Analysis on One Plus' International Strategy

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Abstract: It is an indisputable fact that the rise of Chinese mobile phone brands and the outstanding achievements of Chinese brands in local battles, but they all face a common international challenge. In terms of shipments, although brands such as Huawei and OPPO are gradually able to compete with Apple and Samsung, it is undeniable that in the process of their internationalization, domestic users have always supported their sales. In the mainstream media and users in Europe and the United States, their attention is far less than that of international brands. On the other hand, One Plus is at the forefront of internationalization. This article aims to analyze the successful cases of One Plus in the European and American markets and the Indian high-end mobile phone market, and use the international strategy model to analyze One Plus’ international strategy and draw its advantages and disadvantages. And provide some countermeasures and suggestions for existing problems.

Keywords: One Plus, Internationalization, No compromise

1. Introduction of One Plus Mobile Company and "One Plus Phenomenon"

1.1 Introduction of One Plus Technology Co., Ltd.

One Plus is a smart phone brand owned by Shenzhen One Plus Technology Co., Ltd., and its brand belief is "Never settle". Some people in the industry believe that the product will be Attitude to make One Plus an art and technology. The combination has won more and more global high-end Recognition of market users. It debuted on January 13, 2014. The brand's mobile phones adopt an online sales model, and the first-generation mobile phones were officially launched on May 28, 2014. Shenzhen One Plus Technology Co., Ltd. was registered and established in the Qianhai Registration Working Group of Shenzhen Municipal Market Supervision Administration on October 14, 2013. Legal representative Liu Zuohu, the company's business scope includes technology development and sales of Internet and mobile Internet software products.

After the launch of One Plus 1, it was called "The Phone Of Dreams" by Time Magazine. This was the first time that Time Magazine published a review of a Chinese mobile phone in 2016, One Plus 3T, the American technology media The Verge gave the high score of 8.8 is the highest score ever obtained by Chinese smartphones. One Plus 5T is the only Chinese smartphone on the list of the best smartphones selected by The Verge.

Comparable data is that nearly 60% of the market share of One Plus mobile phones comes from overseas markets. For One Plus, which has not yet fully opened its domestic reputation, it has a foothold in the international market, which makes One Plus a "born global" enterprise in the field of international business. Subsequent One Plus 3, One Plus 3T, One Plus 5, One Plus 5T, both in sales and rewards, are refreshing their own records, and this company, which has only been established for 4 years, has harvested a lot at home and abroad. Fans. In India, according to Counterpoint data, in the high-end mobile phone market in the third quarter of 2017 (priced at more than US$400), One Plus ranked second in market share, accounting for 32%, second only to Apple. If only the online high-end market is considered, One Plus' shipments accounted for the highest proportion, reaching 62.2%. In Europe and the United States, where the product threshold is high, only 6.5 hours of sales, One Plus 5T has exceeded the first day total sales of One Plus 5, refreshing the first sales record in Europe and the United States, and the British "Guardian" once again hit it Five-star praise. In Finland, One Plus teamed up with Elisa, the largest local operator. From December last year to October this year, it has maintained the top single-model sales for 11 consecutive months. In four years, One Plus has expanded its market to 32 countries and regions in the world, including Europe and the United States, and is one of the Chinese mobile phone brands with the largest number of sea ports.
1.2 The One Plus Phenomenon

Every time it is held, it attracts long queues of local users, which has become a "One Plus phenomenon" that has attracted everyone's attention. In addition, One Plus ranks third in the high-end mobile phone market in Western Europe. At the same time, One Plus was also included in the list of "Brand Z Top 50 Chinese Brands Going Global", ranking eighth.

The most important reason for the "One Plus phenomenon" is that the One Plus mobile phone is a "good-looking and easy-to-use" product. The product quality, hardware configuration and process design of One Plus mobile phones are no less competitive than Apple mobile phones in the European and American markets.

2. One Plus' Internationalization Strategy and its underlying assumptions

2.1 Internationalization Strategy

One Plus’ internationalization strategy is similar to the localization strategy in international business. It is based on the local market, hires a local R&D team, and extensively solicits the opinions of local consumers from product design to shipment. It is called “most like a Silicon Valley company by Americans” Chinese company”. One Plus, As an emerging small brand in China, it adheres to the product concept of "Never Settle", and surprisingly clarified the brand positioning of small and beautiful. It's worth mentioning that various mobile phone manufacturers are in the red sea of the Chinese mobile phone market, however, One Plus took the initiative to avoid the “chaotic war” in the country, instead Chinese brands are struggling to achieve the unexpected gain.

Its marketing strategy can be summarized into three aspects: First, focus on product quality and take root in the high-end market. The founder of the engineer background has the ultimate pursuit of products, design and configuration; second, continue to increase investment in software development, and continuously optimize the system based on the basic experience of fast, stable and economical; 3. focus on online channels, and at the same time for consumers Provide products with high performance and excellent design.

Focus on consumers in one segment of the market and make personalized and differentiated products, focus on high-end models, focus on flagship phones, and make the high-quality and well-designed products. On the basis of this positioning, the target users are targeted as technologists who have pursuit, taste, enjoy sharing, and are keen on Internet life.

One Plus is one of the few companies with brand awareness in products. For One Plus, more important than sales volume and scale is the brand reputation established through high-quality products. Therefore, in terms of products, they do not grasp the trend or the concept, and do not rely on quantity and category to gain market share. Their focus is always "Android flagship". Putting the user experience as the center and doing the product well is Liu Zuoohu's top priority. The harshness to details is a product concept that Liu Zuoohu passed on to the entire company. One Plus pays great attention to R&D technology, but rarely ventures into it. In addition to only making fine products, another major feature of One Plus is its focus on online. Together with the product strategy of One Plus, it accelerates the internationalization of One Plus.

The successful implementation of the internationalization strategy allowed One Plus to spend a bumper year in 2018 when the entire mobile phone industry was in trouble. In the first half of the year, its flagship One Plus 6 went on sale in just 22 days, and its global sales exceeded one million. The One Plus 6T released at the end of the year reached a strategic cooperation with T-Mobile, the largest operator in the United States, and entered the mainstream North American carrier market. This is Huawei, Xiaomi has yet to achieve its goal. In the price range of $400 to $600, which is called the "dessert range" in the high-end mobile phone market, One Plus ranks among the top five in the global market.

In the Indian market, it is even more powerful than Apple and Samsung. The number one high-end brand in the Indian market,...in addition to sales volume, it also has a reputation. Usually a mobile phone user's net recommendation value of 20% is already great, but One Plus has reached 80% in the European and American markets. The flagship publication PC Mag of the world's largest IT media ZD Group, in the 2018 Readers’ Choice Awards, One Plus even surpassed Apple in user satisfaction in North American, ranking the first.
2.2 Underlying Assumptions

One Plus has its basic assumptions for implementing such an international strategy:

1) They think that a mobile phone that is really easy to use, perfect in design, and first-class hardware can be favored by the market no matter what market it is in.

2) Internet marketing has lower sales cost and wider spread than offline stores, which is conducive to the price competitiveness of One Plus mobile phones in overseas markets.

3) The consumers are rational and have a pursuit of excellence in mobile phone products. The industry believes that the development of smart phones to this day, technology, performance, etc. have been quite mature and are no longer constraints. The bottleneck in the production and development of mobile phone brands, manufacturers. Mainly in design, process, performance, software experience and other elements. Achieve balance in the process to meet the differentiated needs of users. Liu Zuohu believes that this is the opportunity for the development of the new brand. One plus hand. The machine positions users as a group of people who pursue the appearance and quality of mobile phones.

3. Advantages and disadvantages of One Plus' International Strategy

3.1 Advantages

1) It is conducive to creating the ultimate flagship model. Each One Plus mobile phone must be a boutique. The mobile phone configuration is often the top chip on the current market, high memory, and the ultimate camera and screen. This has laid the core competitiveness of One Plus' products and laid the foundation for its high popularity in the mid-to-high-end markets in Europe and America. Since mass advertising and celebrity endorsements are rarely used for marketing, One Plus, which has been established for less than 5 years, is not very well-known in China. Some insiders said with a smile that One Plus' reputation abroad is much greater than in China. However, relying on word of mouth to achieve annual sales of millions of units at a price of more than 3,000 yuan, it seems not easy for this company.

2) It saves the cost of traditional marketing links, and makes One Plus mobile phone price advantage obvious. One Plus can enter the international market quickly and efficiently at a lower cost. With the gradual development and improvement of e-commerce in Europe, America and India, it will also bring more market space to One Plus. The money saved from the channel is invested in product development, and the ultimate benefit is not only reflected in high-quality products, but also in price.

3) Purely relying on Internet online sales, eliminating many intermediate links, saving a lot of costs, and the Internet sales invitation code mechanism also indirectly promotes the second spread of One Plus mobile phones.

3.2 Disadvantages

1) Such an over-extreme pursuit makes One Plus mobile phones niche, making the public insufficiently aware of it.

2) Too much emphasis on boutique flagships makes One Plus have fewer mobile phone product lines and fewer supporting ecological chain products, which cannot provide consumers with more high-quality experience, and will easily lead to development bottlenecks.

3) Makes One Plus tepid in the domestic market, but it has improved since this year. One Plus began to vigorously deploy the domestic market, launching its One Plus 8 series flagship phones on major e-commerce platforms, and the market has received fierce response. However, One Plus has the following problems in domestic online marketing: for example, there is information redundancy in online community marketing, lack of belonging, etc.; in Wei bo marketing, users' willingness to actively share is not strong; We Chat marketing is not attractive to push content It is difficult to arouse the strong response from customers like in overseas markets.
4. Five suggestions that One Plus should make in the next five years and their impact on cash flow

4.1 Suggestions

1) Continue to uphold the brand concept of "no end". One Plus has gone through seven years of flagship journey. Turning to the future development of One Plus, Liu Zuohu said: "In the past seven years, One Plus has proven to the outside world our ability to make fine products.

2) On the basis of good quality products, focus on the development of the product line, and make the product line stronger and bigger. In July of this year, One Plus released the mid-range One Plus Nord One in India and Europe, officially broadening the product line of One Plus, and the market performed well. In the future, I hope that One Plus can launch more product lines.

3) Create an intelligent ecological experience. Seamless connection is the key, that is, home scenes, personal wearables, and third-party smart terminals are all in a connected state. To achieve the best intelligent ecological experience, multiple brands in various industries need to work together to perform their duties in the ecological chain, and One Plus can do it by creating better smart phones, wearable devices and peripherals in home life scenarios. Connect and get through between good scenes.

4) Broaden sales channels. In terms of channels, since the beginning of this year, One Plus has achieved rapid growth in domestic offline stores. So far, it has covered 30 provinces and 110 cities, and the number of cooperative offline stores has grown by 140%. Liu Zuohu said that in order to allow more users to easily experience One Plus' products, the future will continue to make efforts in channels and after-sales. In terms of domestic Internet precision marketing, it is necessary to combine information technology to improve information redundancy; strengthen community awareness and enhance users' sense of belonging; cultivate opinion leaders and influence public opinion guidance; focus on the quality of content delivery to achieve emotional resonance. One Plus will focus on Your target consumers, do a good job of social media that plays an important role in online marketing Social marketing work, by listening to consumers’ voices, constantly updating social Media marketing strategy to maintain a unique competitive advantage in the fierce mobile phone market competition,Further realize continuous development.

5) Continue to invest in research and development to contribute to the development of my country's semiconductor and chip industry.

4.2 Possible Impact on Future Cash Flow

1) One Plus mobile phones are now gaining fame in China, and sales on major platforms are also extremely phenomenal. Future cash flow will be more sufficient.

2) Since One Plus became famous in overseas markets, large foreign companies have continuously wanted to invest. Therefore, the cash flow of One Plus will surely flow steadily in the foreseeable future.

3) Continue to increase investment in research and development and increase in chip research and development may make One Plus mobile phone cash flow tight. At present, domestic chips still have a long way to go. I sincerely hope that domestic brands will become stronger and stronger. Subject to others.

5. One Plus' Enlightenment to The Internationalization of other Chinese Mobile Phone Manufacturers

One Plus Mobile Plus has to go through three rounds of selection in the selection stage, with a six-version plan. In order to make the phone slimmer, with cleaner lines, and stiffer, One Plus floats the phone screen through the rim to make the phone screen float on the frame, making the screen feel like it is floating outside the middle frame. But Liu Zuohu held the model in his hand and was dissatisfied with the height of the floating screen. The design team tried dozens of schemes and reduced the thickness of a hair strand by 0.05 mm based on the engineering machine, and finally had to reopen the mold. "The gold waistline of One Plus is a little curved on the two waistlines of the One Plus mobile phone. The gloss of the arc is set at 6 light, which is the golden luster exclusive to One Plus." This is Liu Zuohu's to One Plus. The description of the golden waistline and the adjustment of the curvature of
the two waistlines have been modified in 10 versions: from the earliest publicity and vigor, to the final restrained. The "competition" of design runs through the design of One Plus. Only the plan has been changed and optimized more than 100 times. Even the spray paint inside the non-detachable back cover, Liu Zuohu also requires the same as the body, and this spray paint process is It takes a lot of time. "Although the user can't see it, I know what it looks like. If it doesn't look good, I feel uncomfortable." Liu Zuohu said that he is a Pisces with obsessive-compulsive disorder. "I told the team not to consider the cost issue first, and to make the best one regardless of the cost before pricing. OPPO's Blu-ray DVD is the same. In the North American market, we started with a US$500 product and later a US$1,000 product. For a product of US$1,200, it is not about setting a price and then designing a product, but aiming at a target first, and then seeing how much money is appropriate to sell, the result is that no matter what price the product sells very well." Liu Zuohu thinks, what kind What kind of consumers do the products attract, and One Plus’ mobile phones convey the brand’s attitude and values of life of “unwillingness” through the ultimate pursuit of appearance craftsmanship.

1) Make a truly good product, so that consumer loyalty will be high. Keep improving the quality and craftsmanship of the products, based on the preferences of consumers in foreign markets. In the process of product design and research and development, the opinions of local consumers are extensively solicited, thereby indirectly establishing a good brand image.

2) In the early stage, focus on online retail and Internet marketing strategies, identify their product positioning, use various sales promotion activities in a reasonable and controlled manner, establish a mobile fan community, and allow consumers to participate in depth. As a new type of online media, social media has become the main network marketing tool of current enterprises due to its characteristics of participation, disclosure, communication, dialogue, and community. With the intervention of mobile terminals and the decline in traffic charges, mobile social media has become The right assistant for enterprises to carry out precision marketing.

3) Pay attention to the development of its own mobile phone operating system. The development of the operating system of One Plus is difficult, but it is closest to the original ecology of the Android system, which is very attractive to technology enthusiasts and geek groups.

4) Establish a R&D team spanning various countries, which is conducive to management and control.

References