

ANALYSIS OF MARKETING ENVIRONMENT IN THAILAND

Macro environment analysis

Political factors

Now Thailand is a military dictatorship, the National Assembly of the right, the Palestinian-Israeli prime minister and is the Thai national peacekeeping order of the leadership of the committee, declaring military courts in criminal cases have the right to decide. In accordance with the 2007 Thai Constitution, which has been abolished, Thailand has a constitutional monarchy and parliamentary democracy, the king is the head of state and according to the constitution, the Prime Minister is the head of the government, legislation and administrative power of mutual balance, while the judiciary is independent of the power balance, Thai parliament members of the two parliaments are divided into the Senate and the House of Representatives, Thailand is Multi-party system. The ancient Thai regime was an absolute monarchy, and then a constitutional revolution took place in 1932, which replaced the Thai regime with a constitutional monarchy and parliamentary democracy.

In July 1, 1975, China and Thailand formally established diplomatic relations. In addition to setting up embassies, China had a consulate general in Khon Kaen, Chiangmai and Songkhla in Thailand. Thailand had a consulate general in Hong Kong, Guangzhou, Shanghai, Kunming, Chengdu, Xian and Xiamen, and has a consular office in Nanning. Since the establishment of diplomatic ties between China and Thailand, the two countries have developed friendly cooperation in various fields such as politics and economy, and bilateral relations have been developed steadily. China and Thailand established annual consultation mechanism in 1981 and established the deputy ministerial-level economic and Trade Board in 1985, its upgraded the economic and Trade Board to Deputy Prime Minister in 2003. And in 2012, China and Thailand announced the formal establishment of a comprehensive strategic partnership. In order to strengthen economic and trade cooperation, China and Thailand have signed a number of intergovernmental cooperation agreements in the fields of science, education, health and military. For example: the agreement on the Promotion and Protection of Investment (1985), economic cooperation agreements such as the forgetting of the trade economic and Technical cooperation Understandings (1997) and the bilateral currency Swap agreement (2001); Moreover, Thailand, as an old member of ASEAN, also participated in the signing of the Framework Agreement on Comprehensive Economic Cooperation between China and ASEAN (2002), the Agreement on Trade in Services (2007), the Investment Agreement (2009).

economic environment

Since ancient times, Thailand had a big agricultural country. Until the 1960s and 1970s, Thailand began to adjust its economic policy, phased implementation of the "Export-oriented" policy. Thailand in the 1980s actively introduced a high value-added technology-intensive industry, vigorously adjust the industrial structure, the development of export-oriented economy, the implementation of a free economic development policy. The policy quickly became effective, and Thailand's economy developed rapidly, and then Thailand became one of the "Four Tigers" in Asia.

Thailand's economy was hit hard by the financial crisis in Thailand in 1997. To revived and revitalized the Thai economy, the Thai government has adopted aggressive fiscal and monetary policies to boost domestic demand and spur exports. The policy has been very effective. Thailand encourages foreign investment and a relatively loose investment environment is an important reason for attracting foreign capital. Thailand is still attractive for foreign investment.

The main factors that attract foreign investors in Thailand are Adequate supplier, good infrastructure, abundant resources, good transportation and logistics system, preferential tax policy.

Thailand's economy remains weak. The first reason is that the Thai economy relies on foreign consumer demand, Thailand's exports of goods and services account for 70 per cent of Gross Domestic Product, So the Thai economy is directly following the world economic fluctuations. The second reason is that most of Thailand's reserves are inadequate. The demand for domestic consumption fluctuates according to loan capacity and liquidity. The last reason is that national consumption and public investment account for only 18.5% of GDP, and almost 80% of the national budget is recurrent expenditure, its limits the ability of the state to use fiscal policy. Thailand's economic structure is problematic and volatility keeps altitude. It is difficult to sustain growth without improving the structure of the economy.

Table 4-1 Economic growth forecast in 2017 and 2018

important economic indicators	2016	2017	2018	
			basic situation	Prediction interval
GDP growth rate	3.2	3.9	4.0	3.5-4.5
private consumption	3.1	3.1	3.0	2.5-3.5
government spending	1.7	2.7	1.0	0.0-3.0
investment	2.8	1.6	4.3	2.0-6.5
nongovernmental	0.4	1.6	3.0	1.0-5.0
government	9.9	1.8	8.0	5.0-11.0
Export	0.5	9.0	4.5	2.0-7.0
Import	-4.2	14.0	8.0	4.0-10.0
Inflation	0.2	0.8	1.1	0.6-1.5
Dubai crude to average	41.3	52.0	55.0	52.0-60.0

According to the table, the forecast of Thailand's economic growth rate for 2018, the GDP growth rate will be between 3.5 and 4.5 in 2018, GDP growth will rise that compares with 2017.

social environment

Thailand and China are both known as countries of courtesy, the people of both countries are hospitable, pay attention to etiquette, respect for elders. Thailand believes in Buddhism, Thai people are affected by the Buddhist teachings, Thai people are more committed to good, love peace. China and Thailand also attach great importance to the exchange of cultural exchanges, the two countries have set up a number of friendly exchanges of organizations. For example, China and Thailand established the Thai-Chinese Friendship Association in 1976, it established the Sino-Thai Friendship Association in 1987. In addition, China and Thailand also actively promote the construction of friendly cities. The 16 Provinces (districts) and 14 cities of China have established 16 friendly city relations with Thailand. For example, Beijing and Bangkok, Chengdu and Chiangmai, Sichuan Province and the city of the Ministry of Fu, and so on. It is precisely because Thailand and China have similar cultural and religious beliefs, Chinese enterprises can learn more about Thailand's national conditions, narrowing the psychological distance between China and Thailand, for enterprises in this investment has laid a good foundation. During the period from the 1850s to the 1930s, a large number of Chinese immigrants lived in Thailand in order to avoid the war, while the Chinese were living in the capital and some foreign cities. At present, Thai Chinese have become more and more important in Thailand, and they have an important position and influence in Thailand's politics, industry and commerce, finance, tourism and media. Overseas Chinese make up about 14% of the total population of Thailand, and Chinese nationals living in the Thai capital account for 40% of Bangkok's population. Thai

overseas Chinese have played a role in promoting friendly cooperation between the two countries, especially in economic and trade cooperation. The support and contribution of overseas Chinese is also one of the important reasons for China's enterprises to invest in Thailand. Therefore, Thailand's social and cultural environment for Chinese enterprises to direct investment in Thailand has played a beneficial role in promoting.

Technology environment

At present, the rapid development of information technology has greatly expanded the market space of electronic communication products. The development trend of telecommunication network technology is characterized by business data, technology broadband, network optical fiber and access wireless, all these have created huge new market growth space for electronic communication products. In order to improve the competitiveness of enterprises, various telecom operators actively introduce new technology and new equipment, which is aimed at continuously providing users with fresh business, thereby improving their perceived service level, and these measures also provide huge market space for telecommunication equipment manufacturers. With the emergence of new communication technologies, the following technologies will lead the future of the communications equipment market

NGN (Next Generation Network) technology: The Next Generation network is based on the current network; the NGN technology is a kind of business-driven packet network based on Soft Switch. It uses a comprehensive, open, integrated network architecture. It completely separates the service from the call control, the call control and the load-carrying complete separation, realizes the relatively independent business system, makes the business independent of the network. Has a wealth of business to provide the ability to provide voice, data, multimedia and other business or integration services on the same network.

3G (3rd Generation) Technology: The third-generation mobile communication technology defined by the ITU. It is the third generation of mobile communications technology abbreviation referring to the support of high-speed data transmission of cellular mobile communication technology. Services can simultaneously transmit voice calls and data information, e-mail, instant messaging and so on. The representative characteristic is providing the high-speed data service compared to the first-generation analog mobile phone (1G) and the second-generation GSM, the CDMA and so on digital handset (2G), third generation handset (3G). Generally, it refers to a new generation of mobile communication system that combines wireless communication with international Internet and other multimedia communication. ITU has identified

three wireless interface standards, CDMA2000, WCDMA, TD-SCDMA.

Let (Long Term Evolution) technology: It is the International mobile Communications Standards Organization 3GPP in 2004 to develop 3G follow-up evolution technology, it was named Long Term evolution. LTE, which is based on OFDM (Orthogonal Frequency Division Multiplexing)/FDMA (Frequency Division Multiple Access), can be considered a "quasi-4g" technology, it has become the global trend towards 3G follow-up evolution of the mainstream standards, it is considered to be from 3G to 4G the evolution of the mainstream technology.

ICT (Information Communications Technology) technology: A new concept and new technical field that is formed by the integration of information technology and communication technology. ICT is generally understood to provide a wide range of services based on broadband, high-speed communication networks, it is also not only the transmission and sharing of information, but also ICT is a common intelligent tool now more as a service to customers, this kind of service is a combination of IT (information industry) and CT (communications industry), the communications, electronic and information industries, the Internet and media industries will all be integrated into ICT. Services is not only for enterprise customers to provide line building, network architecture solutions, but also to reduce the enterprise in the establishment of applications, system upgrades, operations, security and other aspects of the burden, saving the enterprise operating costs, so by the enterprise users.

Internet of things technology: the overall idea of the technology is to connect all items to the Internet through information sensing devices such as radio frequency identification (RFID), infrared sensors, global positioning systems, laser scanners, etc. According to the agreed agreement, any items connected with the Internet for information exchange and communication, to achieve intelligent identification, positioning, tracking, monitoring and management of a network. The concept of the Internet of Things was proposed in 1999. The Internet of Things is "connected with things". This has two layers of meaning: First, the internet is still the essential and foundation of the Internet, is an extension and expansion of the network, the second, its client extended and extended to any items and objects between the exchange of information and communication.

These new technological developments are for telecommunications equipment manufacturers, it has grasped the development direction of technology, then in the appropriate time to cut into the relevant research and development, can occupy a certain share in the new market competition

SWOT

Huawei Company's International marketing advantages

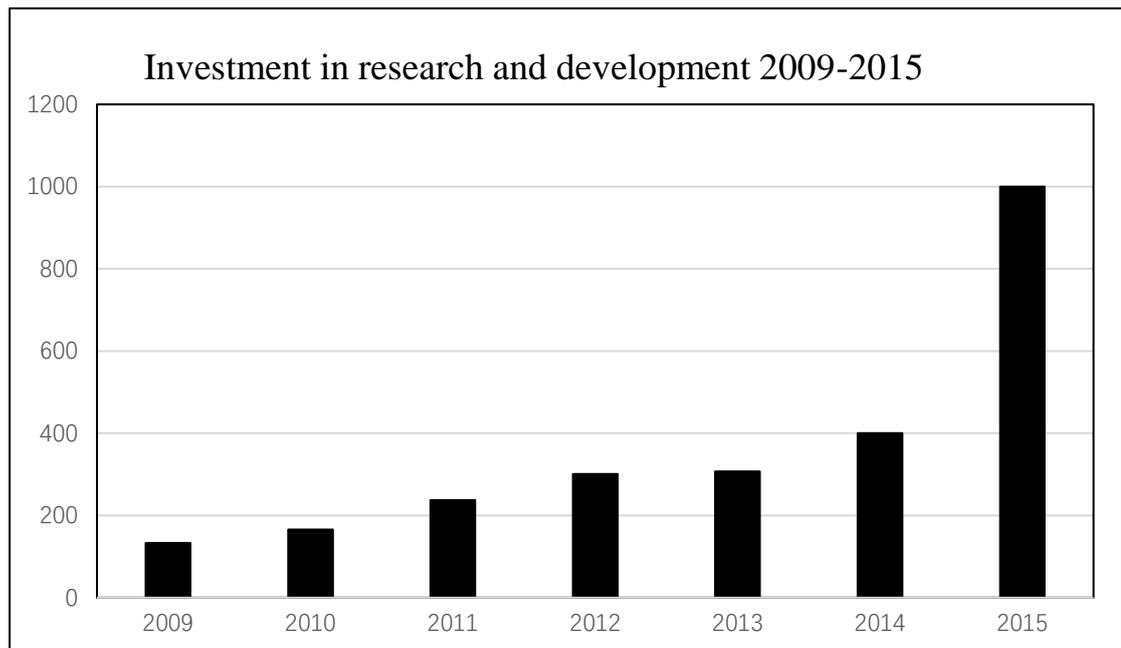
Sound Enterprise system

Huawei has been around since its founding, with the size of the growing, increasing efficiency, enterprise system has been constantly improved and sound. Huawei has developed a "HW Qualification Management System", "Performance Management System", "Salary Management System". Enterprise system is an important condition to ensure the smooth operation of the company, the qualification system clearly puts forward the qualifications of each Huawei employee, which provides a great help for Huawei's selection of talents, and the performance management system clearly puts forward the position responsibility and salary management system for Huawei's employee, it can better motivate Huawei employees and promote the development of enterprises.

Strong research and development capabilities

Huawei focuses on ICT (information communication Technology), implements a pipeline strategy, to increase investment in future-oriented basic research and innovation, continue to invest in key technologies, infrastructure capabilities, architecture, standards, and product development, committed to providing wider, smarter, higher performance, more reliable zero-wait pipeline, create a better experience for users. According to statistics, Huawei's r&d staff accounts for about 45% of the total number. In terms of capital investment, Huawei enables technology and products to take advantage of international market competition under the sufficient research and development funds.

Figure 4-1 Investment in research and development 2009-2015



In technology research and development, Huawei is in a leading position in many fields, such as in the field of wireless network, Huawei continues to lead the innovation of 4G, continuously enhance the product technology updates, and gradually improve the network performance and customer experience. Huawei has embarked on a study of 5G and has achieved remarkable results and is expected to complete its operational testing in 2019, it will be commercially available by 2020. In the field of enterprise network, Huawei based on SDN (software Definition Network) technology theory, put forward the new idea of Agile network architecture, this new technology realizes the seamless docking with the mainstream cloud platform, and compatibility of multiple virtual and physical networks. In the important network area, Huawei has developed a real-time video experience upgrading technology, and has achieved a pivotal competitive advantage in the technical field.

Advanced Marketing Concept

In international marketing, Huawei set up a scientific marketing concept, closer to customers, more detailed service. Huawei in the development process has always adhered to the customer first business philosophy, and repeatedly stressed the key to enterprise production development is to focus on customer demands, it's not just the customer's needs, but also need to analyses the future demands of customers change; Not only need to consider the requirements that the customer has already implemented, but also need to tap the customer's potential demands. Huawei's marketing philosophy is related to customer demands. In the product aspect, the structure system gradually formed, with the research and development investment unceasing enlargement, Huawei's products can more easily meet customer requirements, more and more

consumers like it, the international market competitiveness has been greatly promoted. In the service, Huawei after-sales service system is very perfect, it has a large after-sales team and outstanding service capabilities. In terms of price, Huawei has been adopting low-cost competitive means, which will play an important role in international marketing.

Scientific development Strategy

1. Differentiation strategy

Differentiation strategy refers to the development of the corresponding marketing strategy of Huawei according to the level of national and regional economy. It mainly reflected in the following three aspects:

(1). Developed markets. Huawei's investment in network construction will take full account of the user's coverage, consumers ' propensity to purchase, and the quality of service requirements. Developed countries ' market attaches great importance to the brand and technology of telecom equipment suppliers, therefore, to improve their competitiveness, the suppliers must be optimise and innovate the network, products and services. Huawei has given full advantages in research and development, and has achieved outstanding results in

the European market, but, Huawei's competitive advantage is obviously inferior to Ericsson in the North American market.

(2). Developing markets. Developing countries have a very large share of the world, especially in Africa, Eastern Europe and South America. Although their level of economic development is not exactly the same, but there are many similarities in the communications industry, for example, there is a great demand for communication services, investment and construction of communication services increase, and penetration rate increases significantly. Because operators lack the accumulation of technology, it will mainly consider the price and the cost in the establishment construction plan process, and the service quality request is not very strict.

(3). Backward country markets. Because the operator's infrastructure is relatively backward, the investment is also very cautious, as a result, consumers have no place to consume even if there is demand for information consumption. Therefore, Huawei's strategy in the market for backward countries is to work with local governments to expand the market with the advantage of the government.

2. Sustainable development strategy

Huawei strengthens exchanges and communication with stakeholders, integrates

the company's business with sustainable development, and promotes the harmonious and healthy development of economy, environment and society. Huawei's sustainable development strategy is mainly embodied in the following aspects:

First, bridging the digital divide. Huawei is committed to making it easy for people in different parts of the world to access the communications network, and to actively create communication conditions for people in remote mountainous areas, effectively connecting with the information society. Huawei actively expands the application of ICT technology, including government, finance, transportation, medical, education and other fields, promote the efficiency of resource utilization and promote the process of sustainable development.

Second, ensure the stable and safe operation of the network. Huawei will build and fully implement the end-to-end global network security system as one of the company's important development strategies. No matter what challenges, all do their best to provide customers with security support network, at the same time actively take various measures, legal compliance to promote user privacy protection work, assume corporate responsibility.

Third, promote environmental protection. Huawei adheres to the concept of environmental protection into product design, research and development, manufacturing and delivery in all aspects, through continued technological innovation, and continuously improve product efficiency and environmental indicators, to provide customers with leading energy-saving environmental protection products and solutions to help them reduce operating costs, reduce resource consumption and carbon emissions. (Wang,2016) Huawei continues to guarantee the environmental compliance of its products and partners and integrates the environmental protection concept into the procurement strategy and procurement management process, and the traction supplier to carry out environmental protection practices and build a green supply chain. Huawei has carried out the "cradle to cradle" circular economy practice, to improve product reuse ratio and to reduce the impact of waste on the environment, at the same time, continue to promote green ICT solutions, promote energy conservation and emission reduction in various industries, and actively promote energy conservation, environmentally friendly Low-carbon society.

Four, realize common development. Huawei has always attached importance to the safety and health of employees and welfare security, so that the struggle to get timely and reasonable return. While the company continues to grow, Huawei is paying more attention to the career development of its employees, providing a variety of values for

diverse staff to achieve the channel, to help employees achieve personal value. (Wang,2016). As a global company, Huawei focuses on common development with its location, responsible corporate citizenship. Huawei is actively involved in the local community, contributing to the welfare, education, environmental protection, health and disaster relief, creating value for the community, and promoting community prosperity and sustainable development.

Huawei's International Marketing weakness

Serious "wolf" culture

Huawei's "Wolf" culture has become a classic case of corporate culture construction. Huawei has made demands on internal management: the subordinate staff must obey the arrangement of superior leadership, showing strong authority. Huawei has employees who strictly enforce the system, follow the instructions of superior leaders and be diligent at work. To some extent, this kind of enterprise culture can improve the efficiency of employees in a short time, finish the assigned task with quality and quantity guaranteed within the specified time. However, this kind of corporate culture is not conducive to the communication between superiors and subordinates, the company cannot hear the enterprise related suggestion from the grass-roots, it is easy to make mistakes in decision-making, affect the employee enthusiasm and hinder the company development.

Weak brand impression

In 2014, Huawei has won the title of "the most influential Chinese brand in the world", but there are still some gaps between Huawei's brand and other famous telecom companies in the field of communications. First, at the beginning of international marketing, Huawei adopted a "rural siege city" strategic means, as a result, Huawei has sacrificed its brand image, the promotion of brand value is affected in the process of entering the market of developed countries. Second, Huawei as a private enterprise in developing countries, the price competition strategy was adopted in the process of entering the international market, the initial products mostly belong to the low-end grade, as a result, the implementation effect of strategies in developed markets is relatively low, it makes Huawei's brand lacks popularity and influence in the international developed market. In addition, Huawei has limited resources to invest in advertising campaigns, it does not attach importance to advertising, too dependent on their products and services, did not give full play to the role of media advertising marketing, it's not good for product promotion, it has had an impact on the company's sales

High cost of human resources

Huawei compared with the traditional manufacturing industry, it belongs to the High-tech enterprises, the quality and knowledge of the staff are relatively high. Therefore, Huawei's human resources costs will be higher than other enterprises. From the present point of view, as mentioned earlier in the end of 2014, the number of employees reached 170,000, it employs 50,000 more people than Ericsson's 120,000, but the two companies are evenly split in performance, this fully shows that Huawei's per capita productivity is not as good as Ericsson's, and there is still much space for improvement. In the future, with the communication equipment market slows down and the market competition space becomes smaller, Huawei's strategy of boosting sales through manpower growth is bound to lose effect and even hinder the development of the company. Therefore, the Huawei department must be make corresponding measures to the high cost of human resources to ensure the smooth operation of the enterprise.

Lack of international competition experience

Huawei lacks competitive experience in developed country markets and most of its products are concentrated in developing country markets, and the successful management experience is mainly in developing country markets. There are great differences between the markets of developed countries and developing countries, including economic environment, policy diplomacy, laws and regulations, social culture and technological innovation. Huawei is short of localy team building in international marketing that is very detrimental to the expansion of the international market. Huawei want to be stabilization in the markets of developed countries, it has to transcend these barriers, to fully understand the market environment and market mechanisms of developed countries, to learn local laws and regulations, and to use foreign policy rationally.

Huawei International Marketing Opportunities

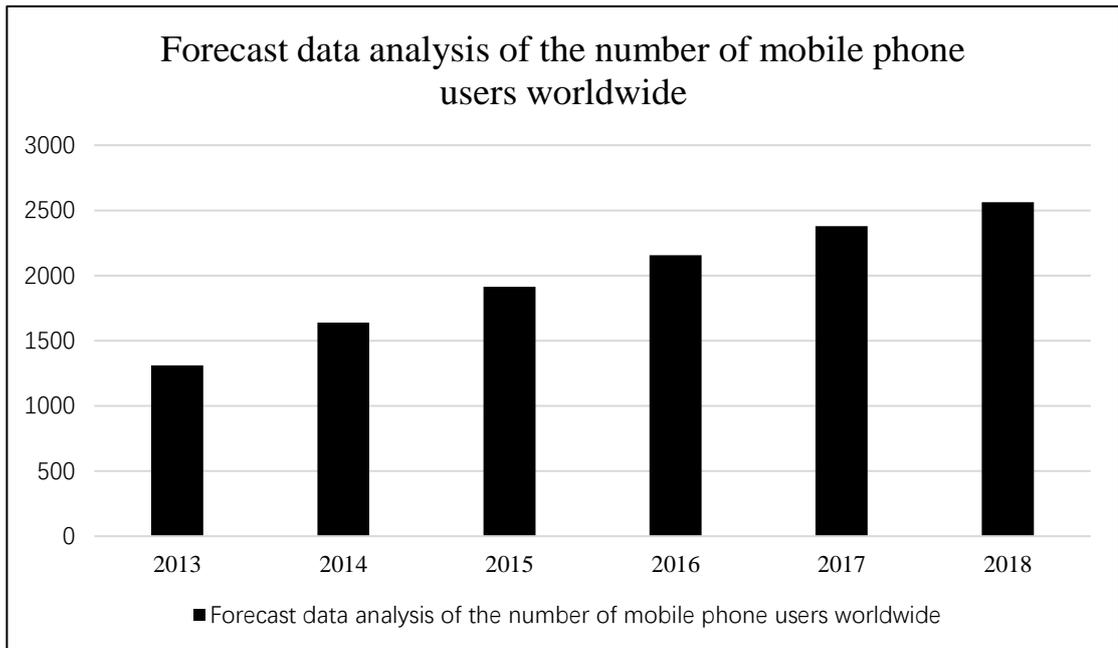
Strong support for national policies

Our government always gives support and help to the communication enterprises to enter the international market. Government have an attaches great importance to the communication enterprises in the international market competition, and the Ministry of Industry and Information Technology, Deputy Minister Xing said they will make a "Thirteen-Five" plan that the development of communications industry to go out. It will focus on the following aspects of work: first, increase policy support. To study and

implement the policy measures for the support of major overseas investment projects, to perfect the cooperation mechanism between financial institutions such as banks, to build a platform for cooperation between production and finance, to encourage enterprises to "go out" and to drive the output of domestic equipment, technology and services. Second, to improve the Overseas investment service system. It will works with relevant departments to improve the system of "going global" inter-ministerial joint meetings, support the establishment of professional overseas investment service platforms and service institutions, promptly incorporate key "going global" projects into bilateral and multilateral free trade agreements, list of high-level dialogue mechanisms and intergovernmental cooperation, strengthen cooperation with foreign industrial authorities to exchange, to protect the legitimate rights and interests of our enterprises ' overseas investment.

The rapid communication industry is one of the fastest growing industries in the world, especially in recent years, with the rapid development of global technology, IT industry, software industry and communication industry began to realize all-round integration step by step, it makes the global telecommunication industry has entered a new period of great transformation, integration and transformation. The communication industry is gradually realizing a new leap-forward development. With the development trend of economy and information globalization, people's demand for communication service will be increased rapidly. As shown in Figure 4.2, according to the 2013-2014 China Mobile phone/smartphone Market Research Annual report, the number of mobile phone users worldwide will reach 2.3 billion in 2017, and it will rise to 2.5 billion in 2018, it's not hard to see from these figures, there is a great space for the demand and development of communication services.

Figure 4-2 Forecast data analysis of the number of mobile phone users worldwide



The vast development space abroad.

Especially for the overseas markets such as Southeast Asia, due to the historical environment and other reasons, it makes the construction of communication network is relatively backward, which gives Huawei such a new equipment supplier a good opportunity for development. In terms of the economic environment, the Asia-Pacific region has maintained steady growth in recent years, it has become the fastest growing region in the world. Coupled with the large population base and the need for further development of the market environment, Asia-Pacific emerging markets in recent years to become a hot spot of global telecommunications. The steady growth of regional economy and the promotion of economic globalization have led to the rapid growth of the communication demand in Southeast Asia in recent years. The demand of regional economic development for the communication industry has prompted the countries in the region to rush to attract foreign investment to develop their communications industry. Therefore, the Southeast Asian countries in the communications industry from the conservative to open the road to accelerate the progress of the past few years in deregulation, open up the market has made a lot of efforts to create a good investment environment.

Huawei's international marketing threat

Huawei faces stiff competition from multinational companies in the same industry in developed countries. The beginning of world informatization started in developed countries, and the telecom giants in developed countries occupy most international

markets by virtue of their previously established dominance. Although Huawei implemented the globalization strategy very early, it mainly took the road of "the city surrounded by the countryside", First, it should start with developing countries such as Asia and Africa and countries in transition such as Russia and achieve certain achievements, however, Huawei could not make a big breakthrough in the interior of Europe and America. (Zhang, 2010). There is a huge gap in business income to compares with the world's strong industry in the network communications equipment. It can be said that Huawei can provide end-to-end solution from the communication network business and application layer, pivotal layer, load layer, access layer to terminal , but this comprehensive business development model is bound to be the world's leading enterprises in every field of comprehensive competition, in the field of data network Cisco, Alcatel-Lucent and other competitors, In the terminal area has Nokia, Motorola, Samsung and other rivals, in the mobile and important network area has Ericsson this formidable opponent, and there have involved an overall threat from ZTE in every area.(Gong,2006)

Threats to potential entrants

Communication manufacturing is a high investment capital-intensive industry, coupled with the "brand effect" and "enclosure effect" in the communication equipment market, which makes the industry to the new entrants, leading to the increase in the barriers to the communications industry. However, the entry barriers of industry will change with the change of external conditions, such as the economic and political factors will have a significant impact on the enterprises in the all industry. And the "experience curve", an industry barrier to entry, will lose its role as experience cannot continue to remain exclusive, the result is that the barrier will gradually disappear to the entrants. In view of the current economic environment, there are related industries such as IT, system integration and other powerful enterprises by mergers and acquisitions and other methods to enter into the communications industry. Therefore, the potential entrants of the industry still exist to some extent. Huawei faces potential threats from multinationals in other industries such as electronics and computers. Huawei as the network communication equipment-based operators, its business covers the mobile, broadband, IP, optical Network, telecom value-added services and terminals and other fields. In the world's top 500 companies, such as Siemens, Samsung Electronics, Hitachi, Panasonic, Sony and other industries such as electronics, telecommunications, electrical and software industry accounted for at least a few of companies, those company at this stage has no direct competition in the future will directly threaten the survival and development if it has the choice of strategic transformation, choose to enter the communications industry. (Li,2006)

Trade barriers

With the trend of global economic integration and informatization, it has exerted a far-reaching influence on the development of domestic economy. The nations of the world will set up corresponding trade barriers in politics and interests. With the passage of time, the instability and uncertainty of international market environment will gradually increase, the international competition will become more and more fierce, the trade protectionism will become more and more obvious. The social and cultural environment has a certain influence on the development of enterprise internationalization strategy. Huawei marketing will be affected by the domestic cultural environment. In terms of import and export trade, there is usually a close relationship with the cultural environment, importing countries often take into account the technical capabilities, product conditions and political factors of the exporting countries. From the current situation, many of our products do not belong to the first camp, which has a great relationship with the social and cultural environment, so Huawei must fully consider this condition. (Panida,2017)