

# [Introduction: and services worldwide. the secret may lie](https://assignbuster.com/introduction-and-services-worldwide-the-secret-may-lie/)

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Introduction: Considering the use oftechnology in this world referred as globalized village, Apple Inc.

remains an interestingarea of research for remarkable sell and demand of its products and servicesworldwide. The secret may lie in the innovation but the core driving factor isits marketing strategy and the creativity that is welded in its advertisement. Long yet effective time and services spent in its marketing environment and inits technology, Apple has become one of the best and renowned brand for itselectronic devices in the world.

This research reporttherefore aims to examine the marketing environment and strategies used, byApple Inc., to improve and develop stronger relationships between the companyand the consumer market; thus, the report also attempts to analyze the marketingstrategies, its influence on consumers and the company’s position in the globalmarket. CompanyBackground: Apple Computer Inc., isa multi-national corporation officially and formally established by its threestakeholders/founders Mr. Stephen G. Wozniak, Mr.

Steven P. Jobs and Mr. RonaldG. Wayne on the first day of April, 1976 (Craig, 1976: 1). The Apple Companysimilar to other companies started small yet the innovation and effectivemarketing of computers and other electronic devices like iPhone, iPod and iPadboomed the company, making it one of the best brands of modern age. “ By March1, 1976 . .

. Wozniak had completed his basic design of his computer,” whichwas the reason Jobs began to convince him to sell this rare yetlife-transforming product in the market (Linzmayer, 2004: 5) In this way, AppleCompany’s first ever product introduced in the market was a computer. Apple like othercompanies in the commercial market also faced ups and downs that impacted itsposition in the consumer market however, despite certain circumstances itsurvived these circumstances through its strategies, becoming the world’s bestelectronic company of 2017 ( Griffith, 2015: 1). Apple had encountered problemsmany times but when its CEO, Steve Jobs, resigned from his executive positionand sold part of his shares said: “ I hereby resign as CEO of Apple. I wouldlike to serve, if the Board sees fit, as Chairman of the Board, director andApple employee.” (Primack, 2011) However, Jobs and his companions’ persistentzeal became the reason of its success.

In his words: “ I believe Apple’sbrightest and most innovative days are ahead of it. And I look forward towatching and contributing to its success in a new role.” (Primack, 2011)Later productsespecially iPhone, iPod and iPad and the appearance of the founder of thislargest company, Steve Jobs on the stage for the advertisement of iPad boomedthe consumer demand, and thus the benefits of the company became ovious(Lusted, 2012: 7). These devices, the innovation of iComputers i. e.

Macintoshand their spread in the market elevated the company to a brand and standarduntil this day. The marketing, essentially, of these products have alreadymanipulated the consumers. Consumers were and still are shown the need of suchdevices but particularly Apple electronics before even they realize it (Lusted, 2012: 8).

Jobs tactics and diligent work in effective marketing is one of the primereasons for this booming business of Apple Company.” In a world increasingly focused oninstant gratification and instant communication, the company always seemed toknow just what the public needed and how to present it to them. As Jobs oncesaid, “ People don’t know what they want until you show it to them.” And heseemed to have the ability to know exactly what those things were.” Situation Analysis: Marketingstrategies play a vital role in the sales of the product and to achieveorganizational goals. It is a process that equips necessary resources toanalyze and endorse the promotion of the product. However, “ Despite itsrecord-breaking sales performance and a high level of popularity, there are noextensive marketing strategy for the iPhone apart from product and pricingstrategies and publicities coursed through tradeshows and media relations.

“(Yeung, 2017)Apple uses itspopularity and pricing fluctuations in marketing tactic. Setting the priceshigh of its products has favorably proved to be beneficial and profiting forthe company. 1It, most certainly, also depends on the consumers’ perception and the dilemmathat has been set with the quality and the use value of the product in themodern society. It is intriguing enough to mention that Apple “ has neveradvertised this product iPhone through print and broadcast media, although itoccasionally produces contents for online and social media distribution.”(Yeung, 2017) The social and psychological implications of this strategy willbe discussed in the next sections. Apple uses the featuresof its product and the participation of its consumers via surveys and analysisto market.

They, instead of investing in high marketing, endeavor to integrateconsumers’ experience with their perception. The idea is simply to reflect theneed of these devices to the audience before they understand its need. Apple, however, puts it in a different way: “ Called “ participatory design” or” usability testing,” Apple integrates customer experience into its design anddevelopment process to understand their “ pain points” and “ opportunities.”(Moorman, 2012)SWOT analysis(strengths, weaknesses, opportunities and threats) of Apple Company would helpto change the market environment and to overcome risks and vulnerabilities.

Themost common strengths of all, particularly of Apple, is its Brand awareness andpopularity. Its brand identity is globally recognizable and is also consideredto be ever-growing. Second, the introduction of innovative products in themarket, in turn affirms its position as the believer of creativity, aestheticsand innovation strengthening the brand reputation. Its strengths, however, mayalso be treated as its weaknesses. High pricing that Appleoften end up using as a marketing strategy, is also a weakness that limits itsapproach to high class, almost entirely ignoring the presence of large consumerpopulation of middle and lower class.

Therefore, the dependency on its iPhonesales and overpricing strategy could limit it and may lead to incompatibly. Apple’smost prevalent weakness is its innovation as well. The introduction of newiPhone in certain intervals with fewer changes could ultimately make itsconsumers redundant to buy Apple iPhone. Also the absence of memory card slot, Bluetooth and restriction in removing the battery impacts its sustainability.

“ Apple has shown thepotential benefit of collaborating with different strong and existing brandsrelated to their marketplace.” (Frue, 2016) Therefore, collaboration is thegreatest opportunity that could contribute in Apple’s marketing and bettersales. Also, since ‘ automobiles’ is a growing industry therefore expanding andupdating Apple Inc. to the current state may also help it compete effectively. Among many others, twoare the most significant threats that Apple faces: imitation and competition.” While Apple’s design is smooth and simplistic, that is exactly what makes iteasy to replicate. Global stores sell fake versions of iPhones and iPod toucheswhich, on the outside, look nearly identical.

” (Frue, 2016) Therefore, italways remains the most considerable threat to its sales. Besides that, theaggressive competition that Apple faces from, especially, Samsung and Google, which often collaborate to compete Apple products, persists to threaten thecompany and the necessary marketing of its innovation. CompetitiveAnalysis:” The products of Appleare relatively expensive when compared with similar products from competitors. An iPhone can be twice or thrice more expensive than the flagship Android smartphones of other manufacturers. The same is also true for MacBook Pro andMacBook air. One MacBook laptop can even buy three to five Windows-basedlaptops from OEMs.

” (Yeung, 2017) And so therefore, one of the tensions that itcould produce in the consumer market could be the demand and supply of itsproducts. One important point that should be noted is that the nature ofcompetitors of Apple Inc. depends over the nature of its product. In contrastto Macintosh Computers, Microsoft stands a strong competitive candidate; whereas, in its Tablets i. e. iPads, Samsung and Nokia competes mostefficaciously.

ConsumerBuyer Characteristics: The pricing tactic andthe marketing strategy adopted by Apple have produced an illusionary luxuriousworld. Having an iPhone or iPad has become, in contemporary society, a metaphorof luxury and wealth. Of course the pricing and other marketing strategies hasconsiderable impact on its consumers and even non-consumers psychologically.

“ After all, there are consumers who believe that expensive products enjoy anexceptional reputation or represent exceptional quality and distinction.”(Yeung, 2017) “ Although it seems theymarketers are doing Apple a favour, these network carriers are actuallymarketing themselves using the iPhone as bait, thereby luring customers or thetarget market toward their respective mobile and data services.” (Yeung, 2017)Therefore, it is difficult to jump towards the conclusion of declaring itsimpact as positive or negative, but one judgment can be made that consumershave deeply inculcated this phenomenon and have strictly internalized themeanings attached to having Apple products. Despite the fact that Steve Jobsand Apple did not utilize any specific marketing strategy in the start forselling the products but the involvement of consumers plays an enormous part intheir advertising and eventually the achievement of the organization.

Tocompete with other products and satisfy the customers, Apple utilizes strictcontrol over key components. Apple has branded stores that are the main rivalfor these huge organizations. Apple’s devices are supported by the iTunesprogramming. These hardware devices are purchased through online and the shopsfor the convenience of customers and to engage them more in the apple products. Interest of Apple’s clients in different products enabled the organization toanalyze and reflect upon their services more viably.

Targetmarket, Positioning and Branding analysis: Apple segmentation, targeting and positioning illustrates the marketing strategies designed by themfor target audience. Segmentation includesmaking groups of people as per certain attributes, though targeting means tosell products to those specified groups according to their needs. Theseattributes shared by Apple target audience includes quality and performance ofinnovative products and pricing according to the services they provide. Positioning means to choose those marketing mix which are suitable for targetaudience.       i.

SegmentationanalysisBelow is the table thatshows the segmentation analysis of apple products categorized as geographic, demographic, behavioral and psychographic according to age, gender and so on. According to geographic segmentation, all the Apple devices can be purchasedwithin US and overseas. All the males and females can buy but mainly urbanareas are targeted. They are mostly for those having high incomes.

Demographicsegmentation focus on occupation and degree of loyalty and occupations mainlyincludes manager, executives, professionals and students. Behavioralsegmentation includes the social class who needs them, what personality theyneed to possess and which types of benefits they are seeking. All the Appledevices are for middle and upper class if viewed from the perspective of socialclass while they all should be determined and ambitious in their personality tolearn and explore more. Finally psychographic covers lifestyles means aspirersand explorers usually purchase and utilize them having some goals.        ii.           TargetingstrategyThere are threeimportant segments which Apple targets. The segments are normally the urbanpeople with enough budget to purchase apple products.

The Marketing strategy ofApple has three target groups to focus on for which it makes strategies: a.      First are those who loves music and aretargeted by the Apple Ipod and Itunes. b.     Secondly the strategy is made for theexperts or even young people who wish to purchase for Apple Iphone, Tablets, Macbook and other such devices which can be chosen by anybody, regardless ofage. c.      Last is the group which utilizesservices like Apple TV and Apple Iwatch. Apart from that, they also utilizeIbooks, Apple pay and so on. Targeting strategyincludes continually concentrating on enhancing and making the products simplerinstead of complicated and difficult to use.

They truly concentrate on the fewproducts that are really essential and significant to customers instead ofhanding many projects.    iii.           PositioningStrategies – Identification of a positioning statementA couple of years agoSteve Jobs presented the first iPad. The device was made splendidly between theMacBook Air, and the iPhone. The apple products and their different models arepositioned in featured set and value with the goal that clients can move up theproduct chain.  Apple is careful inpositioning products and their specific costs sufficiently close together tosatisfy every client instead of making them upset.

It means that substantialnumber of clients who possess more than one Apple item (Mackenzie, 2012).   iv.           Summaryof key brand strategiesApple Company is aneffective business producing qualitative and best electronic devices for itsclients on reasonable cost. The branding strategy of Apple is the thing thatinfluences many people and makes it successful. For a long time, brand strategyof Apple included creating state of the art services and products lined up witha system of computerized hub. These days, Apple givesa synchronized as well as coordinated experience of clients on all the productsusing iCloud as the digital hub.

Brand strategy of Apple concentrates on theemotions of customers including goals, dreams and creative abilities. Therefore, Brand strategy of Apple does not only focus on their products aswell as the needs of people. Marketingmix variables that include: i. Product strategy: Apple Inc.

has kept onextending its products. This part of the marketing mix decides the products ofthe firm. The main products of Apple are: iPad, iPod, iPhone and so on. These Apple products atpresent available in the market demonstrate the development of Apple Company inthis category of the marketing mix while the organization keeps on producingnew devices, for example, the Apple electric vehicle, which is in process ofdevelopment through the joint effort of Tesla Motors. So they are makingvarious products having great impact on people’s lives. ii. Pricing strategy: Apple products arepremium products and they are not produced for every single person in thissociety.

Being a market pioneer in its segment, the marketing mix pricingtechnique of Apple is that of a market pioneer. But its price also getsaffected due to competitors. Apple is always known for its advancement and thisadvancement makes the products more expensive. For this reason, premium pricingpolicy is designed to satisfy the customers. Apple products are exorbitant dueto the technology used in them. iii. Placement: The products of Applecan be bought from diversified places. From its own particular retail stores toonline and offline channels it utilizes several ways for the distribution ofits devices.

Individuals can look for Apple products on their own websites tooby making an Apple account as well as there are the local retailers who sellApple devices in their stores. iv. Promotion: Apple’s marketing mixincludes promotional strategies for marketing purpose for the right audience inorder to increase its network to as many people as possible. This promotion isusually done by advertising, online sale and individual selling (GREENSPAN, 2017).

Conclusion: It can be concluded asper above discussion that Apple is the company which focus on people more thanmaking profits by providing them better products and making proper strategiesto reach the target audience. Like everything else in this world, the productsof Apple also do possess some weakness which needs to be analyzed by thecompany but overall, it changed the world and the thinking of peopledramatically. 1A case inthis says: “ Apple uses different pricing strategy that other companies don’t.

The Apple will rebate the prices at one stage. First the products will bereleased in US. After six months the products will be released outside US. Forexample, 16GB iPad will be released at the price of $499. The high end modelwill be priced at $829. Soon after six months the prices will fall and the highend model will be priced $499 which means $330 rebate in the price. This showsthat first buyers are the big contributors for Apple. By reducing the priceApple will capture double of their original customers.” (Apple MarketingStrategy Analysis, 2017)