

## Executive Summary

Huawei is a famous technology or networking company that intends to expand in different parts of the world. Regarding the business expansion, the experience is not good for the company. In the first phase of the study, the historical background has been elaborated. In the second phase, some prominent issues or problems such as market penetration, brand recognition, and the low business growth is illustrated with some key insights and impacts. The brand recognition is the main issue, which has been streamlined by the management of the company. Lack of brand recognition has hit the company in the competitive international technology market. Possible solutions are described comprehensively. Based on the nature of the business and market, the management has to select the one specific solution for the specific problem. Thus, the cultural integration is selected to create stronger brand recognition. Furthermore, the cultural integration becomes the main strategy for the company to power up the brand strategy and become relevant to the local culture. In the implementation process, several factors, which are identified, are mentioned. These factors may create the impact, and therefore, the firm has to come up with some thoughtful considerations. Further, the case also depicts some risks that may emerge in the implementation process. Accordingly, Huawei will have to design some risk mitigation strategies to sustain the implementation process. In the end, some key recommendations are portrayed. The firm can align these recommendations with the strategy implementation process. Huawei, being a top or the largest technology giant, contains the ability to implement solutions successfully.

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## The Final Reporting Of the Case

Huawei Technologies Co Ltd

### **Introduction**

Every business needs some changes with the time. The change is required in case of any business uncertainty and threat. Large and small organizations are facing different issues in the business process. These issues are creating the negative impact on the business sustainability. Huawei Technologies is a prominent Chinese technology or mobile communication company. This firm has expanded into different parts of the world successfully. The broad range of telecommunicating products has become alternatives for major brands in the international market. However, some issues are to be tackled effectively to sustain the business for a long run.

### **Huawei Technologies Co Ltd**

According to 2017 financial reports, this multinational networking company contains the revenue of US\$92.549 billion. The company was founded by Ren Zhengfei in 1987. Main products of the company are consultancy and managed services, multimedia technology, Mobile and fixed broadband networks, Smartphone, tablet computers, and dongles. The company is operating worldwide, and headquarter is in Shenzhen, Guangdong.

### **Report Scope**

The scope of this report is huge. This report is pertinent to different business stakeholders and business graduates. The report tells how to identify issues at the right time and make different strategies to eliminate these issues. It is a good platform to derive different business strategies. The report identifies key issues along with the impact on the business and illustrates different alternatives. Interestingly, the report teaches to pick up with the pertinent solution and

apply to the business process. Thus, this report is a kind of help that can lead towards the business sustainability in the future.

## Background

The report revolves around Huawei technologies. The company is facing different issues such as market penetration, lack of brand recognition, and growth rate. When making the new entry into the country, the management usually struggles with powering up the brand strategy in the presence of other competitors. The prominent issue is the lack of brand recognition, as it is hurting the company in different international markets. Thus, picking up the main issue and streamline solutions is a better technique to get rid of problems or issues. The benefit, cost, time, and risk regarding the solution and implementation are also the main considerations of the management (Shepard, 2016).

## Research into Topic

The strategic management process triggers this case development process. Identifying different problems and solutions is a part of the strategic management process. In this contemporary business era, the management of the company has to think broadly or strategically to deals with the different problem. Lacking brand recognition, minimum growth rate, and market penetration are major issues. Thus, possible solutions, which integrate with the strategic management, are streamlining visual campaigns initiating the gamification to change customer behavior, cultural integration, using social influences, and celebrity endorsement. All solutions have been proposed due to the intense research on the topic. This research process is effective to understand the different business consideration (John & Zhu, 2018).

## Analysis

### Issues or Problems

- **Market Penetration**

The first issue that the company is facing is the market penetration. Due to many business and economic contradictions between the United States and China, the expansion process of the company is highly vulnerable. For instance, this organization is looking to come up with the low-cost technology or networking products for customers. However, people are relying on American technology products. There is a perception that the Chinese products are not reliable in the market. Interestingly, technology or networking products are in the limelight in different parts of the world. However, in the United States of America, the technology products of this company seem controversial. Thus, it creates the barrier in the market penetration process, and identifying the pertinent issue is obvious (Cheng, 2018).

- **Brand Recognition**

On the other hand, the brand recognition has emerged as a top issue for this company. The brand strategy of the company is not clear in different countries. The company does not power up the brand strategy that leads towards the poor brand positioning. In an intense competition, the company is struggling with streamlining brands, and it is converting customers in the international markets. For Instance, in the international markets, the company fails to justify the brand rationale. Competitors are telling the successful brand story, people should know the reason of the business, and it can power up the brand strategy and awareness. Brands are well recognized in China and other Asian countries. However, in the United States and many other European countries, the company failed to make the recognized brand. Furthermore, it has been seen the management did not work to keep the brand in front of the market. Comparatively,

Huawei brands are not active in these markets, and customers usually prefer alternatives. Well, staying in touch with target customers is worthy. Huawei lost the business in the potential market due to lack of customer engagement. The customer engagement is not up to the mark, which creates hurdles in making the recognized brand in highly spirited markets (Velasco, 2018).

- **Low Growth Rate**

The third issue with the company is the minimum growth rate. The firm lacks the mergers and acquisition, which limits the growth rate. There are several reasons for the slow business growth. Unfortunately, the company did not identify these causes to come up with the relevant solutions. Of course, the underdeveloped brand is the main cause of it. Critically, starting the successful business and designing the attractive logo is not enough. The firm failed to create the culture when operating in other countries that could be centered on the product. Still, the firm is looking for the business partner that can align with the business strategy. It has become the biggest barrier regarding the growth. Realistic short and long-term business goals and objectives are not visible. It is a fact that the company spent S\$13.2 billion on the research and development process in 2017. However, due to the political tensions among countries, the revenue growth rate is limited. Thus, it is also the main reason for this issue, and there is a need for some thoughtful business considerations make the difference (Scmp.com, 2013).

### **Issue Requiring Attention**

The main problem that has been emerging for this technology giant is the lack of brand recognition. Thus, there is an immediate solution to tackle this issue as far as the business expands and the sustainability in different countries are concerned.

### **List of Solutions**

- Streamlining Visual Campaigns

- Initiating the gamification to change customer behavior
- Cultural Integration
- Using social influences
- Celebrity endorsement

The successful implementation of these issues can enable the effective business growth and expansion as well along with the strong brand recognition. For Instance, the first solution or strategy that the company can implement is streamlining the visual campaigns. Using both, traditional and modern media channels are the right approach to position better in the minds of customers. An integrated communication planning process can ensure just fine-tuning to enhance the visibility of the customer engagement. Information about the product to customers at the right time in an attractive way can help people align themselves with the brand (Mordecai, 2017).

Initiating the gamification to change customer behavior has become a reliable marketing strategy to make the brand prominent and acceptable in the presence of many rivals. Adding the elements of gamification has emerged an effective way to reach or engage the target customers, especially Millennial. Millennial love games and visualization of products in the form of games is a good idea or approach. It improves the customer engagement and increases the marketing return on investment (Findlay, 2016).

The cultural integration is an appropriate strategy to contain the emotional and sentimental attachments with customers. When expanding or operating in a country, the firm has to redesign both products and culture of the company to align with broad cultural values. Thus, from production to marketing, re-engineering the process is the right idea to integrate with the culture. If Huawei is looking to acquire a firm in a country to contain the successful entry, the

chances of the cultural integration increase. For Instance, it can provide the platform or opportunities for cross-cultural teams. Knowing each other, despite containing the diverse cultural values, opens ways to understand the culture. Through the cultural integration, the company can predict some outputs that can be generally accepted (Lloyd, 2017).

Social influence and celebrity endorsement in the advertising process are two effective solutions. The customer engagement on different social media channels is a simple way to get customer insight and streamline the brand. Telling stories in social media channels is a process to accelerate the brand recognition and awareness (Reynaud, 2015). Moreover, the celebrity endorsement in the advertising process is an attractive approach to communicate with customers and make them assertive in the decision making and buying process (Ndlela & Chuchu, 2016).

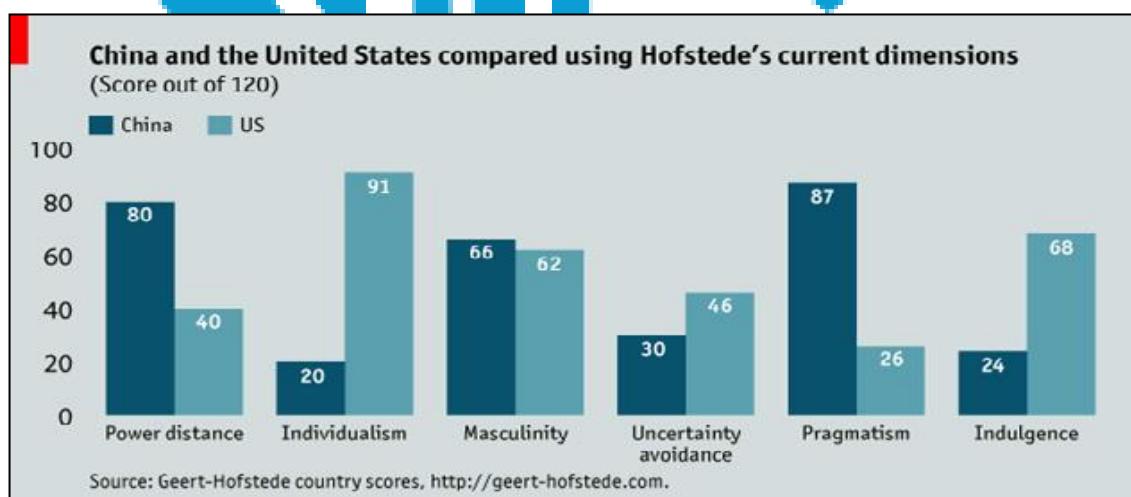
### **Best Solution: Cultural Integration & Benefits**

The best solution to address the issue is the cultural integration. It has been revealed that the global expansion needs some cultural preparations to make the successful entry and get an edge over rivals (Bastin, 2014). Similarly, Huawei must contain the readiness to depict the cultural integration. For Instance, when expanding in the United States, the management is intended to create some humanistic values. The national culture should be reflected in the product design, human resource, and the marketing process. People must have something to create with the products or services, and it can drive the strong brand recognition (Roll, 2009). The firm has to understand the local culture and customer experience are triggered by each other. The brand can be recognized if the firm knows about groups of people in different regions. Social habits, language, religion, behavior, and many more factors are to be considered to make the culturally relevant brands (Cremer, 2016). This technology giant has to choose this way to get the brand recognized and communicated to customers. The company just aligned with the

broad similarities between people around the globe. Now, there is a need to understand differences at the local level. The customer experience will be increased. Further, the competitive edge can be taken early. However, just localizing in global markets is not enough. The firm has to glocalize for long-term business sustainability (Stafford & Miles, 2013). Integrating with the local customer trends and preferences has become mandatory to become just relevant. Customers are stemming from several cultures, and knowing the nuances of them is a major part of the cultural integration. Huawei is capable of implementing this solution effectively. Instead of just playing with brand names or logos in international markets, it has to engage in a way that feels local to customers (Fraser, 2017).

### Cost of Cultural Integration

The cost of the cultural integration is always high. Huawei has to invest heavily when implementing this solution. Pertinent resources that are to be used are the human, financial and technological resource. The cost of time is also relevant in this implementation process, as this technology giant may take much time to align with cultural values. There are already many companies that already exist. Thus, doping something different may take some time to get outputs according to expectations (John & Zhu, 2018).



Source: <http://futurehrtrends.eiu.com/report-2015/cultural-differences-inevitability-in-a-global-economy/>

Conversely, if the firm invests heavily in marketing to integrate with the culture, the production may become limited. The cost of the cultural integration should not exceed the cost of production. Huawei has to keep the balance and sustain the production process as well. Just making relevant products for customers, can meet the purpose, and obviously, the company has to set the pertinent budget for it.

### **Time Scale & ROT**

Well, deriving some cultural insights is a big challenge for the company. It may take one to two years to become relevant to the local culture. Making something that is integrated with the demands of customers needs a proper homework. Similarly, after making the plan or roadmap, the implementation or execution may also need some time. The return on investment can be obtained in the form of overwhelming customer experience, increase in sale, customer engagement, and positive perception about the brand. Interestingly, the brand exposure looks the biggest return on investment (Zaagman, 2017).

### **The risk that Prevent Implementation**

The employee resistance has become the major risk for the company, as far as the cultural integration is concerned. For instance, in this contemporary business, the company has to streamline the efforts of employees or cross-functional teams to align with local cultures and make some outputs predictable. However, an employee of the company seems so certain of their values, and it causes the employee resistance. The employees may not accept new cultural insights or values at the workplace, and it can create some barriers. Thus, in the implementation process, the company may face a huge employee shift. Interestingly, some unwritten rules in the cultural integration process can hit the company, and it is also a kind of resistance.

The financial barrier is the second risk for the company. As mentioned, the firm has to keep the balance in the cultural integration and the production process. An advertising budget must be shaped to avoid any financial uncertainty. Another major risk is the homesickness, as Huawei workers may not be comfortable in aligning with local values. Of course, the company has to change or alter the business model to be relevant to the local culture. The political tension between countries, especially with the United States of America is a big thing to worry about this technology company. The political tension is a big risk, which is always here despite proper preparations.

### **Factors Affecting Implementation**

Several factors are creating the impact on the implementation of the cultural integration. These factors are the global economy, technology, government actions, global media, liberalization of world trade, and cultural imperialism. Spikes in the global economy can create both positive and negative impact on the implementation process. Variations in the economic conditions may compel the company to mold or alter the strategy. In an economy, buyers may have different buying behavior, and it can be created with the cultural integration strategy. Thus, it can be said the impact on the implementation process is moderate. Obviously, in the United States and many other European countries, people have become tech-savvy. When aligning with the society or culture, the use of the technology is a better way to implement successfully. Institutional and legal barriers are also prominent factors that create the impact. Business regulations must be kept in the mid when executing the strategy in the country. In the strategic planning process, it is important to consider these factors. The impact on the implementation process should be positive. The brand recognition and cultural integration are related to each other, and in the modern business era, these factors are quite triggered.

## Recommendations

Several recommendations for Huawei Company have been designed. These recommendations are as under

- Huawei technologies must have to contain an intense research and development process. The market research on a particular company may mold things in favor of the company. The firm can derive some key cultural insights, and accordingly, effectively make different strategies.
- In the competitive market, the firm must adopt the modern technology to communicate with the customers in a modern way. When creating the strong brand recognition, it seems imperative to communicate in a way that customers want. For Instance, in the United States, modern technology in the marketing process is a better way to meet this purpose. It can make people responsive.
- The adequate merger or acquisition or a strategic partnership is highly recommended. Integrating with the local technology or networking giant is an effective approach that can help to adopt the culture in a short time. Instead of playing along in the market, the merger or acquisition provides the support to know both market and people.

These are some recommendations that the company must be considered when expanding the business in different countries. The improvisation is needed during the implementation process to enable the sustainable business and brand recognition.

## Conclusion

In the end, it is to conclude that Huawei Company is capable of tackling issues. The most important thing for the firm is to make the brand stronger as compared to other brands in the market. The comprehensive analysis indicates some solutions to tackle these issues. Cultural

integration is the best solution to engage people, increase the brand experience, and localize the business effectively. The business scope is high, and these thoughtful considerations can facilitate the firm grow with the strong brand image. The solution eliminates the entry barrier as well, and the company is quite up to it.

Phases	Timeline	Weeks
Identifying an Organization		1
Choosing the Organization		2
Organization Background		3
Identifying three Issues or Problems		4
Specifying Problem		5
list of possible solutions		6
Selecting one solution		7
Benefits and Cost		8
Time Scale & ROT		8
Risks		8
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