P.E.S.T. Analysis: Apple Inc. in China
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Marketing 301: Principles of Marketing
(LaRose, 2018)

About Apple Inc.
Apple Inc (Apple) designs, manufactures, and markets mobile communication and media devices, personal computers, and portable digital music players, and sells a variety of related software, services, accessories, networking solutions, and third-party digital content and applications (Marketline, 2019).

Products and Services
Apple’s product portfolio:
• iPhone
• iPad
• Mac
• iPod
• Apple Watch
• Apple TV

Apple’s consumer and professional software applications portfolio:
• iOS
• macOS
• watchOS
• tvOS operating systems
• iCloud
• Apple Pay

Apple also sells and delivers digital content and applications through:
• iTunes Store
• App Store
• Mac App Store
• TV App Store
• iBooks Store
• Apple Music

(Marketline, 2019)

Political Factors
• Trade war and tariffs between U.S. and China threaten prices (Marketline, 2019), (Moritz, 2019)
• Chinese government has authority to view data and bypass encryption (Abkowitz, 2017)
• Apple follows demands of Chinese government relating to Hong Kong protests, limiting apps that are put out into the Appstore (Mickle, 2019)

Economic Factors
• Slowing economy
• Higher prices
• Longer replacement cycles
• Lower birth rate
• Higher labor costs

(LaulyLi, 2019)

Social Factors
• Apple is seen as another foreigner, tied with Samsung as second largest market share (12%) in smartphone manufacturing after Huawei, which is 15%. (Berilyn, 2019)
• Apple has rallied a massive workforce and promoted businesses around their operations (LaulyLi, 2019)

Technological Factors
• Apple houses its data processing within China (Marketline, 2019)
• China is providing financial incentives in AI and, recently, Cloud Computing development (Kubota, 2019)

Apple Inc. in China
• Apple Asia Ltd. in Hong Kong, China
• Apple Computer Trading Co., Ltd, in Shanghai, China (Marketline, 2019)

Apple is mitigating risk by moving 20% of its production to East Asia markets outside of China. (LaulyLi, 2019) There is fear of American’s data being analyzed by Chinese, government-owned companies (Molina, 2018).

References

Acknowledgements
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