

O2 and apple- marketing experiments essay

[Art & Culture](#), [Music](#)



. EXPERIENTIAL MARKETING: APPLE Apple Computers was in need of a new retailing strategy and a more widespread adoption of its products. The 2005 annual report mentions that “ One of the goals of the retail initiative is to bring new customers to the Company and expand its installed base through sales to computer users who currently do not own a Macintosh computer and first time personal computer buyers. ” As a result, Apple has undertaken store based retailing with heavy emphasis on making the customer test the products first hand before purchasing a product. A visit to the Apple Store shows that they have a combination of a free flow layout and a loop layout.

According to the company “ this helps to guide a consumer’s emotional and intellectual experience through the store”. The design is flexible and fit to the space of the stores leaving enough room to walk around comfortably. It has also been said that 25% at the front of the store is devoted to products, 25% to music and photos, 25% for the Genius Bar and movies, and at the back of the store 25% devoted to accessories and other products.

Responsive products or new products are placed at the entrance of the store where there is high visibility even to customers just walking past. For example, the new slim notebook, The Macbook Air with its catchy slogan “ thinnovation” had a special display at the entrance of the store with a poster beside it. This can be said to be a technique used to catch the attention of shoppers and encourage them to walk into the store where they are able to actually try out the product first hand.

The visual identity created through the strong brand image and effective product display technique used would definitely “ pull” target consumers towards the store. Once inside the store, the products are displayed

categorically i. e. laptops, ipods, ipod nanos and the flow of customers is maintained by product signs affixed to the ceiling. Steve Jobs, the owner of Apple has mentioned that almost all of Apple's products are located in the first 25% of the store. Planned purchases by customers are facilitated by using this technique since customers can walk straight to the item of their choice and look at the wide range of options that they can choose from. Co-ordinated displays are also used where cameras, ipods and even piano keyboards are connected to computers. This has been done in order to meet the company's objective of creating solutions for people rather than just selling products.

These sections were thereby termed " solution zones" by Ron Johnson who was heading the retail initiative for Apple. Therefore, the visual appeal created by this display technique is so strong that the consumer already has an idea of the use of the product before the product appeals to his/her aural or tactile components. In-store communications are taken care of by using wall mounted posters with a white background for most products and a black background for products newly launched. A description of the product beyond the customer's own perception is communicated with the help of a small paper holder placed beside each product with the price on it. However, the space allocation for most products is almost the same. The colours used in-store are white and grey with soft music playing. The help desk/cashier is located towards the middle of the store.

This exudes a very calm retail environment which spurs customers to make a purchase and especially recreational shoppers to stay in the store for a

longer period of time. Apple has used store atmospherics perfectly when it comes to giving a “hands on” display and shaping an individual’s personal experience of a product and influencing their buying behaviour without much intervention of a salesperson (also termed a “genius”). The store engages a customer’s visual, aural and tactile senses when in store very effectively.

By creating this environment, Apple has been able to capture attention, then get people engaged in their products, create a desire for them and then influence them to act and buy the product easily by enhancing the hedonic appeal of their stores towards the customers. This also helps to build up store traffic and enhance the overall store image of Apple. Store openings are treated as big events among Mac users where the company attracts people through sales promotions and free giveaways. The key aspects the company is looking for by employing these means are emotional attachment to the brand and customer satisfaction with consumers being more interactive towards the products. The company also hopes to achieve resonance with each customer’s value expectation set creating more brand loyalty in the long run.

Besides this, Apple also has a variety of training programs for their products called “one to one” in-store where customers can learn to use computers and other products they have purchased at a fee of 79.99 pounds/year.

Customers are re-assured by the products post purchase and it is brought to their knowledge that usability of the computers and software purchased can be enhanced by this method. Analysis and evaluation of the customers in Apple stores is carried out by an installed system developed by ShopperTrak.

This system is a discrete, video based customer counting system which automatically sends the information to the headquarters and other places where they might find it useful. It enables the company to assess how many people pass by the store, the number that enter the store and consequently the customers that approach the cashier to make a purchase. Apple can be said to be a traditional retailer with its elaborate facilities, good store locations, fashion orientation and extended product offerings.

Many Apple stores in America feature a small theatre for workshops and presentations as well. With the technological environment developing at a drastically quick pace the expectations of consumers are rising constantly. Change in the retail environment at short intervals is thereby inevitable for Apple. When the company is placed in the retail life cycle it can be said to be in the growth phase since the products offered are more of a recent development than the others available in the market. Other competitors in the UK like Sony, PC World and Currys employ traditional methods of marketing and are older than the Apple store which is why they are in the Maturity stage of the cycle. Apple is on the antithesis side of the dialectical theory since they are an innovative new brand with a strong marketing initiative.

Other companies would be forced to adapt to new strategies and tactics in order to negate Apple's newfound advantage. Also, the success of the newly adopted experiential retailing strategy can be measured looking at the market share increase in the U. S. from 6.

2% in '06 to 8. 1% in '07 which is almost 37. 2% up from the previous year.

EXPERIENTIAL MARKETING: O2 The next company being investigated for this study is O2.

This telecommunications company also involves a lot of experiential factors in their marketing of products. They spend large amounts of money on sponsorships of football teams and music festivals and thereby focus themselves on “entertaining” rather than solely resorting to traditional marketing methods. Their corporate objective is to “provide high quality products and services and lead customer loyalty and retention programmes”. Keeping this in mind the company wishes to make consumers experience the brand by giving them free tickets to the events they are tied up with. They look at enhancing their brand image by partnering with several entertainment venues and making use of the entertainment experience to sell their products.

As their website claims, it is for this reason that O2 sponsors The Arsenal Football Club, the England and Ireland Rugby teams, The Ryder Cup in golf and events such as O2 Wireless among others. This enables them to attain enormous amounts of exposure for the O2 brand both nationally and globally. O2 retail marketing mix mainly includes: - Stores located in town centres, major shopping malls and areas of high potential consumer traffic. - Products sold are mobile phones, mobile phone accessories, broadband internet, fixed phones, Sim cards and other related products. Dummy pieces of the actual mobile phones are placed for the customers to get an idea and get a feel for the phones being sold. - The store ambience is in tune with

their slogan of “ simplicity”. Blue is the pre dominant colour with neon lights lining the floor in certain places.

Atmospherics are used to create a very calm and pure environment in-store. Soft medium tempo music playing in support of this. The store thereby appeals to an individual’s visual, aural and tactile senses.

Representatives on standby to provide solutions to any enquiries put forward by the customers without being too pushy about a sale. The store ambience created provides a very relevant setting for the company and opens up the brand to new customers while reinforcing it to existing ones. Another interesting aspect in all O2 stores is the availability of bottles of water for all of its consumers.

This enables the company to make consumers sense, feel, think, act and relate to the products in a manner more favourable to O2. The designs of the O2 stores enable the company to get a functional and emotional message across to the customer with increased ease. The layout of each store is spacious with a loop pattern.

Centre displays are made use of for highly responsive products or those in demand. The entire store image formed in the mind of the consumer is that of a reliable, modern and economical telecom solution. As Bernd Schmitt claims, “ experiences allow people to create unforgettable memories, the impact they have on a consumers perception is much larger than the effect created by just products and services”. Keeping this theory in mind, the company has synchronized their combination of “ telling” the consumers

about their products and services through unique advertising/sponsorships and enabling an individual to “ experience” them as well through the design and product layout in their stores. The experiential marketing measures undertaken by O2 have enabled them to set a foundation to be a step ahead in their marketing measures for the future. Mobile phones and other services are experiential products by themselves due to the simple reason that the use of these products brings about different emotions. The role of trying to induce favourable perception in their marketing strategy towards consumers thereby fits very well. The company has targeted the value sets common to most consumers and has tried to resonate with those by using slogans like “ simplicity” and “ your favourites” both in-store and ad.

campaigns. The theme used in the O2 stores allows the company to give promotional samples to customers before they purchase a product. This technique enables them to - Demonstrate the product in action - Allow customers to sample the product and form their own opinion - Increase sales and market share Build brand awareness and product awareness - Create a positive brand experience effect - Provide customers with their intended perception of “ value” - Communicate the “ offer” more effectively The “ simple” and “ pure” personality of the O2 brand is communicated to the customers by engaging them through real time experience. The customers can form their opinion about the phones, accessories, internet and other products on offer by taking their own time and avoiding all the “ noise” that traditional advertising brings along with it.

Brand loyalty is also created by this method since customers would want to have positive experiences time and again due to their trust built up in the brand. Cost savings when it comes to spending on advertising and communication also are brought about for the company. BIBLIOGRAPHY - CRIENGLISH.

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