

GLOBAL CHALLENGES

A Critical Analysis of Environmental Forces Impacting Anker in the Global Marketplace



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Executive Summary

The purpose of this report is to analyse Anker Innovation's business competitive environment, aiming to reveal how external factors and internal environment shape and influence the company's strategic decisions, as well as its competitive position in the global market. Through the use of PESTEL, Porter's five forces model and SWOT and other tools, the report explores in detail the macro environmental factors such as political, economic, social, technological, environmental and legal, as well as the micro environmental factors such as new entrant threat, substitution threat, customer bargaining power, supplier bargaining power and competitors that Anker is faced with.. The report also analyse how Anker conducts channel sales strategy and related improvement research to maintain its leading position in the industry and market competitiveness when the company faces the ever-changing and complex domestic and foreign political and economic environment and the competitive pressure from the same industry. The analysis reveals that government policies, enterprise strategies, comparative advantages, and locational benefits positively impact Anker's international operations. Conversely, challenges such as strengthened trade barriers, industry competition, platform supervision, manpower loss risks, technological innovation difficulties, and increased reliance on overseas markets pose negative influences. Based on the analysis results, the report concludes that Anker Innovation has obvious advantages in terms of independent brand advantages, channel experience advantages, e-commerce talent advantages and R&D advantages, but still has disadvantages such as excessive online channel sales, unbalanced international development, and unstable operation of third-party platforms. In addition, the report also put forward a series of targeted suggestions, including optimizing product research and development process, implementing multi-channel pricing strategy, improving channel management process system and trying new marketing methods, so as to cope with market competition and enhance the comprehensive competitiveness of the company.

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1 Introduction

As the global market for electronic devices continues to evolve, enterprises must keep highly sensitive and flexible in the face of complex and volatile business environments. As a pioneer in the electronic equipment and intelligent accessories industry, the philosophy of Anker Innovations Technology Co Ltd is to build a Chinese consumer electronics brand in the global market and bring high quality products with technology and innovation to global consumers. Since its establishment in 2011, based on the Amazon platform, anker has been mainly engaged in cross-border e-commerce sales. And then Anker has rapidly become one of the leading cross-border e-commerce consumer electronics brand companies in terms of export volume. In addition, the company has achieved remarkable achievements in technological innovation, global supply chain management and market performance. Since 2018, Anker has been listed in the "Brandz China's Top 50 Overseas Brands " for five consecutive years, which was jointly released by WPP and Google. In 2020, anker became one of China's largest cross-border e-commerce companies by revenue.

At the same time, Anker invests a huge amount of research expenses every year in the research and development of new products, for example, the original PowerIQ intelligent charging technology and the creation of third-party charging products that can provide fast and safe charging services and adapt to a variety of mobile phones, tablets, laptops and other electronic devices. Furthermore, following the trend of 3C market, Anker has developed a large number of star products. The product line includes but is not limited to efficient power bank, wireless charger, smart headset and smart home solutions, aiming to improve life quality of users through scientific and technological innovation.

However, in a changing business environment, the company needs a profound analysis of external factors to develop strategies to deal with increasing competition and uncertainty. This report will provide an academic in-depth analysis of business competitive environment, employing tools such as PESTEL, Porter's Five Forces model and SWOT to fully understand the impact of external and internal factors on the company. Through detailed research on political, economic, social, technological, environmental and legal dimensions, the report can illustrate a deep insight into market trends and help the company flexibly adjust strategies to ensure that the company is in a continuous leading position. It will also deeply analyse the business ecology of Anker Company, and put forward specific suggestions and strategic directions to help the company better grasp the opportunities, meet the challenges, and achieve sustainable growth in the ever-changing business environment.

2 Exterior circumstance analysis by using PESTEL framework

The external environment is often abrupt and unpredictable (Shtal, 2018). No matter when the change occurs and what degree of change it is, it will have a significant impact on the development of enterprises. No country and no enterprise can be immune from the development of economic globalization. Especially as a global business enterprise, it should have an international perspective and maintain a clear understanding of the external environment. External environment analysis will be analysed from six perspectives of political, economic, social, technological, environmental and legal to understand the impact of external environment on enterprises, so that enterprises can timely adjust their development goals and strategies (Tomashuk, Inna, and Iryna, 2021).

2.1 Political

Political factors have a direct impact on the operations of MNCS and the conduct of their international business. Regarding the assessment of political factors, the report mainly analyses from the three aspects: political stability, international relations and trade policy.

First of all, the political stability of home and host countries will have a direct impact on the business development of multinational corporations (Erkekoglu, 2016). Anker mainly manufactures products in China and sells them to the United States, Europe and other regions through e-commerce platforms. Therefore, political stability in China, the United States and Europe has a direct impact on the manufacturing and supply chain of Anker, which can lead to the interruption of production and the delay in delivery when political instability occurs. The regions chosen by Anker for its production and sales exhibit higher political stability, which is conducive to the cross-border business development of the company.

However, geopolitical risks still remain due to the complex political relationship between China and the United States. And the United States has been looking for alternatives to those products made in China. In 2022, the U.S. has surpassed China to become largest import market for mobile phones and components from Vietnam. The United States emerged as the preferred destination for Vietnamese mobile phone products and parts, accounting for exports valued at \$4.39 billion in June 2022. The number marked a 6.5% increase from the previous month (Vietnam's General Administration of Customs, 2023). It might become a potential risk factor for Anker to make sales in the United States.

In addition, Anker should pay close attention to and adapt to changes in international trade policies. Evans (2019) pointed out that the trade war may lead to tariff increases and affect cost and pricing of the product. Therefore, the changes in Sino-US trade policies have a significant impact on Anker's international trade, tariffs and market access.

Lai and Wang(2014) analysed the obstacle factors of China's cross-border e-commerce, and believed that the home country of multinational companies should increase policy support and promote the reform of economic system, so as to promote the international cooperation of cross-border e-commerce. In recent years, with the development of cross-border e-commerce in China, online import and export trade has become an important part of open economy and the driving force of the rapid development of the national economy. China has implemented many trade policies that benefit cross-border e-commerce companies, such as expanding the scope of import pilot and procurement trade pilot, increasing favourable measures to stabilize foreign trade business, supporting the development of foreign business in combination with foreign exchange control and banking services, and promoting innovation in foreign trade.

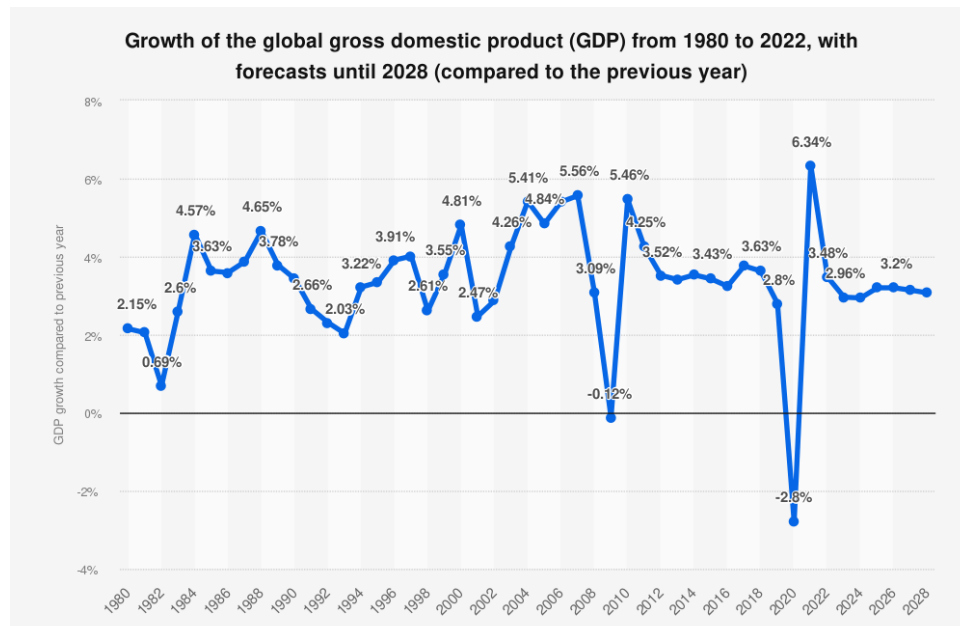
2.2 Economic

Economic factors are critical to Anker's sales and market expansion. Firstly, the global macroeconomic environment should be analysed. The outbreak of covid-19 in 2020 was a black swan

event affecting the world. As the global economy faces intensified trade frictions, the uncertainty of the global economy is rising. After nearly two years of global economic recovery, it is expected that the global economy will show steady growth in the next five years. According to Dunning & Lundan (2014), FDI flows are positively related to global GDP growth.

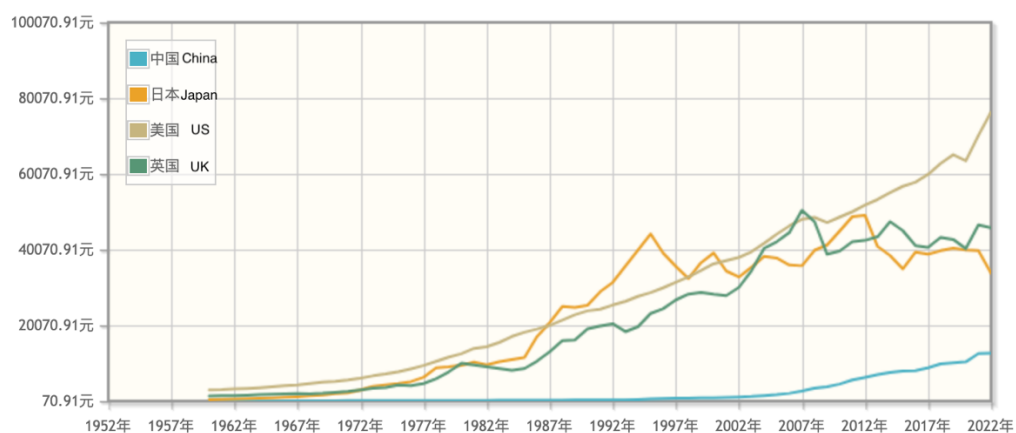
Anker sells to the global market, thus, understanding the growth of the world economy helps to forecast the company's sales growth. Global GDP will maintain an annual growth rate of 3%-3.2% in the next five years (IMF, 2023), which indicates that the global economy is gradually picking up and the global consumer market will also be driven up.

Chart 1 Growth of GDP from 1980 to 2022 with forecasts until 2028



In recent years, the per capita GDP of China, Japan, the United Kingdom and the United States has shown a continuous upward trend (KYLC.com, 2023), reflecting that the consumption scale of the global consumer electronics market is being activated by the economy and the per capita purchasing power is improving.

Chart 2 GDP per capita of China, Japan, the United Kingdom and the United States



Secondly, Anker is a multinational company, and given that its products require exportation to other countries, fluctuations in exchange rates also should be taken into account. Demirag & De Fuentes (1999) mentioned that exchange rate fluctuations would have a profound impact on the operation of

multinational companies. While other scholars argued that the impact of exchange rate changes on corporate value is not significant for most multinational companies (Lee & Suh, 2011). Nevertheless, when integrated with the Theory of Balance of Payment, it becomes evident that, despite the incomplete exchange rate pass-through effect, fluctuations in exchange rates still wield a discernible impact on the business activities of multinational companies.

As the main sales market of Anker, the exchange rate change of CNY against USD will directly affect Anker's cost and income on the one hand, and lead to exchange loss or gain in Anker's operation on the other hand. CNY has shown a trend of depreciation against USD since 2022 (Sina Finance, 2023). When CNY depreciates, Anker's cost in other countries may rise, but its products will become more competitive in the international market with the more reasonable prices. At the same time, the value of the company's assets in the foreign market will increase, which can bring exchange gains. In conclusion, these fluctuations have a direct impact on both financial position and profits of the company.

Chart 3 Monthly exchange rate of Chinese yuan to U.S. dollar from 2014 to 2023



2.3 Social

Due to differences in institutions, culture and other aspects, multinational enterprises need to bear additional operating costs compared with local enterprises in the host country when implementing international operation, which leads to innate disadvantages of foreignness in the host country market. (Zaheer, 1995)

Consumer electronics has always been a hot, stylish and tech-savvy business. Especially in recent years, driven by new technologies, new products and categories continue to emerge. It is the general trend that the consumer electronics industry should be upgrade (Sturgeon, Timothy, 2021). During the global economic development continues to downturn, the consumer electronics industry has bucked the trend. Artificial intelligence has taken initial shape, and the technology of AI has gradually been combined with practical application. Intelligent products not only realize a single function on a single product, but are planned as the series and interworking of platform intelligent devices at the beginning. It can be predicted that consumer electronics will usher in a broader market base, more consumer audiences and creative participants. The demand of customers will become the driving force of scientific and technological innovation, industry innovation, enterprise innovation and product innovation.

The consumer electronics industry is characterized by rapid technological upgrading, short life cycle of individual products and frequent product iteration and update (Tyulin, 2020), which also promotes

the sustained and rapid development of the industry and forms a positive cycle effect. Social trends have a direct impact on Anker's product demand and market positioning (Kamin, Tanja, and Thomas, 2014). It is benefit for the company to adjust their product strategies after understanding the social trends in each country helps companies.

The U.S. has the largest smartphone penetration rate in the world, and the market for phone accessories is large enough. In recent years, some social changes have led to new growth in the U.S. mobile phone accessories market. Take mobile phone protection accessories as an example, on the one hand, with the increase of Chinese people working and living overseas, more local consumers begin to use mobile phone protection accessories like Chinese people. On the other hand, mobile phone cases and films have been recognized by consumers due to the rising cost of living with inflation, the increasing price of smart phones, the development of large screens and the rising cost of replacement and repairment for consumers.

2.4 Technological

Technological innovation is an important factor for Anker company to gain a competitive advantage in the market. Given the pace of technological change, companies need to keep up with technological trends.

The U.S. is arguably the originator of smartphone accessories and has been creating demand (Machado, 2023). Taking Apple as an example, 'iPhone moment' is still referred to repeatedly, and it innovated the smart phone category in the mobile phone industry. For the phone accessories industry, Apple also created the smartphone accessories industry, and it has been creating new markets.

As for Chinese mobile phone accessories practitioners, what they need to do is always pay attention to the technological changing trend of the primary smartphone market. And then improve their own technical strength to seize market share from smartphone manufacturers. Considering the rapid development of the electronic equipment industry (Tansel, 2017), Anker needs to increase the R&D expenses to drive technological innovation and ensure the competitiveness of its products. It can be seen that there are certain opportunities and challenges in technology and innovation for mobile phone accessories to go to the United States.

2.5 Environmental

The call for climate change and sustainable development is rising globally. Many countries have enacted stricter environmental regulations. Environmental factors have an increasing impact on Anker's image and product design. Considering the importance of sustainable development, Anker needs to pay attention to environmental aspects. For example, the green development concept with sustainable development as the core is promoted in China, and the green transformation of various industries is advocated at the national level, requiring improvement of industry standardization and reduction of waste (Zeng, Cheng, Shi, and Luetkenhorst, 2021).

Anker needs to adjust its supply chain according to global environmental standards and adopt more environmentally friendly raw materials and manufacturing processes.

2.6 Legal

Legal compliance is particularly important for multinational companies, and Anker needs to ensure that its products comply with relevant regulations in each country, including trade regulations and intellectual property laws.

In the United States, there are no federal regulations specifically tailored to mobile phone accessories. However, there exist pertinent regulations and industry standards applicable to these products. For

instance, smartphone accessories like chargers and batteries must adhere to the regulations set forth by the Consumer Product Safety Commission (CPSC). Moreover, companies involved in the manufacturing or retailing of smartphone accessories are obligated to adhere to trademark and copyright laws to prevent any infringement on the intellectual property rights of smartphone manufacturers (Hazelwood, Pecht, 2021).

3 Analysis of competitive structure of consumer electronics industry with Porters Five Forces model

3.1 Threat of new entrants

The level of the market entry barrier determines the level of threat underlying competitors in the consumer electronics industry. Large-scale, high-profit consumer electronics sub-enterprises face a higher barrier to entry in the industry (Yoguel, 2015). Firstly, as for the technical barriers, the consumer electronics industry has a fast product upgrading speed, and the technological innovation ability is an important factor for enterprises to maintain market competitiveness. Large and highly profitable firms usually invest more in R&D, have more advanced production technology and intellectual property, and are able to introduce new products with competitive advantages more quickly and maintain their technological leadership in the industry. Anker's product category is one with low barriers to entry, so it is not only difficult to find manufacturers in the market, but also difficult to run a cross-border e-commerce company. This means that if you just want to share a share of cross-border e-commerce, the homogeneous competition is extremely fierce.

Secondly, considering channel barriers, the consumer electronics industry usually has relatively complete sales channels, such as online sales, offline channels, agents and so on (Kumar, 2021). With a wider sales network and stronger channel influence, large enterprises can better control sales links and customer resources, thus forming strong channel barriers.

Lastly, brand barriers play a significant role. Brand awareness and brand loyalty are high in the consumer electronics industry, and brands with popularity and good reputation tend to attract consumers better. (Kumar, Sushant, 2021)

3.2 Threat of substitutes

Substitutes abound in the consumer electronics industry. Electronic products produced by Anker company, such as mobile power supply and charger, may be replaced by other similar products. The threat of substitutes comes from different aspects, including function, price, quality and so on. If the substitute has a higher competitiveness than the Anker company in a certain aspect, consumers may be more inclined to buy the substitute (Francis, 2023), thus reducing the market share and profitability of the Anker company. Anker is currently facing substitution threats mainly in the field of traditional charging products.

But Anker has been constantly innovating, not only in the traditional mobile power supply and charging cable products occupy a place, but also in Bluetooth audio, smart home and other emerging fields to expand the layout (Anker, 2023). This is one of the key strategies for Anker to maintain its leading position in the highly competitive market. At present, Anker has become one of the most concerned and trusted brands in the market. In the long run, the threat risk of substitutes will be reduced.

3.3 Bargaining power of customers

The bargaining power of customers refers to their ability to negotiate and undercut prices when purchasing products (Fabbri, 2016). If buyers have strong bargaining power, they are more likely to buy products at a price lower than the set price, so enterprises need to take this factor into account to formulate price strategies to ensure the competitiveness of products in the market and sales. The presence of numerous manufacturers in consumer electronics, especially in the market for charging accessories, also gives consumers greater choice. Although Anker is one of the leading cross-border e-commerce companies in the field of consumer electronics, it has a good market reputation and wide consumer awareness in overseas markets, and has launched many popular products. However, it should be noted that cross-border e-commerce companies in the field of consumer electronics mainly target individual consumers, which also means that the purchase volume of individual consumers is relatively low (Sleuwaegen, Peter, 2022). In order to meet the needs of consumers, in a word, the competitive pressure of Anker brand in the overseas market is relatively large, and consumers can obtain more favourable prices and preferential conditions by comparing products with other brands. In addition, consumers in overseas markets also have higher requirements for product quality, functions and services, which also strengthens their bargaining power in price. Therefore, in addition to in-depth development of charging accessories, Anker also needs to increase research and development and investment in intelligent innovative products to obtain more added value.

3.4 Bargaining power of suppliers

Suppliers have an important impact on the production and operation of consumer electronics cross-border e-commerce enterprises. As important partners of Anker, they directly affect the supply capacity, product quality, service level and cost effectiveness of enterprises. Schumann (2023) stated a good supplier relationship can ensure smooth production and operation of enterprises, stable product quality, and help enterprises reduce procurement costs and improve production efficiency. On the contrary, unstable supplier relationship may lead to production operation obstruction, product quality degradation and even production interruption for Anker. With the intensification of market competition, the bargaining power of suppliers is also becoming stronger. In addition, with the increasing demand for lithium batteries, suppliers of consumer electronics enterprises have higher bargaining power. Therefore, Anker needs to strengthen communication and cooperation with suppliers, build a stable and reliable supplier network worldwide, and optimize supply chain management, so as to ensure the stable, efficient and sustainable development of production and operation of enterprises.

3.5 Competitive rivalry

At present, the market competition in the field of cross-border e-commerce of consumer electronics is increasingly fierce (He, Xu, 2018). Anker's main products cover consumer electronics fields such as mobile device peripherals and smart hardware, which are sold to developed countries and regions through third-party platforms, and it has close ties with cross-border e-commerce enterprises (Anker, 2023). In the field of products, Anker faces intense competition from well-known foreign brands like Belkin, ZAGG, and Mophie. This competition extends not only in traditional 3C products (such as mobile power, charger and charging cable), but also in the field of peripheral products of emerging smart devices, such as Bluetooth headsets and smart speakers. In addition, Anker also faces competition from major domestic and foreign brands. These competitors have strong strength in product technology, quality, price and other aspects, which brings some pressure to Anker. The popularity of Internet sales channels also makes the competition in the industry become more intense.

4 SWOT analysis of Anker Innovations Technology Co Ltd

SWOT stands for Strengths, Weaknesses, Opportunities and Threats respectively, so SWOT analysis is an analysis method to evaluate these four aspects of business and a knowledge framework (Gurl, 2017). By using SWOT analysis method, it can make full use of its own environment and existing resources, objectively and quickly evaluate the status quo of the four aspects, so as to maximize the advantages of the organization. Reduce the likelihood of failure by knowing what you are missing and eliminating risks that might make the organization not notice.

4.1 Strengths

(1) Advantages of independent brand

Anker(2023) stated that it is a well-known overseas brand in China on its website. After years of development, Anker has acquired nearly 30 million quality customers, most of which are from Europe, North America, Japan and other developed regions and countries (Anker, 2023). The reputation and influence of the Anker brand continues to grow. The Company has achieved high popularity and loyalty in the global consumer electronics market, which has become a good foundation for the Company to continue to expand its product categories and achieve steady and sustained sales growth. Based on a strong user base, the company has further strengthened its global integrated marketing capabilities, and its market awareness and reputation have been continuously improved. Its high-quality products and good brand image have been reported by the "New York Times", "BBC News" and other mainstream media in the world.

(2) Advantages of channel experience

Anker has been in the e-commerce business for many years and has an in-depth understanding of the operation of online channels (Anker,2023). It has good experience on third-party e-commerce platforms such as Amazon and its own official website. At the same time, thanks to the good reputation and the brand potential created online, Anker can also sell products to large local retail groups, supermarkets, regional retailers, etc., and establish a global online and offline sales model. In addition, Anker has set up a special marketing team and channel management team to understand the needs and trends of the local market, and formulate corresponding marketing strategies and sales plans based on the characteristics of local channels. This can help companies with more precise positioning and planning of marketing activities. All these channels provide Anker with new opportunities for brand internationalization.

(3) Advantages of e-commerce talents

Anker was an early entrant of cross-border e-commerce space in China. Lu, Zhang and Xie (2023) put forward that anker focuses on talent development for the e-commerce industry, providing training for both local and international employees. Apart from its main office in China, the company has established branches across various global regions, and has a group of experienced professionals and international talents. These regional divisions are equipped with distinct brand management teams, facilitating a deeper insight into local customs and consumer demands, consequently enhancing the precision of marketing measures and promotional campaigns. At the same time, the company has also recruited a large number of talents in different languages from efficient, and carried out systematic training for these talents, so that they can grow rapidly and be competent for the responsibilities of customer service and website performance management. With continuous practical experience, the e-commerce talent advantage of Anker is also constantly enhanced.

(4) Advantages of Research and Development

Anker attaches great importance to research and innovation, and constantly improves the product design, process and quality requirements, with taking the market as the orientation. In 2020, 2021 and 2022, the company's annual Research and Development investment is 567 million yuan, 778 million yuan and 1.08 billion yuan respectively, accounting for 6.07%, 6.19% and 7.58% of the total operating expenditure, showing an increasing trend for three consecutive years.(Annual Report of Anker Innovations, 2020,2021,2022.) Relying on continuous and substantial investment in research and development, the Company has accumulated rich and profound technologies in various product fields. Take the application of gallium nitride in mobile power supplies and other related products for example, it greatly improves the charging efficiency of mobile power supplies while reducing the volume of products. In addition, there are adaptive charging technology, intelligent energy distribution and energy saving technology, ACAA coaxial silicon technology and so on. Anker's excellent product design and research and development capabilities in the field of consumer electronics have become one of its core competitiveness.

4.2 Weaknesses

Although the process of internationalization of the Anker brand is relatively smooth, this does not mean that it does not have disadvantages. In the analysis study, the company was found to have the following main weaknesses. Firstly, the online channel sales are too high, while the offline sales are low, and the proportion of individual channels is too high, which poses a hidden danger to the long-term development of the company. Secondly, by analysing the financial statement data of Anker Innovation(2023), at present, Anker's main income comes from developed countries and regions such as North America and Japan, but its product sales and brand awareness in China and other emerging countries and regions are still relatively low, and the sales team in these regions is really small. If there is a large-scale strategic plan to enter the market in the future, it will face some challenges related to brand building.

4.3 Opportunities

As the global consumer electronics market continues to expand, the opportunities for enterprises in the consumer electronics sector will also increase, and the use of consumer electronics products will gradually become an essential part of people's lives (Rashidin, Salamun, 2020). People's increasing use of consumer electronics directly promotes the rapid development of the consumer electronics industry. Smart phones, digital products, household appliances and related accessories are the largest and fastest growing products in the consumer electronics market. In the context of the growing global consumer electronics market, Anker, as a consumer electronics enterprise with great potential, has unlimited opportunities and development space. Moreover, the supporting facilities of China's consumer electronics industry chain have been quite complete, ensuring the stable supply and quality of raw materials and parts, which provides strong support for the efficient operation of the whole industry chain, and provides Anker with more solid technical support and industry advantages. In addition, cross-border e-commerce has also created favourable conditions for the globalization of its brands, providing new opportunities in channels and marketing.

4.4 Threats

(1) Threats of potential entrants

In the process of Anker's development, new companies and new brands have been entering the field of consumer electronics following Anker's development trajectory, and some of them have certain strength. These new entrants compete with Anker in some categories, and they have been trying to challenge Anker's position. Indeed, in the future, companies that currently lead in other domains will likely attempt to challenge the e-commerce and consumer electronics retail industry(Taher,2021).

(2) Threats of Operation and development of third-party platforms

Anker's revenue is still dependent on the sales of third-party platforms, and the development and scale of these platforms will directly affect Anker's performance level. For example, in March 2020, the sudden outbreak of COVID-19 swept the United States. In order to prevent the further spread of the epidemic, Amazon in the United States urgently closed its warehouse and suspended the receipt of goods (The Washingtonpost, 2020). After gradually resuming the receipt of goods, Amazon began to strictly restrict the inventory and inventory level of sellers to alleviate the problem of its own explosion. Consequently, numerous sellers experience reduce sales as a result of their inability to restock goods promptly, thereby imposing heightened demands and constraints on inventory management practices. This presents a significant challenge to companies and sellers heavily reliant on third-party platforms.

5 Conclusion

Based on the current business situation of Anker innovations, the report discusses the macro and micro environment and internal and external advantages and disadvantages of Anker Innovations in the existing business as far as possible through PESTEL model, Porter's Five forces model and SWOT theory. Through the study, the following conclusions are drawn.

According to the Strengths analysis in chapter 4.1, the rapid development of Anker Innovations benefits from its international business model. Anker is one of the largest overseas consumer electronics brands in China by revenue, and has a certain share in the global market. Anker's rapid development is inseparable from its product supply mode of 'independent research and development plus outsourcing production', scientific and reasonable warehousing, logistics and export management mode, domestic and foreign online and offline all-channel coverage mode and multi-brand and multi-category cross-product operation mode.

In addition, according to the analysis of PESTEL model in chapter 2, it can be known that the international operation of Anker Innovations is affected by both positive and negative factors. From the perspective of positive influencing factors, government policy is its driving force, corporate strategy is its driving force, corporate comparative advantage is its self-driving force, and the location advantage of the host country is its driving force.

Finally, from the perspective of negative factors, external factors such as the strengthening of trade barriers and restrictions (chapter 2.1), the gradual intensification of industry competition (chapter 3.5) and the stricter supervision of trading platforms (chapter 4.4), as well as internal factors such as the increasing risk of brain drain, the increasing difficulty of technological innovation (chapter 2.4) and the greater dependence on overseas markets (chapter 4.2) have all had a negative impact on it to varying degrees.

6 Recommendation

Firstly, Anchor Innovation has obvious advantages in terms of its own brand advantages, channel experience advantages, e-commerce talent advantages and research and development advantages (CHAPTER 4.1), which are derived from the company's years of development and accumulation and continuous investment focused on the market. Secondly, the company faces disadvantages such as excessive sales in online channels, unbalanced international development and unstable operation of third-party platforms (CHAPTER 4.2), which may pose challenges to the company's long-term development. In addition, the expanding global consumer electronics market provides the Company with tremendous development opportunities (CHAPTER 4.3), especially the rapid growth of the cross-border e-commerce market, which provides favourable conditions for the Company's internationalisation strategy. However, the threat of potential entrants and the development of the third-party platform's own operations may have a negative impact on the company's performance (chapter 3.1 and chapter 4.4), so the company will need to pay close attention to market dynamics and flexibly adjust its strategy in order to maintain its competitive advantage. Based on the above analysis, it is recommended that the Company optimise the product development process, implement the multi-channel same price strategy, improve the channel management process system and try new marketing methods in order to better meet the market challenges and enhance the Company's overall competitiveness.

- (1) As for the product, the most important aspect is the product research and development process. Before product research and development, the company needs a set of special product research and analysis methodology as the basis, combined with the collected data to do a set of market analysis, at the same time, it also needs to collect feedback from different departments, based on the market, based on meeting customer needs, on this basis to design and develop products. Once the product is developed and designed, it is necessary to start doing product life cycle management and product to market management simultaneously.
- (2) As for the price, the perceived value pricing method and multi-channel pricing strategy should be used to realize the overall plan. Starting from providing customers with pricing in line with their expectations and perceptions, price coordination is formed between different online and offline channels. The thinking of short-term quick profit must be abandoned, and brand value and brand income are obtained through the implementation of multi-channel pricing strategy from the perspective of long-term interests.
- (3) As for the place, Anker should start from the innovation of sales channel hierarchy division. And then it should establish and constantly improve the channel management process system. What Anker need to do next is to implement a whole set of processes from identifying and selecting, training, motivating and optimizing dealers, and constantly do cyclic improvement and upgrading. Finally, through the improvement of this process system, make a good job in the place management of dealers and the company's internal multiple channels management.
- (4) As for the promotion, Anker should try to use new marketing methods. In addition to maintaining the existing sales promotion methods, Anker could introduce advertising 5M analysis method and multi-channel collaborative marketing as an improvement scheme of marketing strategy to realize product value and brand value.

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