

# Strategic Marketing-Marketing Analysis of Apple Company

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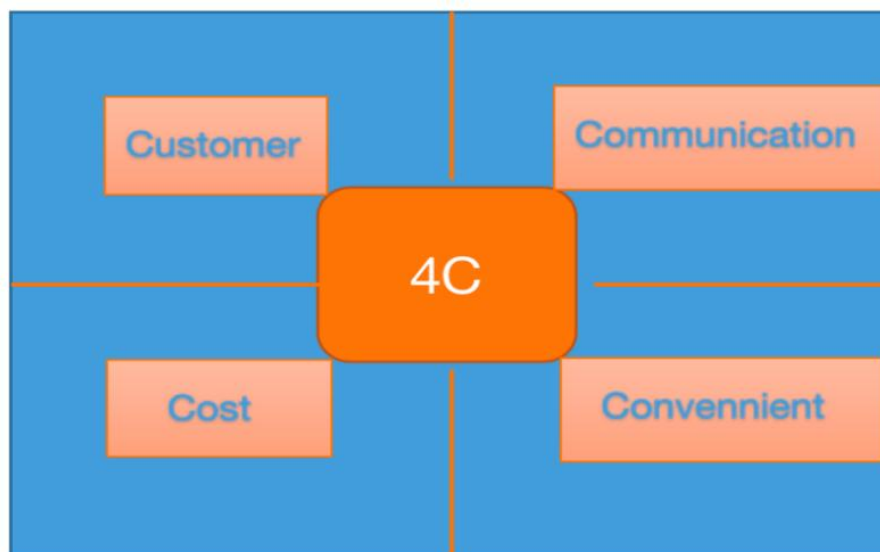
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**Abstract:** *Apple is the global leader in mobile communication and the driving force for the sustainable development of the industry Apple is committed to providing practical and innovative products, including mobile phones, games, image media, which enrich people's lives and improve their work efficiency As a global leader in mobile communication, Apple has become a leading global mobile phone provider with rich experience and innovative user-friendly and secure solutions The reason why Apple is so successful is that the implementation of 4C strategy plays a vital role In this paper, the SWOT method is used to analyze Apple's marketing strategy in China, and the problems in its marketing strategy in China, such as product price, promotion channel and so on, are analyzed and the corresponding countermeasures and suggestions are put forward.*

**Keywords:** Strategic Marketing; Apple Company; 4C theory; SWOT Analysis; Marketing Strategy.

## 1. INTRODUCTION

Marketing strategies in corporations are important, to influence operations of the corporations toward satisfaction of the customers and their competitive advantages, indicating the importance of analyzing and evaluating the existing marketing strategies of organizations. In this research, it provides strategy audit on Apple Inc., which is one leading electric device designer in the global market, by auditing its marketing strategies in the Chinese market. Headquartered in Cupertino, California, USA, Apple Inc. has been one leading multinational technology company, to sell consumer electronics, computer software, and online services. Innovation has been regarded as the core value of Apple, which argues that "Technology is most powerful when it empowers everyone". The vision of Apple Inc. is "sometimes a word is worth a thousand pictures". The mission is to keep everyone in the conversation, with the innovative products and services, which are connecting customers from all over the world with the newest technologies. In operations of Apple, it has multiple objectives, to be innovative, realize profits for the shareholders, undertaking corporate social responsibilities and performing eco-friendly operations. The current marketing strategies of Apple Inc. includes seven pillars, which are need for advertising, pricing based on unique value proposition, simple products and marketing campaigns, talk in the language of the customers, promote customer experiences, focusing on emotions of the customers, and building a community of users. The marketing strategies could be analyzed under the 7Ps marketing mix, in the strategy audit report. This report includes four sections in the following content. First, it identifies 4Cs analyses, which is short for context, competitors, consumers and company. Second, it conducts market orientation and positioning of Apple Inc. Third, the report conducts SWOT analyses on marketing strategies of Apple Inc. based on the critical evaluations on its marketing strategies. Four, it provides overall evaluation of the current marketing strategy.



## 4C Theory

Figure 1: 4Cs analyses (Source: Created by the author: Zhaoxiang Li)

### 1.1 Context

The context facing Apple Inc. in marketing its products and services to the Chinese market could be critically audited by referring to the macro environment facing the corporation in the Chinese market, such as by analyzing the macro environment under the PEST framework (Payne 2017, p. 51). First, Apple Inc. in the Chinese market is facing stable political environment while the corporation needs to notice the potential corruption and low efficiency in the Chinese government, while launching and promoting its products and services to the Chinese market. Second, Apple Inc. could enjoy the very rapidly economic growth in the Chinese market, with low inflation and increasing affordability of the Chinese customers, to buy products and services from the corporation. Third, social and cultural factors in China also mainly support expanding to the Chinese market by Apple Inc. considering that the Chinese always have requirements of capricious consumptions. However, some Chinese have special favor on the national brands, such as Huawei, which has raised for recent three years and has occupied about 40% market share in China (Khan et al. 2015, p. 955). Four, technology has been one important unique value that Apple Inc. is approach to the Chinese market, to convince the Chinese customers about its superiority, comparing with the many competitors (Khan et al. 2015, p. 955). In fact, many Chinese customers are appealed by the newest technologies used in the products of Apple, to be loyal customers of Apple Inc.

### 1.2 Competitors

Competitors of Apple Inc. include Huawei, Samsung, and Xiaomi, to have their special features and to compete with Apple Inc. in the Chinese market. Competitors analyses could identify and compare the competitors of Apple Inc. with referring to two dimensions: high technologies adopted by the electric devices’ designers and prices for products and services they had conducted (Mills 2015, p. 643). The positions of Apple Inc. and its competitors could be summarized in the following figure, with referring to the two dimensions.

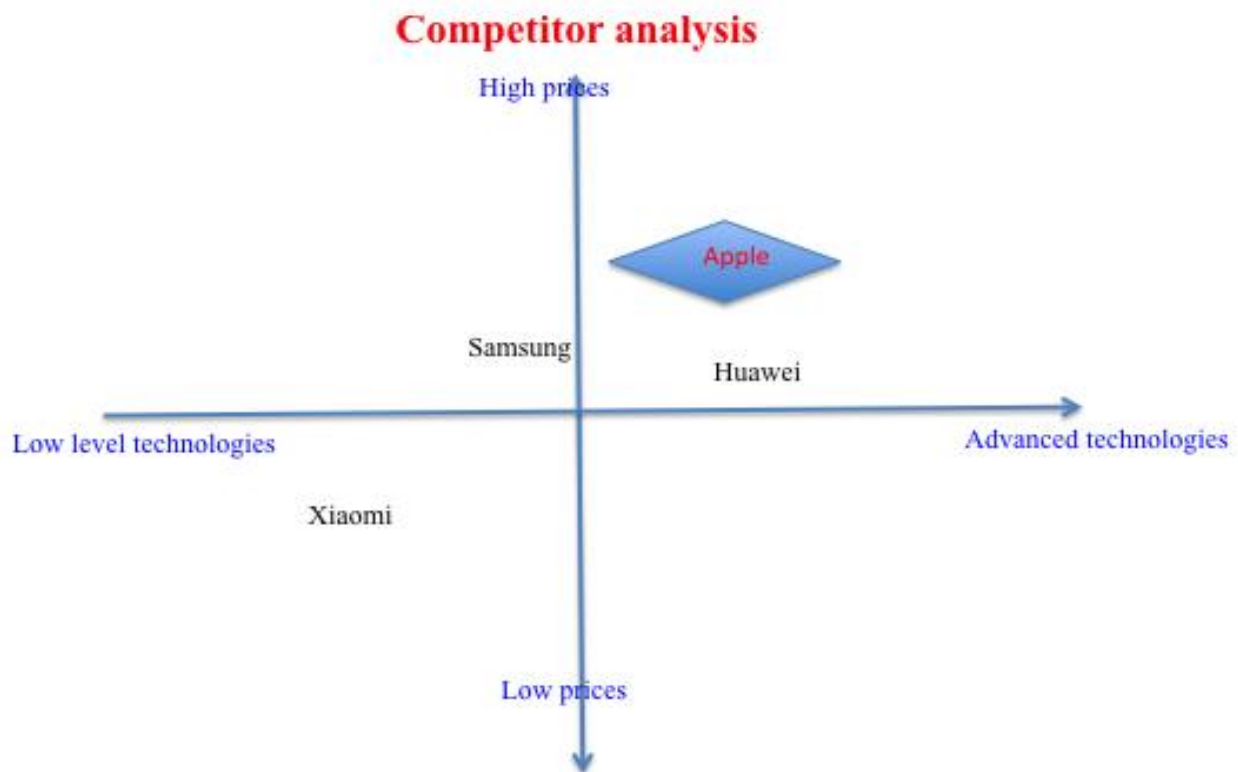


Figure 2: Competitors analyses (Source: Created by the author: Zhaoxiang Li)

Competitors analyses indicate that Apple Inc. is in the high level of using advanced technologies and use high level of prices to appeal and satisfy the many target customers in the marketplace. The positioning in the marketplace has been essential, to determine the marketing strategies, such as the price, place, promotions and products, toward its competitive advantages (Faghieh et al. 2018, p. 16).

### 1.3 Consumers

Consumers of Apple Inc. in the Chinese market are from the high-end and young group of consumers, to have special favor about products and services of Apple Inc. Short Market Analysis and Customer Profile by Key Segment could suggest two key segments that Apple Inc. focuses, in conducting the marketing practices. The first key segment is the young workers from the high-end income levels. They have affordability to buy the products and services from Apple Inc. Most of them are customers of Apple Inc. for years, to update their Apple products with new generations of Apple products (Kashmiri & Mahajan 2015, p. 288).

So, those customers are showing high level of loyalty regarding the products and services of Apple Inc., to mean the valuable customers that Apple Inc. need to emphasize with its various marketing and promotional activities (Kashmiri & Mahajan 2015, p. 288).

The second key segment is the customers who are sensitive to fashion items and the most advanced technologies. Instead of being loyalty to the products and services of Apple, those customers are sensitive and loyalty to fashion and innovation, such as the newest technologies, which could enable new experiences of the target customers in the marketplace (Miles 2017, p. 437). Apple Inc. in appealing those target customers should always focus on the newest technologies and keep innovation, to enable its capabilities of leading technological advances in the electric devices designing and manufacturing industry (Miles 2017, p. 437). The two-key segment, based on short market analysis and customer profile, to help understand characteristics of the target customers of Apple Inc.

#### 1.4 Company

Apple Inc., as one leading corporation in the electric devices designing and manufacturing industry, has its various types of products, good reputation and capabilities of innovation, to lead the industry in the global market (Sangari et al. 2015, p. 209). Headquartered in Cupertino, California, USA, Apple Inc. has been one leading multinational technology company, to sell consumer electronics, computer software, and online services. Innovation has been regarded as the core value of Apple, which argue that “Technology is most powerful when it empowers everyone”. The vision of Apple Inc. is “sometimes a word is worth a thousand pictures”. The mission is to keep everyone in the conversation, with the innovative products and services, which are connecting customers from all over the world with the newest technologies. In operations of Apple, it has multiple objectives, to be innovative, realize profits for the shareholders, undertaking corporate social responsibilities and performing eco-friendly operations. The capabilities in the corporation could be measured by referring to the VIRO framework, which suggests that capabilities in the corporation to support its marketing effectiveness should be valuable, rare, difficult to intimate and well organized (Sangari et al. 2015, p. 209). By referring to the evaluation criteria, the VIRO capabilities in Apple Inc. include its good reputation, its unique values of simply products and its capabilities of organizing a community with loyal customers.

First, Apple Inc. is having its good reputation among the many customers in the Chinese market. Some customers regard products from Apple Inc. as represent the newest technologies and excellent experiences. Some others are valuing peer effect and using products of Apple Inc. to show their superior social status among their peers (Cantrell et al., 2017, p. 2). The good reputation of Apple Inc. is generated from its decades of efforts, with innovative and consumer friendly products and services. However, there are competitors in the Chinese market to challenge the good reputation of Apple Inc., such as with the raising of Huawei. Criticisms are critiquing the stagnation in innovation in recent years, as they are expecting more innovative products and services from Apple Inc. (Cantrell et al., 2017, p. 2).

Second, Apple Inc. is proposing the unique value with simply products and services to the target customers. For example, Apple Inc. provides only one to three style of iPhone every year, allowing the research and development department to focus on the specific style to keep high quality products and services (Katsikeas et al., 2016, p. 6). This is one advantage comparing with the many competitors, such as Huawei, which has many models of products and have to divide their limited resources to develop the many different models in the operations (Katsikeas et al., 2016, p. 6). However, some customers are critiquing the high prices of products from Apple Inc., while they failed to have choices of low prices items.

Third, Apple Inc. is organizing its community with loyal customers, to develop and maintain loyalty of the customers and furthermore to realize profits and competitive advantages from interacting with the loyal customers. Feedback from the customers within the community also could mean useful for the research and development team in Apple Inc. to perfect its products and services (Chen et al., 2015, p. 479). However, the other operators in the electric devices industry, such as Huawei and Xiaomi, are also developing their communities, to appeal and maintain loyal customers in the operations.

## 2. SWOT ANALYSIS

Analyses and findings from 4Cs could be summarized in the SWOT table, which identifies the external opportunities and threats, as well as internal strengths and weaknesses, facing operations of Apple Inc. in the Chinese market.

**Table 1:** SWOT analysis

Strengths	Weaknesses
The unique value proposed to the target customers Good reputation as one global famous example of providing high quality services products and services The capabilities of organizing a community with loyal customers	The high prices criticized by some customers The limited models available for the customer Limited innovation with new products in recent years
Opportunities	Threats
Rapidly economic growth in China, to result of increases in demands of the target customers Technological advances, to mean new experiences for the target customers Increasing requirements of customers to require fashion and innovative products, such as provided by Apple Inc.	Fierce competitions from the many competitors Changing tastes of the customers while they are having many choices and they are enjoying low transition costs Raising new operators in China

**Table 2: Internal Environment and External Environment**

<b>External Environment</b>	Opportunity (O): Consumer electronics market is huge, consumers are keen on high-end products;	Threat (T): America's economy is slumping, and consumer confidence is dented; At the same time facing many powerful competitors
<b>Internal Environment</b>		
Advantage (S): Very high brand awareness and reputation: Emphasis on research and development: Strong innovation ability: Effective application of new technologies and research results:	SO strategy (growth strategy): Seize the opportunity of the growth of consumer electronics, use outsourcing and supplier competition to reduce costs	ST strategy (diversification strategy): Relying on the advantages of technology, innovation, brand and marketing, and relying on the high gross profit of high-end products to counter the economic downturn and competitors' low price competition.
Disadvantage (W): Dabbling in a wide range of products: too focused on technological innovation rather than ultimately increasing company profits.	Wo strategy (twist strategy): Use outsourcing and supplier competition to reduce costs	WT Strategy (Defensive strategy): To increase efficiency and reduce costs, emphasis on the importance of systematic management to quality and cost control

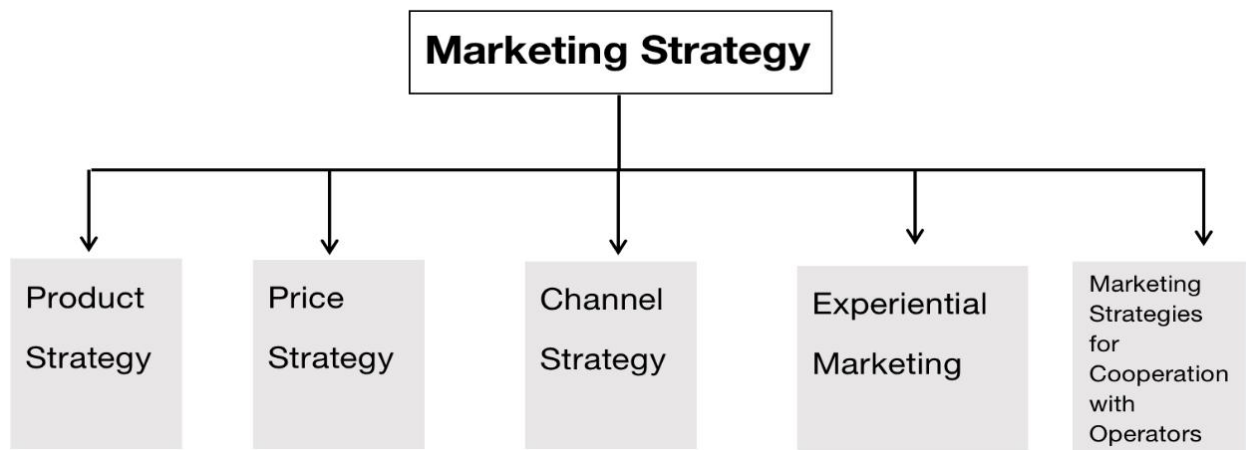
### 3. POSITIONING STRATEGY

The positioning strategy is to provide innovative products and services, with high prices, by following the previous positioning strategy in operations of Apple Inc. The positioning strategy is proper to support competitiveness of Apple Inc. in the marketplace considering that it could differentiate Apple Inc. from the many competitors, which are not so professional to use the newest technologies and to create innovative products comparing with Apple Inc. (Papadas et al. 2017, p. 236). However, the marketing practices in the corporation should pay due attentions on emphasizing its positioning strategy, by promoting its unique value with advanced technologies to the target customers (Papadas et al. 2017, p. 236). This means the various efforts in marketing practices required to promote the new technologies adopted by the corporation in the products to convince that the corporation is providing superior products comparing with the many competitors, such as Huawei in the operations (Felix et al. 2017, p. 118). The research and development department should adopt open innovation by interacting with the target customers, so that they could perceive the newest requirements of the target customers and develop the newest technologies to well satisfy the newest requirements of the target customers (Felix et al. 2017, p. 118). From the overall, it requires collective efforts of the marketing department, the research and developing department and the customers, to incorporate tastes of customers into the newest technologies.

### 4. OVERALL EVALUATION OF THE CURRENT MARKETING STRATEGY

The Current Marketing Strategy in Apple Inc., from the overall, is effective to support its grow and gaining good reputation in the Chinese market. The successful operations in the last several years since 2011 could indicate the effectiveness of the marketing strategy from the overall. First, the products of Apple Inc. have the unique value for some customers, to new fashion and signal of their social status (Markovic 2018, p. 28). The product and services are simply, to allow the research and development team to focus on the particular products and services to satisfy the customers. Second, managers in Apple Inc. pursue perfected products and services, with regular updates regarding the products and services, to mean excellent physical evidences and process of serving the target customers (Markovic 2018, p. 28). Third, the marketing team has adapted to the Chinese market when designing the products and services, as well as the marketing campaigns. For example, it uses Chinese to package the products and sell products to the Chinese market. Some iPhone even allow two SIM cards, by following the preferences of the Chinese customers. Specific efforts adopted by Apple Inc. to audit and follow requirements of the Chinese customers are indicating opportunities for the corporation to achieve customer satisfaction in the Chinese market (Chen et al. 2015, p. 479).

However, it is also necessary to notice that Apple Inc. is facing a challenge to achieve its growth since 2018, with the raising of many Chinese corporations, which provide products and services with quite lower prices while their products and services are having rapidly increases in quality (Chen et al. 2015, p. 479). It is suggested that Apple Inc. needs to take dynamic measures to turn it around, by auditing and responding to the new competitive environment in the operations. Continuous efforts are required, with innovation, to always appeal and maintain the target customers.



**Figure 3:** Marketing Strategy (Source: Created by the author: Zhaoxiang Li)

#### 4.1 Product Strategy

Enterprises do not live in a static environment, but need to carry out various technological research and development and technological innovation every day. The quality of enterprise products is also affected by the change of customers' preferences and competitors' product strategies, so it is very necessary to formulate product strategies in a planned way with the changes of the times. Apple's product strategy is mainly to update and iterate on the basis of the original products. Apple constantly updates existing products in terms of function and appearance, and also divides different models of products to meet different consumers with different needs. For example, first of all, there is the difference in name. Air is a lightweight pro is a professional abbreviation. Air is more suitable for families, mainly for those leisure and entertainment users, mainly for entertainment, while pro is suitable for those more professional people, such as those who design drawings and so on, because these operations compare the overall performance requirements of computers. Therefore, the pricing of products is different for different consumer groups.

#### 4.2 Price Strategy

Apple's new product launch adopts the pricing strategy of "skimming pricing". The so-called "skimming pricing", also known as the high price method, is to set the price of the product as high as possible in the early life of the product, before competitors develop similar products, quickly recover the investment and make considerable profits. The main reason why Apple adopts the pricing strategy of "skimming pricing" is that the high price is in line with Apple's market positioning. Company positioning is for the office crowd to provide lightweight configuration of excellent products, the higher the price side also confirmed that the overall quality of products materials better and products internal chips or products used in the technology to be more advanced. Although the high price law has brought many benefits to Apple, the high price of products will also cause Apple to lose many low-spending people.

#### 4.3 Channel Strategy

The choice of marketing channels will directly affect other marketing decisions, such as product pricing. Like product strategy, price strategy and promotion strategy, it is also an important means for enterprises to successfully open up markets and achieve sales and business objectives. The main marketing strategies adopted by Apple are: experiential marketing and cooperative marketing strategy with operators.

##### 4.3. 1 Experiential Marketing

The so-called experiential marketing is that Apple will open Apple offline stores in various cities in China. The role of offline direct stores is to enable consumers to go to offline stores to get started at the first time after Apple produces new products. The experience is that consumers fully feel the performance of services or products and mobilize their purchase enthusiasm. Experiential marketing has broken the rules and regulations of traditional sales. Consumers no longer have the feeling of "only looking from a distance", and they can get in close contact with products to make consumption a kind of enjoyment. Customers can experience new machines in offline stores, and they can also consult a lot about some technical use problems of equipment. Apple's offline stores have an advantage in comparison with other offline stores of mobile phones in terms of decoration scale and employee services. Apple Experience Store has made great contributions in marketing. Of course, this is also closely related to the quality of its services. At the same time, as a successful example of experiential marketing, it also plays an exemplary role for other enterprises.

##### 4.3. 2 Marketing Strategies for Cooperation with Operators

Apple has always adopted the marketing strategy of cooperation with operators. For example, in China, Apple has adopted the cooperation with China Unicom in the iPhone11 series, and launched the marketing mix of "Apple Phone + Phone Bill and Data Package", which incited the previously rock-solid customer base of China Mobile. After several years, it has achieved strategic success and this is a win-win situation Apple has always insisted on patiently exploring the market by signing cooperation agreements with operators to share the revenue of operators This collaborative marketing approach strengthens Apple's own publicity efforts Apple's publicity work is mainly done by operators, but the advertisements in terms of copywriting and soundtrack have not fallen into the stereotype because they were released by a state-owned enterprise. They still maintain Apple's own style, and the publicity focus of its products is also very clear, vigorously promoting the powerful application functions of iPhone.

## 5. SUGGESTIONS FOR IMPROVING APPLE'S MARKETING STRATEGY

### 5.1 Enrich the price strategy

Apple should make a more detailed analysis of the current marketing market when selling products. The starting price of Apple's electronic products is generally high. The old electronic products can be sold to customers with low-end spending power without stopping production immediately when the new ones go on the market. It is a good choice. This sales model has greatly increased Apple's attractiveness to consumers at different stages. At the same time, in the constantly changing market environment, we should also adopt a customer-oriented pricing strategy according to the different needs of customers with different spending power, so as to meet the different needs of different consumers as much as possible. According to the different configurations of products selected by customers, we should implement different prices, which can better attract customers with different needs to consume If Apple only focuses on the consumer market of high-end electronic products, many older people may not use so many functions and do not need high configuration, so Apple may lose consumers at this stage.

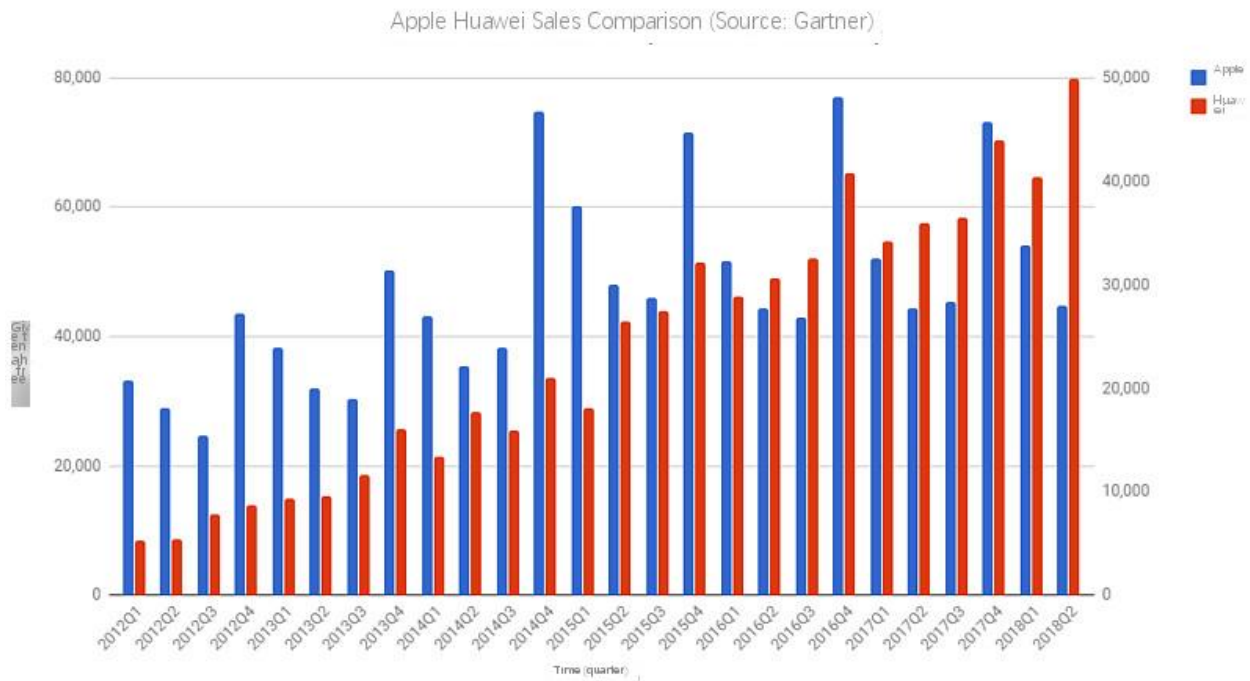


Figure 4: Apple Huawei Sales (Source: From <https://xueqiu.com/5519392453/113703641?page=1>)

### 5.2 Enriching Product Portfolio

In the era of big screen supremacy, Apple finally launched the big screen Apple mobile phone, which well resisted the impact from Samsung's big screen mobile phone But Apple should not give up its one-handed love for the big screen. For many years, Apple has promoted small screens as advantages of devices, such as 4-inch shape, which is more suitable for users to operate with one hand. So, Apple should not cancel the iPhone 14 series, because the mini-series is still popular with women lovers and users who like to operate with one hand. Apple should sell phones with different screen sizes to attract consumers with different needs. At the same time, Apple should also start to study the popular folding screen mobile phones. Huawei and Samsung have launched folding screen mobile phones with characteristics one after another, while Apple has not yet launched folding screen mobile phones with Apple characteristics. This leads to Apple's inability to compete with Huawei and Samsung in the folding screen mobile phone segment market, thus losing many customers with business needs.

### 5.3 Enriching Marketing Strategies

At present, Apple can no longer use word-of-mouth marketing as the main way to promote new products, so advertising marketing is very necessary. The advantage of advertising and marketing is that it can let more people know that Apple has launched a new electronic product. Advertising content should also better show the innovation of new electronic products or show the advantages over peers, which can better attract consumers. Recently, Apple has collected many photos taken with iPhone as materials to make advertisements to promote the photography function of Apple's mobile phone. Apple hopes that it can impress consumers and make more consumers feel the combination of technology and photography. At the same time, Apple also hopes that this move will continue to stimulate the rapid growth in the Chinese market.

#### 5.4 Strengthen Cooperation with Operators

The cooperation between Apple and operators is very critical, so how to better strengthen the cooperation with operators is the top priority. Foreign media said: "All the operators contracted to sell Apple's share of profits is not high and have to comply with other requirements, which may lead to excessive cost growth and make some operators unbearable." Nowadays, the rapid rise of Huawei is a huge impact on Apple's sales. Huawei, as a local brand in China, has a great advantage in the Chinese market. If Apple's profit distribution has not been balanced, it may lead operators to promote other electronic communication products companies more. On the other hand, the performance of Apple's mobile phone communication signal in China has been at a relative disadvantage compared with that of Huawei's mobile phone. Apple should strengthen cooperation with operators in the Chinese market and improve the communication capability of its products as much as possible so as to make Apple's mobile phone more competitive.

## 6. CONCLUSION

This research provides strategy audit on Apple Inc., which is one leading electric device designer in the global market, by auditing its marketing strategies in the Chinese market. First, it identifies 4Cs analyses, which is short for context, competitors, consumers and company, to analyze the situation facing Apple Inc. in marketing its products and services to the Chinese market. The context is analyzed by referring to PEST model, to audit the external environment. Competitors are analyzed, by summarizing and critiquing them with referring to two dimensions: price and innovation levels. Competitors analyses indicate that Apple Inc. is in the high level of using advanced technologies and use high level of prices to appeal and satisfy the many target customers in the marketplace. Consumers of Apple Inc. in the Chinese market are from the high-end and young group of consumers, to have special favor about products and services of Apple Inc. Apple Inc., as one leading corporation in the electric devices designing and manufacturing industry, has its various types of products, good reputation and capabilities of innovation, to lead the industry in the global market. Second, SWOT table summarizes opportunities and threats, strengths and weaknesses facing operations of Apple Inc. in the marketplace. Third, the positioning strategy is to provide innovative products and services, with high prices, by following the previous positioning strategy in operations of Apple Inc. It is effective from the overall, to support operations of Apple Inc. Four, The Current Marketing Strategy in Apple Inc., from the overall, is effective to support its grow and gaining good reputation in the Chinese market. However, it is also necessary to notice that Apple Inc. is facing a challenge to achieve its growth since 2018, with the raising of many Chinese corporations, requiring dynamic measures to emphasize its innovation.

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