Analyzing China's Brand Overseas Marketing Strategy under the "Belt and Road" Initiative: A Case Study of Transsion Holdings in Africa

Leiyu Chen

***Abstract*—In recent years, under the "Belt and Road" initiative, Chinese brands have embarked on the journey of going global. To analyze the successful overseas marketing strategies of Chinese companies within the "Belt and Road" framework, this article takes Transsion Holdings as an example to explore how a brand can transition from product localization to ecosystem localization. This research aims to provide insights and references for Chinese brands going global in the face of the current trend of "de-globalization".**

***Index Terms*—Belt and road, regional marketing, Chinese brands going global, de-globalization**

I. Research Background

In 2017, the Chinese government first introduced the concept of "de-globalization" in its reports, indicating a growing trend of protectionism amid global geopolitical conflicts such as the Russia-Ukraine crisis, exacerbated by the worldwide spread of the COVID-19 pandemic (Tong *et al*., 2017). This "de-globalization" trend poses significant challenges to Chinese brands going global. Leveraging the "Belt and Road" initiative to expand internationally has gradually become a consensus among Chinese brands. While academic research on regional marketing theory has been increasing in recent years, a practical methodology for regional marketing execution has not yet been developed due to its relatively short history. This article analyzes the marketing strategy history of Transsion Holdings within the "Sino-African Belt and Road" framework to provide insights into marketing development for Chinese brands going global.

II. Transsion's Development History in the African Market

A. Input: Seizing the Niche Demand and Opening Regional Markets with Differentiated Products

Before the development of digital infrastructure in Africa, Transsion Holdings entered the African market in 2006. At that time, Africa was still in the early stages of mobile terminals, and the fragmented operations of multiple carriers posed challenges for brand expansion (Zang, 2017). However, challenges also presented opportunities. Transsion entered the market with its first Tecno mobile phone, which addressed the demand for "dual SIM dual standby" and quickly gained market share (Kong *et al*., 2019). Subsequently, Transsion continuously improved its products through technological innovation, utilizing its global technology research and development advantages, and introduced unique features such as "dark skin tone photography technology", "local language support", and "extended battery life". In addition, it diversified its product lineup, launching two additional brands, Itel and Infinix, targeting different segments of the African consumer market, namely middle-class consumers, basic durable consumers, and tech-savvy consumers, creating the Transsion trio of mobile phone systems

Besides Transsion, Huawei was another Chinese company that ventured into the African mobile phone market early, starting its African expansion in 1996. Although initially positioned as a telecommunications equipment service provider, Huawei's high-end brand positioning for its phones faced difficulties in gaining traction in the low-income African market.

Transsion Holdings' success in entering the African market can be attributed not only to its regional advantages but also to its precise localization insights and the development of differentiated product positioning.

B. In-Depth Involvement: Penetrating the Local Market and Winning over Customers through Brand Localization

Africa comprises over 50 countries and regions with diverse cultures and complex political landscapes, making it far from a unified market in the traditional sense. This complexity posed significant challenges for Transsion's expansion into the African market. Adhering to its strategy of "global thinking, local innovation", Transsion embraced the "Belt and Road" initiative to gain a foothold in Africa. It employed three "localization" strategies to win the hearts of African consumers and solidify its brand influence in the African mobile phone market.

C. Localized Manufacturing for Scalability

While Transsion mainly sells its phones in Africa, early in its history, production took place primarily in China using a "sales-determined production" model, involving its own factories, external suppliers, and ODM manufacturers (Yao, 2019). However, as Sino-African cooperation under the "Belt and Road" initiative deepened and infrastructure development in Africa improved, the company began establishing its own factories in Ethiopia, India, Bangladesh, and other countries. It recruited local production workers and managers, adopting a "local production, local management" model. This approach allowed the company to strengthen its integration with local culture, amplify its local impact, and foster a sense of pride among its African

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Leiyu Chen is with Nanyang Technological University, Singapore. E-mail: chen09@163.com

employees. Additionally, the lower labor costs in Africa amplified the benefits of large-scale production, further promoting economies of scale.

D. Localized Operations to Leverage Industry Chain Advantages

Transsion Holdings has established a comprehensive sales and after-sales service system in the African market, featuring its proprietary after-sales brand, Carlcare. Its workforce primarily consisted of locals, offering services such as online consultation, remote assistance, and value-added services. With over 2,000 service points in Africa, serving 900 million African users annually, Carlcare has become a trusted service provider in the region.

Furthermore, Transsion initiated localized distribution channels early in its development, which allowed local distributors to actively participate in promoting its products (Zhao and Li, 2020). This mutually beneficial partnership model creates long-term growth potential.

E. Localized Corporate Social Responsibility (CSR) Initiatives to Build Brand Loyalty

Transsion has consistently invested in social responsibility projects, addressing local issues with its brand warmth. For example, Itel, one of Transsion's mobile phone brands, received the "Africa GWYT Humanitarian Award" for two consecutive years (2021–2022). Tecno, another brand under Transsion, has partnered with the United Nations Refugee Agency (UNHCR) to establish sustainable cooperation, such as the "Educate a Child" project, benefiting over 12,000 refugee children in Kenya. In 2022, Tecno launched the "DAFI Higher Education Program," supporting refugee higher education scholarships and enabling at least 20 African refugees to complete four years of higher education.

F. Winning the Game: From Hardware to Software and Ecosystem, Constructing Three Growth Curves for Transsion Brands

Over the years, Transsion Holdings has evolved from its original mobile phone business to developing three major ecosystem segments, namely "Mobile Phones + Digital Products", "Mobile Phones + Mobile Internet", and "Mobile Phones + Regional Investments". These segments are described as follows:

G. "Mobile Phones + Digital Products" Ecosystem

With a strong presence in the mobile phone market, Transsion Holdings has established an extensive and robust sales network in Africa. This has become a driving force for the development of the home appliance and accessories industry. Transsion has introduced a professional accessories brand called Oraimo and, in recent years, has also launched the home appliance brand Syinix. Itel and Infinix, its mobile phone brands, have also expanded into the television category. This strategic approach capitalizes on the high growth potential of the African home appliance market, driven by population growth, industrial structure upgrades, infrastructure development, and urbanization.

H. "Mobile Phones + Mobile Internet" Ecosystem

As its mobile phone brands continued to grow, Transsion Holdings accelerated its mobile internet expansion, developing Transsion OS as a crucial gateway for mobile internet in Africa. In recent years, it has developed more than ten Transsion-series applications around Transsion OS, primarily through self-development and collaboration with leading Chinese internet companies. These apps cover eight major user scenarios, including social, information, browsing, app stores, and gaming, all of which rank among the top 100 daily active applications in Africa, with user numbers exceeding 10 million (Liang and Wang, 2018).

In early 2022, Transsion separated its mobile internet segment and established the Mobile Internet Center, led by former Baidu search executive Xiang Hailong. This move underscores the importance of the "mobile ecosystem" in Transsion's next-stage development strategy. The Transsion Mobile Internet segment is primarily composed of three platforms: DataSparkle, which supports market insights; eagllwin, focused on service marketing; and Transscmp, dedicated to building Africa's first cloud service engine. The Mobile Internet division aims to create a new ecosystem of African mobile internet "super connections" through data, marketing, and cloud services.

I. "Mobile Phones + Regional Investments" Ecosystem

In 2019, Transsion incubated and established its first Sino-African venture capital incubator, Ficheng Innovation, with strategic investments and resource support from Transsion Holdings and Gobi Partners. Ficheng Innovation specializes in early-stage investments and incubation services in the internet technology field within emerging markets in Africa. The platform offers market consulting, local resources, seed funding, and traffic support to startups venturing into Africa. Currently, it has incubated platforms such as WAPIPAY, a cross-border payment and transfer platform in East Africa, and MOSHOP, a social e-commerce platform in Africa. Moreover, this investment business is closely integrated with Transsion Mobile Internet's "Transsion Developer Cloud Platform," allowing promising technology projects to seamlessly transition from research and development to incubation and implementation, creating an end-to-end ecosystem.

III. Insights: Marketing Strategies for Chinese Brands Going Global in the Face of "De-Globalization"

Today's world, characterized by "de-globalization", has presented significant challenges for Chinese companies going global. In recent years, several countries and regions have implemented restrictions and market bans on Chinese companies and technologies. For instance, the United States has taken actions against TikTok and Huawei's 5G technology (Song *et al*., 2021). This has hindered the global reach of China's leading technology and products. In the struggle against "de-globalization," Chinese companies have increasingly turned to the stable environment created by China's cooperation with countries along the "Belt and Road" initiative as the best strategy for international expansion.

Drawing from the experiences of Transsion Holdings in the African region, we can provide several insights for companies at different stages of international expansion:

A. Early Development: User-Centric Approach with Technological Advancement

To successfully enter overseas markets, companies need to delve deeper into understanding the pain points of local users, thus establishing differentiated selling points as the core of their brand. In the past, this process required substantial human and financial resources. However, with the introduction of the "Belt and Road" initiative, a new economic platform has been created along its routes, greatly reducing the difficulties of cross-border expansion (Dai and Wang, 2021). Continuous product innovation, leveraging China's advanced technological advantages, is essential for a brand's long-term development. Differentiated selling points in technology should be deepened, and the introduction of a series of products should reinforce the impression as the brand's unique value proposition. This intangible brand asset will be the key to a company's short-term and long-term growth potential in the region.

B. Mid-Term Development: Emphasizing Brand Localization to Avoid National Branding

The countries along the "Belt and Road" initiative are predominantly developing nations with lower overall economic development. Although China's industrial upgrade is relatively advanced, Chinese companies often face challenges when adopting a "copy China's experience" approach. The concept of "national branding" is flawed because it emphasizes China's status as a great power while overlooking the acceptance of foreign goods by local consumers (Sun *et al.*, 2009). It can create barriers to company expansion instead of facilitating it. Brand localization is at the core of a company's international positioning, encompassing not only product design but also production and operations. Companies must not only "go out" but also "go in" to the local market.

From a production and operations standpoint, companies have the option to establish local production and supply channels, create local production and management teams, and minimize challenges related to cross-border business management (Wang, 2019). This approach allows companies to better integrate into the local culture, streamline supply channels, and establish a strong presence within the region.

C. Long-Term Development: Building an Ecosystem for Sustained Brand Relevance

The rapid growth of a brand in a region inevitably attracts competition from similar products. Building a brand ecosystem ahead of time helps matrix businesses mutually promote each other, resulting in scalable growth. Traditional brand marketing relied on absolute control over the industrial ecosystem through technology to win the market. However, with the emergence of the digital industrial internet, the concept of an ecosystem has undergone significant transformation. Under the empowerment of data, technology iterates rapidly, breaking the traditional competition model based on singular technology advantages. Leading companies must now integrate the industry chain, lead its upgrade, and maintain their competitive edge. Companies like Transsion, Huawei, Tencent, and others are actively involved in building and empowering dominant industry ecosystems. They create commercial ecosystem platforms for their ecosystem partners, provide intelligent services, collaborate for mutual benefit, and jointly build the "Belt and Road" system of multidimensional business growth. This represents a new era based on ecosystem marketing and is an inevitable choice for world-class enterprises to stay relevant and sustainable.

IV. Conclusion

The current trend of "de-globalization" presents significant challenges for Chinese companies seeking to expand into international markets. In response to this challenge, Chinese enterprises have utilized the "Belt and Road Initiative" to establish a stable market environment in partner countries, providing an ideal strategic option for international expansion. This paper provides valuable insights for enterprises at different stages of international expansion, highlighting the crucial roles of product differentiation, localization, and the establishment of a sustainable brand ecosystem in the different phases of brand development. These strategies and insights offer valuable guidance for other Chinese brands seeking to develop effective international market strategies in response to the prevailing trend of "de-globalization".

V. Study Limitations

The article primarily examines Transsion's operations in the African market. While this case has been successful in the African market, it is essential to recognize that different industries and regions may encounter unique challenges and opportunities. Therefore, using Transsion as a case study has limitations in terms of generalizability and cannot represent all situations faced by Chinese companies in their international expansion efforts along the "Belt and Road" initiative. The strategic insights derived from this study can serve as a reference for the development of other enterprises, but their applicability may vary depending on specific circumstances.

Conflict of Interest

The author declares no conflict of interest.

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