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Case Analysis of Brand Repair and Consumer Mental Model Remolding in Huawei's High-End Smartphone Comeback

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Abstract. Against the backdrop of geopolitical external constraints confronting high-tech enterprises, Huawei's high-end smartphone business suffered severe setbacks after 2019. Its chip supply chain was disrupted, market share shrank sharply, and its long-established high-end brand perception was shaken. The launch of the Mate 60 series in 2023 marked the official comeback of Huawei's high-end smartphones, serving as a typical sample for studying brand reconstruction of high-tech enterprises amid crises. This paper uses Huawei's high-end smartphone comeback as a case study. It draws on brand repair theory and the Consumer-Based Brand Equity (CBBE) model and sorts out the causes of Huawei's brand crisis. It analyzes Huawei's brand repair pathways from four dimensions: product innovation, ecosystem development, marketing communication, and channel restructuring, and explores how enterprises remold consumer mental models. The study finds that breakthroughs in core-hardware technologies constitute the fundamental cornerstone for high-tech enterprises to repair brands after crises. While national sentiment can drive short-term traffic, only continuous iteration of product experience and software ecosystem can convert one-off consumer enthusiasm into stable brand loyalty. Meanwhile, bottlenecks in chip manufacturing, ecosystem shortcomings, and homogeneous market competition still restrict the long-term development of Huawei's high-end business. This research provides practical references for domestic high-tech enterprises exposed to external non-market risks to conduct brand repair and manage consumer mental models.

Keywords: Huawei, Brand Repair, Geopolitical Risks, Consumer Mental Model

1. Introduction

China's consumer electronics industry has witnessed rapid development. Before 2019, domestic mobile phone brands kept foraying into the high-end consumer market. Huawei once occupied nearly half of China's high-end smartphone market segment priced above 5,000 RMB, building solid high-end brand perceptions among consumers. After being added to the Entity List in 2019, Huawei endured multi-dimensional crackdowns. OEM production of its flagship Kirin chips was suspended, authorization for Google Mobile Services (GMS) was revoked, and overseas sales channels were largely blocked. Its domestic smartphone market share plummeted from over 40% to less than 10%. Damaged hardware supply concurrently undermined consumers' judgment of Huawei's high-end

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products. Some consumers doubted Huawei's capacity for sustainable technological output, putting its years-accumulated high-end brand equity at risk of dilution [1].

Existing literature mostly focuses on Huawei's technological breakthroughs, internationalization strategies or single marketing events. Few studies systematically investigate the complete logic of brand repair and consumer mental model remolding for high-tech enterprises stricken by external geopolitical crises from a marketing perspective. There exists a research gap regarding how enterprises rebuild consumer perceptions under non-market risks.

Therefore, this paper adopts the case-study method. By collecting public industry reports, corporate official documents and published academic literature, it maps the full course of Huawei's high-end smartphone comeback, analyzes its brand-repair logic and internal mechanisms behind shifts in consumer mental models, and notes the research's limitations and directions for future studies. The findings offer practical implications for domestic high-end brands coping with external shocks, restoring high-end positioning, and managing consumer mental-model resources.

2. Theoretical foundation and concept definition

Brand repair refers to a series of strategic actions implemented by enterprises after brand crises to restore brand image, rebuild consumer trust and mitigate losses in brand equity. Image Repair Theory posits that when an enterprise suffers reputational damage, it can remedy its brand image through factual correction, capability demonstration and stakeholder communication. Unlike ordinary product-quality scandals, Huawei's crisis stemmed from external geopolitical sanctions rather than internal corporate misdeeds. Accordingly, brand repair in such contexts cannot rely simply on public-relations apologies. Its core lies in rebuilding corporate capabilities and validating brand value through tangible products to reverse consumers' prior negative expectations [2].

Consumer mental model refers to the aggregate of all perceptions, emotions and behavioral tendencies toward a brand accumulated in consumers' memory. Keller's Consumer-Based Brand Equity (CBBE) model divides brand building into four layers: brand salience, brand performance & imagery, consumer judgments & feelings, and brand resonance [3]. Remolding consumer mental models means reconstructing these four layers: boosting brand recognition, rebuilding perceived quality, fostering positive brand evaluations, and ultimately achieving brand loyalty. Huawei faced several tasks. It had to remove public doubts over its technological strength, consolidate its high-end positioning, and prevent rapid declines in brand preference once nationalist sentiment faded. Its goal was to turn emotional support into rational and stable consumption choices.

High-end smartphones in this paper refer to domestic-market handsets priced above 5,000 RMB targeting high-spending-power consumers. Competition covers core hardware performance, imaging capabilities, system experience, industrial design and brand added value. Huawei's Mate series and Pura (formerly P) series constitute its core high-end product lines.

3. Overview of Huawei's high-end smartphone brand crisis and business comeback

3.1. Formation of brand pressure under external sanctions

Huawei was added to the U.S. Entity List in 2019, with sanctions escalated in 2020. Overseas foundries such as TSMC halted OEM production of flagship Kirin chips, directly breaking Huawei's high-end flagship chip supply chain. Meanwhile, Google revoked GMS service authorization, creating obvious deficiencies in system experience for overseas Huawei users. Multiple overseas carriers and offline retail outlets delisted Huawei smartphones.

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Constrained by multiple restrictions, Huawei could only launch 4G flagship models for a long period. Though the Mate 50 series retained premium pricing, the absence of 5G stood out as a major shortcoming in consumer reviews. According to IDC statistics, Huawei's domestic smartphone market share dropped to roughly 7% at its lowest point [4]. At the consumer-mental-model level, two negative perceptions took hold. Some consumers believed Huawei had lost the capacity to develop and produce flagship chips sustainably, and that its high-end technological advantages could no longer persist. Others doubted whether Huawei justified its premium pricing given incomplete hardware supplies. Despite deep-rooted brand favorability in China, sustained hardware limitations led large numbers of consumers to adopt a wait-and-see attitude, eroding Huawei's high-end brand equity.

3.2. The Mate 60 series: milestone for high-end business comeback

On August 29, 2023, Huawei rolled out the Mate 60 Pro via its Pioneer Program without advance launch events. Equipped with the domestically-produced Kirin 9000S chip and supporting satellite calling, it symbolized the official return of Huawei's high-end smartphone business. The product triggered massive market repercussions: long queues appeared at offline stores, and online inventories sold out rapidly. Huawei subsequently released the Mate X5 foldable phone, Pura 70 series, Mate 80 and Mate 90 series, completing a full portfolio of high-end straight-screen and foldable-screen products.

Market research data reflects sales recovery. In 2025, Huawei repeatedly secured the top spot in China's smartphone market share. In the high-end segment above 5,000 RMB, Huawei captured over 30% market share and competed head-to-head with Apple, which had long dominated China's high-end market. Rebounding sales are not merely a statistical recovery. They signal the starting point for Huawei's brand repair and the restart of consumer-mental-model reconstruction [5].

4. Huawei's implementation strategies for high-end brand repair

4.1. Product-driven approach: consolidating brand foundations through core-capability reconstruction

For high-tech enterprises undergoing brand repair, product power serves as the fundamental carrier of brand image. Imposed with sanctions, Huawei maintained heavy R&D investment, exceeding 1.8 trillion RMB cumulatively from 2007 to 2025. The comeback of the Mate 60 series relied on domestic industrial-chain collaboration to realize mass production of flagship Kirin chips. Beyond core processors, Huawei developed differentiated competitive elements including satellite communication, Kunlun Glass, Basalt Architecture, XMAGE imaging and HarmonyOS [6].

Unlike peers that merely compete on hardware parameters, Huawei prioritizes holistic user experience. Satellite calling fills the gap in emergency communication for civilian smartphones and forms exclusive brand memories. The large-scale commercialization of the Mate XT tri-foldable phone sets a technical benchmark in the high-end foldable segment. These products send clear market signals. They show that Huawei retains innovation strengths for high-end flagships, reversing prior pessimistic market expectations of "collapsed technological capabilities".

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4.2. Ecosystem development: building software soft power for high-end positioning

Hardware alone cannot sustain long-term high-end brand value. Huawei accelerated the development of HarmonyOS and Huawei Mobile Services (HMS) to offset losses caused by GMS deprivation. After years of cultivation, HarmonyOS-powered device ownership kept growing, with millions of registered developers building a relatively complete application and service system.

Improved software ecosystem eases consumer concerns over system experience. Pan-device interconnection across smartphones, tablets, PCs and wearables delivers brand added value beyond hardware specifications, and such full-scenario experience constitutes a key driver for repeat purchases among high-end users. Breakthroughs in hardware paired with continuous software-ecosystem improvements jointly accomplish capability-oriented high-end brand repair [7].

4.3. Marketing communication: balancing emotional resonance and rational product-information delivery

During its high-end comeback, Huawei deployed differentiated communication strategies. The surprise launch of the Mate 60 Pro sparked spontaneous social-media debates on Weibo and short-video platforms, evoking public emotional identification with domestic technological breakthroughs. Nevertheless, Huawei did not capitalize merely on nationalist sentiment. Subsequent launch events fully interpreted rational product information such as chip performance, imaging algorithms and system optimization, preventing the brand from being simply labeled a "sentiment-driven consumer good" [8].

Meanwhile, Huawei pushed forward brand rejuvenation. The Pura series refined color palettes and aesthetic styling and renewed its spokesperson matrix to resonate with Generation Z consumers, expanding its high-end audience base beyond middle-aged business users. Multi-dimensional communication matrices were built via online technical reviews, offline in-store hands-on experiences and authentic user feedback.

4.4. Channel restructuring: restoring offline high-end experience systems

During the sanction period, some offline channels lost confidence in Huawei products. Following the return of high-end products, Huawei optimized its channel system, expanded Huawei Smart Stores, and emphasized hands-on experiences for flagship and foldable devices. Physical stores provide consumers with hands-on trials, product explanations and after-sales guarantees, converting online public-opinion heat into tangible brand impressions. It also regulated markets to curb scalping by resellers and safeguard premium-product price systems and brand value. Sound channel operations guarantee consumer purchasing and usage experience, forming an indispensable component of brand repair [9].

5. Internal mechanisms of consumer mental model remolding

Based on the CBBE brand-equity model, Huawei's remolding of consumer mental models can be analyzed across four dimensions: brand salience, brand imagery and performance, consumer judgments and feelings, and brand resonance.

First, brand salience rose substantially. After the Mate 60 series went on sale, Huawei's high-end products sustained high social-media discussion volumes. Consumers' brand recall and recognition improved markedly, and the public quickly associated Huawei with domestic high-end flagships.

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Second, brand connotation was reconstructed. Before sanctions, Huawei's brand connotation combined strong technological prowess and its identity as a reliable domestic high-tech enterprise. Amid hardware supply shortages, consumers doubted its technological capabilities. The return of chips and delivery of differentiated innovative functions rebuilt perceptions of Huawei's technological leadership. Technological breakthroughs amid external pressure further strengthened its symbolic status as a national tech icon. Still, such symbolic sentiment plays only an auxiliary role: sentiment-driven popularity fades rapidly if product experience fails to meet user expectations.

Third, consumer reactions shifted from wait-and-see attitudes to positive evaluations. Following the Mate 60 launch, consumer opinions became diversified: some users highly valued its exclusive features and full-scenario ecosystem, while others criticized partial performance and cost-performance ratios. Overall, consumers discarded their previous one-sided pessimism and adopted objective assessments based on real-device usage. Consumer acceptance of Huawei's pricing range of 5,000-10,000 RMB improved noticeably, and perceived product value was restored.

Fourth, brand resonance formed among certain user groups. Long-time Huawei users showed strong repurchase intentions, and new high-end consumers built emotional bonds with the brand. Yet brand resonance has boundaries. Constrained by sanctions, progress in remolding overseas consumers' mental models remains slow. Intense competition from Apple and other domestic high-end brands persists in the Chinese market [10].

Remolding consumer mental models is accomplished through iterative generations of products rather than by a single blockbuster product. The Mate 60's phenomenal popularity was merely a starting point. Succeeding models including the Mate 80, Mate 90 and Pura 90 consolidated newly-formed consumer perceptions through ongoing experience optimizations.

6. Existing challenges and managerial implications

6.1. Existing challenges

First, although Huawei has realized mass production of flagship domestic chips, bottlenecks persist in advanced-chip manufacturing processes. Restrictions related to Extreme Ultraviolet (EUV) lithography remain unresolved, creating hidden risks for long-term iterations of high-end hardware. Slower hardware-upgrade rhythms may reignite consumer doubts over technological competence and raise difficulties in maintaining high-end consumer mental models.

Second, compared with mature Android and iOS ecosystems, HarmonyOS still lags in the quantity and quality of high-end native applications. For high-end consumers pursuing comprehensive experiences, ecosystem imperfections reduce user satisfaction. Ecosystem construction demands sustained massive resource investment, and its popularization pace restricts in-depth remolding of consumer mental models.

Furthermore, after Huawei's comeback, domestic competitors including Xiaomi, OPPO and VIVO have ramped up high-end flagship development. The high-end market has entered an era of fierce stock-market competition. Consumers face abundant alternative choices. Huawei must continuously deliver differentiated innovations to avoid dilution of its brand identity amid homogeneous parameter-oriented competition.

Finally, stark disparities exist between domestic and overseas consumer-mental-model reconstruction. Constrained by geopolitical policies, Huawei has made slow progress in rolling out its high-end smartphones overseas. Years of sanctions have severely damaged overseas brand perceptions. Rebuilding overseas consumer mental models faces dual obstacles of policy barriers and market education.

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6.2. Managerial implications

This case yields several implications for Chinese high-tech brands exposed to external risks. First, attach importance to underlying R&D reserves. Independent core-innovation capabilities serve as the ultimate safeguard against brand risks. When crises strike, deliverable technological achievements constitute the most powerful tool for restoring brand image and reversing consumer perceptions. Second, distinguish emotional communication from rational product-value messaging. Public attention generated by nationalist sentiment is double-edged. Enterprises must not be trapped by pure sentiment-driven labeling, they should consistently demonstrate tangible product value and guide consumers toward rational brand judgments. Third, remolding consumer mental models constitutes a long-term iterative project that cannot be completed by one hit product alone. Enterprises need coordinated advancement of multi-generation product updates, ecosystem refinement and offline-channel experience optimization. Fourth, maintain early-warning mechanisms for brand-equity risks. Even with rebounding sales data, underlying technological and policy risks may still impact consumer mental models. Enterprises should sustain stable R&D investment to cope with future uncertainties.

7. Conclusion

Taking Huawei's high-end smartphone comeback as a case, this paper investigates brand-repair pathways and consumer-mental-model remolding, and draws the following conclusions. First, for high-tech brands suffering external non-market crises, reconstruction of product and technological capabilities forms the core prerequisite for brand repair. Public-relations communication and sentiment-driven marketing can generate short-term attention, yet durable brand-image restoration must rely on tangible product achievements. Brand repair cannot endure without real-product technological breakthroughs. Second, remolding consumer mental models represents multi-dimensional progressive work. It involves emotional identification as well as rational consumer recognition of product quality, perceived value and usage experience. Sentiment-driven popularity can drive initial purchases, but sustained product and ecosystem iteration convert one-off consumption enthusiasm into long-term brand loyalty. Third, sales recovery does not equal complete brand repair. Huawei still confronts multiple constraints including chip-manufacturing bottlenecks, ecosystem pressures and fierce industrial competition. Sustained reinforcement through successive product generations is required to safeguard consumer mental models.

However, this paper employs qualitative case research and does not quantify consumer-mental-model indicators such as brand loyalty and perceived value via questionnaires. Future studies may conduct empirical analysis through questionnaires to quantify the weights of product-related, emotional and ecological factors in mental-model remolding. Moreover, this research is confined to the Chinese-market context. Subsequent scholars may further explore barriers and feasible pathways for Huawei's overseas brand repair.

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