

Case Study of Apple's International Marketing

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Abstract: Apple Inc. is a world-renowned scientific and technological innovation enterprise, and its international marketing cases are of high learning value. Taking Apple as the research object, this paper systematically analyzes the reasons and characteristics of its successful international marketing from the aspects of “globalization” demand, destination selection, market entry mode and preliminary plan.

Keywords: Apple Inc.; Global Marketing; SWOT Framework

Apple's “global” needs

Apple Inc. is an American technology company that manufactures and sells a variety of electronic products, software, and online services, such as iPhone, iPad, Mac, Apple Watch, Apple TV, iOS, macOS, iCloud, and more. Apple's mission is to “bring the best personal computing experience to humanity through continuous innovation.”^[1] There are several reasons why Apple needs to “go global”:

Increase market share and revenue. As a private company, Apple Inc. already has a high market share and loyal user base in the United States and some other developed countries, but in some developing countries and emerging markets, Apple Inc. still has a lot of room for growth and potential for increase its market share and revenue.

Deal with competitive pressures. Apple faces competition from Android phone makers, software and cloud service providers, online content platforms such as Amazon and Netflix. If Apple wants to maintain its leading position and advantages, it must constantly understand and adapt to the changes and demands of various markets through globalization, and provide more diversified and differentiated products and services to win the favor of consumers^[2].

Realize social responsibility. Through globalization, Apple Inc. can spread its advanced technologies, designs and ideas around the world, provide more choices and opportunities for people from different regions and backgrounds, and promote development and progress in education, culture, environment and other aspects.

How does Apple implement its globalization strategy?

Apple implements its globalization strategy in the following ways:

Product standardization and customization are combined. Apple is known for its high-quality, high-performance, highly innovative products that have a unified design style, operating system, user interface and other features that can be used worldwide. At the same time, Apple also carries out product customization strategies to a certain extent according to the characteristics and needs of different markets. This product customization strategy can meet consumers' personalized needs, increase differentiation advantages, adapt to local regulations and standards, and enhance market competitiveness^[3].

Flexible adjustment of marketing mix strategy. Apple Inc. has adopted a marketing mix strategy that combines consistency and adaptability around the world, that is, while maintaining the same core value proposition, it makes flexible adjustments according to the characteristics and needs of different markets. Specifically, Apple has made its marketing mix strategies in the following four aspects:

Product strategy. In addition to the combination of product standardization and customization mentioned above, Apple also launched product lines of different levels according to the consumption power and preference of different markets, such as iPhone SE, iPhone XR and other low-end or mid-end models, so as to expand the market share without damaging the brand image^[4].

Price strategy. With its high-end brand image, Apple Inc. has a high price and enjoys a high profit margin in some developed countries or wealthy groups. However, in some developing countries or low-income groups, Apple needs to ensure profitability as well as increase price competitiveness.

Distribution strategy. Apple Inc. has established a strong and effective distribution network worldwide to increase the coverage and

popularity of Apple products in various markets.

Promotional strategy. Apple uses various means to promote sales, it contributes to improve consumers' cognition and love of the Apple brand.

Continuous optimization of R&D innovation strategy. Apple Inc. is famous for its innovation ability. It constantly develops new technologies, designs and ideas to provide consumers with more advanced, more practical and more beautiful products and services.

Layout and optimization of production bases: Apple rationally distributes its production bases or cooperates with local manufacturers according to production costs, technical levels, market demands and other factors in different regions.

This situation analysis used the SWOT framework. The SWOT framework is a tool used to assess the strengths, weaknesses, opportunities, and threats of an organization or project. It can help identify internal and external factors to develop appropriate strategies. Based on the search results, Apple's SWOT analysis can be roughly as follows:

Advantages: Apple has strong brand loyalty, innovation ability, high-quality products and services, high profit margin and cash flow, etc.

Disadvantages: Apple relies too much on iPhone as its main source of revenue, lacks product diversification, faces risks such as lawsuits and patent infringement, and high prices limit its market share.

Opportunities: Apple can explore new markets and regions, launch new products and services, create new user experiences with artificial intelligence and the Internet of Things, and strengthen social responsibility and environmental protection.

Threats: Apple faces challenges such as intense competition, market saturation, changing consumer demands, and political and economic instability. Figure 1.

Global destination choice

Apple has entered many countries and regions, but there are some potential markets worth considering. To determine which markets are currently the most interesting, we can use CAGE analysis and other tools to screen and evaluate:

1. Market size and growth rate reflect the potential demand and income of the market, as well as the development speed and prospect of the market. Generally speaking, the larger the market, the higher the growth rate and the more attractive the market.

2. The degree of market competition reflects the difficulty and profit margin of the market. Generally speaking, the less competitive the market, the more attractive it is.

3. Market cultural distance reflects the difference and similarity between the market and Apple's local market. Cultural distance includes language, religion, values, consumption habits and so on. Generally speaking, the smaller the cultural distance, the more attractive the market.

4. Market administrative distance reflects the difference and similarity of political and legal environment between the market and Apple's home market. Administrative distance includes political system, legal system, trade policy, tax policy, data security and so on. Generally speaking, the smaller the administrative distance, the more attractive the market.

5. Geographical distance of the market reflects the physical distance and transportation convenience between the market and Apple's home market. Geographical distance includes geographical location, climatic conditions, time difference and other aspects. In general, the smaller the geographical distance, the more attractive the market.

6. Market economic distance reflects the difference and similarity between the market and Apple's local market in terms of economic development level and consumption power. Economic distance includes per capita income, exchange rate, inflation and so on. Generally speaking, the smaller the distance between market economies, the more attractive the market^[6].

To sum up, we can choose India, Brazil and Vietnam as potential target markets for Apple.

Selecting the market entry mode and initial market entry plan

Market entry mode refers to the different organizational forms and operation modes adopted by enterprises when they enter foreign

markets. The choice of market entry mode depends on the enterprise's goal, resources, ability, risk preference and external environment. Generally speaking, market entry modes can be divided into three types: export model, joint venture model and sole proprietorship mode. According to the characteristics of the above market entry modes, different market entry modes can be selected for Apple in the three potential target markets of India, Brazil and Vietnam:

It is recommended that Apple adopt the joint venture model in the Indian market. It is suggested that Apple adopt the sole proprietorship model in the Brazilian market. In the Vietnamese market, it is recommended that Apple adopt the export model.

In conclusion, CAGE analysis and other tools were used to select three different market entry modes for Apple: joint venture, sole ownership, and export in India, Brazil, and Vietnam. These modes have their own advantages and disadvantages and applicable conditions, which need to be adjusted flexibly according to specific circumstances. We hope these suggestions will be helpful to Apple in formulating its international strategy^[7].

Apple's marketing strategy features

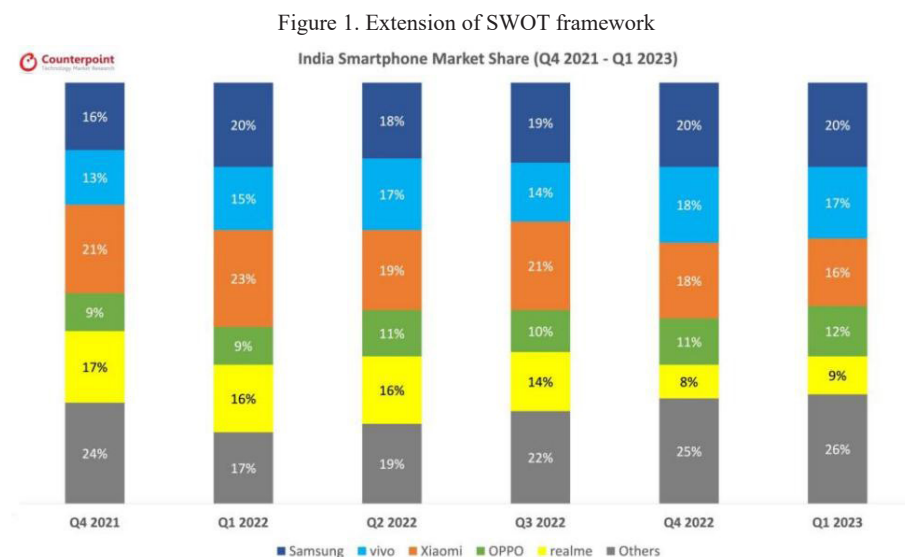
1. Innovative marketing: Apple Inc. constantly introduces innovative and disruptive products to meet consumer needs and expectations, and create a unique brand image and user experience.

2. Hunger marketing: Apple Inc. intends to control the supply of products, create a sense of hunger and shortage in the market, stimulate consumers' desire to buy and show off, and maintain a high price and high profit margin of products.

3. Word-of-mouth marketing: Apple Inc. uses users, media, stars and other channels to spread the advantages and features of its products, forming strong social influence and brand loyalty, and attracting more potential consumers.

4. Color marketing: Apple designs different colors for its products according to different markets and cultures, such as Tuhao gold and Chinese red, to give products more emotion and meaning, and increase the attractiveness and differentiation of products.

5. Human nature marketing: Apple is people-oriented, focusing on consumer needs, preferences, emotions, etc., to give products more human factors, such as stories, emotions, values, etc., to move the hearts of consumers, establish a deep emotional connection.



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