

# Market research and strategic analysis: apple case in china assignment



Apple launched its products in China in 2009. Recently, Apple has been criticized by Chinese government and media regarding three main issues, including slave labors, guarantee scandals, and underdeveloped infrastructure. This assignment is to begin with an outlook onto the strategic issues that need solving. The next part of the report goes further into an intensive analysis of the situation Apple has confronted in China. To make clear the three issues, the first thing to do is to look out for information needs that are essential for the clear formulation of the problems.

From that, proper tools were applied to foster the scanning process in order to find out pertinent evidence which will answer the hypotheses set by the groups. Looking deep into the situation, more has been revealed behind the truth. In this process, some information gaps have also been revealed.

Thanks to the research, it has been concluded that Apple was under great pressure from media and Chinese governments which aim at exaggerating the negative sides of the issue. Effort was also put to find out information about competition as well as other aspects related to the government policies and media, etc.

Then, the report aims at positioning the Apple company, using the SOOT analysis and PESTLE analysis of Apple in China related to the issue. These pieces of analytical information were of great help to the group in finding how the company can use its internal and external resources to adapt and reinforce its position in the context of its scandals in China. A further important aspect of the case study is to identify Apple's stakeholders in China and position them, using the Perceptual Mapping. After that,

implications have been drawn as to which stakeholders Apple should focus its efforts on to deal with the dotted issues.

In the next part, the report summarizes the scanning process used by Apple to identify problems, information needs, collect, analyze and communicate information. This scanning process will provide proper methods for pertinent information related to the issue. The most important part of this report focuses on recommendations on action plans that Apple should apply to tackle the strategic issues mentioned above. Suggested actions include operational ones for immediate actions and strategic ones for a longer period of time in the future so that Apple can still maintain its image in China market.

Besides, these specific activities are also prioritize based on the urgency of each one. Last but not least, the Communication Strategy part ensures that every of Apple activities should maintain its key message and indicates how Apple will communicate its activities to its stakeholders. From the provided recommendations, it is hoped that Apple management can consider implementation for strengthening their position within the tablet and smart-phone market in China. A. ANALYSIS I. Strategic Issue guarantee scandal and underdeveloped infrastructure. However, China is a significant market for Apple.

Apple's market share in China is continuously growing while decreasing in mature countries. Issues related to human rights and labor protection in China are sensitive and of globally mutual concern. If we do not address these issues properly, we will lose Chinese customers as well as suppliers

and sub- contractors. This may also seriously impact the reputation and sales of Apple products worldwide. II. Analyze the Apple situation 1 . Student slave Labor: Chinese students forced to ' intern' at phone factory.

Hypothesis: \* H1: Foxhound's labor shortage for manufacturing phone 5 \*

H2O: Foxing would like to cut cost in manufacturing phone 5

Information need: (see Automated scanning process) Looking for evidences:

\* E1: The labor need of Foxing in manufacturing phones in China is really high, because: Foxing. Assembled. \* Demand for phone 5 is too high for manufacturing capacity of \* The phone 5 is the most difficult device that Foxing has ever \* E: Students labor: 200 students from a university have been forced to do assembly work at Foxing and cheated as a " internship". Each student was paid 1 , 550 Yuan (\$243) per month for a six-day week, 12 hours a day. However, each worker also had to pay much for food and accommodation.

Their parents were not informed ND no signed agreements or contracts were in place. \* E: In DCE 2012, workers in Samsung factory work 12 hour per day. Even when Samsung sent investigators to the factory, nothing changed later. However, Government and Media don't complain as much as in Apple's case. \* E: Labor cost in China is increasing. Most provinces and cities have set up minimum wage levels of more than RMI, OHO. Conclusion: Apple and Foxing had trouble in meeting the demand of market and increasing salary, therefore they hired students for manufacturing.