

A Study on Marketing Strategies of Apple

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Abstract

Apple Inc. is an information technology company with a wide range of products which include cell phones, computers, tablets, television products and wearable devices. According to Aljafari (2016), “Apple Inc. was established in 1976 as a computer software and hardware company, since then Apple has transitioned into the creation of other technological devices and has established a chain of retail stores to provide their customers with a better buying experience”.

Apple products are sold through its retail stores, online sites, and third-party wholesaler and retailers. Apple’s mission is committed to providing the best innovations and technologies in the world.

The company is also committed to protecting the environment, to ensure good health and safety of the company’s employees, customers and the global communities where they are established (Capilla, 2011). However, the company is dealing with image issues after attention was drawn on the unsafe working conditions in some of its factories in china (Chong, 2018). Therefore, this report highlights an important marketing plan that will help Apple resolve its management and marketing issues.

Apple segment its customer base based on the combination of segmentation strategies, it uses Behavioral, demographic & psychographic factor in segmenting the market. Similarly, it uses nice & differentiated targeting strategies to be a top player in the smartphone market despite having expensive products as compared to other players like Samsung, LG etc.

INTRODUCTION

Apple wants to be recognised as the provider of the most innovative and trendy products on the market. They've found that sticking to a minimalist design aesthetic is the best way to capture and keep the attention of a sizable target demographic in their advertising campaigns.

Apple's products are all built to be compatible with one another, so a secondary marketing objective is to get the word out that they can be used together. This includes the Macbook Pro, iPhone, iPad, and iPod Touch. The Apple philosophy is to raise a new generation to carry on the company's legacy.

Using Apple as an example, here are some of the most crucial factors to think about when developing a marketing plan:

To anticipate a product strategy that satisfied consumer needs, Jobs recognised trends such as digital consumerism and the increasing commoditization of the PC industry. Searching across multiple time periods, industries, strategic groups, buyer personas, product features, industry orientations (both rational and emotional), and geographic locations can yield valuable insights.

Apple's research showed that their strict licencing policy was causing them to lose market share and cause cannibalization of sales, so Jobs made a deal with Microsoft to develop core products and switched to using Intel chips in Apple's computers, allowing them to make laptops that were faster and used less power.

Since he knew his rivals so well, he was able to strike up mutually beneficial business relationships with them.

By adopting a Schumpeterian model of creative destruction and focusing on the needs and wants of the consumers rather than how to merely improve upon an existing product, Apple was able to continuously re-think its product line and invent new products that re-defined the traditional boundaries of the market. The "first mover advantage" refers to the significant gains in market share and profit margins experienced by the company that is the first to market with an innovative product or service.

Many computer systems and related products are easy to replicate, so it is crucial to find ways to extend a product's life through complementary offerings as much as it is to invent new ones. For instance, thanks to the App Store, Apple was able to increase its annual profits from \$600 million to \$1 billion. The popularity of iPods skyrocketed after Apple released the iTunes Store.

Apple started a truly original differentiation strategy for the Mac brand, utilising creative campaigns and non-traditional advertising channels, which has aided in raising the brand's profile. Customers now recognise

Literature Review

Apple Inc. is an international technology company found in the United States with its head office at Cupertino. It is a designer, developer, and distributor of electronics, online services as well as consumer electronics. Apple Inc. Has different hardware products, which are inclusive of iPad tablet computer; Apple watches smartwatch, iPhone smartphone, Apple TV digital and the Mac personal computer. The company also produces software's which includes iTunes, macOS as well as iOS operating systems, iLife and work suites and other apps like the Logic pro, Xcode and Final Cut Pro. Ronald Wayne, Steve Jobs, and Steve Wozniak formed the company in April 1976. Apple ranks as the most significant information and Technology Company regarding its revenue and ranks second regarding mobile phone manufacturing. It was named as the first United States Company to be valued at US\$700 billion in 2015.

Apple Inc. operates in information and technology industry. It is an industry that uses computing through software, services, infrastructure as well as hardware's in different forms to achieve different objectives. The sector involves the development, implementation, maintenance, and utilization of information technology. It is an industry that employs close to 5.73 million workers in technical as well as non-technical positions within the firms. Companies, government agencies as well as non-profit organizations have information technology department with 85% of the workers in this unit being technical workers. Information and technology is an industry that requires strong analytical skills and creativity to keep up with the latest technology.

The literature review of this study is to find out the behavioural differences of each generational cohort and to understand the effect on consumers' willingness to pay a premium price and on brand loyalty in the case of technological brands. The research also aims to explore the impact on companies' strategy and marketing processes. The study follows a quantitative research design and uses a survey as a tool to collect data. The present work may enable firms to be more targeted in their approach to create competitive advantage and strong relationships with their audiences. Marketers and practitioners must recognize and take into consideration the differences across generational cohorts when developing their marketing strategy.

OBJECTIVE OF THE RESEARCH

The primary goal of this study was to understand consumers' reasons for, opinions of, and experiences with iPhone purchases.

A few of the main ideas that make up the study's overarching goals are listed below.

Find out how well-known Apple is.

Can you tell me about the various Apple product bundles and price reductions?

- Find out how people generally feel about Apple products.
- Learn what people want in terms of pricing, quality, features, and design.
- To find out which product is preferred by shoppers.
- To feel the pride and happiness that using this product brings.
- To determine what percentage of customers buy this product on a regular basis.

SCOPE OF THE RESEARCH

The methods Apple Inc. used on its way from garage startup to multibillion dollar conglomerate are the subject of this study.

This analysis zeroes in on Apple's rapid success in cultivating positive relationships with its clients by focusing on the policies and ideas that have made the company the recognisable brand it is today.

In a survey aimed at analysing customer relationships, the following elements were considered.

People who own smartphones and have an interest in Apple were recruited for the study.

One hundred people were chosen at random.

The one hundred people who took the survey were asked to fill out both open-ended and closed-ended questions.

The analysis and compilation of the data and information led to the conclusions and recommendations.

Money is essential all through a project's lifespan.

IMPORTANCE OF THE RESEARCH

Apple's late CEO Steve Jobs had a marketing philosophy based on the assumption that customers don't always know exactly what they want. Apple, instead of spending money on market research to find out what features and capabilities its customers want, consistently innovates to provide them. Apple's marketing strategy, like the company's products, is minimal but highly efficient. Anyone working in marketing today can learn a great deal from learning how one of the greatest businessmen of all time, Steve Jobs, laid the groundwork for this massive, profit-generating corporation.

Apple's marketing strategy emphasises premium product users through segmentation, targeting, and positioning, and the product itself stands out as a central part of the 7Ps. In addition, Apple Inc. places a greater emphasis on print and media advertising and in-store personal sales than it does on sales promotions.

RESEARCH METHODOLOGY

Marketing Research:

"Marketing research" refers to the process of systematically collecting, recording, and analysing information about issues in the marketing of products and services.

In order to meet all of the requirements of marketing management, marketing research has proven to be an indispensable tool. Therefore, it is a methodical procedure for collecting and analysing marketing data for use by marketing managers. Accurate measurements; unbiased analysis and interpretation are essential to the systematic execution of research.

The fields of study include:

o **FUNDAMENTAL RESEARCH:** The goal of fundamental research is to increase the sum of human knowledge.

Research conducted with the goal of solving a specific problem or informing a targeted course of action is called applied research. It's typically very discreet.

My goals in researching the iPhone are to gain insight into Apple's business practises and provide suggestions that will lead to improved iPhone development, marketing, and sales. My investigation is, therefore, of a "BASIC RESEARCH" nature

RESEARCH DESIGN

1. Research design indicates the methods and procedure of conducting research study. This means that the stage is set to begin data collection and analysis. When planning a study, you can take one of three basic routes:
2. Exploratory Research:-
3. Exploratory research seeks to determine the nature and extent of a problem and the most important factors involved. The primary goal is to create new ideas, and secondary sources will be used extensively to back up the claims made.
4. Conclusive Research:-

Research that ends in a definitive finding can be broken down into two distinct types: descriptive and causal.

Descriptive research is undertaken when the researcher want to know the characteristics and features of certain groups.

Causal research is undertaken to identify causes and effect relationship between two variables.

Analysis Of data

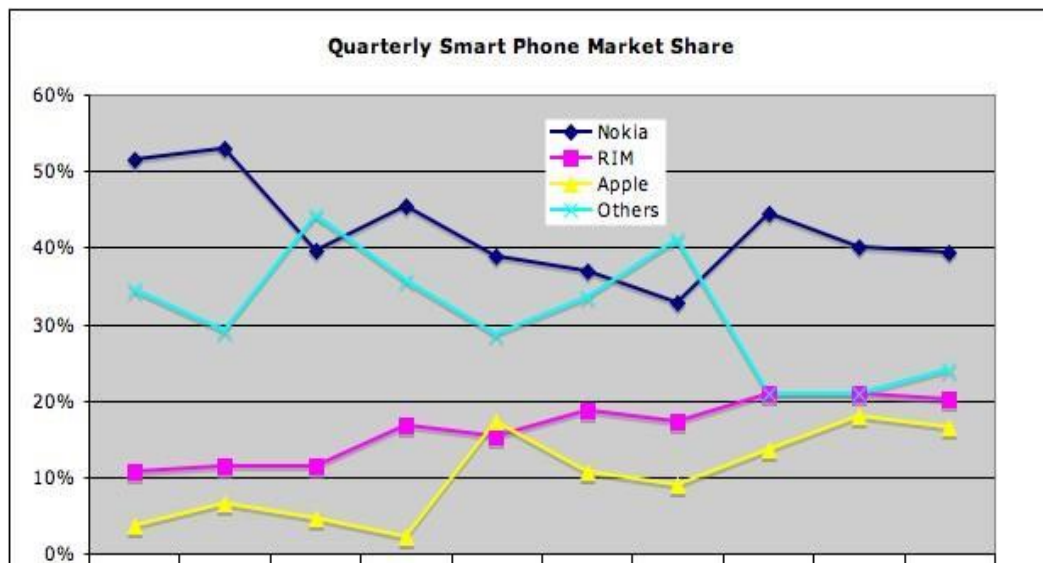
Worldwide Mobile Phone Sales to End Users by Vendor in 4Q12 (Thousands of Units)

Company	4Q12 Units	4Q12 Market Share (%)	4Q11 Units	4Q11 Market Share (%)
Samsung	106,957.7	22.7	93,830.3	19.6
Nokia	85,054.8	18.0	111,699.4	23.4
Apple	43,457.4	9.2	35,456.0	7.4
ZTE	16,160.6	3.4	18,915.1	4.0
LG Electronics	14,981.3	3.2	16,938.3	3.5
Huawei Technologies	13,679.1	2.9	13,966.1	2.9
TCL Communication	11,097.6	2.4	10,695.3	2.2
Lenovo	8,305.4	1.8	5,206.3	1.1
Sony Mobile Communications	7,946.6	1.7	8,935.7	1.9
Motorola	7,822.2	1.7	10,075.3	2.1
Others	156,613.7	33.2	151,985.1	31.8
Total	472,076.4	100.0	477,703.0	100.0

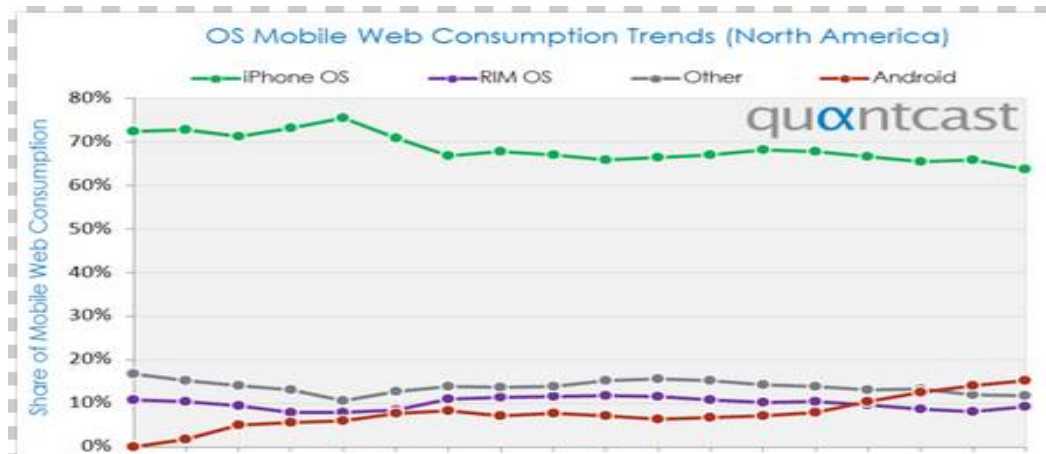
Source: Gartner (February 2013)

Below are the graphs that shows the competition apple has in the market:

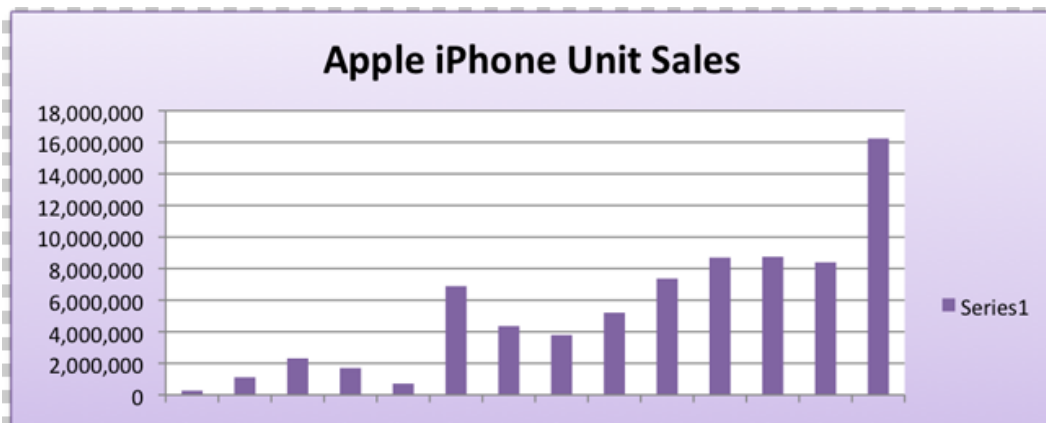
GRAPH 1



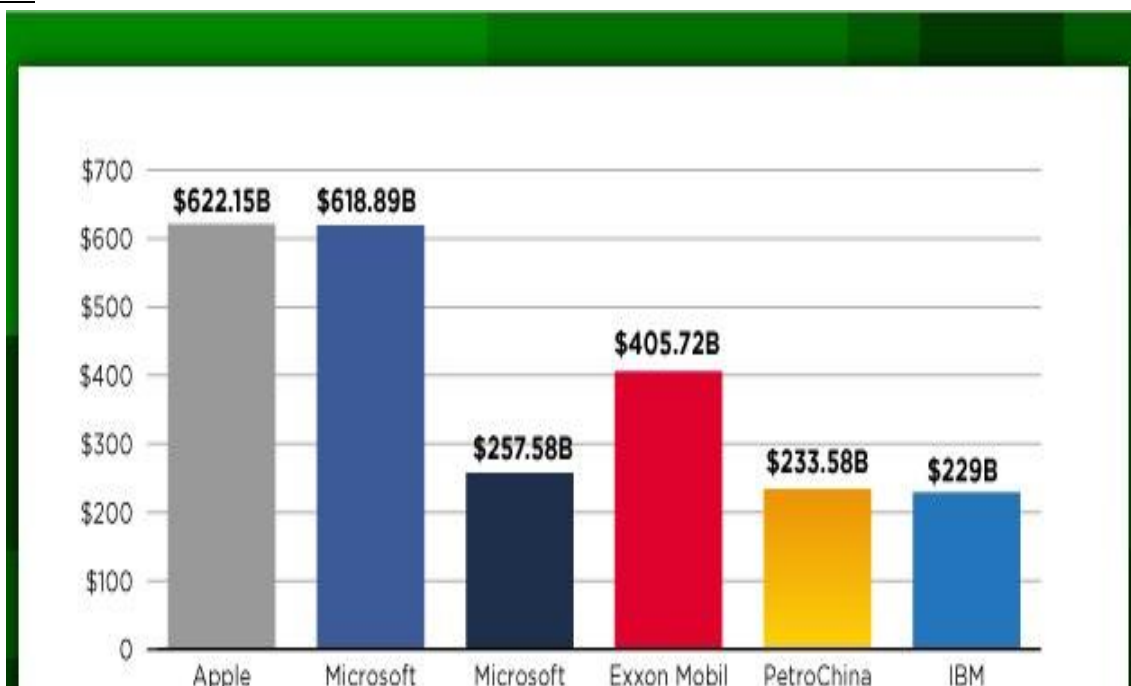
GRAPH 2



GRAPH 3



GRAPH 4



Suggestions by respondents:

While rattling issues are uncommon, it's simple to get a replacement if you receive a faulty unit. I haven't either, and it's highly unlikely that you will. With the 4S's enhanced capabilities, such as Siri, a better camera, a faster processor, etc., I have no doubt that it will far surpass your expectations.

Findings

The study's findings are as follows:

The percentage of customers who do not own a mobile phone and would prefer not to carry one is 5%.

75% of consumers are familiar with the brand, while 10% have little faith in it. Fifteen percent of your clientele are muzzled from giving their honest opinion of the company.

Price is the most important factor for mobile phone purchases (considered by 50% of customers), followed by specifications (10%), brand recognition (10%), and service (5%)

Half of all customers learn about the company online, another 25% learn about it through radio and television broadcasts, 15% learn about it through print media like newspapers and magazines, and the remaining 10% learn about it through personal connections like family and friends.

45 percent of consumers lean towards the Apple brand, 30 percent favour Samsung, 15 percent are curious about and open to the Nokia brand, and 10 percent were using some other mobile brand.

Twenty-five percent of Apple iPhone owners are pleased with the product, twenty percent are ambivalent, and fifteen percent are unable to articulate their feelings about the company.

45% of consumers favour brand-name boutiques, 20% trust multi-label retailers, 25% favour shopping centres, and 10% prefer discount department stores.

Twenty-five percent of our clientele have been using iPhones for less than two years. Nearly half of Apple's user base has had their iPhones for less than two years. Fifteen percent of customers have used an iPhone in the past five years, and another fifteen percent have used the device within the past four years.

Twenty-five percent of customers favour the iPhone 4S, thirty-five percent favour the iPhone 4, ten percent favour the iPhone 3G, and thirty percent favour the iPhone 5.

Five percent of customers never pay attention to Apple's iPhone news, fifteen percent of customers are only mildly interested, twenty-five percent of customers keep the track of the news occasionally, forty percent of customers are regular track keepers, and twenty percent of customers fall somewhere in the middle.

Apple did a fantastic job with the iPhone's launch, and their overall marketing strategy was brilliant. The iPhone, like nearly every other product, has its drawbacks, but Apple was able to develop a truly innovative

product for tech-savvy consumers interested in a smart phone/music player hybrid, and then successfully market the product to that demographic.

Apple's skill in generating product buzz among its devoted fan base, who in turn keep the spotlight on the company, and then living up to the expectations of those fans with a high-quality, desirable end result is on full display with the iPhone. Apple's partnership with AT&T is strong, and the company's overseas component and manufacturing suppliers reaped benefits as a result. These initiatives resulted in a significant increase in Apple's stock price and helped solidify the company's position as a market leader in consumer electronics.

Meanwhile, Apple's percentage of the smartphone market is steadily growing. (This graph uses expected iPhone sales of 50 million in Q4; actual sales could be 45 million, but that wouldn't change the point). In 2012, Apple's market share by volume surpassed 10%.

CONCLUSIONS

Apple Inc. has a number of promising strategic options that bode well for the growth and success of the company in the future.

Cutting Costs to Stay Ahead

The business's overhead is less than its rivals'. One definition of "cost advantage" is that one company's costs are lower than its competitors' while producing the same or similar value. Companies can either (1) implement cost control across the board or (2) restructure their value chains to use more efficient means of design, production, and sale once they have a clear picture of the cost gap between themselves and their competitors (Willis, 2001). If a company can both set the standard for low costs in its industry and differentiate itself from competitors, it may find success by adopting a cost leadership strategy. Strategic plans for many companies have failed because they ignored this factor. Businesses compete fiercely for market share, so they all try to offer the lowest prices they can (Jeffrey, 2005).

For Apple, Inc., this represents a massive shift in strategy. For the simple reason that Apple Inc. is a household name on every continent and conducts business there. The cost of labour, materials, transportation, goods, and goods sold all contribute significantly to the overall cost of the business arrangement (Wright, Kroll and Parnel, 1996). The company's competitive advantage is therefore weighted towards offsetting these expenditures. R&D expenditures will increase if management does not recognise the importance of costs and takes action to reduce them. Apple Inc.'s cost leadership strategy will be bolstered by the company's ability to optimise its enterprise value chain, manage its supply chain smoothly, create a win-win chain, and prioritise customer satisfaction. Apple Inc. could continue to follow its 'CHAMPS' management philosophy, which emphasises the importance of the customer. Growth-oriented strategies, such as Apple Inc. becoming a cost leader, could help the company's bottom line (Peter and Donnelly, 2004). If Apple Inc. implements all of these strategies, it will significantly improve its competitive standing.

Techniques for penetrating new markets

A company can increase its market share by employing a market penetration strategy. To get there, you can do things like boost production or capacity, add new features or enhance existing ones, broaden your reach or investigate untapped markets, cut expenses or concentrate your efforts, etc. The two main tenets of the strategy are expanding into new markets with proven products and giving existing markets something new to try. An organization's market penetration strategy should focus on increasing the

profitability of its current product offering before expanding into those markets. Managers must give serious consideration to the market, the products, and the marketing mix strategy in order to achieve the goal of promoting market penetration, as the market penetration strategy is formed with the existing products and the existing market.

Apple's long-term plan is to keep expanding into untapped markets. Although the company has a presence in many different markets around the world, not all of them are a good fit for its products and services. As a result, the company needs to raise product visibility to capture a larger market share. However, the company is known for more than just its computer products; it also manufactures mobile phones and music players (Harris, 997). However, market and consumer needs are dynamic, so businesses must constantly improve their offerings to keep up. Due to a lack of a thriving retail sector and lower average incomes, it is possible that lesser-known brands, especially more expensive ones, will not be available in smaller cities. However, there will always be people in smaller towns who are avid Apple Inc. fans. If Apple Inc. wants to increase sales in developing countries, it should advertise some of its products there.

The Advantages of Diversification

Strategies for diversification include expanding into new markets for both existing products and services. Diversifying an organization's investments across different sectors and markets can help it weather the ups and downs of any single sector. By branching out into unrelated markets, a company can increase profits and stability. Changing up the manufacturing method is a common component of diversification. There is a distinction to be made between product

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