

# ***Market Status and Marketing Strategy of the Canva App in China***

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**Abstract:** This study examines the marketing strategy of the Canva app in the Chinese market, with a special focus on its localized cultural adaptation and market segmentation and positioning. This thesis focuses on how Canva has established and maintained its competitive advantage in the Chinese market through its unique marketing strategies, including market segmentation, targeting and product localization. The study also analyzes the specific measures taken by Canva in facing local Chinese competitors and examines the effectiveness of these strategies. The research found that Canva has achieved a significant market position in China's online design platform market through its user-friendly interface, reasonable pricing strategy, and powerful collaboration features. Meanwhile, Canva's localization adjustments, such as templates adapted to the needs of China's social software and its strategic partnership with Visual China, have further strengthened its market competitiveness. However, Canva still faces challenges in attracting professional users who need highly customized design tools. This study not only provides a case study for academics on the operation of international brands in the Chinese market, enriching the research literature on globalization and cross-cultural management, but also provides valuable references for business practices, especially in terms of technological innovations and global adaptation of service models. Through an in-depth analysis of Canva, the study provides new perspectives for understanding how technology products meet local needs in different market environments.

**Keywords:** market segmentation, cultural adaptation, SWOT analysis, visual communication, competitive strategy.

## **1. Introduction**

This paper mainly explores the “Canva” App's particular marketing strategy in China. Compared with existing studies in this area, this study focuses more on Canva's localized cultural adaptation and market segmentation and positioning in the Chinese market. By exploring these under-researched areas, a more comprehensive perspective can be provided to support a better understanding of Canva's performance and prospects in the Chinese market. During the research, this primary research methodology is a case study that uses Canva's marketing strategy in China as an example to analyze the technology company's marketing program in China to make predictions for future development and to make recommendations and suggestions for existing and potential problems. Examining Canva's strategy and performance in the Chinese market has multiple effects, not only for academia

but also for business practice. On the one hand, academically enrich the research literature on globalization and international marketing by providing a case study of an international brand succeeding or facing challenges in the Chinese market. Improve the understanding of cross-cultural management and market localization strategies, especially in highly competitive market environments. On the other hand, commercially exploring successful technology innovation and service models in the Chinese market to provide case studies for technology adaptation in the global market. Research can help understand how technology products, especially their functions and services meet the specific needs of local markets in different market environments.

## **2. Canvas Product Analysis**

### **2.1. Canva's Global Impact**

Canva, the world's leading visual communications platform, was created in Sydney in 2013 and is now used by around 10 million users in 190 countries and areas to achieve a wide range of visual communication objectives in marketing, content production, and presentations using Canva's tools in 100 different languages. Entering the Chinese market in 2018, Canva's Chinese products include Canva, Canva Pro, Canva Team, Canva Education, and Canva Enterprise, targeting individual users, team users, education industry participants, business users, and enterprise users, respectively. From Marketing in a Transition Economy provided case studies, Segmentation, Targeting, and Positioning (STP) can help companies better identify and localize their target audiences. The purpose of market segmentation is to enable companies to better understand and serve their markets by customizing their marketing strategies to appeal to specific customer segments, thereby improving market response rates and overall effectiveness. This approach helps firms to position themselves in a competitive market while optimizing the allocation of resources [1]. Canva, as an online design platform, provides users with zero-threshold design editing tools. It prepares a huge amount of free design templates and millions of copyrighted materials according to the common types of flat designs and provides detailed design tips, inspiration files, video tutorials, and template recommendations so that beginners who do not have any professional design skills can easily make the good designs they want with just simple drag-and-drop editing. As a simple and powerful modern design tool, Canva has always been dedicated to driving the equalization of design through technological strength, reducing design costs, and increasing design efficiency and collaboration for users and enterprises.

### **2.2. Canva's Market Positioning in China**

The online design platform market in which Canva operates is a growing market in China, which is not saturated and is constantly expanding. According to Burgess & Steenkamp, emerging markets (EMs) present unique socio-economic, demographic, cultural, and regulative challenges that differ significantly from developed markets. These kinds of differences impact regular marketing strategies and learning from them can improve critical insights and generalizations that assist in leading marketing practices globally [2]. There is no absolute monopoly in this market, and Canva is an innovator in the field of brand digitization. There are several characteristics that prove Canva in an emerging market. The first market characteristic of China's online design platform market is its website. Before Canva entered the Chinese market, most visual design software was highly specialized, difficult to use, and incompatible for different platforms and different people. These problems are compounded by the high level of professional knowledge, the lack of design talent, and the need to further improve the use of copyrighted content.

### 2.3. External Conditions for Canva Market Growth

Because of the COVID-19 impact, and these external environmental conditions, the percentage of people online working and learning has become higher and higher globally. The U.S. Bureau of Labor Statistics found from the 2021 Business Response Survey regarding the prevalence and impact of teleworking in U.S. private sector businesses during the COVID-19 pandemic. 13% of jobs involved full-time teleworking, while 22% involved part-time teleworking and a third of businesses increased online working during the pandemic, particularly those that also adopted flexible work schedules [3]. In China, online learning and working played a significant role as well, especially during the CPVID-19. In 2020, because of the COVID-19 pandemic, 1.5 billion students in 188 countries/economies must stay at home for safety reasons to keep social distance. China's Ministry of Education encourages teachers and students to teach and study online through media. Since the suspension of schools, over 200 million Chinese students have participated in online learning [4].

## 3. Canva Competitor Analysis

### 3.1. Canva's Market Share

In the graphic design market, the same type of product as Canva is medium, and most of the competitors focus on professional image processing and visual communication areas. Adobe is the primary and largest market share holder in this area. Compared with Canva, which owns 9.72% of the graphic market, Adobe Photoshop is the biggest company in the graphic market, with 41.87%. At the same time, the percentage of Adobe InDesign and Adobe Illustrator is 26.36% and 12.37% [5]. As a professional image processing software with a brand name backed by many years of history, it is a leader in visual design software. As a professional image processing software, Adobe Photoshop is the leader in visual design software. It is mainly oriented to professional people who make a profit from design, and it has an absolute advantage in providing full-featured and powerful design services, including creative composing, grid production, interface design, etc. However, Adobe Photoshop has a high threshold of access to the market. Also, Adobe Photoshop has a high threshold for entry, charges a high price for the licensed version, and makes it difficult to realize collaborative operation in the form of local downloads.

Unlike Adobe's professional tools like Photoshop and Illustrator, which require significant learning time and cost, Canva offers an intuitive, drag-and-drop interface that is accessible to users with no prior design experience. Compared to Adobe, which offers premium products at higher price points, Canva's pricing is more accessible to small businesses and individual users. In this case, Canva offers more competitive pricing and much more to match Canva's extensive feature set and user base. Canva excels in facilitating real-time collaboration on design projects, which is a significant advantage for teams and businesses. This feature is not as robust in Adobe's suite, which often relies on file exchanges rather than real-time co-editing.

### 3.2. SWOT Analysis of Canva

SWOT Analysis, an acronym for strengths, weaknesses, opportunities, and threats, is a strategic tool used to evaluate an organization's position relative to its competitors. While it is often attributed to Albert Humphrey in the 1960s, the exact origin remains unclear, and no single creator is universally recognized. Also referred to as the SWOT Matrix, it is valued for its ability to help businesses distinguish themselves and carve out a niche in the competitive market. SWOT analysis plays a critical role in exploring new initiatives, revising internal policies, considering transformational opportunities, or changing plans during implementation [6].

A SWOT analysis can help better understand Canva company and Adobe company differences and give suggestions for Canva's further marketing strategies in the Chinese market. Through the SWOT matrix, there are 4 aspects to analyze the "Canva" app's Chinese marketing strategy.

**Strengths:** A user-friendly interface is the biggest vantage for "Canva" in the traditional graphic design market. "Canva" offers a simple, drag-and-drop interface that allows users with no professional skill and design experience, making it highly approachable for beginners and non-professionals. Secondly, in contrast to traditional applications in the graphic design market, Canva's collaboration features are a clear differentiator. For teams looking to work together seamlessly, the collaboration features can not only improve working efficiency but also provide a real-time view of the progress of project work. At the same time, compared with "Adobe" which requires high product costs and learning time costs, Canva's pricing model is more accessible to small businesses and individual users, which makes it competitive in markets sensitive to cost as well. Since Canva announced its entry into the Chinese market, the first thing it did was to sinicize the product. The Canva product can be divided into three modules: template library, editor, and output file. In addition to the huge amount of template libraries for users to choose from, the editor has also been upgraded in terms of functionality, and it creates the original Chinese templates for WeChat, microblogging, e-commerce, and other related design scenarios. It also supports the log-in of WeChat, microblogging and other social media and sharing. In addition, Canva has entered a strategic partnership with Visual China to provide Chinese users with a large number of commercially available copyrighted images. The formal copyrights of the images and fonts provided by the platform are very important in China and allow users to use them in a more secure manner [7].

**Weaknesses:** Due to its simplicity and ease of use, Canva might not be seen as suitable for high-end professional design work that requires detailed customization. Adobe offers industry-leading tools like Photoshop and Illustrator, which are standards in professional graphic design and visual arts. Adobe's long history and dominance in the market contribute to strong brand equity and consumer preference and trust at the same time.

**Opportunities:** Canva has large advantages and opportunities in two industries in China. With the development of the growing digital economy in the Chinese market, the rapid growth of China's digital economy and e-commerce sector presents opportunities for Canva to meet businesses that need quick and cost-effective design solutions and low money and time costs. After the COVID-19 period, more and more people realize the importance of online education. Global Market Insights pointed out that online learning is becoming more popular in the growing educational markets due to the growth in the field of higher education and increased Internet penetration. Data suggests the Asia-Pacific e-learning market to account for more than \$60 billion USD in revenue by 2022. In China, the e-learning market revenue started at a low base in 2020, and it's gotten higher every year since then. In 2021 and 2022, the e-learning market revenue reached \$17 billion USD and \$22 billion USD. China's e-learning market revenue is predicted to increase annually until 2032 [8]. In the future, "Canva" should expand its features and come up with more advanced tools that could bridge the gap between amateur and professional needs, attracting a broader user base in China. At the same time, retaining its simplicity and ease of use characteristics.

**Threats:** As an application from Austria, Canva of course faces competition from local software and platforms that cater specifically to Chinese users. The graphic design software market in China is becoming increasingly crowded, making it harder to stand out without significant innovation. In this situation, Canva's product may not be so suitable for the Chinese cultural background and consumer behaviors and weaken market competitiveness. At the same time, Canva should adjust its product and customer service depending on Chinese market regulations and policies.

#### 4. Canva's Consumer Analysis

Understanding the consumer market in China for Canva requires understanding the diverse demographic, psychographic, and behavioral characteristics of its users, as well as the specific market dynamics that impact Canva's success. From the angle of demographics, in Canva, most of the users in China are aged 18 to 34 and demand rapid output of high-quality images, presentations, and social media content (Figure 1). This includes university students, young professionals, entrepreneurs, and small business owners who are familiar with online tools and digital platforms. Also, Canva seems to appeal more to females than males. Approximately 55% of Canva users are female and the remaining 45% are male, particularly those involved in creative industries, social media management, and online marketing [9].

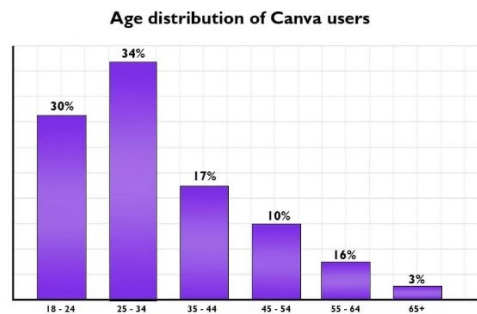


Figure 1: Age Distribution of Canva Users [9].

For user income and education level, Canva's freemium model attracts a broad range of income groups. However, users who subscribe to premium features (Canva Pro, Canva for Teams) are more likely to have middle to upper-middle income levels, including small business owners, freelancers, and professionals. In the Canva China consumer group, a large proportion of them are well-educated with university degrees. The platform is particularly popular among students, educators, and professionals in design-related fields.

There are several trends that can be seen based on consumer insight. In the current Internet era, the visibility of content is becoming more and more important. Consumers attract the attention of others through a "good-looking" appearance, thereby enhancing the value of the content they create. Visual presentation plays a vital role in the dissemination of information and the capture of attention. When facing decision-making, visualizations support users in identifying complex data more understandable and actionable [10]. From the first demand, when creating presentations, consumers want to be able to do it quickly and with an aesthetically pleasing visual appearance. They value appearance but do not want to spend too much time on form design. At the same time, because of the occupational and job demands of consumers, most presentation tasks are carried out in groups, and the lack of online simultaneous editing will increase communication costs. The real-time online editing and collaboration feature of Canva effectively benefits by reducing communication barriers. Finally, it analyzes consumer behavior from three levels of behavior. In actual operation, consumers usually experience the free version of the product first and then compare it with competing products. After the first purchase, they will choose whether to continue to use the after-sales function based on the user experience, repurchase if they are satisfied, or even actively recommend it to others which may be out of active willingness or passive recommendation due to the needs of group work.

## 5. Conclusion

This paper discusses Canva's market analysis and marketing strategy in the Chinese market. It examines Canva's strengths, weaknesses, opportunities, and threats (SWOT analysis) and explores its competitive position relative to major competitors like Adobe. The article highlights Canva's user-friendly interface, collaboration features, and pricing strategy as key advantages, while also acknowledging the challenges it faces in appealing to professional designers who require more advanced tools.

Also, there are some shortcomings in this paper. The article discusses current challenges and opportunities but could benefit from a more detailed exploration of Canva's long-term strategy in China, and the lack of an in-depth analysis of Canva's existing marketing strategies and recommendations for future development of marketing strategies is also one of the shortcomings.

Based on the analysis of Canva's marketing strategy in the Chinese market, the following conclusions can be drawn: Canva has built a significant position in China's online graphic design market through its user-friendly interface, reasonable pricing strategy, and powerful collaboration features. Despite facing competition from professional design software such as Adobe and local applications, Canva has successfully attracted a large number of users, especially among the young, efficiency-oriented user group, with its low-threshold design tools and rich template resources. At the same time, Canva has actively made localization adjustments after entering the Chinese market, such as adapting templates to meet the needs of Chinese social software, which enhances its competitiveness in the Chinese market.

Overall, the article provides a foundation for understanding Canva's position and strategy in the Chinese market. Enhancing it with more quantitative data, a deeper exploration of consumer behavior, and an analysis of long-term strategies and regulatory impacts would provide a more complete perspective.

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