

Analysis of Apple's Marketing Strategies in China

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Abstract: A company's marketing approach is of paramount importance to itself, and consumers can find out about the marketing of such mega-corporations from a different perspective than they do. Apple, as one of the world's leading super companies, has been in the spotlight for many years. Therefore, this paper focuses on analyzing Apple's marketing in the Chinese market, identifying problems and making suggestions. This paper uses the marketing theory of 4Ps to analyze Apple's marketing strategies in the Chinese market and makes recommendations based on the problems that exist. Apple's marketing strategies in China are undoubtedly successful, but there are also some problems, such as the relatively high price of Apple products, the questionable quality, or the almost nonexistent promotion activities that can not attract consumers. Therefore, a more comprehensive and professional investigation and practice of these problems will more effectively solve these problems.

Keywords: Apple, China, marketing strategies, the marketing theory of 4Ps, price

1. Introduction

How a company can market a foreign niche and expensive brand in a country that is sought after by many people is a question that deserves a lot of thought. Regis McKenna wrote in a ground-breaking paper titled "Marketing is Everything" that "Today, marketing is not a function; it is a manner of conducting business." Marketing is not this month's promotion or a fresh ad campaign. Its job isn't to mislead customers or inflate the company's reputation. It is to incorporate the customer into the product's design and to provide a methodical approach for interaction that will give the connection solidity [1]. Apple Inc., formerly known as Apple Computer, Inc., is an American company that produces desktop and laptop computers, mobile phones, tablets, computer accessories, and software. It was the first prosperous personal computer business and helped make the graphical user interface more common. The company's headquarters are in Cupertino, California [2]. When Apple was founded, it developed and sold mainly personal computers, and only later began to develop and sell products such as the iPhone and iPad. From 2007 to 2022, it took Apple 15 years to go from a niche high-end brand in China to a popular brand that is now sought after by countless people. This paper will use the marketing theory of 4Ps to analyze Apple's marketing strategies. The marketing theory of 4Ps originates from the single P(price) in micro-economic theory, which is a means of translating marketing plans into practice. 4Ps is not a scientific theory, but merely a conceptual framework. The 4Ps have had a great impact on the development of marketing theory and practice. This paper will be divided into four sections in the main body: industry analysis, marketing analysis, consumer analysis, and future planning. This

study may provide new ideas for Apple's marketing strategies in the Chinese market and provide a reference for companies of the same type as Apple. Regarding the topic of this paper, an article was "Analysis of Apple's Marketing Strategy" [3]. Different from that, the author of this article analyzes the state of Apple's marketing in the Chinese market based on more real-time data.

2. Industry Analysis

Apple's main businesses are focused on cell phones, tablets, computers and accessories for the above products. China has a wide range of smartphone brands. Despite widespread supply chain issues and economic headwinds affecting the technology industry, Apple has a market share of 16%, while domestic smartphone competitors Vivo, OPPO, Honor and Xiaomi have market shares of 18.2%, 20.5%, 10.4% and 15.2%, respectively, over the same period. According to the CINNO Research Monthly China Smartphone Sales Report, the report shows that Apple will sell nearly 50.24 million smartphones in 2021[4]. Regarding tablets, let's take the Q2 2020 data provided by the IDC China Quarterly Tablet Market Tracker: In 2020, Apple's tablets have a 41.8% market share in China, followed by Huawei with 37.1%, leaving Microsoft and Lenovo with only 3.5% and 2.6%, respectively [5]. According to these figures, Apple and Huawei have almost monopolized the tablet market. But compared to cell phones and tablets, the market share of Apple computers is not so optimistic. Apple's market share in China is only 2% due to its high pricing compared to other computer brands, while other companies' market shares are invariably higher than it. For example, Lenovo's market share is as high as 36%, Asus 9%, Huawei 8%, Dell 8%, HP 8%, Glory 6%, Xiaomi 4%, and Shenzhou 3% [6]. This shows that Apple Computer's marketing in the Chinese computer market still needs to be adjusted.

3. Customer Analysis

Many loyal fans own most of Apple's electronic products. Some are due to the high synchronization between its independent system and all Apple devices; Others are because they got the first smartphone from apple, but because of Apple's unique system, they cannot adapt to other systems. What's more, in order to cater to the preferences of Chinese consumers, Apple designed new colors specifically for Chinese consumers, and designed the iPhone SX Max to be dual SIM dual standby according to the needs of Chinese consumers and continues to use it today, and also enlarged the screens of the iPhone 6 and iPhone 6 Plus according to Chinese consumers' preference for cell phone size [7]. In 2011, to gain a comprehensive and in-depth understanding of Chinese iPhone users and their specific behavior of using the iPhone, Internet Consumer Research Center ZDC placed questionnaires on the Zhongguancun Online website and Weibo, and after conducting a series of statistics and analysis, came up with some key data. The number of users of Apple products varies by region and is generally found in coastal and economically developed areas with high income and education levels. 70.5% of iPhone users are between the ages of 18-30; 55.6% of iPhone users have a bachelor's degree or higher, and 54.1% of iPhone users live in second-tier or higher cities in China [8].

4. Marketing Analysis

4.1. Product

Apple is the world's leading company, and it sells many different product combinations, such as iPhone and AirPods or iPad and Apple pencil. This combination of products will prompt consumers to buy more Apple products, so they will use more and more Apple products, which will prompt consumers to rely on the Apple brand, greatly improving consumer stickiness. Based on browsing

shopping sites and user reviews on certain social media platforms, such as Weibo, Tik Tok, or Taobao, it shows a clear reflection of the fact that Apple products often suffer from severe heat, flashing screens, and shutdowns due to ambient temperatures, which has led to a serious decline in Apple's reputation [9]. Because there are many companies of the same type as Apple in the Chinese market whose products almost do not appear in this situation, then the Chinese consumers must be more willing to choose the same type of products with high quality.

4.2. Price

Apple's pricing has always been at a very high standard. Consumers generally think of Apple's price first, and Apple has been taking the high-end route since its inception, because Apple believes that high prices can reflect the value of its products, and that products that are inaccessible to people will inspire people's desire to consume. Therefore, high pricing can not only show consumers the high value of the product, but also attract more people to buy Apple's products. However, there are many companies in the Chinese market that produce similar products as Apple, but their prices are much lower than Apple's. For example, In the Chinese market, Huawei is the company with the most similar products as Apple. In the last two years, Huawei has developed the HongmengOS system, a new distributed operating system built on a microkernel and intended to provide a new user experience across all devices and scenarios. "HarmonyOS differs significantly from Android and iOS. It is a distributed operating system with a microkernel that offers a fluid user experience under all conditions. Its reliable and secure architecture facilitates seamless device-to-device collaboration. Once your apps are created, you may deploy them to a variety of devices with ease" [10]. This has a great similarity with Apple's iOS system, which is mainly priced between 4,000 and 10,000 yuan, while the main price range of Apple's cell phones is 6,000-12,000 yuan. With two different systems but similar quality phones, consumers usually choose the more cost-effective product. Apple has lost a lot of consumers in the Chinese market because it has a wide variety of choices and a lot of consumers choose the products with the best price/performance ratio, but Apple keeps its prices high.

4.3. Place

In the era of authorized retail, Apple's high price and low visibility made it impossible to stand out in the mass market, so Steve Jobs created the Apple Store. The offline stores not only provided a better solution to customer problems, but also allowed customers to experience Apple's products in their place. With the development of the times, Apple is now also present on various e-commerce platforms like Taobao, Jingdong, Tik Tok and so on, which makes it more convenient to purchase Apple products.

4.4. Promotion

Apple's official website and offline brick and mortar stores are very unique in that they don't do discount sales, but rather some educational support. Not only that, Apple always keeps the price stable and they want the retailer to place their products separately from the competing companies because they want the retailer to sell Apple's products as a unique category. This approach allowed Apple to easily achieve the top sales position in the global cell phone market, even reaching monopoly status at one point. But in the Chinese market, there are many companies that produce similar products to Apple and have a market share comparable to Apple's, and these are Apple's biggest competitors. In contrast to Apple's lack of promotions, these companies regularly conduct promotions on special days, and these promotions are often the biggest temptation for consumers. Therefore, Apple's strategy of not conducting promotions has also led to the loss of consumers.

5. Future Marketing Foundation

5.1. Product

For such companies, a successful product strategy in marketing should be to meet consumer needs that are not currently being met in the marketplace. Under this theory Apple should make changes in technology and product diversity based on its current strategy. Apple has some technical problems that can lead to severe heating of the device, flashing screen of the device, and shutdown due to ambient temperature. This shows that Apple still needs to adjust and improve its technology. Also, Apple's current product lineup is not quite in line with the Chinese market and consumer needs, and new product categories or product specifications need to be added, and there are not as many products available for consumers to choose from, such as cell phones or iPad screen sizes.

5.2. Price

Pricing can significantly affect the overall success of the product, so it is crucial to set a price that is both acceptable to the target market and achieves the company's objectives while marketing a business. What Apple needs to consider is how to improve the quality of its products at the same price, so that consumers can obtain the highest price performance ratio, or give consumers a unique consumption experience in terms of product types and other specifications in relatively high-priced products.

5.3. Place

Finding the right place to market and sell your product is a very critical factor in reaching your target audience. Apple's sales approach is a very groundbreaking approach in the world, breaking away from the conventional sales approach and targeting their products to design a sales solution that works for them - the Apple Store. This strategy not only allows consumers to put themselves in the shoes of Apple products, but also promotes consumers to solve their consumption problems.

5.4. Promotion

Promotions are your way of promoting your product or service and can be made to resonate with your target audience through effective marketing campaigns. Apple does not conduct brand promotions all year round, while its competitors in the Chinese market conduct promotions on special days or periods all year round, which causes Apple to lose many consumers who would buy electronic products on special days or periods. Therefore, Apple should adapt its promotions to the preferences of Chinese consumers in the Chinese market, instead of maintaining its usual "high and mighty" style.

6. Conclusion

Based on all the above analysis, the current situation of Apple's marketing and the problems it has can be easily concluded. By analyzing the industry, conducting consumer portraits and using the 4P marketing theory to analyze Apple's marketing in China. In summary, Apple's marketing in China is relatively successful, as it has not only captured an important market in China in only 10 years, but has also gained a large number of loyal fans in the Chinese market. Apple's marketing in China is undoubtedly successful, but there are also some problems, such as Apple's relatively high pricing for its products, its questionable quality or its almost non-existent promotions that do not attract consumers. Therefore, a more comprehensive and professional investigation and practice of these problems will be more effective in solving them. This thesis takes Apple Inc. as an example, and

uses marketing theory to analyze the current marketing situation of the company and summarize the problems in its marketing process. The sample is representative but not comprehensive, and the theoretical analysis has certain limitations. Future research will conduct more in-depth analysis based on the actual data and give more targeted suggestions at the data level.

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