

Application Analysis of Management Economics Theory in Enterprise Marketing Management Taking Apple and Huawei as Examples

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Abstract: Management economics, as a branch of economics, helps businesses and individuals systematically and logically formulate plans and decisions, and its application in management practice makes an indispensable contribution to society. This article takes Apple and Huawei as examples, and based on existing literature, analyzes the application of management economics theory in enterprise marketing management through case analysis and data analysis. This article finds that both Apple and Huawei cleverly and flexibly apply the four core theories of management economics. As excellent enterprises, both brands actively explore the potential needs of customers and help them seize the market faster. Apple actively collects user feedback, responds to and solves user issues and opinions in a timely manner, which helps them better understand consumer needs and expectations. Huawei has always been committed to deeply understanding customer needs. The results indicate that each company has its own unique operational approach, but it is worth noting that companies that want to succeed should start with organizational structure, optimize personnel management, clarify market goals, upgrade products targeted, capture customer groups, and establish good communication; All of these are key factors for the sustainable development of the company.

Keywords: managerial economics, Apple management, Huawei, business management

1. Introduction

The main concept of this paper is management economics. This is a branch of economics. With the changes in the structure of more and more companies, this new management concept has gradually been noticed by more and more scholars and enterprises. Many people have tried to explore the relationship between enterprises and this concept, and they are concerned about how to maximize profits with minimal resources. For example, Wang Jiaxia discusses the application of managerial economics in the management of liquor enterprises [1]. Xu Rong analyzes the securities investment market based on the perspective of managerial economics [2]. This is because many people realize that the survival and development of enterprises will be directly affected by enterprise management. In this article, the author mainly uses examples and comparison methods. The author will use two specific enterprises as examples to analyze how economic management is reflected in various companies, and compare and summarize them. This helps people feel the importance of economic

management more intuitively and understand the important influencing factors for the sustainable and healthy development of enterprises. This article can provide some ideas for some entrepreneurs who are exploring how to start a business, and can also help students or people who are just about to get started with economics with some basic knowledge and some concepts for reference.

2. Introduction of Management Economics Theory

The application of management economics in the development of enterprises, can solve the problems in enterprise management work, consolidate the value position of economics, so that enterprises gradually tend to be standardized and orderly. In the new era, the establishment of a complete scientific management mechanism is the key factor for the long-term sustainable development of enterprises. Enterprises should analyze their own advantages and disadvantages, highlight the characteristics of products, meet the needs of the market, innovate the production methods of enterprises, and pay attention to the development trend of the market to promote the development of enterprises.

3. Apple Inc

As a well-known high-tech company in the United States, it has created countless records and achievements since its inception in 1976. So far, Apple's revenue has reached \$365.8 billion, and it has formed a mature self-ecosystem that is involved in both software and hardware, making Apple products very easy to distinguish from other similar brands [3].

3.1. Marketing Strategy

3.1.1. Differentiated Marketing

Segmenting the market and locking in the target consumer users are the keys to differentiated marketing, which is a good strategy to deepen the brand's impression. For enterprises, they usually do not have the energy and ability to take into account all markets, so the best choice for them is to choose one or two targets and provide products and services with corresponding sales measures. Therefore, the essence of differentiated marketing is to explore the unmet individual needs of consumers so as to make their product innovations have better value and significance, because they can meet market customer needs [4].

This article found that Apple has used this strategy very well, for example: providing software value-added services while supplying hardware products. Usually, the innovative combination of "iPod+iTunes" and "iPhone App Store" is the market for innovative philosophers. Linking the digital music market with MP3 players, it has realized the "three wins" of its own development, record company profits, and consumer value appreciation. There are more than 65,000 apps available for iPads in Apple's online download store, and up to 300,000 programs that can be used for the iPhone and iTouch. Jobs announced at a press conference on March 2, 2011, that Apple's revenue had exceeded \$2 billion through the online download store. Apple has differentiated its products, performance, operating system, sales channels, services, and more [5].

3.1.2. Hunger Marketing

As a classic marketing method, hunger marketing helps the company create an atmosphere of short supply, so as to lure consumers to buy products, and also better enrich the brand image. This method can obviously increase the company's sales and lead to profit margin growth. Apple's most well-known product is the iPhone, which is also a good example of the company's use of hunger marketing. The company is now launching some other series of products such as notebooks and

headphones, and then blocking the information of the new iPhone as much as possible, so as to arouse more customers' interest and make them eager to experience new products and services [6]. Hunger marketing methods have also been used by Apple to sell mobile phones, so that every generation of iPhone is on the market and sold, and everyone flocks to it. For example, in the early stages of sales, Apple's direct stores only provide pre-booked users with new iPhones. At the same time, restrictions on purchases will also be implemented in the store, causing consumers to feel nervous and stimulating their consumption.

3.2. Cost Control

Cost control helps achieve this management. In the process, the company was able to not only increase profits, but also further promote the development of new products and benefit more capital reserves. This article finds that Apple's strict grasp of chain and strip structure is a long-term benefit that he brings. Make Apple's industrial chain spread all over the world, which to ensure the overall sale. This is leading in the industry. The first is to control the cost of sales; the company's own brand effect coupled with a variety of marketing means will greatly reduce the cost of sales. The second is to control the general cost; through the supply chain management of the non-core business, the non-core business will be outsourced; suppliers will provide parts; Foxconn will provide assembly; and the company itself is only responsible for creativity, so that the cost of the product is greatly reduced. In addition, the company opened the application software platform to third parties, effortlessly recruited the world's outstanding software design talents, and shared the revenue from the sale of software with the company.

3.3. Product Development

Product development can help the company strengthen its strategic advantages and establish a sustainable and good corporate image. At the same time, Product development is conducive to improving the competitiveness of the company and increasing customer loyalty. These advantages are extremely important in a Perfect competition market such as the mobile phone industry, because in a Perfect competition market, customer demand will not change, but there are too many competitors, so maintaining product innovation and upgrading is one of the best ways to stabilize the customer flow [7]. Apple has always respected the strong and elite, which is why it has fewer employees than other companies in the industry, but its scientific research progress is leading. As Apple's best-selling iPhone series, the company insists on launching an improved version every year. Adhering to the concept of making full use of every talent, the conversion of iPad Safari, for example, was completed by only two engineers. This efficiency is much envied by other competitors in the industry [8].

4. Huawei

Huawei also has great competitiveness in mobile phone brands. It is worth noting that it also has profound research in information and communication, and has become a global supplier of intelligent terminals. Founded in 1987, Huawei has so far self-operated stores in more than 170 countries around the world, and their customers are people from all over the world [9].

4.1. Technology Research and Development Strategy

Core technical ability refers to a kind of ability. This means that the company uses some novel and unique technical elements to create some special technologies, and these secrets help the company achieve higher competitiveness, which is inimitable and rare. Core technology capability is an

important basis for enterprise competitiveness. Consciously cultivating and developing the core technical capabilities of an enterprise is the key to the success of technological innovation and the establishment and maintenance of competitive advantages [10].

Huawei insists on such a special principle. They believe that core technology is the key to the success of the company's development, so the company has been constantly trying to innovate and break through new technologies. Through the survey data, the author found that Huawei invests one-tenth of its annual expenditure in technology research and development. In 2020, the company's R&D expenditure will be 141.893 billion yuan, accounting for about 15.9% of the annual revenue. Of course, the success of the HMS ecosystem has also proved to people that these efforts are valuable [11]. As of the end of 2020, mobile phone users in more than 170 countries around the world are using the HMS system, and the total number of users has exceeded 700 million. This rapid development has simply exceeded Huawei's market expectations. What's more worth mentioning is that Huawei has not only achieved self-improvement, it has established research and development institutions in many countries around the world, and has funded more than 1,200 projects. According to the 2020 annual report released by the World Intellectual Property Organization, Huawei ranks first in the world in patent applications [11]. So far, through the efforts of all Huawei personnel, they have gradually achieved their goals and begun to lead some high-end technologies such as the development of core routers and 5G Huawei, which has become a symbol and a role model for many Chinese private companies.

Human resource management is the hope that the company structure and personnel arrangements can be optimized. In order to achieve this goal, enterprises will use some methods, such as recruitment, selection, and salary increases, so that human resources can meet and adapt to the current needs of the organization and some future developments [12][13]. In this regard, this paper finds that Huawei has almost perfected the organizational structure of a sustainable company during its years of development. The advanced intelligent platform, strict regional management, and rectification of the overall group have laid a good foundation for Huawei to achieve efficient information communication and enterprise management. Not only that, but the wholly-owned shareholding also helps Huawei effectively stimulate the enthusiasm of employees and promote the healthy and prosperous development of the company.

4.2. Marketing Strategy

Grasping the characteristics of product differentiation, Huawei is trying to attract customers of different consumption levels. This article finds that the high-end phones of Honor and Huawei are priced very differently, and Honor is significantly lower than Huawei — in order to get customers who are eager for cost-effective or have the ability to exchange high prices for a better experience. This is how Huawei uses differentiated pricing strategies to meet multi-level market demands. In addition, Huawei targets businesses, operators, and consumer groups as a communication corporation active in ICT, networks, cloud computing, terminals, and other areas. With this "front store and back factory" business model, Huawei is more likely to be able to offer unique services to various user groups. Huawei launched high-performance, expensive products like the Mate and P40 to satisfy some users' high-end needs, and the same series of youth versions to satisfy the user experience of various customers, as it initially focused on the low-cost strategy to capture the market. Huawei has made fewer marketing and promotional investments. There is a call in China for "patriotic support for Huawei" as the majority of consumers begin to recognize the performance of Huawei's mobile phones. Chinese consumers are increasingly choosing to purchase Huawei mobile devices, which has become a crucial push for Huawei to control the mobile phone market.

5. Discussion

This article finds that both Apple and Huawei have cleverly and flexibly applied four core theories in management economics. Take demand theory as an example. As more of a good or service becomes available, demand drops, and so does the equilibrium price [14]. As excellent companies, both brands actively explore the potential needs of customers and help them seize the market more quickly. Apple actively collects user feedback and promptly responds to and resolves user issues and opinions, which helps them better understand consumer needs and expectations. In addition, from the early iPod to the current iPhone and iPad, Apple has always been characterized by Minimalism and high-quality design, which are based on in-depth research on consumer needs, habits, and behaviors. Huawei has always been committed to an in-depth understanding of customers' needs. Through close communication and cooperation with customers, Huawei has a comprehensive understanding of their business characteristics, technical requirements, Market trends, and other information. Through deep cooperation with customers, Huawei can more accurately grasp customer needs, provide targeted solutions, and achieve a win-win situation between customers and Huawei. It is worth mentioning that both companies have established dedicated customer relationship management teams responsible for daily communication and coordination with customers. So they can respond to customer needs in a timely manner, solve customer problems, and ensure continuous improvement in customer satisfaction.

6. Conclusion

In summary, the rational application of management economics can help enterprises quickly find their own positioning, seize favorable markets, enhance brand reputation, and gain more potential customers. This article only selected two representative companies in the mobile phone industry for analysis, and the sample is relatively limited. However, there are still many different industries and types of companies. So in the future, the author will continue to pay attention to the topic of management economics and strive to explore the necessary factors and conditions for company growth, and further study the relationship between enterprises and economics.

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