

Study on the Internationalization Strategy of Domestic Mobile Phones

-- Taking OPPO as an Example

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Abstract

With the rapid development of science and technology in today's world, technological innovation has become an important factor in measuring the status of a country. Smartphones are the most representative new development companies in the science and technology innovation industry and play an important role. Now it is the 5G era, competition in the internationalised global environment and tend to saturate the current situation of the development of the domestic industry, the internationalisation strategy of the company and the internationalisation of leading smartphone brands has become an inevitable choice, and accordingly from the perspective of the internationalisation of domestic mobile phone companies can better test the technological innovation and development capabilities of enterprises, more conducive to domestic mobile phone companies based on the international background of the study, optimisation and improvement of their own development It is more conducive for domestic mobile phone companies to optimize and improve their own development goals and strategies based on the international context, better implement the "going out" strategy, actively respond to challenges and win more development opportunities.

Keywords

Domestic Mobile Phones; Technological Innovation; OPPO.

1. Current Status of Internationalization of Chinese Smartphone Companies

1.1. Large Smartphone Shipments in China

On 28 January 2022, IDC, the world's leading statistics agency, officially announced the global smartphone shipments in 2021. The statistics show that global smartphone shipments reached 1,354.8 million in 2021, up 5.7% year-on-year. From a full-year perspective, Samsung remained at the top of the list, with a market share of 20.1%, up 6% year-on-year; Apple was second, with a market share of 17.4%, up 15.9% year-on-year; Xiaomi was third, with a market share of 14.1%, up 29.3% year-on-year. oppo and vivo were fourth and fifth, with global market shares of 9.9% and 9.5% respectively, and year-on-year growth rates of 20.1% and 14.8% respectively. The global market share was 9.9% and 9.5% respectively, with year-on-year growth rates of 20.1% and 14.8%.

Meanwhile, statistics released by research firm Canalys showed that the global smartphone market shipped 363 million units in the fourth quarter of 2021, up a modest 1% year-on-year. 1.35 billion smartphones were shipped by global suppliers in the whole of 2021, with OPPO ranking fourth in terms of shipments, up 22% from last year. The number of shipments not only reflects the demand for mobile phones from people around the world, but also shows the current position of Chinese smartphone companies in the international market.

1.2. Increasing Sales of Domestic Mobile Phones in the International Market

In recent years, with the continuous development of technology and the introduction of 5G technology, domestic phones have captured the hearts of international consumers with their affordable prices, good looks and high-technology. According to a new survey by Counterpoint's Market Monitor Service, the top five global smartphone sellers in 2021 are Apple, Samsung, OPPO, Xiaomi and Vivo. OPPO saw revenue growth of 47% to US\$37 billion in 2021, with its ASP growing 15% year-on-year to US\$259 in the same year. USD; Xiaomi's revenue in 2021 grows 49% year-on-year to USD 36 billion in 2021; meanwhile, Vivo's revenue grows 43% year-on-year to USD 34 billion in 2021.

2. OPPO Mobile's Unique International Development Strategy

OPPO founder Chen Mingyong once mentioned in his speech that OPPO has long believed in creating a "world of goodness" through innovation for goodness. How to achieve "technology for people, to make the world a better place" is a goal that OPPO has been pursuing in recent years, and bold innovation has provided the impetus for OPPO's continuous development.

OPPO's innovations over the past few years have improved and optimised system functions for different groups of people, developing a voice announcement function and an intelligent help mode to help the elderly and the blind better access mobile phone information and avoid operational errors. OPPO has also developed a voice announcement function and an intelligent help mode to help the elderly and blind better access information on their phones and avoid operational errors. In addition, OPPO has launched a "Remote Protection" feature, which connects parents to their children's mobile phones to share their location and provide strong protection in case of emergencies.

The new OPPO Reno7pro model, launched in 2021, features a new creative mode of "breathing light" behind the camera, which flashes when the user is answering calls, charging and receiving messages. The OPPO Reno7pro has attracted a large number of consumers with its outstanding appearance and has been recognized by more and more users.

In its continuous development, OPPO's founders returned to the essence of innovation by pursuing technological advances, focusing on technologies and services that are truly useful to users, better solving their key problems, promoting fairness and progress for society as a whole, and bringing the possibility of a better smart life to more users.

3. Implications of the Success of OPPO Mobile Phones for the International Development of Chinese Mobile Phone Companies

3.1. Challenges Facing Domestic Mobile Phones

3.1.1. Lack of Core Technology

Every industry needs its own core competitive point, so every smartphone company wants to have a core component that it can develop and produce independently - such as a chip. However, research into exclusive chips often requires a very high level of funding and technology, and in terms of China's current level of chip development technology, it takes a lot of investment in human and material resources to successfully research a chip technology of its own. Before Huawei developed its mobile phone chip, no company in China's mobile phone industry was able to independently develop, design and produce mobile phone chips. This shows that there are few leading enterprises in China that have mastered the core technology of high-end electronic components production, and the majority of domestic mobile phones are still inseparable from foreign-made chips. It is conceivable that if the import of chips is restricted, it will be a disaster for some Chinese mobile phone companies.

3.1.2. Low Demand from International Consumers

Compared to domestic brands, Chinese mobile phone brands have invested limited funds and manpower in international marketing, rarely using foreign celebrity endorsements, network advertising and other means of international publicity and marketing, most of the audience is still mainly oriented towards domestic consumers, so the audience of Chinese mobile phone brands in the international market is still not as strong as Apple, Samsung and other brands, international consumers do not have a strong desire to consume Chinese mobile phones. What's more, now that they are facing the reform of the new 5G era, international consumers who have not received sufficient publicity and introduction cannot distinguish the difference between 5G and 4G from the advantages, which also leads to low demand for Chinese mobile phone brands compared to international brands. Chinese mobile phone companies should continue to optimise their progress in mobile phone brand marketing and promotion, cater to local consumption patterns and habits, and continue to explore ways to increase their exposure to international markets to find new growth points.

3.2. Suggestions for the Future International Development of Domestic Mobile Phones

3.2.1. Domestic Mobile Phones Need to Improve Their Core Technology to Avoid being Constrained by Others

Increasing research into core technologies.

In order not to let the chip become a disadvantage, OPPO has always made it a core investment, with a significant portion of its previously announced \$50 billion R&D budget being spent on "core building", and nearly half of OPPO's investment since 2020 has been in chip development. In recent years, the number of R&D chip teams has exceeded 2,000, and the chips are equipped with unprecedented AI computing power, leading HDR technology, real-time RAW computing, and RGBW PRO to maximise sensor capabilities. With the arrival of the global 5G switching wave, it has become an inevitable trend to have the core power of independent chip research and development in one's own hands, and to take the high-end market, one must have hard enough technology in hand. Only in this way can domestic mobile phone companies seize the initiative and create a new era of Chinese mobile phones.

3.2.2. Improve the Marketing and Promotion of Products Internationally to Truly "Go Global"

In order to solve the current problems encountered by domestic mobile phone companies in terms of publicity and sales, it is necessary to grasp the key and prescribe the right remedy. In order to "go global", we must analyse in detail the customs and culture of the market, the demand preferences of consumers, the policies and systems of the country, so as to promote the localisation of domestic mobile phone enterprises to the greatest extent possible, and avoid hindering the sales and promotion of domestic mobile phones in the international market due to cultural and political risks. Only in this way can domestic mobile phone companies walk more smoothly on the road to internationalisation.

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