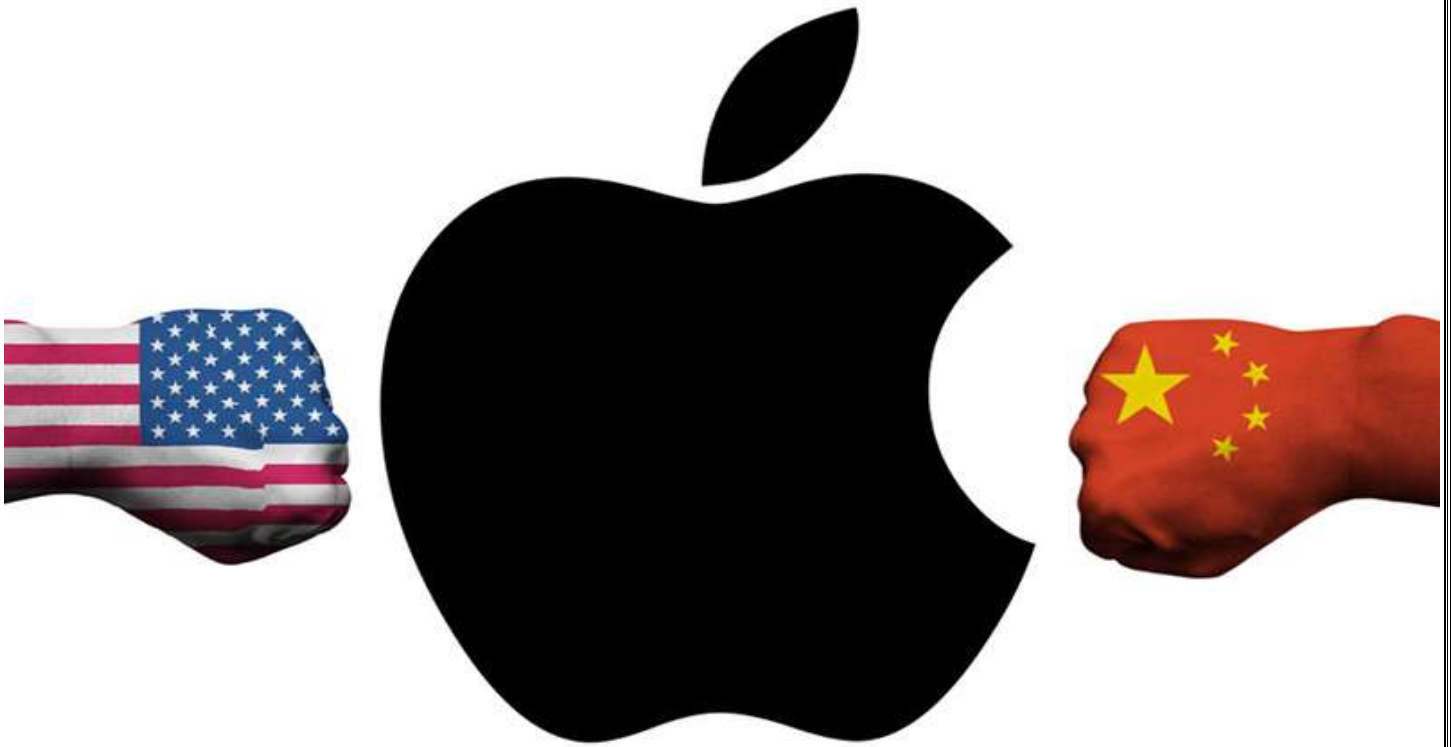


Marketing Management LCMB7001

Assessment 1: Apple in USA and China



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Submission Date: 02-September-21



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Introduction

Opportunities in foreign markets are bigger and more varied than ever. New customers have arisen in the fast-growing markets of Eastern Europe, former Soviet Union nations, China and other Asian countries, India, and Latin America. Some of these nations have limited buying power but promise to be future markets. Even in established industries, new possibilities are developing as customer tastes grow sophisticated. These nations' increasing buying power allows customers to fulfil new demands. Understanding the peculiarities of marketing in various cultures becomes essential as a company's worldwide operations grow. International marketing covers global problems and explains ideas important to international merchants at all levels. Worldwide competition and the global environment make international marketing more complicated than domestic marketing. Increasingly, nations compete fiercely on global marketplaces. The worldwide environment is also diverse in political, economic, legal, and cultural terms. As a result of this, foreign marketing is considerably more challenging than internal marketing. The failure to recognize this has led to most foreign company mistakes, particularly in international marketing. National marketing restrictions are progressively being removed. Thus, marketers must constantly watch and assess global market trends to identify global marketing possibilities. The essay focuses on Apple Inc. and its China and USA market and evaluates the business utilizing key planning models like PESTEL, Porter's Five Forces, and SWOT. The models' findings will be used to draw conclusions and provide recommendations.

Background information about Apple

A worldwide technology company is focusing on Apple Inc. consumer equipment, software and services. Apple is the World's most valuable company with revenues (\$274.5 billion in 2020) and the most critical technology company.

In 2021, Apple was the fourth biggest unit sales provider worldwide for PC and smartphones. It is one of the Big American IT companies, Amazon, Google, Microsoft and Facebook.



Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne in 1976 to sell Wozniak's Apple I personal computer. Apple Computer Inc., founded in 1977 by Jobs and Wozniak, quickly became a household brand. They went public in 1980 and were very wealthy. Apple developed new computers with ground-breaking graphical user interfaces, such as the first Macintosh, unveiled in the famous commercial "1984".





After 30 years of being named "Apple Computer, Inc." by Steve Jobs and Steve Wozniak, the business eliminated the term "Computer" on January 9, 2007, to represent the company's continuing growth into the consumer electronics industry. Apple Inc. has earned a distinct name in the consumer electronics market via its complete visual design philosophy and creative advertising campaigns. Apple has a loyal client base, especially in the US (Britannica, 2021).

PESTEL Analysis

In cooperation with PESTEL analysis, we can discover the potential and market position of Apple and the direction of its operation. In the PESTEL study, four main areas are political, economic, social, technical, and environmental. We next discover the SWOT factors when we find the PEST elements (Witcher, 2010).

Political

Other business issues like terrorism and geopolitical unrest have been affected. Inhibiting global trade and economic development may continue to harm the Company, its partners, and society. Apple Inc. Apple is a political hotspot. Statista estimates Apple Inc. earned \$29.32 billion in Q1 2020. A problem in politics because of Apple Inc.'s economic significance in the nation. Achieving cost savings in China (Statista, 2021) . People are worried about the strained ties between China and the US. Apple Inc. may be vulnerable in the US if it continues to rely on China. Apple Inc. may face difficulties in China due to growing anti-Americanism. Much of Apple Inc. must be careful. The policies of both China and the US benefits this business. The US will profit while China advances technology.

Economic

Apple Inc., as previously said, is a world-renowned electronic consumer company. However, in the following years, the IT behemoth will face significant challenges. Apple Inc. may lose revenue if production costs rise faster than wages in China. More manufacturing pennies equals more labour costs. More money spent on production means more money spent on retail. This will reduce the usage of Apple products. Apple Inc., on the other side, makes excellent goods. Consequently, Apple goods sell poorly in certain countries, such as China, where few people



earn well and selling is complex. Economic factors for the US are favourable, while for China, not so much.

Social

Apple has always prioritised design and quality. Customers' purchasing power has grown worldwide, and many opt to acquire iPods, iPhones, and iPads. Apple has significantly benefitted from societal concerns since iTunes is the leading music store and defines an individual's current lifestyle. Chinese consumers adore technology. Phones are everywhere. Apple is thriving because its products are more attractive and costly than its competitors. Since its debut, the iPhone has been a social status symbol in China (Chiang, 2013). Apps from Apple Inc. have revolutionised millions of social lives. However, Apple goods are still unknown in certain areas. For example, the African market consumes many gadgets. However, Africans are unaware of Apple Inc. and its products. According to data, consumer expenditure in South Africa in late 2019 was approximately \$196,371 million (Statista, 2021). It has expanded enormously in a short period. Sadly, Apple Inc. has not acted to join the African market. Apple Inc. has penetrated markets in India, Bangladesh, and other developing nations. Apple goods are expensive owing to consumer electronics levies. Other brands and goods are replacing Apple. However, this brand is known on the Chinese market because it is assembled in China and the US. It is very well known, so can say that it is a favourable factor for both countries.

The Hofstede model of China vs US

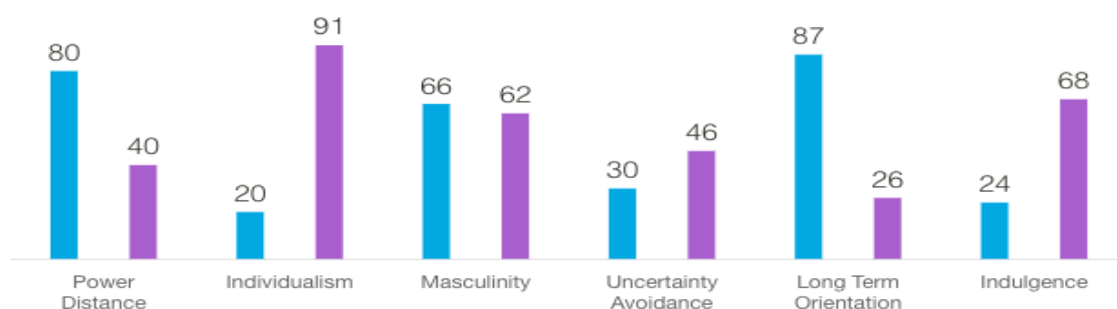


Figure 1: Hofstede model of China vs US (Hofstede, 2021)

Power Distance

Attitudes regarding social disparities are expressed through the culture in both China and the US. Inequal power distribution is anticipated and tolerated by less powerful members of a



country's institutions and organisations. The US says we are all unequal compared to China. To define power, a person's ability to influence others' thoughts and behaviours is one of the most striking features of inequality. While CHINA Chinese society accepts disparities between individuals, according to the PDI, which is ranked 80, in a divided hierarchy, leaders misuse their authority without repercussions on subordinates. In general, people feel enthusiastic about people's ability to lead and innovate. Persons should not aspire to be higher than they are.

Individualism

The Chinese culture is strongly collectivist, with individuals acting in the group's interests rather than their own. In-group factors influence hiring and promotion decisions. Employer commitment (but not necessarily employee commitment) is low. In-group connections are cooperative, while out-group ties are chilly or antagonistic. Personal connections trump task and corporation. In American companies, supervisors are approachable, and managers depend on individual workers and teams for knowledge. Information is often exchanged between management and workers. Communication is casual, direct, and participatory. The community is loosely connected and expects individuals to care for themselves and their close families and not depend on the government too much.

Masculinity

China is a prosperous and determined society. Many Chinese people sacrifice family and leisure time to work to guarantee their success. Hairdressers, for example, will work till late at night to accommodate customers. Leisure time is irrelevant. In order to get better employment and income in the metropolis, migrant agricultural labourers would abandon their families far away.

In addition to test scores and rankings, Chinese students place a high value on academic achievement. Achievements and accomplishments in life are openly shown and discussed in America. Making a name for oneself is a big motivation in America. It is important to note that many American evaluation methods are focused on exact goal setting.

Uncertainty Avoidance

It is common in China to bend laws and regulations to fit the circumstances. A lot of the Chinese language is unclear, making it difficult for Westerners to understand. The Chinese are



flexible and innovative. Chinese companies tend to be small to medium-sized and family-owned at the moment (70-80%). Americans, on the other hand, are more accepting of all views and beliefs. In contrast to higher-scoring civilizations, Americans are less rule-bound and less emotive. Paradoxically, the government is now trying to watch everyone via the NSA and other security agencies, fueled by widespread anxiety after September 11.

Indulgence

China is a Restrictive society, while the United States is an Indulgent society. This dimension is prone to pessimism and scepticism. Restrained cultures, in contrast to Indulgent civilizations, do not respect leisure time and limit their desires. People who hold this viewpoint think that social norms restrict their actions and that indulging is harmful.

Advantages and Disadvantages

His results are "unlikely to be influenced by variations in corporate culture" since Hofstede's model is based on research on workers of one firm (IBM) (Smith, 2015). A culture's dimensions may also be quantified using Hofstede's model, allowing for excellent visual and quantitative comprehension. While this method has certain advantages, it also has some drawbacks. Also, keep in mind that this model describes a culture as a whole, not individual members. However, each individual is still a unique personality with distinct personal experiences that have formed their beliefs through time.

Technology

Apple's innovative and high-tech products provide it with a technological advantage. China's electrical technology is rapidly developing and standardising. Apple is the global leader in electronic IT, following the trend. Apple changed their product packaging to be lighter to comply with Chinese environmental laws. This shows its ethical green marketing concern. Whenever new technology and goods are introduced globally, Apple is always one step ahead of the competition. Apple's ecosystem was unique, assuming that is the case. However, competitors are catching up with their innovations and goods. Apple is no longer king. It is a cutthroat market. Consider Google's September 11, 2015 introduction of Android Pay (Mitja, 2021). With Apple Pay, it was a viable contender. Apple has introduced new items in a rapidly expanding market. For example, Apple TV's debut. It was a rival to Netflix, HBO, and



Amazon Prime. Thus Apple TV's market share is little. Technology is a positive factor for both countries because both are developed in technology. Even if China is a little inferior, it is always striving to keep up with the US.

Environmental

Environmental issues are a significant hindrance for all consumer electronics companies. The lack of electrical component recycling is probably the most critical flaw. Apple Inc. has long struggled to dispose of outdated or broken Apple gadgets. Non-biodegradable products and waste damage the environment, which may become a problem for Apple Inc. However, China's commitment to reduce greenhouse gas emissions and fossil fuels in energy production may increase manufacturing prices.

Nonetheless, China is often blamed for being the worst polluter (Chinapower, 2021). If this tendency continues, China's industrial components will decline significantly. Apple Inc. is heavily reliant on Chinese manufacturing. As a consequence, it will pose a real threat to the IT giant. Regarding the environmental factor, both countries are not favourable because these products are not suitable for the environment.

Legal

Apple Inc. has had many legal issues worldwide. Arguably the most controversial legal conspiracy included deliberately slowing down older models and products to promote newer ones. Apple Inc. has to pay customers \$500 million (Shieber, 2020). Qualcomm, a well-known producer of consumer electronics chipsets, said Apple was abusing their unique technology in their products (Jansen, 2019). Both companies are suing each other in separate states. Suing Apple for monopolistic practises and discrimination in the App Store (Curran, 2018). From a legal point of view, Apple is a company that will always suffer no matter in which countries it will globalize. There will always be people who like to express themselves, sometimes even to get money out of this company, can say that for both countries, it is an unfavourable factor.

Porters 5 Forces Model

Porter's Five Forces Methodology is a model for analysing an industry's fundamental competitiveness. Michael Porter developed it (Karagiannopoulos & Georgopoulos, 2005). The



five forces model identifies buyer and supplier power, industry competitors, entrant threat, and replacement threat (Karagiannopoulos & Georgopoulos, 2005).



Figure 2: Porter's Five Forces Model

Apple Inc. has enjoyed tremendous success with Macintosh computers and OS, iPad, iPhone, and other products since 1976. Apple became the first US company to surpass \$1 trillion in value in 2018. Unquestionably, Apple's success stems from its ability to create fresh and unique products. Apple's product development and marketing strategies reflect this. Apple's profitability is heavily influenced by competition and customer bargaining power. These variables are weaker in the industry.

Threats of new entrants: (Low)

Apple's danger from new entrants is minimal. Apple's exclusive emphasis on high-end customers makes it challenging for new competitors to gain market share, particularly given that the iPhone costs \$100 million. Apple is not required to spend money directly on social obligations has allowed it to become the world's most lucrative and capitalised company.



Additionally, copyrights, patents, and a high switching cost contribute to the minimal danger. However, Apple is also a danger if suppliers do not renew their contracts.

Threat of Substitutes : (High-Moderate)

Apple's replacement product pressure is high-moderate. Almost every Apple product has a replacement.

iPod: Samsung mp3 player and Sony mp3 player

Ipad: Samsung Tab

iPhone: Samsung Galaxy, Samsung Note, HTC, Nokia, Sony Erickson

However, Apple's operating system remains a strong point for the company, with no close alternative. Another plus is Apple's app store, iTunes, and iCloud.

Bargaining power of Buyers: (Low)

Apple's excellent image as an innovator, quality maintainer, and significant R&D spend aids in the retention of existing consumers. Along with client retention, Apple has a lengthy track record of successfully converting competitors' customers to its own.

The Bargaining Power of Suppliers: (Low-Moderate)

Due to their unique production capability for Apple, the bargaining power of suppliers is limited. Apple does not produce everything from a single source or place but has a very varied supply basis. Apple has greater buying power since it purchases in enormous amounts (Beagle, 2011).

The Intensity of Rivalry in the Industry: (High)

Apple faces a strong competitor. This indicates that Apple's competitors have considerable power. In the hardware and software markets, Apple competes directly with Google, Microsoft, and Samsung. These companies, including Apple, spend much in R&D and marketing to compete with and perhaps outperform one another. One factor that keeps the industry competition is the low cost of switching suppliers. A customer may quickly go from an iPad to a Google Chromebook or another tablet computer without spending much money. Apple has reacted to industry rivalry by continuously developing new and creative products to expand its market share (Mavrick, 2015).



Apple likewise avoids low-end marketplaces in order to guarantee high-end products. Customers see Apple as a high-end product with outstanding quality, customer service, and unique products (Sophlee, 2015).

SWOT Analysis

SWOT analysis is a vital tool for every company, regardless of size (Strength, Weaknesses, Opportunities, and Threats). In a SWOT analysis, all internal and external variables affecting a company are examined in depth. It was noted that the business should establish a competitive edge in the market by analysing the SWOT analysis. Armstrong (1982) says that swot analysis is an essential strategic planning technique because it analyses an organization's situation in terms of internal and external risks and opportunities. According to Alison (2001), Swot analysis includes defining the business's goals and objectives and identifying the internal and external variables that support or hinder their achievement.



Strengths

- Products with advanced technology and high quality, such as the iPhone, iPad, and iMac;



- Apple is a globally renowned brand with a huge number of devoted consumers known as "Apple Fans.";
- Profit margins are high;

Apple is one of the beloved and most successful brands worldwide. Furthermore, Apple continues to strive to provide excellent products at a premium pricing. It helps to improve the margins of profit for Apple. The fact that the population of China is so huge is the main reason for the high market share Apple enjoys in the nation. Furthermore, Apple focuses on youthful consumers who are drawn to novel and distinctive offerings. So Apple created their "Apple culture" in order to entice customers who would become lifelong supporters. They will continue to purchase Apple goods after they get used to the IOS operating system.

Weaknesses

- High selling price;
- Restricted retail network;
- Chinese consumers reluctant to pay to get an app from the iTunes store

In both China and other nations, the highest selling price is the most apparent weakness. It is unlikely that the price will be reduced due to the high level of technology. Apple has lost a large percentage of its clients, who prefer cheap costs against cutting-edge technical advances, compared to other companies who provide similar products. Furthermore, Apple's retail network is restricted in number. As a result of Apple's policies, this is the case. These prospective consumers will find it inconvenient. There are also fees associated with specific applications available via the iTunes store. Chinese consumers, on the other hand, are used to using free applications.

Opportunities

- Penetration into more cities as demand grows;
- Significant growth in the Chinese economy and expansion of retail stores;

Apple Computer, Inc. China is amid a highly favorable market climate. Because the government pursues a profitable strategy and there are many prospective consumers, the government may make a profit. Apple Inc. should extend its presence in additional Chinese cities while also increasing the appeal of its brand at the same time. The Chinese economy has



continued to grow in recent years due to the current economic policies in place. The public has sufficient desire and financial resources to buy iPhones, iPads, and even iMacs. It is an excellent chance to expand the number of retail stores that can compete with other businesses.

Threats

- Environment that is very competitive;
- In China, imitation, patent infringement, and copyright infringement are all common occurrences;
- Price reduction pressure; phone-hacking scandal;

China's manufacturing sector proliferated. Aside from Apple and Samsung, many local companies provide comparable goods at much lower prices than Apple. In reality, Apple China has significant challenges since it lacks a competitive pricing strategy. In addition, legal breaches in China are frequent because of infringement, imitation, patent and copyright. These solutions provide similar features at a cheap cost, which may cost Apple many customers. As a result, lowering prices is the prevalent view among consumers. Last but not least, following the phone-hacking incident, government employees and certain specific departments in China are not permitted to use iPhones or iMacs.

Segmentation, Targeting and Positioning

STP is a marketing framework that specifies and streamlines market segmentation. Market segmentation is identifying and profiling groups of consumers within a market based on various factors. The processes for market segmentation, targeting, and positioning are all part of a chronological sequence. Geographic, demographic, social, psychographic, and behavioural variables segment the electric vehicle market (Moutinho, 2000). Apple's marketing activities are dependent on segmentation, targeting, and positioning. Because no business or product can be everything to everyone, segmentation, targeting, and positioning are required. The table below depicts Apple segmentation, targeting, and placement.



Apple target segment					
Type of segmentation	Segmentation criteria	Devices: iPhone, iPad, Mac, iPod	Services: iTunes and the iTunes Store, Mac App Store, iCloud, Apple Pay,	Operating system & software: iOS, OSX, iLife, iWork	Accessories: Apple TV, Apple Watch and related accessories
Geographic	<i>Region</i>	US and China	US and China	US and China	US and China
	<i>Density</i>	Urban	Urban	Urban	Urban
Demographic	<i>Age</i>	18-45	18-30	20-35	20-45
	<i>Gender</i>	Males & Females	Males & Females	Males & Females	Males & Females
	<i>Life-cycle stage</i>	Bachelor Stage Newly Married Couples	Bachelor Stage Newly Married Couples	Bachelor Stage Newly Married Couples	Bachelor Stage Newly Married Couples
		Full Nest I			Full Nest I
		Full Nest II			Full Nest II
	<i>Income</i>	High earners	High earners	High earners	High earners
	<i>Occupation</i>	Professionals, managers and executives	Students Professionals, managers	Professionals, managers and executives	Professionals, managers
Behavioural	<i>Degree of loyalty</i>	'Hard core loyals' 'Switchers'	'Hard core loyals' 'Switchers'	'Hard core loyals' 'Switchers'	'Hard core loyals' 'Switchers'
	<i>Benefits sought</i>	Sense of achievement and belonging Self-expression	Speed of service Efficiency	Efficiency Speed of service	Recreation Self-expression
		Speed of service, advanced features and capabilities			
	<i>Personality</i>	Determined and ambitious	Determined and ambitious	Determined and ambitious	Determined and ambitious
Psychographic	<i>User status</i>	Non-users, potential users	Users Non-users, potential users	Users Non-users, potential users	Non-users, potential users
	<i>Social class</i>	Middle and upper classes	Middle and upper classes	Middle and upper classes	upper classes
	<i>Lifestyle</i>	Resigned Aspirer Succeeder Explorer	Aspirer Succeeder Explorer	Aspirer Succeeder Explorer	Aspirer Explorer
		Risk avoiding Risk neutral	Risk avoiding Risk neutral Risk loving	Risk avoiding Risk neutral	Risk avoiding Risk neutral Risk loving

Figure 3: Apple Segmentation, Targeting and Positioning
(Research-methodology, 2021)



Targeting

The company's target clientele includes almost every social class. Everybody, young and old, male and female, will get Apple Inc. For such markets, the company uses several marketing strategies. To attract customers, the company places its stores in apparent locations. The company also guarantees that competition is moderate in the selected location. Apple's audience is varied. Customers who can spend a premium on Apple goods are Apple's target market. They can afford a bit more quality. Apple users are 94% wealthier. Apple also targeted Millennials, who use technology and have more money to spend. An Apple smartphone is on the wish list of one in four millennials (18-34). Apple for music lovers It is all about iTunes and downloading songs. Apple products are popular among musicians because they are simple to use. Apple goods inspire innovation in all gadgets, according to media and design experts (Gaille, 2015).

Positioning

A competitive advantage is compared to Apple's positioning strategy. Comparing their skills can help them understand how to compete with their competitors and their market position. The positioning strategy of a brand influences a customer's perception. A good positioning strategy may make or break a company's success. Different businesses emphasise different factors when deciding on a positioning strategy. Several factors affect this. The IT sector is evolving rapidly. This industry creates innovative goods and technologies. Apple is the market leader in this sector, and all technical players look up to Apple. Apple used the industry and its capabilities to develop a successful positioning strategy. Several factors influenced the firm's position. Apple considers the customer while deciding on a strategy. Concerning the company's positioning strategy. An attractive high-end premium brand is promoted. Even those who cannot afford an Apple product will go to great lengths to get one. Perfect placement results in this. With excellent service, Apple creates emotional connections with its customers. Apple also utilises placement. A competitive technological sector requires this approach. Apple is constantly updating its goods and services. They are constantly inventing hard-to-copy technologies that provide them with an edge. Their designs are basic, functional, and attractive. Apple often sets market trends. In one of Apple's most famous ads, it says, "Think Different."



The Marketing Mix Strategies

Marketing Mix is the mixture of seven components, called the 7p's (Product, Price, Promotion, Place, People, Process and Physical Evidence), that all organization has the decision of whether to include, exclude or to generate desire marketing strategy, studying the method to produce the response the marketer wants in its target market (Raewf, 2015).

Product

Armstrong and Kotler describe the product as "anything given to a market for attention, acquisition, or consumption" (Armstrong & Kotler, 2005). Apple has constantly innovated and improved its products. As a result, Apple's goods are better than competitors'. Apple offers a wide variety of goods to suit all age groups and budgets.



iPhone, iMac, and Apple Watch are examples. In addition to Apple Pay, Apple TV enables customers to view Netflix and live TV stations. A radio station and customized playlists produced by actual people set Apple Music apart from competing for music applications. Even though most Apple goods are distinctive and difficult to copy, it has happened. It is now possible for rivals to replicate Apple's product features and offer their goods for less. Also, since Chinese regulations are lax on piracy, inexpensive clones of Apple goods have been created. A significant rival for Apple is Google's Android mobile operating system, which Google develops.

Price

Apple's pricing strategy include cost, competition, promotions, and location. The price of Apple Inc., including any discounts, must be mentioned in marketing (Perreault & Carey,



2004). Apple adopted the "best fit segment" pricing strategy to attract early adopters who are less price-sensitive and eager to experiment with new technology (skimming).

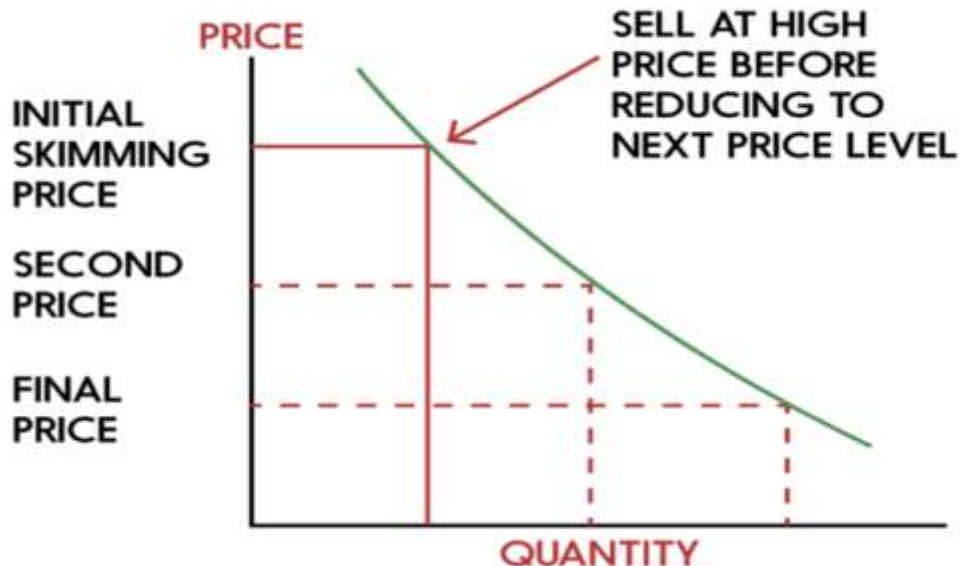


Figure 4

Apple skims the market to sell its products at inflated rates. Apple's customers are often well-off. A small proportion of China's urban population. Apple also employs price discrimination. Price discrimination over time for the same product. Apple reduced the iPhone's price by \$200 two months after its launch. The identical product (iPod shuffle) is priced differently for various groups. It adjusted prices for iPod and iPhone. In some instances, prices differ throughout China. Cost-cutting measures by Apple prevent low-income people from buying Apple products. Customers who pay extra for a product view businesses that use temporal discrimination as unfair.

Promotion

Apple has been the most active in promoting its product. Promotion is the fourth component of the marketing mix and is not always more important than the others. Armstrong and Kotler define *promotion* as the process of educating the target market or other stakeholders in the distribution chain about the "correct" product (2005).



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iPad Pro for uni.
Get Beats.**



The company utilises both traditional and new digital media to boost ad impressions. The company offers freebies and deals (Carter, et al., 2012). Encourage customer retention and additional trial possibilities. Educated consumers may learn about Apple's products by watching TV or browsing the internet. This enhances its public image and draws public attention (Carter, et al., 2012). It aided "the fifth computer-making activities for countrywide primary and secondary pupils." It started contributing to the Red Cross in 2011 and helped Earth Quake victims in Japan. Apple has published promotional flyers. Recent leaks include the iPad mini 2's flyer in 2014 and the iPhone 6's flyer in 2015. This exposes Apple's business methods and products.

Place

Apple has two major distribution channels for its goods (Carter, et al., 2012). Apple distributes goods to wholesalers, who then sell to retailers, who then sell to consumers. Apple also sells directly to consumers via another distribution method. However, Apple has had to cope with phony app shops (Yang, et al., 2014). In 2011, an ambitious entrepreneur in Kunming, China, built an entirely phony Apple shop. With a traditional Apple shop stairwell and upper seating space. This may harm the Apple brand reputation, particularly if consumers mistake the phony shop for the genuine one. Apple now has a physical retail empire of 500 locations, more than half of which are in the United States, some 20 years after the launch of the two shops. There



are 271 Apple Stores in the United States as of May 2021, with China (including Hong Kong and Macau) having the second largest number with 50 (Statista, 2021).



Figure 5: The Apple Store Empire (Statista, 2021)

Market Entry Methods

Apple Inc prefers licencing, exporting, and importing as a market entrance strategy. Apple Inc utilises licenses as a market entrance strategy because they have advantages over joint ventures and strategic alliances. These are less risky than joint ventures or strategic alliances, and licencing is a low-risk market entrance. Regulations are less complicated when utilising licencing approach for entry mode than other options. High Returns: Using licencing approach has high returns for the business compared to other foreign entrance strategies. Similarly, it is true in Apple Inc's exporting and importing entry modes. These are some of the entrance options in China.

Chosen mode of entry

Entry into the Chinese market for Apple may be via licencing, joint ventures, or a wholly owned foreign company. Licenses allow the business to enter new markets without incurring growth costs or risks. In addition, as a global corporation, Apple would benefit from a local partner's expertise in China's corporate culture and competitive environment (De Wit, 2010). A business



that relies on technical expertise may also use fully-owned overseas subsidiaries to reach new markets. For an international strategy, a company's wholly-owned foreign business gives it complete control over operations in several countries.

People

To maintain their performance and growth, technology companies need to hire the most OK people. All major IT companies have complex HR strategies and regulations aimed at attracting the finest personnel. HR is becoming more critical in the IT sector. Apple, a renowned technological company, constantly seeks to recruit the finest brains. Under its new management, the business has become less renowned for its intense internal rivalry. While maintaining its creative spirit, it has emphasised diversity and inclusiveness and employee career growth and satisfaction.

Process



Foxconn is Apple's leading supply chain partner, and it is responsible for the production of the vast majority of the company's iPhones. According to a study, the Taiwanese electronics company manufactures almost half of all cellphones sold worldwide at its iPhone plant in Zhengzhou, China. Apple's supply chain is heavily concentrated in the Asian area. Apple goods are sold only at Apple shops located across the company's major markets. Additionally, the business shops advertise Apple goods before consumers' arrival.



Physical Evidence

Physical evidence comes in various forms. Physical evidence includes the location of a service, the company and customer interactions, and any essential components that allow service execution or communication (Zeithaml, 2008). Apple produces products such as the iPhone, MacBooks, and iPads. Aside from these products, Apple Inc. has a substantial physical infrastructure spanning the US and China.



Apple Inc. has its headquarters at One Apple Park Way in Cupertino, Calif. Predecessor: 1 Infinite Loop (1993). Because of its spherical ground scraper shape, the media calls it a "spaceship." A four-story circular building houses 12,000 employees on 1.46 km² of suburban property. Steve Jobs envisioned the property as a natural preserve, not an industrial park. Its 80 per cent greenery, drought-resistant trees, and native Cupertino plants complement an artificial pond in the central home courtyard (Wikipedia, 2021). The Apple logo also appears on the company's product packaging.

Directional Development Strategy

Before deciding on a directed strategy, managers must analyse where the firm is now, where they want it to go, and what resources are available. The company's mission and vision statements can provide a fair sense of how these firms conduct their everyday operations and develop directed corporate strategies. So, three directional strategies, each with its subtype, are discussed below about a firm's general orientation to Growth, Stability, or Retrenchment (Aguilera, 2018). Apple Inc. has a unique approach. Stylish product design and usability, for example, go well with premium branding. So, instead of competing on price, Apple tries to compete on product design. Unified device connectivity with cutting-edge aesthetics. However, Apple continues to target a wide variety of markets. As a consequence of this, the



company's goods are widely available. Apple's MacBook product line, for example, caters to both companies and consumers. Apple's strategic goals are affected by the broad differentiation generic approach. The business must continue to emphasise innovation via R&D to execute this goal. Apple must keep innovating to maintain its competitive edge. In order to remain ahead of the competition, the business must continuously innovate.

BCG Matrix of Apple

Apple Inc. is one of the world's top manufacturers of electronic products, with a significant market share in the worldwide industry. The BCG matrix may offer valuable insight into Apple Inc.'s various products' market share and growth potential. The BCG Matrix is used in the following discussion to analyse the example of Apple Inc.

Dogs

The BCG matrix category of dogs shows goods thought to have growth potential, but once brought to market, the sluggish market growth makes sales targets challenging to accomplish. If the product fails to produce the anticipated outcomes, the company loses money, and management withdraws further investment in the endeavour. Weakening the business's resources by investing in the question mark or star category, future investment is regarded as a waste of corporate resources. Considering this, iPods are a dog. Statt and Tibken (2014) claim that the iPod classic has lost popularity since alternative music storage devices like Android phones and internet music streaming and cloud storage have altered customer preferences.

As a consequence of the product's failure to generate substantial income, Apple Inc. had to evaluate additional expenditure. The device's popularity has waned recently. Due to the poor sales of the iPod Classic, Apple Inc decided not to invest further in the device.

Cash cows

Money-making goods are classified as cash cows in the BCG matrix. This industry is mature. Despite this, cash cows may bring in much money from high demand goods. After years of product development, Apple Inc.'s cash cow, iTunes, has emerged. Customers may download songs from iTunes. The business appears to be dominated by iTunes, even though other portals provide consumers access to digital music. The market share of Apple has grown to above 60%, according to Bostic (2013). Based on market research, 44 million individuals in the



United States had access to at least one digital music file in 2012. However, Apple Inc. expects iTunes to bring in revenue as the digital music business matures.

Star

While its star business units have a substantial market share, they are not cash cows since their sectors may still expand. Given the industry's growth potential, the products' market share will grow as well. Stars may become a cash cow for a business if the industry matures and no longer offers high growth. Apple's iPhones have dominated the Android phone market globally. Apple is ranked second among smartphone manufacturers, indicating a significant market share. iPhone sales have slowed globally, especially in China (Reisinger, 2016). However, the company has done well globally. The iPhone 7 launch is expected to provide the company with a competitive edge. However, the market has not fully embraced the new phone's features. Apple's smartwatch is a Star item. According to Hahn (2015), the Apple Watch will likely be necessary for the future of wearable technology. The intelligent clock gets a Star because the sector is growing and thriving.

Question Mark

It is not easy to achieve sales goals when a product has a BCG matrix category of dogs. Failure to deliver on promises costs money and discourages future investment. Waste of resources by investing in the product's question mark or star category. The iPod classic has been around for a while. However, later market developments have weakened its attractiveness. Considering this, iPods are a hound. Customer preferences have changed, according to Statt and Tibken (2014), The lack of revenue forced Apple Inc. to consider spending more on the product. Due to strong consumer demand, the iPod classic became a cash cow after a few years. The gadget's popularity has faded. Apple Inc. chose not to spend further on the iPod classic due to low sales.



Conclusion

To summarise, Apple Inc. is a worldwide company with an outstanding image and a legendary reputation. The company has maintained loyal clients while gaining new ones. Each quarter, Apple creates the impression that it is a thriving company making history in the IT industry. Demand complexity and technological advances fuel the innovation revolution while merging products and industries. The company stands apart in two ways. Apple's technological leadership allows it to increase its worth and compete for the next round. Innovating faster than competitors allows Apple to grow its client base and brand. Apple will be in danger if it loses its edge. Apple demonstrates the importance of understanding the psychology of consumers in the experience economy. The article claims that Apple is the world's most profitable technology company. Apple has diversified its products to be used by diverse kinds of people. According to the research, Apple now has almost 36 countries. It grows via joint ventures, authorised stores, and wholesale channels. As well as third-party suppliers and Apple retail stores, the essay found. Time of day, the number of customers, and location all affect Apple's price. Because their prices are higher than average, most customers are wealthy people. However, Apple has issues with its products, price, marketing, and location. Apple has and will continue to have worldwide success as long as it is first in technology, learning something new, and of higher quality. Apple is a highly successful business because it has successfully internationalised.

Recommendation

According to the research, One of the recommendations I would give to Apple is: offering customized products to consumers, which will increase customer satisfaction and loyalty. So Apple's clientele will increase. Second, it should expand its global distribution and sales networks (International Presence). It is well-known globally, but not in many Asian, Arab, and African countries. So Apple can lower pricing and boost sales. In this way, the firm will acquire market share and outperform the It should utilize R&D to create functionally equivalent products but less costly to manufacture. During a severe recession, people may respond more to lower prices. Apple is a master at designing beautiful products, but its quality control and assurance department has repeatedly failed. Apple's brand image and customer trust are on the line. Apple should also include in its marketing campaigns. For example, they may sponsor



more organizations and sports, giving the business additional opportunities to promote and expand their market. Apple should also adjust its price to be more affordable for low-income individuals. Apple's present pricing structure is too costly, limiting the number of potential customers. Apple can grow into more underdeveloped nations if they lower their pricing. Apple could also improve its production methods to minimize its environmental impact. Apple should educate its staff on their human and labor rights, in addition to educating their human resource officials. Apple should also allow workers to denounce unfair or inhumane behavior without fear of losing their employment.



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