

# This apple campus experience centre marketing essay



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Apple Store in Malaysia has developed Apple in Education that also called as Campus Experience Centre. This Apple Campus Experience Centre is different compared to other apple store. Apple has been set up this program under education program and it will influence people like student shop at the Apple Store for Education and start saving. It is because Campus Experience Centre offers the education pricing to students, faculty and staff members of the higher education institution where the experience centre resides to purchase Mac computers, Apple software, and select accessories at special prices. From elementary schools to universities, Apple products are transforming the learning experience, making it more interactive, immersive and engaging.

In Malaysia, there are six Apple Campus Experience Centre located in Kuala Lumpur (2locations), Selangor (3locations) and Johor (1location). Two locations in Kuala Lumpur were at Tristar at UCSI University and Tristar at TAR College. Three locations in Selangor were includes Tristar at Multimedia University (MMU) Cyberjaya, e-Xperience at Taylor’s University Lakeside Campus and Epicentre at LimKok Wing University. While in Johor, only one location is EIT at Universiti Teknologi Malaysia (UTM).

## **1. 2 BACKGROUND OF TAYLOR’S UNIVERSITY LAKESIDE CAMPUS**

Figure 1: Taylor’s University Lakeside Campus

Taylor’s College started out in a small building in Jalan Pantai, Kuala Lumpur, offering the Victorian High School Certificate (VHSC) programme for a student population of 345. Since then, it has expanded to include Taylor’s

College Subang Jaya (launched in 1989), Taylor's College Petaling Jaya (launched in 1992), Taylor's College Sri Hartamas (launched in 2008) and Taylor's University at the brand new Lakeside Campus (launched in 2010), with regional offices in Penang, Johor Bahru, Kuantan, Sabah and Sarawak.

There are facilities and building for the selected companies to run their business in Taylor's University Lakeside Campus. One of the selected companies is e-Xperience Store that is under education program of Apple Malaysia.

Since e-Xperience Store is located at the Taylor's University Lakeside Campus, therefore it becomes important to understand the background of Taylor's University Lakeside Campus. The background of the campus may help researchers to obtain preliminary information on the target respondent. Most of the students are Malay, Chinese and foreigner. Students of Taylor's University Lakeside Campus are to come from middle and high level income. Besides that, in order to conduct a study in the area of Taylor's University Lakeside Campus, researchers have to obey all the rules determined by the campus administration.

Figure 2: Location of Taylor's University Lakeside Campus

### **1.3 BACKGROUND OF e-Xperience Apple Store**

e-Xperience Apple Store is located at Taylor's Lakeside Campus in Subang Jaya, Selangor is one of Apple Store Malaysia that operated in under education program. This Apple Store has been operated since 2010.

Operation of the e-Xperience Apple Store is managed by Mr Sullhrzmy Bin

Mohd Ali as a General Manager and the business is supported by his two  
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shares partner. Besides that, e-Xperience Apple Store have five staffs including administration, three people responsible in sales, the rest are responsible in accounting and administration department. The operating hour is from 10 a. m. until 10 p. m.

According to Mr Sullzhymy, Apple Malaysia has been set their target to e-Xperience Sdn Bhd to achieve at least RM 22, 000 per day for their sales. Their main target customer of this Taylor`s Lakeside Campus Apple store majority is from Taylor`s University students, faculty and staff members. Most of Taylor`s University students are Chinese, Malay and Foreigner. Besides that, it is compulsory to e-Xperience Apple Store to run the business every day. Otherwise the disciplinary action will be taken by Taylor`s University Lakeside Campus`s building management by charging fine e-Xperience Apple Store RM 1000 per day when it closed unless they have permission.

## **1. 2. 1 MISSION AND VISION OF e-XPERIENCE APPLE STORE**

### **VISION**

To maximize profitability, improve shareholder value and deliver sustainable growth year after year.

### **MISSION**

Company committed to bring the best personal computing experience to students, educators, creative professionals and consumers through its innovative hardware, software and Internet offerings accordance to vision of Apple Malaysia.

## **1. 4 STATEMENT OF THE PROBLEM**

Among the Apple Store, sales are the lifeblood of the organization, thus they are more focusing on sale. One of the criteria of performing a good sale, Apple store must understand the customer's needs and wants. It is necessary to conduct a study in order to gain perception of customers towards their purchase decision. Nowadays, the purchasing power of consumers increases and many alternatives that used by buyers in order to increase consumer purchase decision. In the purchasing process, the buyer decides to purchase a particular product. Besides that, every customer has different taste for different products. Hence, this study is to know what the product determinant factors for Apple products.

Therefore, this study is conducted to identify the factors that influence the customer purchase decision of e-Xperience Sdn Bhd at Taylor`s Lakeside Campus.

## **1. 5 RESEARCH OBJECTIVE**

Research objectives are the statements that the research projects will attempt to achieve. Research objectives provide the guideline for establishing our research agenda of activities necessary to implement the research process (Zamalia, 2008).

In order to find customer purchase decision factors, the study was focused on three research objectives that need to be achieved.

The research objectives are:

To study the factors that influence the customer purchase decision of e-Xperience Apple Store at Taylor University's Lakeside Campus.

To identify the firm's competitive advantage.

To recommend the strategies to attain a profitable sale of e-Xperience Apple Store.

## **1. 6 RESEARCH QUESTION**

According to the Hensley et al., 2006, research question refers to the central focus of the research effort that serves as the basis of the research problem and provides direction for the entire process. Research question which the researcher's translation of the research problem into a specific need for inquiry (Mahmud, 2008). These research questions can be:

What are the factors that influencing the customer purchase decision of e-Xperience Store at Taylor University's Lakeside Campus?

What are the firm's competitive advantages?

What are the best strategies should be applied by e-Xperience Store at Taylor University's Lakeside Campus to attain their profitable sale?

## **1. 7 SCOPE OF THE STUDY**

The purpose of this study as stated earlier is to explore the factors that influence customer purchase decision at e-Xperience Apple Store. Therefore, the study will take place in e-Xperience Apple Store Store at Taylor University's Lakeside Campus in Subang Jaya, Selangor. This study will

concentrate on the sales performance of Apple store from January 2010 until June 2012.

## **1. 8 SIGNIFICANCE OF STUDY**

### **i) TO THE APPLE STORE**

This research will help Apple Store at Taylor's University Lakeside campus in Subang Jaya especially for their marketing strategies because this study intends to determine factors that influence customer purchase decision towards e-Xperience Apple Store at Taylor's University Lakeside campus in Subang Jaya. The findings of this study are very useful for them to make improvement in their sales strategy to ensure they meet the customer's expectations. Perhaps, e-Xperience Apple Store can sustain their current customers, attract new customers and thus increase the number of sales.

### **ii) TO CUSTOMERS**

This study is significant to customers especially Taylor's University Lakeside campus to get information regarding digital product, gadget, and other devices available and the price difference in the e-Xperience Apple Store at Taylor's University Lakeside campus. Besides, it will create and enhance the level of awareness among customers of Apple products especially in terms of their original brand produced by the Apple Store, quality of the product, features, functions and market price available for their selected item in Apple products.

### **iii) TO RESEARCHER**

Other researchers may use this study as secondary sources, reference or a guideline in conducting further research in relevant aspect. It could also build

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a more analytical style of thinking as the researcher had to venture into a wide possibility of circumstances in performing the research.

## **1.9 LIMITATIONS OF THE STUDY**

Limitations are those things the researcher could not control, but that may have influenced the results of the study (Baumgartner & Hensley, 2006). All studies have some weaknesses because compromises frequently have to be made in order to conform to the realities of a situation. Among the items that typically involve limitations to this study are the following:

### **a) Difficulties in getting permission to conduct research in Taylor's**

#### **University Lakeside Campus**

Since e-Xperience Store was located in the Taylor's University Lakeside Campus, we must get permission to enter the campus in order to research. We also need to obey all the rules and policy of the campus. Researchers are allowed to go around the research area and prohibit disturbing students in the class.

### **b) Difficulties to obtain the information from the Apple Store**

Due to the private and confidential by the company, they cannot reveal every figure in their business report. Therefore it becomes limitation of the study to see the actual performance of Apple Store during the specified period. However, researchers have to respect and obey with their conditions to avoid any information delivers to their competitors. Thus, all information



that will be obtained from the interview will be fully utilized in order to gain the information for this research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Customers Purchase Decisions**

According to (Schiffman, Kanuk 2004), Consumer behavior can be defined as research enables for better understanding and forecasting not only on the subject of purchases but also of purchasing motives and purchasing frequency. People often buy products not because of their main function but for their subjectively perceived value for them. Factors influencing consumer behavior briefly described by (J. Stávková, L. Stejskal, Z. Toufarová, 2008) to understand the influence of factors biasing purchase decisions connected with the measurement of consumers' involvement. The most important factors biasing purchases of all commodity groups are products' characteristics and the perceived quality. Together with this goes the factor price, nevertheless for example for the commodity group health price did not appear in the scale of the perceived importance at all.

The consumer buying process offers two useful perspectives: the decision-making process associated with consumer buying and the factors which affect the buying process (Rowley, 1997). According to (ManojPatwardhan, 2010), consumer behavior analysis is based on consumer buying behavior. It aims at improving business performance through an understanding of the customer's preferences and desires. Nowadays, the growing competition where there are numerous brands selling the same products, consumers

have an abundant number of choices and many diverse factors influence their buying behavior.

According to (Salomon 2004), products' basic function is quite important, but today's role of product exceeds its service limits. Even more often consumers do not determine products according to their uses because it means the main utility provided. According to real product which it means the particular products' qualities and the extended product, which represents the set of intangible factors bringing the demanded perceived advantage of consumers and also influences their decisions.

## **2. 1 Promotion**

Promotion is used by organizations to communicate with customers with respect to their product offerings. In this sense, promotion is one side of the communication process with customers. In some forms of promotion and service delivery, communication in both directions can be achieved simultaneously, and since two-way communication is the only real form of communication, promotion which is associated with two-way communication is to be encouraged (Pergamit&Veum, 1999). Exchanges between the service agent and the customer can elicit information about customer requirements, and also permit the service agent to explain the organization's products and how these might meet the customer's needs (Leontaridi& Sloane, 2001).

There are several objectives of promotion such to increase sales, maintain or improve market share, create or improve brand recognition, create a favorable climate for future sales, inform and educate the market, create a

competitive advantage, relative to competitor's products or market position and improve promotional efficiency (Batt, 2002).

Promotion is believed to be an effective tool to promote brands (Sandra et. al., 2008). Through promotion, consumers have an opportunity to discover the presence of a brand and its associations. In the center of advertising is the customer, whose psychology is determined by numerous aspects and advertising itself, which aims at arousing the customers wish to acquire the product advertised, and most importantly, at achieving the act of purchasing the product.

## **2. 2 Brand**

Research on brand strength typically attempts to explain differences between brands. Strong brands are sometimes identified by behavioral measures like market share or behavioral loyalty (Kim, 2001), by attitudinal measures like trust or satisfaction (Oliver & Bearden, 1999), or by cognitive measures like the uniqueness of brand associations (Keller, 2008). Besides, a strong brand not only wins people's trust but offering ideal solutions to their consumers. High-technology brands such as Apple and Hewlett Packard manage to establish strong brands in the consumer's mind and subsequently become one of the market leaders in their own market sector (Hamann et al., 2007). These approaches are useful for defining the success of brands and sometimes uncover the relationship with some other such external valid criteria like share price (Child & Tse, 2001).

Brand equity is a customer-based: equity is present when the customer is familiar with the brand and holds some favorable, strong, and unique brand

associations in memory (Snojet. Al., 1992). Interestingly, customers tend to choose a branded product from other choice of brands of similar features and ready to pay a premium price and even build a strong bond with brands (Temporal& Lee, 2000). This conceptualization implies that brand equity is a multifaceted construct consisting of both brand knowledge characteristics (i. e. Content and properties of brand knowledge) and customer brand response defined in terms of attitudes and behaviors. The examination of specific functions that the brand performs further illuminates the analysis of brand influence over consumers' perceptions, and purchasing decisions.

Brand knowledge characteristics refer to brand perception, customer response " refers to the customer's processing of those perceptions to form subsequent comparative evaluations, preferences, behavioral intentions, or behavior". Consumer brand knowledge has been conceptualized in various ways. Romanuik& Sharp (2003).

Traditionally, a brand is defined as " name, term, signal, symbol, design, or a combination of them which is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors (Elliott, 1994). Brands are more than just names and symbols. They are a key element in the company's relationship with customers. Brands represent consumers' perceptions and feelings about a product and its performance in which everything that the product or service means to consumers (Stokburger-Sauer, 2010). In the final analysis, brands exist in the minds of consumers (Belen Del Río et. Al., 2001).

Brand loyalty is a consumer's conscious or unconscious decision that is expressed through the intentional or behavior to repurchase a particular brand continually. Brand loyalty has been proclaimed to be the ultimate goal of marketing (Holland & Baker, 2001). In marketing, brand loyalty consists of a consumer's commitment to repurchase the brand through repeated buying of a product or a service or other positive behaviors such as word of mouth. This indicates that the repurchase decision very much depends on trust and quality performance of the product or service (Chaudhuri & Holbrook, 2001).

## **2.3 CUSTOMER SERVICE**

Customer services can be defined as the process of ensuring customer satisfaction with a product or service. Customer service can take the form of an in-person interaction, a phone call, self-service systems, or by other means. According to Baohong (2005), he explained that customer services are focusing more in term of call center services. Call centers are very important as a basic need to answer the customers' questions. Call centers play an important role to be transformed from simply dealing with customer inquiries to performing integrated marketing functions. Beside that, many companies noticed that call centers are the best channels to acquire and retain customers, enhance customer relationship and grow long-term revenue, and also minimized the cost. Then, the management of call centers has become an important part of customer relationship management strategy. It is among the most crucial corporate assets to acquire and retain customers, grow sales, and increase profit. From this paper, customer services are very important to improve customer retention, reduce service costs and enhance profit by growing relationships.

According to Katrijakosuo (2010), customer service can be defined as the area where different organization's can compete and where they can develop a competitive advantage. A good customer service quality can be a good service and the significance of professional personnel in the business. The relationship between personnel and customer is one of the most important factors affecting the service quality and also will give an impact to company sales performance. This paper explains more about how to ascertain personnel work methods that will influence a customer's satisfaction. The quality of service can be determined based on the customer's experience, and the customer service is one of thought processes to estimate the customers' evaluations of the quality of service of an organization's. The organizations will be able to improve their services by monitor all the employees know and understand the organization's targets and their own job descriptions. It is also important to encourage employees to work together and monitor how employees treat the customers.

According to Lo (2010), the improvement in service quality will enhance customer loyalty, which plays a significant role in this equation are reliability, empathy, and assurance. Service quality influences organization's performance, as the key success of a service provider depends on the high quality relationship with a customer, which determines customer satisfaction and loyalty in order to increase the company sales profit. Nowadays, many organizations face the challenges of greater market satisfaction in order to cultivate customer loyalty and based on research, customer services is the method to assess customers' expectations and satisfaction on the quality of products and services offered by one's organization. Then, customer

satisfaction plays an important role between service qualities and customer loyalty.

## 2. 4 PRICE

Definition of price impact according to Bouchaud (2009) refers to the correlation between incoming orders were to buy or to sell based on the subsequent price change. Pricing plays different role in different business and for buying trade should push the price up seems at first sight obvious and is easily demonstrated empirically. But, it still gives the same effect on customer decision.

According to Gorkan (2010), pricing is very important to advertise products and services to consumers and commonly used as one of the marketing strategy by many companies nowadays that are beneficial for their businesses. Pricing practices strategies used the design of price tags, rebates, sale adverts, cell phone plans, bundle offers, and others. The pricing practices will have an effect on consumer decisions because several of pricing practices used sales promotions. Six pricing practices using the method such as drip pricing, reference pricing, the use of the word ' free', bait pricing, complex pricing, and time limited offers. However, pricing practices sometimes less effective in conditions where consumers are readily able making memory based on price comparisons, or have quick and easy access to price information.

According to Bouchaud (2009), his focus on consumers which are the end users of goods and services while a group of customers who purchase goods for inputs example organizations and businesses are referred to as

customers. He defined the pricing factor as a fall in the price of a product will result in an increase in the quantity of a product purchased, however this depends on the price elasticity of a product. If a product price is elastic and this means that the price elasticity of the good is more than one, then the product demand will rise at a greater proportion than the rise in price. If the price elasticity of a product is less than one then the demand for the product will not rise at a greater proportion than the price. Future expectations about changes in prices will also influence the buying decisions of consumers, if consumers expect a rise in price in the future for a certain product then they will tend to purchase that good in large quantities to avoid the high prices of the product in the future. Therefore the price of a product is a factor that influences the consumer buying decision.

## **2. 5 RESEARCH FRAMEWORK**

Brand

Promotion

Customer Services

Price

Factors Influencing Customer Purchase Decision of e -Xperience Apple Store at Taylor's University Lakeside Campus

Figure 3: The Research Framework of Factors Influencing customer purchase decision of the e-Xperience Apple Store at Taylor's University Lakeside Campus.



Factors driving consumer choices are very different from one product category to another (Godey B. et al, 2011). According to the research framework diagram above, it can be elaborated that potential independent variables namely, brand, promotion, customer services and price may influence the dependent variables of customer purchase decisions.

## **2. 6 ACADEMIC CONSTRUCT**

### **2. 6. 1 SWOT Analysis**

One of the most useful and essential tools for any business, no matter what size is SWOT analysis (Strength, Weaknesses, Opportunities and Threats). SWOT analysis is a systematic and detailed examination of all internal and external factors that may affect business, at any specific point in time.

## **INTERNAL**

### **Strengths**

#### **Weaknesses**

Apple products have a strong brand image.

It has a very loyal set of enthusiastic customers that advocate the brand of Apple

Offers pricing and products to fit student Taylor's needs, be it for personal purchases or ordering on behalf of Taylor's Collage.

Able to make product recommendations and define limits on product configurations to ensure students, faculty, and staff are getting the right technology for their curriculum.

Provide the Apple Online Store for Education program which offers the convenience of 24-hours-a-day, 7-days-a-week ordering to save school time and money.

A patent infringement lawsuit may affect financial condition and operating results

The price offer limited to student, faculty, and staff of Taylor's University only.

Secluded area

The store restricted to sell only Apple products or licensed by Apple Malaysia.

Any promotion and advertising are controlled by Apple Malaysia.

## **EXTERNAL**

### **Opportunities**

#### **Threats**

Sharply rising buyer demand for industry product.

Openings to exploit emerging new technologies due to constant growth of mobile and PC industry

Expanding into new geographic markets.

High product substitution effect in the innovative and fast moving IT consumables market.

Very high level of competition in the technology markets.

Shift in buyer needs and taste away from the industry's product.

It is an

SWOT analysis is an essential part of the current situation analysis and should provide the basis for strategy selection and development. SWOT analysis is an integral part of the marketing planning process. Without it, the planner has no real idea of what is happening in the industry/ market and which direction and activities the business needs to undertake to proceed to the optimal success (Xiaomin, 2000).

## **2. 6. 2 Ansoff's Matrix**

Ansoff's matrix provides a very simple but very effective focus for considering different options for growth, and shows whether it is better to find new customers for existing products, offer more products to the existing consumer, or stay with existing products and attempt to gain a greater share of the market.

**Market Penetration:** Achieve maximum sales or profit using the business's current product range within the current markets.

**Market Development:** Increasing sales or profit potential by directing current products towards new markets of any segmentation description

**Product Development:** Increasing in sales or profit potential by developing new products, usually within the same broad product category, this should appeal to existing customers. New products developed outside the broad

product category really fall into the realm of integrative and diversification growth.

Diversification Growth: Increasing sales or profit potential by creating new versions of existing products which can be targeted at new markets. This is a combined new product and new market strategy, and broadens the scope and potential of the business.

## **e-Xperience**

### **Apple Store**

Based on the current situation, e-Xperience Apple Store is parallel with the concept of market penetration which the business is trying to sell more of the same products to the same people. Therefore, e-Xperience Apple Store most suitable locating at the first quadrant. It is because e-Xperience Apple Store is aggressively seeking to increase their customer purchase decisions its existing products (Apple products such as iPhones, iPad, laptop and other accessories) in the existing market (students, lecturer and staffs in the Taylor University's Lakeside Campus). The alternative strategies developed from Ansoff's Matrix would be discussed in chapter 4.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.0 RESEARCH DESIGN**

Figure 4: Research Design Framework

According to Sekaran (2003), the research design involves issues regarding the purpose of the study (exploratory, descriptive and quantitatively), its

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location (study setting), the type it should conform to (type of investigation), the extent to which it is operated and controlled by the researcher (extent of researcher interference), its temporal aspects (time horizon) and the level at which the data was analyzed (unit analysis). This section also covers the other aspects of measurement, data collection methods, sampling design, and data analysis.

## **RESEARCH DESIGN**

### **3. 1 Purpose of the study**

This research was conducted to explore and determine factors that influence the customer purchase decision on an apple product at e-Xperience Apple Store, Taylor University's Lakeside Campus in Subang Jaya, Selangor. This research was done through conclusive study which the purpose is to explore the factors or variables related to the problem statement then conclude it the finding together with some recommendation. Before identifying the problem statement researchers had applied the observation method to identify the real problem associated. The preliminary data was done collected and gathering by interviewing the general manager of e-Xperience Apple Store.

### **3. 2 Extent of Researcher Interference**

The interference in this research is moderate especially in conducting an interview session with general manager of e-Xperience Apple Store and distributing questionnaires to the respondents.

### **3. 3 Study Setting**

There are two types of study setting which are contrived and non contrived. Non contrived study was done in this analysis which the research was done in the natural environment where works precedes normally. Correlation study basically was conducted in non contrived setting compared to causal study that was done in contrived lab setting.

### **3. 4 Measure and Measurement: Questionnaire Design**

Close end questionnaire was used in the study. The questionnaire consists of two sections: The first section is about gathering the respondent's demographic information of the target respondents that consists of six questions, that includes: gender, age, race, marital status, education level and scholarship/loan source of income. While the second section is on respondent's perception towards potential factors of customer purchase decision that are consist of 29 questions by using a 5-Likert scales. Value of 1 classified as strongly disagree, value 2 classified as disagree, value 3 classified as neither, value 4 classified as agreed and value 5 classified as strongly agree. This cut off point that was adapted for use in evaluating of findings. The questions in the questionnaires were constructed with reference various from a Journal of Marketing that related to the customer purchase decision.

### **3. 5 Units of Analysis**

In order to obtain data for the study, the unit of analysis involves are individuals and organizations. The study was focused on e-Xperience Sdn Bhd Apple store at Taylor`s Lakeside Campus in Subang Jaya, Selangor.

## **i) Individuals**

Customers are the unit of analysis in this study. Customer purchase decision of e-Xperience Apple Store is basically related to customer who come the store and buys Apple products. Since the main target market of e-Xperience Apple Store is the student, therefore they are become our respondents that can help us in collecting data. 200 questionnaires in purposive sampling were distributed to identify the customer purchase decision of apple product among the customer of e-Xperience Apple Store.

## **ii) Organization**

This research focused on e-Xperience Apple Store, therefore another type of unit analysis is the organization or the employees itself, including the manager. The interview session has been done by the general manager in order to gain a important information regarding e-Xperience Apple Store. Such information includes financial report, company report, and some problem faced by them.

### 3. 6 Sampling Design

Figure 4: Stages in selection of a sample

Target populat