

Analysis of marketing strategy of technology enterprises based on swot model: taking Apple and Huawei as examples

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Abstract. In August 2018, Apple achieved a significant milestone by becoming the first company in history to be valued at \$1 trillion. Two years later, in August 2020, Apple once again made headlines by reaching an unprecedented market value of \$2 trillion, solidifying its position as a global leader in the technology industry and setting new benchmarks for corporate valuation. Apple, the digital technology giant, has been increasing in value by and large every year. What is the marketing strategy behind this, and why is Apple so far ahead of other digital technology companies. Based on swot model, the comparative analysis method is adopted to compare Apple and Huawei. Analyze their internal and external factors through advantages and disadvantages, opportunities and threats, and then put forward corresponding suggestions for the improvement of the two companies. In addition, the two companies also found different pricing models and ways to promote products through different channels. Research finding Huawei and Apple are different in the design of product appearance, Apple has a complete ecosystem, and has a strong brand image and loyalty, they both have a strong supply chain management and can ensure the user experience first. It is also found that Huawei attaches great importance to employees and can make good use of employees in different technical levels, thus forming a strong R&D team with strong independent innovation ability and strong 5G technology.

1 Introduction

1.1 Brief Introduction of Research Background

Among the brand marketing of major enterprises, the brand marketing of Apple company is the most successful. Before 2007, the world communication market is firmly occupied by Nokia, Samsung and SONY Ericsson three brands, after the launch of Apple mobile phone, fast rapid changes in the market landscape, the three big brands have been reduced to the status of Apple's stranglehold. So this is the "Apple phenomenon" produced by Apple Company, which not only shocks the world's thinking, but also makes Apple company has achieved great success, and this success is ultimately the success of Apple's brand

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competitiveness, This brand competitiveness has enabled Apple to become invincible in the global communications market with only a few products. Since the 21st century, Apple's market value has been rising year after year, and it has surpassed IBM, Microsoft, Google and other companies to become the most valuable technology company in the world. Apple's swift growth and notable achievements are attributed not only to the quality, technology, innovation, and user experience of its mobile phones but also to its unique marketing strategies. The company's focus on its phone business has resulted in a significant increase in shipments, with over 47.5 million units shipped, generating \$31 billion in revenue. Sales in the Greater China region have shown strong growth, doubling to \$13 billion and contributing to over a quarter of Apple's total revenue [1-3].

1.2 Purpose and significance of the study

First, from the theoretical point of view, there have been a lot of domestic scholars' research on brand. But much of the discourse still fails to keep pace with the fast-changing pace of market competition. This paper combines the theory with the current situation of market economy, systematically studies and analyzes the brand marketing strategy of Apple Company, and further improves the existing theoretical research on brand competition, so it has important theoretical significance.

Second, in a practical sense, brand building has been regarded as an important way for most enterprises to achieve rapid development. At this point, compared with foreign enterprises, due to the late development of market economy, Chinese enterprises still have shortcomings in the understanding of brand concept. Nowadays, no matter the competition between the market, the competition between enterprises, or the competition between local enterprises and foreign enterprises, the real strength of the competition is actually concentrated in the brand competitiveness. For this reason, this paper is devoted to providing corresponding strategies and help for Chinese enterprises' brand building through in-depth study of an excellent foreign enterprise with brand strategy -- Apple Inc., so that Chinese enterprises can gradually change the current situation of market competition dominated by product and price competition and improve the theory of brand concept of Chinese enterprises, especially high-tech enterprises. Promote the brand competitiveness of enterprises in our country, so it has important practical significance [3].

1.3 Research method

Literature analysis: The literature analysis method involves the collection, identification, and organization of literature to develop an understanding of scientific facts through these sources.

SWOT analysis: Starting with the external environmental factors of the brand development of Apple and Huawei, this paper thoroughly examines the development status and success factors of the brand strategies of Apple and Huawei by analyzing four key advantages, disadvantages, opportunities and threats, compares the differences between the two companies, raises questions and gives corresponding improvement strategies

1.4 The following research framework

The research structure of this paper is to conduct separate SWOT analysis on Apple and Huawei, and then compare the two companies to find out the differences between their products and their marketing strategies. At the end of the paragraph, find out the existing problems of the two companies and give corresponding adjustment suggestions.

2 Literature Review

2.1 About Apple

Apple, previously known as Apple Computer, is renowned as the leading manufacturer of mobile phones globally. It is also the largest PC producer and the most valuable publicly traded company by market capitalization. Furthermore, Apple is recognized as the world's most valuable brand, celebrated for its industry-leading innovations. In the high-tech market competition white against the backdrop of the heat, Apple has been able to maintain its leading position in the industry when it every time a new product is introduced, it can always affect the change of the market. Apple can be high the leader of the technology market is different from the correct strategic management of the enterprise it's open. Of course, the strategy formulation of enterprises will be affected by many factors. Enterprises should through analysis, prediction, planning, control and other means at the macro and micro levels, fully realize the use of the enterprise's human, financial, material and other resources, so that the management optimization, by economic efficiency is improved, it is necessary to realize the importance of strategic management and can ability to make correct judgments and reactions according to market changes [4].

2.2 About Huawei

Huawei Technologies Co., LTD., founded in 1987, is the world's leading information and communication technology provider. Huawei's primary focus is on the transmission of communication technology and related products. Over the past three decades, the company has grown from a small private enterprise into a globally renowned technology giant. Huawei Technologies Co., Ltd. now offers its communication technology and products in over 170 countries and regions, employing more than 170,000 people worldwide. On the product side, launch first mobile phone business, create Mate series, P series, G series and enjoy series, by virtue of mobile phone quality and brand connotation: Huawei has successfully entered the ranks of high-end smartphones in the world. After that, Huawei slowly expanded its product line and launched notebooks, tablets, smart watches and smart screens of our own brands for the first time, matching Apple's first-tier brands. The rapid rise of the consumer business in recent years has brought huge profits to Huawei. In 2020, Huawei Intelligence the mobile phone market shipped about 188 million units, accounting for 42.6% of the domestic market, ranking first, and the global market share 17.6 percent, ranking third after Apple and Samsung [5].

2.3 SWOT theoretical concept

SWOT analysis provides a working method for enterprise managers and decision makers to make strategic choices. It is simple and clear in terms of working process and ideas. Firstly, it analyzes the target, then analyzes the status of the enterprise or product inside and outside the enterprise under the condition of its own development and external competition, lists the internal strengths and weaknesses, external opportunities and threats. Bring the analysis results into the SWOT matrix response position, comprehensively analyze the conditions listed, match various factors to analyze, and generate targeted strategic plans. Using this method, can conduct an all-round internal and external analysis of the locked research target, more accurately recognize the internal and external advantages and disadvantages of the research target, so as to formulate and choose the next development strategy more rationally. SWOT is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats.

Strengths and weaknesses refer to internal factors within the organization. Opportunities and Threats refer to external opportunities and threats [6].

3 Analysis of Apple marketing based on SWOT model

3.1 Strengths

Apple's brand recognition has reached unparalleled heights. A 2013 survey by Harris Interactive, an American research firm, indicated that Apple is now the most recognized company, surpassing Google, Coca-Cola, and others. It's fair to say that Apple products are ubiquitous in the electronics world. Known for their high quality, fashionable design, and premium image, Apple products bear a logo that symbolizes excellence. Apple meticulously oversees every aspect of product quality, from design and raw material procurement to manufacturing and assembly. For instance, Steve Jobs once demanded that the new iMac be designed without any visible screws, and reportedly dismissed a designer who created a model with a slightly exposed screw. Apple epitomizes perfectionism [3].

Apple's products and services form a tightly integrated ecosystem, including iOS, macOS, watchOS, tvOS, iCloud, App Store, and more, enhancing user engagement. iCloud is not just for music. Its offering is much more than a hard drive in the cloud as it sports seamless syncing of contacts, appointments, email messages, documents, photos and other data across desktop and mobile devices. It offers iTunes Match, a software program that scans over music in your iTunes Library that you haven't purchased from the store and tries to find a match for it on its online database of more than 18 million songs. iCloud also has the pretties web interface, unique services like Find My iPhone and rich web apps that mimic the appearance of their Mac and iPad counterparts down to pixel-level accuracy. Apple moved in progression from the Digital Hub to a device-centric approach and finally to a remote location-based model. Through the Digital Hub, all devices were connected to the Mac. The Mac was the central storage place and the main access point for content. The Apple business model was mainly centered on hardware and software. The iPhone changed that. The strategy switched to a device-enabled platform with iTunes Music Store, App Store, iBook Store, allowing customers to purchase content directly on the go and access content from both portable devices and laptop computers. The iCloud represents the next evolution as the content is now supposed to be stored in a central location and accessible from multiple devices at the same time [7].

3.2 Weaknesses

The Mac, and subsequently the iPhone, encompass not only hardware but also operating systems and applications. Apple's stores are renowned for their long queues, a testament to the high interconnectivity between its various products. Unlike Microsoft, which initially specialized in distinct areas, Apple's extensive product range results in numerous competitors. Despite keeping up with market trends through continuous innovation, Apple's consistent profitability is not without limits. Any decline or strategic misstep in the competitive landscape could affect cash flow, potentially disrupting Apple's current product framework. This broad operational strategy inherently carries significant risk.

Apple has consistently targeted the high-end market and has never pursued low-end product offerings. Many people are discouraged by the price of Apple products, which are often four or five thousand yuan. High product pricing has become one of the obstacles for Apple's development, many consumers cannot afford to spend, after all, spend the money of a laptop to buy a phone or tablet is not everyone can do. Meanwhile, while Apple is all-

powerful and dominant at the high end of the market, it has been lackluster at the low end. The product positioning is overly narrow, and Apple has pursued the high-end market for an extended period. There remains significant potential to expand into other market segments [3].

3.3 Opportunities

Over years of advancement, the electronics industry, with Apple as a key player, has evolved into a highly mature production network. Apple has garnered extensive experience in maintaining a robust and efficient supply chain, ensuring the sustainability of its future growth. The company's supply channels, and production processes are now well-established, obviating the need for further investment of time and resources in these areas. Intense competition among suppliers in terms of pricing, quality, and services enables Apple to effectively lower product costs and enhance gross margins. Supported by a well-established industrial chain, Apple is well-positioned for future growth. The global availability of numerous component manufacturers provides Apple with multiple options for sourcing qualified suppliers, thereby strengthening its negotiating leverage. Asia, particularly China, has become a "world factory," with many multinational companies procuring components or outsourcing manufacturing to Asian businesses. These companies leverage their expertise to optimize the product value chain, reduce costs, and achieve mutually beneficial outcomes [3].

Expanding its distribution network could enable Apple to attract a broader customer base in international markets. Additionally, the company has the potential to boost sales through vigorous marketing efforts, particularly for its mobile products. According to Apple's PESTEL/PESTLE analysis, this opportunity aligns with the increasing global demand for mobile connectivity. Furthermore, there is potential for the company to explore and introduce new product lines. While its current offerings are highly successful, continued innovation could lead to the development of additional products, similar to the Apple Watch. Expanding its product portfolio could significantly contribute to business growth in global markets [1].

3.4 Threats

Apple faces intense competition from Samsung, Huawei, Google and others in several markets, and Apple's multiple product lines have popular products, such as laptops and mobile phones, which leads to Apple facing many competitors in different product lines. Now Apple can no longer ignore the market competition. In order to make up for the gap with Apple, its competitors are accelerating the pace of research and development of new products, and they are trying to compete with Apple through more product innovation. While Apple still has an edge, if the trend continues like this, Apple will one day be inexorably eliminated from the market if it responds effectively to the current situation [3].

Recent conferences reveal that Apple's mobile phone development has encountered a bottleneck, primarily reflected in incremental changes such as camera enhancements rather than significant innovations. The research and development efforts appear to be less mature, with an increasing number of users reporting technical issues that suggest the phones do not perform as well as advertised [8].

3.5 Apple's financial condition

In 2009, Apple's liquid assets as a percentage of total assets were 67.34%, while after 2012, the proportion of current assets in total assets was between 32% and 36%, and the proportion of current assets decreased significantly from the early stage to maintain a stable situation in the later stage. Compared with current liabilities, from 2009 to 2018, the proportion of current

assets in Apple's total assets was greater than that of current liabilities in total assets except for a few years; What's more, Apple's cash ratio has been high and stable, averaging 7.83%; In addition, it is remarkable that the proportion of Apple's inventory in total assets is very low, which remains at about 1% all the year round, showing Apple's excellent inventory management level, which also means that the capital turnover rate is very high. These characteristics show that Apple's current assets have a strong ability to guarantee current liabilities, and the possibility of short-term debt risks is extremely low. The proportion of non-current assets in Apple's total assets has remained at about 65% in recent years, which is about 25 percentage points higher than the proportion of non-current liabilities in total assets, indicating that the company's non-current assets have a high ability to cover non-current liabilities, and long-term debt risks basically do not exist. In recent years, the proportion of fixed assets in Apple's total assets has increased slightly, from 7.74% rose to 11% in 2018.29%, but for a real enterprise, the proportion of fixed assets is very low, showing an obvious asset-light business model [9].

3.6 Apple's marketing approach

Hunger Marketing. Apple's new products are never officially announced until their release, maintaining an air of secrecy. During the development of the next electronic product, Apple generates substantial anticipation through strategic advertisements. For instance, the iPhone 7 concept in 2016 was heavily advertised before its official release. Apple's innovative approach replaces the traditional mobile phone keyboard with a touch screen, not only altering the appearance of mobile phones but also allowing software developers to customize the touchable keys' locations to best meet their needs. This unconventional innovation provides both a flexible software and hardware platform [2].

4 Analysis of Huawei marketing based on SWOT model

4.1 Strengths

Huawei is known for its strong R&D capabilities, leading to innovations in telecommunications, 5G technology, and consumer electronics. And this innovation helps Huawei stay competitive and pioneer new technologies in the market. Huawei's innovation capability is reflected in the following five aspects: first, high investment in innovation resources. Huawei invests more than 10% of its sales revenue in design and R&D every year and has invested more than CNY 845 billion in R&D in the past decade and has strong capabilities in patents. Since 1997, Huawei Corporation the company continues to increase the number of authorized patents, and by the end of 2021, Huawei had more than 45,000 valid patents worldwide patents, more than 90% of which are invention patents. In addition, Huawei's manufacturing efficiency is also very high. In order to improve production efficiency, Huawei has comprehensively upgraded the original production process system, from three-dimensional warehouse to production line, introduced advanced technology process, greatly reduced production links, and improved production quality. In addition, Huawei has also established a high-quality technological innovation environment, providing an innovation platform for enterprises through the integration and interconnection of internal R&D departments, IPD integrated R&D process and ICS integrated supply chain, and establishing joint laboratories and R&D institutions with domestic and foreign enterprises to realize the complementation of R&D resources and technology sharing. Macroeconomic environments such as the government have provided good development opportunities for Huawei's technological innovation [10].

4.2 Weaknesses

On the one hand, Huawei's management incentives for various distribution channels are not in place, and there are inconsistencies and lags in management remuneration policies. Competition in various channels is prominent, resulting in the phenomenon of moving goods between agents and pressing goods, resulting in sales obstruction. If problems continue to accumulate, "poor demand lag" will be formed, which will intensify consumer resistance. In addition, the sales channels and modes of Huawei's laptops and Huawei's mobile phones are not completely consistent, so it is necessary to further integrate Huawei's on-machine channel with Huawei's laptop channel to upgrade the production and sales efficiency. On the other hand, Huawei's domestic after-sales service outlets are mainly concentrated in Tier 1-2 cities, with low coverage in Tier 3-4 cities or counties and towns. Some of the after-sales service outlets are operated by dealers. Compared with the after-sales service outlets independently operated by Huawei, the personnel in these outlets are less professional and the service is weak. It will have a negative impact on consumer brand trust and make existing users lose confidence in purchasing again [10].

4.3 Opportunities

Our country adheres to innovation as the core, actively promotes the building of independent innovation capacity, adopts a series of effective policies and measures, optimizes the allocation of resources, and strives to solve various bottleneck problems that restrict the independent innovation of enterprises, so as to achieve the overall goal of national development. China has fully supported the improvement of Huawei's independent innovation capability through various aspects and measures, as follows: Investment and financing methods, tax reduction and exemption for high-tech enterprises, support for the construction of research and development bases and studios, optimize the strategy of foreign talent introduction, promote the steady growth of import and export, strengthen intellectual property protection, actively promote market application, and strengthen international cooperation. At the same time, the government will continue to pay close attention to the development of Huawei and provide more support to promote the sustainable development of China's scientific and technological innovation [10].

4.4 Threats

In August 2020, the US Department of Commerce issued a series of notices on sanctions against Huawei, which directly cut off all opportunities for Huawei to buy chips. Since then, the US has even joined forces with its Allies to kill Huawei's development in the infancy by "wounding the enemy 1,000 and damaging the enemy 800". Up to now, the United States has imposed sanctions on Huawei for four years, which has restricted its industrial development in all aspects. Although Huawei has great advantages in ICT industry, 5G technology, cloud computing and other fields, it lacks R&D time and cannot achieve a complete turnaround. Under the background of such high pressure, Huawei chooses to enter the laptop industry, and the development of new fields will undoubtedly bring more difficult challenges to enterprises, which will further increase the pressure of Huawei's operation and management [10].

4.5 Huawei's marketing approach

Given the extensive range of products produced by Huawei and the substantial costs associated with research and development, the target pricing method proves highly

advantageous for the company's product pricing strategy. This method allows Huawei to budget the total cost for each product, determine its break-even price, and set the actual price. As a result, Huawei can effectively position itself against competitors in the market [11].

5 Comparison on Apple and Huawei

5.1 Differences in Sleek and Minimalist Aesthetics

Apple products are renowned for their sleek and minimalist designs. From iPhones to MacBooks, the emphasis is on clean lines, simplicity, and a modern aesthetic that appeals to consumers seeking elegance and sophistication. It also focuses on how to convey the use of products and brand value through design language. This fusion gives Apple products a good balance between appearance and utility.

Huawei's phone design is full of technology. Advanced materials and processes are used to make the mobile phone more technological in appearance. At the same time, Huawei mobile phones also use a full screen design, which greatly improves the proportion of screens, making the phone more shocking in appearance. And the exterior design of Huawei's products is also very fashionable. From the color matching to the details of the phone, it can reflect the fashion taste. Moreover, Huawei mobile phones continue to launch a variety of special editions and co-branded models and cooperate with fashion brands to bring more choices to consumers.

5.2 Complete ecosystem

Apple has built a strong ecosystem where its products (such as iPhone, iPad, Mac, Apple Watch, etc.) and services (such as iOS, macOS, iCloud, App Store, etc.) are tightly integrated to provide a seamless user experience. The ease with which users can share data and use services across devices within the Apple ecosystem enhances engagement.

5.3 Pricing

In terms of pricing, Apple's products are on the high side. In addition, in recent years, Apple's products have become increasingly expensive and limited in choice, unable to respond to the different needs of consumers. There is a joke on the Internet about selling a kidney to buy an apple. It is clear that the price of the iPhone is out of the reach of the average person, and the price is equivalent to a good quality notebook.

5.4 Industrial chain

Compared with Huawei, Apple's industrial chain will be completer and more comprehensive. Apple has a very extensive outsourcing team, and Apple attaches great importance to the strength of suppliers when choosing to manufacture outsourcing suppliers. Apple chose both well-known first-class electronic manufacturing service providers in the industry, such as Inventec, Quanta, Pegatron, Flextronics, Foxconn, etc. Choose well-known electronic manufacturing service providers, their technical strength and management level is high, production quality is guaranteed, supply risk is low, communication and coordination is easier. In addition, these suppliers care more about their brand reputation and have a low risk of malicious default [12].

6 Suggestions for improving sales strategy of Apple and Huawei

As can be seen from the previous analysis, the various product supply lines of Apple products are at the cutting-edge level of technology compared to similar products. However, technology electronics are characterized by very fast technology updates. A new technology can quickly become a very mature technology and then be replaced by a new technology. The risk for technology leaders is that new technologies invested heavily in research and development are quickly copied at low prices, leading to price competition on products. After years of leading technological innovation from the exterior to the interior, whether Apple can make breakthroughs in products is related to the competitiveness of products and the improvement of customer loyalty.

The laying of sales channels is insufficient, and the integration of various channel resources is low. One is to rely too much on the agency distribution model, easy to be "stuck" by middlemen. At present, Huawei mainly relies on distributors for marketing and expansion of laptop computers, which is not conducive to centralized control of sales channels. If improper selection of distributors or problems occur in the intermediate links of distributors, it is easy to lose the market in this region. At present, Huawei's laptops mainly rely on the existing mobile phone marketing channels to expand, and directly deliver products to major online and offline channels, which is not directly managed by Huawei. Although it reduces the problems of logistics and storage for enterprises, it is unable to face consumers directly, so enterprises lack consumer feedback information. It is difficult to use consumer feedback information and real needs to invest in subsequent product optimization and design. On the other hand, Huawei's direct stores and agency outlets have not been fully laid out, and its channels are only extended to third tier and fourth-tier cities, but not to fifth tier and sixth tier cities and other counties and towns.

Second, the internal channels are independent from each other and there is no resource integration. Huawei has three business segments, namely operators, enterprises and individual consumers, which are independent and lack integration. At present, enterprise resources in fields such as political and legal organs, medical and education, and financial technology are still occupied by big-name laptop manufacturers. Huawei, as a new laptop manufacturer, lacks enterprise customer resources. If the three business segments can be integrated, it will inevitably bring a large number of customer resources to Huawei's laptop and quickly open the sales market [10].

7 Conclusion

In this paper, study the marketing strategies of Apple and Huawei based on the SWOT model, analyze their advantages, disadvantages, opportunities and threats, research find Apple mainly has a strong outsourcing team to have a good product supply chain, Huawei mainly has a very strong independent innovation ability and a very strong research and development team. And study the pricing methods of the two companies. Finally, it find out the differences and point out the shortcomings and give corresponding suggestions for correction.

The scope of the research is not extensive enough, many marketing methods in different countries are not involved, and some data are too old, which leads to the accuracy of some data is reduced.

It is hoped that future scholars can go to different countries in the world to study the different marketing strategies of these digital products in the local area, and find different pricing models under different national cultures, so as to find more reliable and accurate data.

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