuming. However, based on the analysis of the strategies applied in various countries, companies' performance can be improved with both strategies. However, the appropriateness of these two strategies is still under discussion. One possible solution for this could be to mix both strategies during the strategic planning process to overcome the potential limitations of each strategy. Therefore, the contingency theory is more feasible and useful for the analysis as the world is becoming more diversified and complicated, so much endeavour to understand the competencies and managing externalities are somehow quite essential. When in practice, to assess the properness of each strategy in a different market, the factors were discussed as distinct. Some academic hold the perspective of the marketing programme can be the most significantly close variables. In contrast, some others argue that determents such as regulation, technology, cultural and others could play a critical role in determining a strategy. According to some studies, not only the target markets are categorised into the developed, and emerging economies, the firms involving in the globalisation process have also been divided into emerging-market firms and the companies from the developed countries. This design of research has addressed the intrinsic features of a company rather than only focusing on the external environment. Therefore, the contingency approach can be seen in past studies.

## 3. Research Questions

It can be discovered from the literature review that both strategies of standardisation and adaption are used in developing new markets. And many scholars addressed the importance of analysing the external environment involving economic, political, law and regulation, culture and social, and technology issues. In specific, the cultural factors can be most complicated as suggested. Therefore, to plan for a fit strategy for a company, these factors require considerable analysis to determine the most appropriate approach for the company. However, both standardisation and adaption strategy has advantages and limitations. Therefore, a mixed strategy can be more productive. Moreover, according to the contingency approach, it is advised for companies when they are planning for a proper strategy. In determining a strategy, different factors may weigh differently in the process according to the existing scholars. So, based on the theories and existing researches, this study aims to take Huawei Mobile as an example to analyse the following questions:

- 1. To analyse its business strategy in global operations, for example, to assess its usage of standardisation and adaption based on the contingency approach;
- 2. To identify the benefits and challenges associated with its strategies around the world. Some of the determents of chosen strategy will be assessed in Huawei's case.
- 3. The potential impacts from the limitations of its strategies will be analysed. More importantly, some research has paid more attention to the intrinsic factors of a company instead of merely analysing the external environment. Therefore, as a company from the emerging economies, the intrinsic factors will also be considered in the investigation.

## 4. Methodology

This chapter will present the process of collecting, organising, and integrating the data to answer the research questions. It aims to provide insight into how the research was undertaken. The following will describe the methodology. Then, the process of sample collection, research instrument, analysis and ethical considerations will be discussed.

### 4.1 Research topic

This research focuses on analysing Huawei's business strategy in its global business operation. Firstly, this study identifies the overall international strategy and what Huawei adopted in different countries and regions around the world. After this, the benefits and limitations of these strategies will be analysed. Moreover, in deploying these strategies, specific challenges stand in the way; therefore, this thesis will discuss the possible hurdles that affect the business operations of Huawei, with supporting and examples of recent time.

The objective of this research is to organise and add up to some knowledge in the study field of international business and marketing, analyse how companies within the emerging economies to go abroad and suggest possible solutions for the similar organisations. To realise this purpose, this thesis studied international strategies of standardisation, adaption in the international market development and how companies could react to different marketplaces. This study will enrich the insight and knowledge of international strategy based on various considerations within the complicated global market after the investigation.

## 4.2 Methodology Sample

Quantitative and qualitative research methods are the two primary approaches.

Quantitative methods include the structured interview, self-completion questionnaires,
observation, content analysis and others. This research method aims to discover the

answers to specific questions (Barnham, 2015). The research process begins with a hypothesis based on specific facts and questions. For this thesis, the research questions are open and try to answer the "what", i.e., what is the international strategy of Huawei, and reveal its advantages and limitations. Therefore, this approach might not fit for this study.

However, qualitative research method often can be seen in ethnography, interview, focus groups and others. This study determined to conduct a qualitative method. This method is made up of understanding and explaining the meaning of a phenomenon and reach indepth and detailed results (Patton, 1990). Yin (2010) mentioned this method enables researchers to collect data from a variety of resources, and then evaluate and analysing the data, so a deeper understanding of how people perceive a particular phenomenon can be obtained (Merriam & Tisdell, 2015). In this study, the phenomenon is different selections of strategies by Huawei in global markets. Explaining this behaviour requires an insightful analysis of the decision-making process. Therefore, the qualitative method can be the most appropriate for undertaking this research. And based on one company could provide profound results. This research aims to investigate in strategies of a firm in the globalisation process. And many factors could affect the selection of a strategy, which will be all discussed in this thesis; therefore, this study is likely to be descriptive research based on a qualitative research method to provide insights into the understanding of the related factors that account for the selection of an internalisation strategy worldwide.

Also, a case study can be one of the tools for this method. A qualitative case study is suitable for researches to analyse the complex phenomena within the context (Baxter & Jack, 2008) and for that attempt to cover contextual conditions (Yin, 2003). In this case, before deciding on a strategy, analysing internal and external context are critical for a business, including the economic, political, law and regulation, social and cultural, and technology environment. These complex contextual variables are essential for this study; hence, the qualitative case study is chosen for this thesis. Moreover, case studies are suitable for questions asking how and why (Yin, 1994). The goal of this method is to observe some situation in real life. In contrast, the objective of this study is to find out how Huawei Mobile decided on international strategy. The company has been operating

for decades over the world in different countries in practice. The factors for selecting an appropriate strategy in market developing can be complicated. Therefore, by asking why it is adopting different strategies in the global market, a case study can be appropriate. In this research, a number of cases were analysed as well as existing literature, including the most recent disputes in the international environment and its impacts and solutions for Huawei Mobile.

#### 4.3 Research Instrument

## 4.3.1 Case Study

There are various types of case study, explanatory, comparative and descriptive (Churchill & Iacobucci, 2015). Yin (2014) argues that the exploratory case study can be used to answer "how" and "what" questions and is used to discover the presumed cases but can be too complicated for research. So, with limited time and resources, this method is not suitable for this study. As for the descriptive research, it is concerned with describing the frequency of an incident occur, or the relationship between variables (Churchill & Iacobucci, 2015), which is irrelevant to this study as the research aims to find international strategies adopted by Huawei.

The comparative case study can be used to compare two or more cases to analyse the similarities and differences of the cases selected (Pickvance, 2005). In addition to this, multiple cases can provide a better basis for theory building since the comparison of the cases can result in a more robust theory (Yin, 1994). Huawei is operating in many countries, so that this study can use a comparative case study. By conducting a comparative analysis, this study is expected to understand the casual process involved in an event, feature or relationship. In this case, it is the strategies adopted in different countries. Furthermore, extra explanatory variables can be introduced by using this analysis method (Pickvance, 2005). So, this method can be the most appropriate for this study.

#### 4.3.2 Role of the researcher

In qualitative research, the researcher is part of the research as he or she engages with the respondents via data collection and analysis, so any biases or assumptions could influence the analysis. In order to mitigate this risk, Tufford and Neuman (2010) suggested some approaches. One practice is to take notes when collecting and analysing data, which enables the researcher to examine the engagement. The notes for this study are shown in the Appendix enclosed. Other methods include keeping a reflexive journal and conducting an interview (Tufford & Neuman, 2010). The journal shall be prepared before collecting data, including explaining the assumptions of the research, the value system and role conflicts. For this research, taking notes is used when collecting and analysing the data to ensure objectivity. Furthermore, before collecting data, the theoretical framework and existing journals have been analysed and introduced. So, the assumptions and value system have been prepared.

#### 4.4 Data Collection

According to the research object and topics, this study search for all the possible case. Considering the situation, the sample selected need to fulfil some possible criteria. Firstly, the company need to involve international business, and it has extensive transnational operations. Aharoni (1966) states that a company has more than five foreign affiliates can be defined as a multinational corporation. Moreover, the company need to have a high degree of production standardisation, and also has global competitors in the international markets. And Huawei meets all the standards and therefore can be analysed as an international enterprise.

More than this, according to the literature review, it has been found that many scholars have been analysing strategies applied in developed and developing countries and some focus on analysing the emerging market firms. So, Huawei is a company from an emerging market, China. For example, Brouthers et al. (2005) argue that standardisation strategy could lead to an improvement in performance by the emerging market firms that are

operating in the Triad nations, i.e., the United States, EU and Japan, especially by imitating the home country generic product strategy. Also, Albaum and Tse (2001) analysed the 183 exporters in Hongkong and their implications on host countries. Therefore, this study will select both developing and developed countries as samples to analyse Huawei's strategies in these countries.

According to the literature review discussed earlier, the theoretical framework for this study is the adaption and standardisation of strategy in developing international markets. Creswell and Poth (2016) suggested qualitative researchers can use documents, interviews, artefacts and observation for case studies. This research collected all the information from journals, news and from the company's information to conduct a case study, intending to provide readers with an in-depth insight into what strategies are deployed, the benefits and limitations in the global markets.

Besides this, data can be categorised as the primary and secondary data. Primary data can be collected from observations, interviews, while secondary data can be retrieved from many sources, such as journals and newspapers (Lewis-Beck et al., 2003). This research managed to access as much as reliable second-hand data, such as Annual Report from Huawei, the company publication, existing scholar literature and related. The quality of the second-hand data and the timeliness of the resources have been monitored to ensure the reliability of the conclusion of this study. For example, most authority data can be business information from the Annual Report. Moreover, the most recent information was collected, such as the latest disputes between Huawei and the U.K.

#### 4.5 Trustworthiness

For qualitative analysis, trustworthiness and creditability are critical. Bloomberg and Volpe (2008) argue that transparency in research procedures stands out in ensuring the trustworthiness and credibility of a study. To realise this, Yin (2014) suggested having multiple sources of data so that a broader range of perspectives, behaviours and attitudes can be gained. In this study, sources include existing scholar journals, Annual report of Huawei, the latest reliable news and publications.

Besides this, the creditability is another issue in qualitative analysis. It means that researchers need to stay objective and without bias, therefore, it is essential to discuss any personal bias and solutions to mitigate these. This has been discussed in section 4.2.3. Also, confirmability involves reflexivity and the use of an audit trail (Bloomberg & Volpe, 2008). So, Yin (2010) suggested duplicate data collection in the same mechanism for each case. Hence, in this study, the three cases selected have been adopted the same manner and with the same analysis method.

## 4.6 Methods of Data Analysis

After collecting the data needed, three approaches can be used to analyse the information: an inductive, deductive and adductive methods, to conclude this study. The inductive approach is based on the data collected to generate new theories. At the same time, the deductive approach aims to test the existing theory based on the evidence found. Therefore, this approach enables the researchers to confirm or modify their hypothesis and draw a conclusion (Yin, 1994). And the adductive is the mixed approach of both methods. As for this study, the question is to testify some existing theories and modes to explain the strategies of Huawei. So, the data will be collected and analysed to support the relevant theories and current conclusions in the study field.

#### 4.7 Ethical Considerations

This study seems to have no or minimum ethical implications for others. However, the information presented in this research remains as objective and reliable as possible. Reliability is concerned with the degree that the conclusion can be reproduced by other scholars later. And the validity is related to the level of the study measured the dynamic factors, so multiple sources of materials can be collected to realise this (Yin, 1994). So, this research will collect as many journals and other information from reliable sources as possible from concluding relatively objective and reliable results.

## 5. Findings

In the analysis section, Huawei's globalisation strategy, together with its advantages and limitations, will be introduced. Then, like the setting in the literature review, its adoptions in three different countries will be analysed to verify some of the arguments. After this, the outcome will be linked to the literature review and come to their views.

## 5.1 Huawei's Globalisation Strategy in general

Huawei is a private company founded in Shenzhen, China, in 1987, whose main products are telecommunication carrier equipment, smartphones, data and storage solutions (Drahokoupil et al., 2017). The globalisation of Huawei starts in 1996 when it first began to reach out the global markets, such as Russia, India, South Africa and Latin America (Joo et al., 2016). As a company of a developing country that competes against the dominant multinational corporations, Huawei's globalisation strategies can be successful in the process of developing new markets. There are some critical aspects that Huawei cares the cost of entering new markets, such as customisation, innovation, pricing, logistic operations and market shares (Chandola & Fu, 2017). In the process of globalisation, nearly 80% of operations are located in China and among them, almost 70,000 employees are actively involved in research and development activities (Micheli and Carrillo, 2016). Supported by these resources, with the help of past experiences, Huawei managed to adapt a unique internationalisation strategy.

Besides, De Cremer & Tao (2015) thinks it is the Huawei's value-driven culture that drives the business to success based on the interview with its CEO Ren Zhengfei and concludes several vital factors in its culture: customer-first attitude, employee dedication, long-term thinking, and gradual decision-making. Most recently, Huawei (2019) announced its mission and related four strategies in the annual report of 2019, which states that it is aiming to build a fully connected and

intelligent world. And the four pillars are ubiquitous connectivity, pervasive intelligence, personalised experience, and digital platform, as shown below.



(Huawei, 2019)

## 5.1.1 Huawei's Globalisation Strategy

Long before this Huawei has invested significantly in its re-engineering as preparation for "going out" within its homeland, for example, Nolan (2014) states that it costs Huawei nearly \$1.5 billion which is far more percentage of its revenue in the late 1990s to participate in the internalisation of its culture by building the international architecture in Shenzhen. The campus-like location attracted numerous scientists, engineers and talents from local and also from foreign countries to work and do research in the company. With foreign employees, the workers of some high level are required to speak English during work, which could be the second step in its internalisation preparation. Followed it, Huawei also focused on investing into building the most advanced business system that could support the company to meet the global standards and to improve its management performance and to support each function better, such as R&D and

others (Nolan, 2014). Therefore, this can be another strategy for Huawei and related companies to employ before they plan to go worldwide.

Similarly, the brand was analysed, and it is discovered that the most significant differentiator can be the customer-centric and innovation-driven brand philosophy can be its crucial strategy (Martin, 2018).

#### Adaption

When a company starts the process of globalisation, the customer-centric is advised to achieve, and this mindset has been implemented in Huawei (De Cremer, 2018). In Huawei's 15 research institutes and 36 joint innovation centres, the customised technologies were provided for its client's specific needs to establish its comparative advantage (Martin, 2018). And the adaption strategy can also be discovered on its cooperation with local companies. Nakai & Tanaka (2010) also mentioned that the collaboration with its rivals, Huawei in further could improve its capability in innovation advances, for instance, to obtain the supplement of their technologies and some patent. Sun (2009) agrees with this strategy by pointing out that companies in emerging economies that go international, such as Huawei are likely to initially enter the markets with fewer obstacles in economics, technology, culture to gain some valuable experiences, which is called as the value curve, almost the similar meaning with Nakai & Tanaka (2010)'s "Sideward-Crab strategy". This strategy seems does not only benefit Huawei from the two aspects, but also from shaping the industry standards to obtain its comparative advantages over the competitors. For instance, Huawei holds more than 20 positions in international standards organisations, by using the platform, the company could standardise the technology policy (Martin, 2018).

#### Standardisation

Also, Huawei emphasises on strong innovation in almost every market, Joo et al. (2016) discovered that the catch-up strategy of Huawei has importantly led to its success in taking market shares. And focusing on the most advanced technology enables Huawei to bring abundant output (Nakai & Tanaka 2010). Also, this strategy has brought muscular technological strength and independence for the

firm which could result in less reliance on the forerunning companies, such as Ericsson, and the constant endeavours in pursuing technical capabilities have turned Huawei into one of the leading companies. Therefore, it increased its market shares. And this strategy has been ascertained in the Low (2007)'s conclusion, that Huawei's independence in technological and market has gained access to the global equity market. These two strategies have created continuous values for the company and contributed significantly to developing new markets. Hence, based on the discussion above, the global strategies for Huawei in developing markets can be the customer-orientation and innovation strategy as a way to adapt and standardise its business.

# 5.1.2 Possible limitations of Huawei's globalisation strategy

More recently, with its encounters in the United States, it occurred to some scholars that Huawei's strategy may have some possible limitations. Huang (2019) mentioned the prompt response to customers; low prices have enabled Huawei to engage with Europe, Asia, Africa, Latin and North America markets. However, the strategy is now facing up with some challenges, and some limitations start to appear, both in domestic and global markets, as Huawei seems to struggle in determining the strategy successfully meet the dynamic customers' needs in mobile manufacturing industry (Huang, 2019). Now even incorporating constant innovation with its production, the current strategy failed to consider intellectual property rights (IPRs) (Huang, 2019). However, more recently, Huawei has been endeavoured into this problem and has applied numerous of them. Yet, the political factors and the risks from the fluctuation of customers can still exist and could stay with Huawei for long. For example, Huawei's reputable image was challenged by in America, and some media has released the news of Huawei's data infringement and business misconduct (Huang, 2019). Moreover, the United States has been actively accusing Huawei is suspicious of secretly obtaining and sharing sensitive data of America with the Chinese government (Huang, 2019). Such scandals are creating unfavourable effects for Huawei and considered to be untouched areas in Huawei's catch-up strategy. Also, with the political issues between the United States and China, the current approach seems insufficient to bring further benefits to cover the costs arising from such matters.

Moreover, when Huawei stepped into the mobile industry, some researchers and the public could have some concerns on its pricing and comparative advantage that is expected to bring favourable benefits to compete effectively with very competitive rivalries, such as Apple (Allon et al., 2014). From another perspective, the existing strategies have somehow driven Huawei to steal some of American IPRs, which has been accused of unfaithful. And the new unfriendly relationship between China and the U.S. has somehow made the situation worse.

#### 5.2 Huawei's Globalisation Strategy in various countries

Huawei has been operating with most of the continents in the world, and this section will introduce and explain its globalisation strategies in Europe, Asia and North America in general. For each of the markets, four specific countries are selected to demonstrate its strategies and making comparisons and contrasts. The countries chosen are the United Kingdom, China and the U.S.

### 5.2.1 Huawei in the U.K. in Europe

Since they firstly investment in Europe in 2000, Huawei has integrated 18 European countries, and 16 of them are E.U. members. This action was mainly to develop its global production network (Drahokoupil et al., 2017), and In Europe, nearly 50% of the 4G equipment was provided by Huawei (Yoshida, 2015). In central Europe, it has almost 25 offices (Drahokoupil et al., 2017). However, the start-up in Europe can be late compared with its potential competitors, such as Ericsson and Nokia, and the market can be the most complicated (Drahokoupil et al., 2017). By investing into R&D, university ties and standardisation initiatives, Huawei has

established the regional network in Europe to support its global production network in aspects of research, production and distribution (Drahokoupil et al., 2017).

Before analysing its strategies in this market, the entry mode shall be determined. Wu & Zhao (2007) mentioned that in Europe, the methods are mainly cooperation, such as research, produce and sell together with other companies. For example, Huawei collaborates with Marconi in Europe market in product development and marketing. In the same time, Marconi helps Huawei in sales, and Huawei promotes Marconi's products in China (Wu & Zhao, 2007). By the win-win actions, Huawei successfully enters the Europe market.

Cooperation with industry giants and R&D

Notably, in the U.K., Huawei has been operating for more than 20 years (Fortune, 2020). One of the monumental cases in the United Kingdom could be the winning the bidding as the supplier of British Telecom, the industry leader in 2005, which tremendously boosted the company's market reputation (Drahokoupil et al., 2017). Later in 2010, Huawei has stepped into the mobile industry of the European market. Since 2011, Huawei has established nearly two centres for R&D within one year in Europe, and the R&D centre in the U.K. is located in Bristol (Drahokoupil et al., 2017). Therefore, the primary way of developing the market is based on a massive collaboration with the leading companies in the industry and its research activities. Not only in the U.K., but cooperation with industry giants can also be discovered in other parts of Europe. Also, in East Europe, Huawei is cooperating with the major operators, such as T-Mobile, Orange and P4 (Drahokoupil et al., 2017). The breakthrough in Europe was defined as winning the contract with Telfort in 2004, a Dutch mobile phone company, but now merged with KPN, after which Huawei successfully replaced Ericsson in Europe (Nolan, 2014). Sun (2009) also summarised that the outward linkage from Huawei has somehow extended its market; for example, it cooperated with Vodafone, Telefonica, to expand its operation in European countries. Therefore, with some fame and being customerfriendly, Huawei managed to successfully break into the European market and get

involved with the global network (Sun, 2009).

However, things cannot stay as Huawei expects. Some of the concerns on national safety and cyber-safe have caught much attention and restraints on its 5G business in the U.K.

Advertising campaigns in adverse situations

Fortune (2020) has reported on the Huawei's has launched an advertising campaign in the United Kingdom in June 2020, aiming to react to the threat from the NCSC, the National Cyber Security Centre which will evaluate the risks from Huawei, and their latest report has ascertained Huawei to be "High-risk." This results from the U.K. government's decision to agree on Huawei's involvement in the national 5G in March; however, it later considered the NCSC's suggestion of restricting the company to 35% market share (Fortune, 2020). The vice-president, Victor Zhang stated that Huawei's priority remains to continue to provide the reliable and secure 5G networks across Britain and have an open talk and cooperate with the investigation (BBC, 2020; Fortune, 2020). In the campaign, called "The Commitment," several key aspects were clarified to respond to the concerns arising from the U.K. (CNN, 2020). The campaign addressed that Huawei's beneficial roles in creating jobs, training the engineers for tomorrow, investing in technologies and supporting universities and Huawei are during an uncertain time when unsubstantiated allegations were delivered as facts (CNN, 2020). By such a marketing campaign, a more responsible image can be conveyed to the public under particular conditions.

Apart from these factors, learnt from the experiences in the North America case, Huawei has been scaling up applying for patents in the USA authority. And it has shown rapid growth since 2004. Since then, the company has ranked first by the number of applications in China, and in 2007, it holds 26,880 patent applications (Sun, 2009). By doing so, Huawei aims to resolve the relevant obstacles in European markets to increase its regional revenue.

The change of high-end segmentation

Huawei started smartphone business within this market quite late, and the

operation is only for nine years in 2017 (Cao, 2017), so until now in 2020, the business has lasted for twelve years in Europe. In 2009, it showed the first Android smartphone for the first time in the Mobile World Congress held in Spain. In 2010, the low price of 99 euros phone was launched aiming at satisfying the demands of the mass market. In 2012, the P1 was produced and launched in the market to target in the high-end smartphone market. Then in 2013, P2 and P6 were put in sale. Following this, in 2014, the smartphone has gained some increase in the market share, and it decided to sell P7 in the market as a high-end product. And the internet channel was the critical distribution within the market. In 2015, Huawei occupied one of the top three market shares in Spain, Belgium and other countries. And the market share was increased after that in 2016, with 10% in Eastern Europe and North Europe and even over 15% in Western Europe (Cao, 2017). More recently, in 2020, the consumer business group of Huawei hosted a virtual launce in Barcelona, Spain, when it announced a series of new 5G products and strategy that demonstrate the full capabilities of its all-scenario ecosystem, including the latest smartphone, connectivity solutions and laptop, audio products, and the shipment of 5G smartphones has reached 10 million units in 2020 (PRNEWS, 2020).

In this market, it has been found out that Huawei's competitive strategies are deployed (Cao, 2017), the cost leadership strategy, differentiation strategy and pricing strategy were applied. However, on a different level with various products that aim at a different market, a different combination of approaches is considered. For example, in the early stage, Huawei is implementing the incremental innovation and innovation integration methods to improve this business, and also, the low price can be another strategy. In the middle stage, the internal innovation and open innovation are adopted to strengthen its core components and non-core parts. And the price was raised for higher product profits. In the mature stage, it was positioning from low-end to high-end market, and the radical innovation strategy can be witnessed (Cao, 2017).

#### 5.2.3 Huawei in China in Asia

Huawei started to enter other parts of Asia since 2000, considering the distance and other factors; it decided on the export entry mode in Asia (Wu & Zhao, 2007). Many of its sales and engineers as well as employees from other functions have been sent to the market directly to build its branches and centres. The reasons for choosing this method could be that the company is at the beginning level of internalisation. Therefore, it considers keeping potential risks at a minimum level. Thus, the export entry mode was selected in globalisation in Asia.

Appearance-high price strategy

However, in the smartphone industry, Huawei's products are evaluated to be very weak in the appearance design as in research, only 19% of the participants think Huawei's mobile phones need to improve its appearance designs. Otherwise, the customer could switch to other brands (Li, 2019). Therefore, Huawei is suggested to adopt the "appearance-high price" marketing strategy for consumers in the market with appearance preference (Li, 2019). And this could be a useful way to increase the market share for smartphone companies. In detail, the large screen, more advanced technology and materials, a thinner look, and less colour could help with the design and the price is advised to be high to attract the female consumers (Li, 2019).

#### *Omittance in its strategy*

Besides, it has been discovered that Huawei has been competing with many influential companies within China smartphone market, and Chinese consumers may have shown some characteristics that Huawei need to consider for its strategies in China and Asia. Firstly, Huawei shall improve its publicity and brand communication with its customers (Xia & Gan, 2017). In the Chinese market, the 4P strategy can be followed as that the product design, setting a price gap between the high price and the lower price, selecting several home alliance stores and smartphone chain as a distribution channel, and using its online and offline promotion (Xia & Gan, 2017). Similarly, Saif and Wang (2015) also conducted

similar research on consumers' behaviours in Arab countries to understand more about the marketing strategy of smartphone manufacturers. Therefore, the pricing strategy and product design maintain some issues for Huawei, as well as understanding better on its consumers.

#### 5.2.3 Huawei in the U.S. in North America

North America can be the world's second-largest market in term of telecommunications and also can be the hardest one for Huawei to conquer. Compared with Europe, Huawei's strategies and enter mode can be similar to those in Europe. The method utilised was mainly through cooperation with some existing and leading companies within the industry, in America, working with 3Com company, Huawei can take advantage of its research advantages and international market networks (Wu & Zhao, 2007). Also, in the American market, Huawei is targeting on mainly the data communications products, cost penetration, and strategic partnership to develop its international markets.

Strategising into a different segment

Huawei started its business in the United States in 2001, when it first established its presence in Plano, Texas (Micheli & Carroillo, 2016). And the strategies within the North American market can be aggressive (Sun, 2009). Not only the time entering into the market is slightly later than other marketplaces, but the strategy in this market is also different. Instead of targeting the telecommunication products, Huawei is focusing on operating in the digital communication products market in North America (Sun, 2009). Also, from Huawei's official website for the U.S., it seems that only tablet, portable laptop and wearables can be discovered (Huawei, 2020). Therefore, with some restrictions in this market, Huawei is adapting to this region.

Strategic partnership

Faced with such cases, Huawei realised that it needs reliable partners in this market, and 3Com company turns out to be Huawei's friendly American partner. It

became Huawei's J.V. after the case with Cisco (Sun, 2009). The strategic partnership has contributed to Huawei's bargaining power, and this was considered to be a new strategy to enter international markets, especially in the developed areas (Sun, 2009). After this, Huawei is adjusting its target in obtaining patents. The process was also summarised as the "inward-outward linkages, which can be reflected by its collaborations with Symantec, Bain capital for bidding, and with Google, the intangible resources and experiences have greatly facilitated its future development (Sun, 2009). However, the Committee of Foreign Investment in the United States (CFIUS) disapprove on the proposal based on security concerns (Zhu, 2008). But this partnership has somehow demonstrated that on the one hand, Huawei is seeking collaborations with lower costs and risks, such as the J.V. with 3Com company, on the other hand, it tends to deploy the global acquisition and merge strategy to build a more positive and compelling brand image especially in the current years (Zhu, 2008). So, from this stage, it can be noticed that the competition is much severer not only based on the products, customers and technologies but primarily from the strategic positioning during its globalisation, as well as some political factors.

#### 5.3 Own View

Standardisation & Adaption of Strategy

So, based on its international strategies deployed, both adaption and standardisation strategies can be discovered, for example, its innovation focus and high-end smartphones and 5G facilities based on its highly-focused and standardised research and development. Also, its strategic partnership in the developed countries can be considered as one example of standardisation of strategies. In other aspects, such as its reactions and strategies in the U.S., for instance, can be regarded as the adaption of internalisation strategy. For example, in the U.K., Huawei is collaborating with the government and engage with the local customers on their actions on safety and privacy protection. Other responsibilities

based on political concerns arise. In the United States, restricted by both legal and political factors, Huawei's product line has been limited, no smartphone in the marketplace. These situations have promoted their endeavours in building its patent and intellectual properties. Therefore, Huawei is adopting both standardisation and adaption strategies in the global market and have somehow benefited from these practices.

Advantages & Potential Deficiencies in its Strategies

Huawei is adopting the innovation and customer-focused differentiation strategy in the global market to maintain its position in advanced technology (Gao, 2011). And these competitive capabilities regarding hardware and software has contributed to its performance in the mobile phone market (Micheli & Carroillo, 2016), as well as its market share. However, some aspects have been neglected in Huawei's internationalisation strategy, such as failing to meet the dynamic customers' need (Li, 2019; Huang, 2019). Also, brand communication and pricing strategy have been challenged along with the product design (Dmitrijevs, 2020; Xia & Gan, 2017; Li, 2019). Moreover, it seems Huawei has neglected or poorly managed some aspects from the external environment, especially in legal and regulation, as well as political and social perspective. And after these factors interacting with each other, the limitation of its strategy became more evident; for example, its current strategy failed to consider intellectual property rights (Huang, 2019). Most importantly, Huang (2019) mentioned the legal compliance is the most crucial basis and suggested to use legal compliance to deal with the uncertainty of international politics. In detail, the author advised Huawei to prevent fires and be cautious proactively, not merely save the fire and win the case since in the sensitive areas, failing to do so could lead to impossibility of becoming global for Huawei and other similar business.

## 6. Discussion

## 6.1 Link to Literature Review and Comparison

## (a) Issues that were common

Based on the analysis above, most arguments from the theories and existing journals have been testified, which is demonstrated in the Appendix. For example, Huawei focuses on analysing the costs of entering new markets, such as customisation, innovation, pricing, logistic and market shares (Chandola & Fu, 2017). This explains the key aspects of international marketing (Doole & Lowe, 2008). More importantly, from the analysis, it can be discovered some of the critical components in the SLEPT approach (Doole & Lowe, 2008) have been neglected, for instance, it failed to consider the intellectual property rights (IPRs), and Huawei is challenged by the accusation of data infringement and business misconduct (Huang, 2019), as well as innovation advances (Zhu & Jones, 2014). Huang (2019) suggested business should consider its economic, financial, and market uncertainties, and also its operational and compliance uncertainties. However, based on the analysis, it turned out that Huawei is encountering legal compliance issues in the global market (BBC, 2020; Fortune, 2020; CNN, 2020). Besides the external environment, as for analysing its internal business environment, the value-driven culture (De Cremer &Tao, 2015)and its current strategies (Huawei, 2019) have shown that it is clear about the capabilities and some stakeholder expectations (Doole & Lowe, 2008). And Huawei benefits from its standardisation strategy, the catch-up strategy that focuses on innovation, which led to its success in taking market shares (Joo et al., 2016). This demonstrated that standardisation could impact companies' performance and market share (Chung, 2008). Not only Huawei is adopting standardisation but also adapting to different markets step by step by using the "Sideward-Crab Strategy" (Nakai &Tanaka, 2010) and managed to gain comparative advantages. This is aligned with Albaum & Tse (2001)'s argument on the implication of adaption on performance.

In the U.K. market, Katsikeas et al. (2006) state that standardisation is associated with the regulatory environment, and product lifecycle, as well as other factors. This can be seen in Huawei's case. According to the news by BBC (2020), CNN (2020) and Fortune (2020), the regulatory environment in the U.K. has made 5G technology and business difficult. Moreover, Dmitrijevs (2020) suggest Huawei price its smartphones according to different product life cycles. Despite this, companies in the emerging market tend to extend their experience in the home country (Xia & Li, 2018) and sometimes imitate the intense rivalries in developed countries (Wright et al., 2015). For Huawei, before it enters the global market, it has internationalised its culture and management as a valuable experience (Nolan, 2014). In the global market, it also adopts the high-price strategy (Li, 2019) as Apple, its crucial competitor did. In the U.S. market, Huawei is targeting only on digital communication products (Sun, 2009; Huawei, 2020). The main reason was due to the barriers in political, legal and technology environment. This case has partially testified Hagen (1998)'s argument about the entry barriers in international trade, that is the environment of politic, law, education and technology. To overcome these hurdles, Larson (2009) suggested strategic partnerships and alliances. In practice, Huawei has demonstrated this, when it was in dispute case with Cisco, it established the J.V. with 3Com, a local company and the alliance has contributed to solving the issue in the American market (Sun, 2009). Furthermore, Johnson & Arunthanes (1995) state that government regulation and market infrastructure can be the significant factors that affect the adaption in the host country. This is also testified by Huawei as the CFIUS disapproved on Huawei's business due to security concerns (Zhu, 2008).

#### (b) Issues that were different

However, a few in the analysis is relatively different from the literature review and is also explained in the Appendix. For instance, Huawei's advanced technology and independence in technology have contributed to its success (Nakai & Tanaka, 2010; Low, 2007). However, according to Chung et al. (2012), adaption can be more effective for consumer goods while standardisation approach is more useful for industrial products. Huawei's mobile phone is a type of consumer goods, and innovation-centric is prioritised in almost every market; therefore, it is its standardisation strategy. However, mobile phones can be unique in consumer goods as it strongly relies on technology, and the degree becomes increasingly intense due to competition. So, for this specific consumer goods, standardisation strategy is also critical. Besides, Chung et al. (2012) argue that marketing programme can be significantly correlated to adaption strategy, but other factors were not proved to be significant in the relation. However, this can be untrue in Huawei's case, since in the U.S. market, the major adverse force is from the political and regulatory environment, taking the CFIUS disagreement as an example (Zhu, 2008). The reason for this discrepancy is that Huawei's operation can be an extreme case in America based on the political environment for the time being. And the timeliness can be another explanation for the difference between the analysis and the literature.

### (c) In light of previous research

Based on the findings from this research, it can be discovered that some arguments are in aligned with previous research. Firstly, in the strategic planning process, the SELPT approach was suggested (Doole & Lowe, 2008) and it has been demonstrated that Huawei has been neglected some of the aspects in the model, such as laws, political restrictions (Huang, 2019), and some technical challenges, the cyber safety (Zhu & Jones, 2014). Therefore, internationalisation strategies

have certain flaws. From the internal perspective, companies need to review the stakeholders' expectations, including customers and their competencies (Doole & Lowe, 2008). In practice, Huawei has been prioritising the customer's needs and strategising on technology innovation (Huawei, 2019; De Cremer & Tao, 2015). However, some findings from the journals indicate that the changing demands of customers can be less well managed, such as the designs of its products. Also, Huawei is adopting both standardisation and adaption strategy in global market, for instance, the "Sideward-Crab strategy" to gain competitive advantages (Nakai & Tannaka, 2010), and focusing on improving its innovation continually (Joo et al., 2016) and these have brought some benefits for the company, such as the increasing market share and its performance (Chung, 2008; Albaum & Tse, 2001).

Different from previous research

However, a few in the analysis is relatively different from the literature review and is also explained in the Appendix. For instance, Huawei's advanced technology and independence in technology have contributed to its success (Nakai & Tanaka, 2010; Low, 2007). However, according to Chung et al. (2012), adaption can be more effective for consumer goods while standardisation approach is more useful for industrial products. Huawei's mobile phone is a type of consumer goods, and innovation-centric is prioritised in almost every market; therefore, it is its standardisation strategy. However, mobile phones can be unique in consumer goods as it strongly relies on technology, and the degree becomes increasingly intense due to competition. So, for this specific consumer goods, standardisation strategy is also critical. Besides, Chung et al. (2012) argue that marketing programme can be significantly correlated to adaption strategy, but other factors were not proved to be significant in the relation. However, this can be untrue in Huawei's case, since in the U.S. market, the major adverse force is from the political and regulatory environment, taking the CFIUS disagreement as an example (Zhu, 2008). The reason for this discrepancy is that Huawei's operation can be an extreme case in America based on the political environment for the time being. And the timeliness can be another explanation for the difference between

the analysis and the literature.

## 6.2 Practical implications

This research may have practical implications for various stakeholders, such as the company, Huawei itself, similar business from emerging countries, government and policymakers from both home and host countries. For instance, for Huawei, it can be concluded that operations are associated with the external environment, and it is evident that some factors, such as legal, political and technological variables are neglected before implementing its strategies in the global market. However, it has certain advantages in determining its strategy, for companies from emerging countries, these can be valuable experiences and advice. For the government of companies from emerging markets and policymakers, alternative incentives can be made for these global companies to develop some understanding of the international markets and operations since Johanson and Vahlne (1992) claimed that the lack of knowledge could be one crucial barrier to make decisions related with the internalisation and operations in the global market. For instance, from the Cisco accusation of Huawei stealing their intelligence in the USA, the unfavourable impacts on reputation and the brand have been caused even Cisco, at last, withdrew the complaint. However, from this case, it can be discovered that Huawei is still a new entrant to the market, and due to its lacking experience of dealing with intense local rivalries could lead to results like this. Therefore, encourage and sharing of similar experiences can be essential. Moreover, it seems in these markets, and it is suggested to hire the local professionals to deal with different situations, such as marketing, legal compliance and so on, as an approach of adaption.

## 6.3 Possible Suggestions

Yeo et al. (2020) have provided Huawei with some feasible suggestion in terms of its latest conditions. For example, blacklisted by the U.S. government and the

following suspended license by Google, Huawei is advised to deal with the United States as soon as possible and in the meanwhile not to involve in any activities that could hamper Huawei's international business and image (Yeo et al., 2020). As for the ban from Google Android, Reuters (2019) have reported that Huawei is accelerating the development of its operating system called Hongmeng, and by doing so, Huawei is hoping to roll-out the low-end smartphones equipped with Hongmeng in the fourth quarter. However, Huawei could struggle to replace U.S. components and software (Reuters, 2019). Therefore, the U.S. and China issue could remain hurtful for Huawei in a long time. And Doffman (2019) pointed out that if such cases cannot be resolved soon, the last ten-years-plus of growth and export success is going to hit a cliff-edge. Also, Huawei is suggested to build a clean, efficient and low-carbon to minimise their environmental impacts for its branding. However, this can be seen as somehow solved by the recent release of the CSR report of Huawei. The report aims to convince the consumers about cares about sustainability (Balch, 2018). For example, the report states that the company is working on the e-waste and the recycling stations for consumers have covered nearly 40 countries. The re-use systems can guarantee that the waste materials are recovered during the research and manufacturing processes (Balch, 2018). Therefore, if the report is per the standards and useful in disclosing its actual performance in sustainability, then this could remain as less a problem for Huawei to adjust in its strategies. Besides, the customer-focus and trustworthy shall be continued especially for the mobile phone customers (Yeo et al., 2020). From the incident later, the cybersecurity and privacy protection could be what customers do have concerns over, which is also crucially related to its smartphone sales. Apart from its essential products, the accessories are encouraged as well (Yeo et al., 2020). Most importantly, Huawei needs to stay cautious in the sensitive areas when faced up with international political issues, and legal compliance as well as protecting user privacy can be a few particular ways to cope with potential risks (Huang, 2019).

## 7. Conclusion

Answer to Research Questions

-Internalisation Strategies

In developing global market, Huawei has been customer-centric, innovation-driven and focus on building its global leadership by enhancing its competitive capabilities after its preparation in growing its capabilities in the domestic market before internationalisation. After analysing its internationalisation strategies in three different markets, it has been found out that in the developed market, Huawei strategies in cooperation with industry-leading companies to build strategic alliances as an entry mode. Moreover, it differentiates the product on high-end smartphones. However, in the U.S. market, due to political and legal factors, the strategy was restricted, and Huawei focuses on different segments.

-Standardisation & Adaption of Strategy

So, based on its international strategies adopted globally, it can be discovered that the standardisation of price and product, such as its innovation focus and high-end smartphones and 5G facilities based on its highly-focused and standardised research and development. Also, its strategic partnership in the developed countries can be considered as one example of standardisation of strategies. In other aspects, such as its reactions and strategies in the U.S., for instance, can be regarded as the adaption of internalisation strategy. For example, in the U.K., Huawei is collaborating with the government and engage with the local customers on their actions on safety and privacy protection. Other responsibilities based on political concerns arise. In the United States, restricted by both legal and political factors, Huawei's product line has been limited, no smartphone in the marketplace. These situations have promoted their endeavours in building its patent and intellectual properties. Therefore, the technology innovation strategy in these two markets can be considered as a way of adaption.

-Advantages & Potential Deficiencies in its Strategies

Huawei is adopting the innovation and customer-focused differentiation strategy in the global market to maintain its position in advanced technology (Gao, 2011). And these competitive capabilities regarding hardware and software has contributed to its performance in the mobile phone market (Micheli & Carroillo, However, some aspects have been neglected 2016). in Huawei's internationalisation strategy, such as failing to meet the dynamic customers' need (Li, 2019; Huang, 2019). Also, brand communication and pricing strategy have been challenged along with the product design (Dmitrijevs, 2020; Xia & Gan, 2017; Li, 2019). Moreover, it seems Huawei has neglected or poorly managed some aspects from the external environment, especially in legal and regulation, as well as political and social perspective. And after these factors interacting with each other, the limitation of its strategy became more evident; for example, its current strategy failed to consider intellectual property rights (IPRs) (Huang, 2019).

#### Link to Theories

This research relies on the factors and contingency approach to analyse the decision making of a strategy. Business needs to consider the internal and external environment, such as political, economic, social, cultural, technological and legal factors, stakeholders, resources and capabilities, objectives and others before implementing and monitoring the plan (Doole & Lowe, 2008). And adaptions and standardisation have been the two types of choices when a company enters a global market (Zou & Cavusgil, 2002; Karuppur, 1995; Moon, 2005). As the business environment can be complicated and dynamic, Chung et al. (2012) suggested the contingency approach that emphasises on the situation and context of particular circumstances. Therefore, this research focus on investigating these factors of Huawei in its internalisation strategies in worldwide.

#### The shortcoming in the data

This thesis only used the second-hand data, mainly from the existing journals, publications, information disclosed from Huawei and reliable news, not including the first-hand data. However, in collecting and analysing the second-hand data, this study maintained the maximum of objective and truthfulness by the

suggestions from existing scholars; for instance, this study kept a full note of these data.

#### Research method evaluation

Despite the reflection on data collected and analysed, the research instrument of this study requires evaluation. This research used qualitative research and is supported by various cases from reality and existing journals and other publications. However, as restricted by the resources and access, this thesis does not have the opportunity to interview an insider who knows better the situation and contexts of Huawei. If this method can be used, the first-hand data can be collected and, in such case, the information collected is likely to be more profound.

#### Recommendations for further research

This thesis is limited to international strategies for a chosen company and its possible advantages and limitations. However, it is recommended that further research could fortify the existing knowledge on the issues from:

- 1. More comprehensive research that involves more samples as this study only investigated only one sample company.
- 2. A more comprehensive study that includes different types of companies, like from different industries, home countries and so forth.
- 3. Similar researches should be undertaken to identify the trends, patterns of internalisation and based on analysis on different companies, the similarity and differences can be pulled out which could contribute to new in-depth insights in this subject, the international business and strategies.
- 4. In this study, some of the factors stand out that could affect the decision making of international strategies, however, further researches could expand on other cases to illustrate the importance of other factors so that in practical cases, companies become aware of the suggestions accordingly.
- 5. As technology and digitalisation development, an in-depth study of internalisation of a company from this industry is highly recommended.

#### Possible implications and suggestions

This study could be relevant to various stakeholders, for example, Huawei itself, similar exporting companies from emerging companies, government and policymakers from both home and host countries.

Based on the discussion above, several suggestions could be helpful for Huawei. Firstly, in pricing strategies, Huawei is suggested to adopt flexible pricing for different customers in different regions and areas; and a middle level of pricing can be implemented (Dmitrijevs, 2020). Also, for its products, the design is advised to be improved to fulfil better the changing customer's demands (Xia & Gan). Secondly, Huawei needs to strengthen its global branding and brand communications with international standards to better engage with its consumers (Xia & Gan, 2017; Dmitrijevs, 2020). More importantly, besides engaging with its customers, based on the contingency approach, the legal and political factors can be more crucial for Huawei to consider and it needs to solve the relevant disputes in global markets as soon as possible (Yeo et al., 2020). Most importantly, Huawei needs to stay cautious in the sensitive areas when faced up with international political issues, and legal compliance as well as protecting user privacy can be a few specific ways to cope with potential risks (Huang, 2019).

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## **Appendix**

Literatur	e Review+B1:G9E10B1:H9B1:H9B1:G9	B1:H10	Analysis			
Topic	Author	Argument	Author	Argument	Similar or different with analysis	Reasons for discrepancies
international marketing	Doole & Lowe (2008)	International marketing involves the needs and wants of customers, identifying the best method to satisfying the customers, focusing on the process to satisfaction and meeting the organisational objectives of a firm	Chandola & Fu (2017)	Huawei cares the cost of entering new markets, such as customisation, innovation, pricing, logistic operations and market shares		
SLEPT approach	Doole & Lowe (2008)	SLEPT approach social or cultural, legal, economic, political and technological dimensions		the current strategy		
		laws rules of the game	Huang (2019)	failed to consider intellectual property rights (IPRs)		
		political: operational restrictions, discriminatory restrictions, physical actions	Huang (2019)	Huawei's reputable image was challenged by in America, and some media has released the news of Huawei's data infringement and business misconduct		
		technology: cyber saftey	Zhu and Jones (2014)	challenges result from innovation advances and organisation management		
		culture				
Operational, financial and compliance uncertainties	Huang (2019)	economic, financial and market uncertainties; it is suggested to identify the operational, financial and compliance risks posed to Huawei, mapping the risks, and delegate people to reduce the impacts of these uncertainties.	Fortune (2020); 88C (2020); CNN (2020);	regulatory environment		
	Shenkar (2001)	Cultural distance is defined as the extent to which the cultural norms and values of one country vary from another state				
	Kluckhon & Strodbeck (1961)	six culture dimensions six culture dimensions				
cultural difference	Ng et al. (2007)  Hofstede (1980)	performances vary based on a different level of power distance, individualism, masculinity and uncertainty avoidance.				
	Moon & Park (2011)	if management could predict or deal well with the cultural issues, the business strategy can be more effective				
Internal environment	Doole & Lowe (2008)	stakeholder expectations, the situation of the firm, resources and capabilities, aims and objectives, its marketing strategy, the implementation and feedback of the plan	De Cremer & Tao (2015)	value-driven culture; customer-first attitude, employee dedication, long- term thinking, and gradual decision- making	•	
			Huawei (2019)	Ubiquitous connectivity, pervasive intelligence, personalised experience, digital platform		

Literature Review		Analysis				
Topic	Author	Argument	Author	Argument	Similar or different with analysis	Reasons for discrepancies
intro standardisation & adaption	Zou & Cavusgii (2002)	strategic perspectives of international marketing are integration, configuration- coordination and standardisation.				
	Karuppur (1995)	standardisation, multi- domestic and mixed approaches				
	Moon (2005)	global marketing strategies can be divided into standardisation and customisation.				
	Chung (2008)	def:the uniformity of product, price, place and promotions, as well as process components, are used in a foreign and domestic country, which could be cost-efficient and bring economies of scale				
	Sashi & Karuppur (2002)	can bring economies of scale, an opportunity to share positive ideas with companies in the world wide,				
	Zou & Cavusgil (2002)	be in accordance with customer demand and services				
	Picard et al. (1998)	decision-structure, the degree of authorisation is a component in planning a strategy				
standardisation	Tai & Wong (1998)	centralisation and decentralisation				
	Chung (2008)	structure of decision-making is associated with marketing standardisation and have impacts on performance and market size.	Joo et al. (2016)	the catch-up strategy of Huawei has importantly led to its success in taking market shares		
	Brouthers et al. (2005)	standardisation strategy could lead to an improvement in performance by the emerging market firms that are operating in the Triad nations, i.e., the United States, EU and Japan, especially by imitating the home country generic product strategy				
	Henisz & Delios (2001)	empirical evidence; predict				
		current choices empirical evidence; predict				
	Lu (2002) Sashi & Karuppur (2002)	current choices overcome the both internal and external uncertainties and related risks to embrace the flexibility in the process of plan for international marketing strategy and in adjustment of such strategies				
	Zou & Cavusgil (2002)	positive impacts: competitiveness and efficiency				
	Salaza et al. (2007)	adaption in international relationships by managing cultural adaption; trust will bring profits				
adaption	Albaum & Tse (2001)	adaption could aid the company to identify the competitive advantage and this process could, in turn, affect the performance in the host country, this is because the decision-making process is involved with the external environment; so, contingency approach could affect the company's performance	Nakal & Tanaka (2010)	Sideward-Crab strategy: obtain its comparative advantages		
	Haveman (1993)	entry mode determined by the number of sucessful companies				
	Davis et al. (2000)	the forms of wholly owned entry-modes could show high levels of isomorphism, while the JV, exporting, licensing may indicate external isomorphism, and moreover, a mixed use of both could reflect the low-level pressure from standardisation.				
	UNCTAD (2011)	entry mode: wholly owned companies, exporting, licensing, franchising, outsourcing, joint venture, and others				
	Karuppur (1995)	a mixed of both strategies; determine the level of standardisation at the initial level for marketing strategy				

	Literature Review		Analysis			
Topic	Author	Argument	Author	Argument	Similar or different with analysis	Reasons for discrepancies
		def: a management theory that suggests the more proper management can rely on the situations and context of certain circumstances.				
		4Ps could actually have influences on the adaption and behaviours of a company; product is most significant factor.	Allon et al. (2014)	its pricing and comparative advantage that is expected to bring favourable benefits to compete effectively with very competitive rivalries, such as Apple	0	
contingency approach	Chung et al. (2012)	for industrial products, standardisation approach could lead to higher performance, however, for consumer goods, the adaption can be more effective regarding the performance influence.	(Nakai & Tanaka 2010)	focusing on the most advanced technology enables Huawei to bring abundant output	<b>2</b>	innovation-centric can be Huawei's standardisation strategy in the global market, and the mobile phone is a type of consumer goods. However, mobile phones can be special in consumer goods as it strongly relies on technology and the degree becomes increasingly strong due to competition. So, for this specific consumer goods, standardisation strategy is also critical.
			Low (2007)	Huawei's independence in technological and market has gained access to the global equity market	<b>Z</b>	
standardisation advantage	Hise & Choi (2013)	profits				
standardisation advantage	Melewar et al. (2008)	diminish trade barriers				
	Kim (2008)	the product not fully accepted in some market				
standardisation disadvantage	Dimitrova & Rosenbloom (2010)	trade barriers can be a hurdle for global manufacturing business.				
	Theodosiou & Leonidou (2003)	flexibility; customer loyalty and affordability contingency: economic,				
adaption advantage	Hussain & Khan (2013)	culture, social factors to gain competitive advantage				
	Poturak & Duman (2014)	better customer service; sales; profitability				
	Hossain & Yazdanifard (2015)	costly; knowledge and understanding of the target market				
	Rocha & Silva (2011)	coexist of both strategies within one company				
	Vrontis & Thrassou (2007)	standardise some marketing				
adaption disadvantage	Schilke et al. (2009)	mix and adapt some high cost of adaption				
	Wei & Yazdanifard (2014)	To determine which strategy to be adopted: degree of possibility of competitive advantage can be trasferred; similarity of customers reactions on marketing mix; homogeneity of economic freedom				
	Brouthers et al. (2005)	adaption strategy in EU by Chinese and Romanian companies was sucessful.	Wu & Zhao (2007)	in Europe, the methods are mainly cooperation, such as research, produce and sell together with other companies		

	Literature Review		Analysis			
Торіс	Author	Argument	Author	Argument	Similar or different with analysis	Reasons for discrepancies
U.K. market	Chung (2005)	market programme can be immitated on the countries in pairs in EU. (Standardisation)				
	Katsikeas et al. (2006)	analysed companies in the U.S. that come from the U.S., Japan and Germany. Standardisation is associated with factors of regulation environment, technology intensity and velocity, cuttural and social factors, customers characteristics, the product stage in its life cycle and the competition within the market	Fortune (2020); BBC (2020); CNN (2020); Dmitrijess (2020)	regulatory environment; prices shall be determined according to different regions and product life cycles		
	Samiee & Chirapanda (2019)	analysed emerging markets, discovered that imitating sucessful competitors' strategies can lead to lower cost and efficiency. (Standardisation)				
	Xie & Li (2018)	the emerging market exporters extend their experience in home country	Nolan (2014)	internalisation of its culture; improve its management performance;		
	Wright et al. (2015)	emerging-market firms imitate the intense rivalries in the developed countries (Adaption)	Li (2019)	appearance-high price		
	Brouthers et al. (2015)	copying their strategies and experiences can bring profits (Adaption)				
Asia market	Özsomer & Simonin (2004)	standardisation of marketing programme in Japan and Turkey is positively correlated with the companies' performance; centralisation of the product-irrelevant decision can affect the corporation performance negatively				
	Dev et al. (2007)	U.S. companies have used global marketing strategy to avoid some hurdles to become sucessful				
	Denton & Richardson (1992)	globalisaiton as an expansion				
	Kennedy (1996)	American companies can be short-sighted and foreign companies may have a more long-term perspective and vision				
	Moon (2005)	strategic advantages in the global environment to meet both the domestic and international markets				
U.S. market	Hagen (1998)		Huawei (2020) Sun (2009)	from Huawei's official website for the U.S., it seems that only tablet, portable laptop and wearables can be discovered; Huawei is focusing on operating in the digital communication products market in North America		
	Larson (2009)	strategic partnerships and alliance, as well as cooperation can be solutions to overcome these barriers.	Sun (2009)	Huawei realised that it needs reliable partners in this market, and 3Com company turns out to be Huawei's friendly American partner. It became Huawei's J.V. after the case with Cisco		
	Brouthers et al. (2005)	Standardisation is successful in				
	Johnson & Arunthanes (1995)	America government regulation, market infrastructure, can be the significant factors that affect the adaption in the host market	Zhu (2008)	the Committee of Foreign Investment in the United States (CFIUS) disapprove on the proposal based on security concerns		
	Chung et al. (2012)	marketing programme can be significantly correlated to adaption strategy; however, other factors were not proved to be significant in relation with this strategy.	Zhu (2008)	the Committee of Foreign Investment in the United States (CFIUS) disapprove on the proposal based on security concerns	<b>2</b>	Huawei is adapting in the American market and the most fundamental reason is political and regulatory issues. So, in this case, the political and law factors are also associated with adaption strategy.