

Apple brand management assignment

[Business](#), [Marketing](#)



Introduction Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. According to the American Marketing association , a brand is a “ name, term, sign, symbol, or design, or a combination of them , intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition. However branding is much more; what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers’ perceptions and feelings about the product’s attributes and how they perform, about the brand name and what it stands for, and about the about the company associated with the brand. Therefore the aim of this assignment is to illustrate how a chosen company has built Brand Equity instilling awareness, reputation, loyalty and prominence in the marketplace.

My choice of brand for evaluation is Apple as it’s a really powerful brand and as an Apple advocate I feel the overwhelming presence of the brand in all my technology based purchases. Brand Management Defined In simple terms Brand Management is the art of creating and maintaining a brand. If we explore further we see that it is the process of maintaining, improving, and upholding a brand so that the name is associated with positive results from the market place. Brand management involves a number of important aspects such as cost, customer satisfaction, in-store presentation, and competition.

Brand management is built on a marketing foundation, but focuses directly on the brand and how that brand can remain favorable to customers. Proper brand management can result in higher sales of not only one product, but on <https://assignbuster.com/apple-brand-management-assignment/>

other products associated with that brand. For example, if a customer loves and is satisfied with their ipod and more importantly trust the brand, he or she is more likely to try other products offered by the company such as the ipad or iphone.

People engaged in branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product or service has certain qualities or characteristics that make it special or unique. Strategic brand management seeks to make the product or services relevant to the target audience through effective design and implementation of marketing programmes and activities to build, measure and manage brand equity, all the time attempting to develop customer-brand relationships pushing customers upwards through the Customer-Based Brand Equity Model to the final stage of Consumer Brand Resonance which equates intense, active and loyal customers. Brand Managers must be conscious that any brand no matter how strong at one point in time is vulnerable, and susceptible to poor brand management. Brands clearly provide important benefits to both consumers and firm. The key to branding is that consumers perceive differences among brands in a product category, be it attributes to the product itself or simply more intangible image consideration.

This means wherever consumers are in a choice situation brands that are dominant are more likely to be chosen as the associated risk is reduced. Generally brands attach a personality which signals different perceptions including quality and enforce consumer familiarity and loyalty. Branding for firms means a competitive advantage with an opportunity for premium

pricing, greater company equity if the company was to be sold, lower marketing expenses and easier acceptance of new products from consumers. Introduction to the company Apple Inc. , formerly Apple Computer, Inc. is An American multinational corporation that creates consumer electronics, computer software, and commercial servers. Apple's core product lines are the iPhone, iPod music player, Macintosh computers, iPhone and most recent the iPad. Founders Steve Jobs and Steve Wozniak effectively created Apple Computer on April 1, 1976, with the release of the Apple I, and incorporated the company on January 3, 1977, in Cupertino, California. For over two decades, Apple Computer has been predominantly a manufacturer of personal computers, including the Apple II, Macintosh, and Power Mac lines, but faced rocky sales and low market share during the 1990s.

Jobs, who had been ousted from the company in 1985, returned to become Apple's CEO in 1996, and brought with him a new corporate philosophy of recognizable products and simple design. With the introduction of the successful iPod music player in 2001, Apple established itself as a leader in the consumer electronics industry, dropping “ Computer” from its name. The latest era of phenomenal success for the company is in the iOS (Apple) range of products that began with the iPhone, iPod Touch and now iPad. Today, Apple is the largest technology firm in the world, with annual revenue of over \$60 billion and 35, 000 employees worldwide.

In mid 2010, Apple overtook Microsoft to become the largest technology player by market capitalisation. While breaking the \$300 billion market value

in January 2011, Apple currently is the world's second largest company behind Exxon Mobil. Apple reached this state of market domination through a combination of shrewd product innovation and clever marketing. When the iTunes Music Store was launched, a dynamic duo of legally downloadable music and a cutting edge design spawned an "i economy" which is synonymous with many of apples products today e. g. ipod opposed to the mp3 player.

Brand Position Apple is a premium brand at a premium price yet it attracts mass appeal maintaining ubiquity and prestige spanning the entire Apple product line. Apple originally associated with computer manufacturing has evolved incorporating handheld media devices and with the breadth and depth of the apple product line, it is hard to determine a single category membership. Apple has the ability to develop products which appeal to the entire market spectrum be it businessmen or teenagers through the brands personality of being user friendly, innovative and contemporary.

Apple has also been able to segment the market further through various extensions in their product offerings e. g. ipod touch v ipod shuffle Apples existence in certain saturated industries means that it is liable to many competitors however their innovative technology and power of the apple brand sustains the brand position. Major Competitors * iTunes: Sony, Nokia Ovi Store, Spotify * iPhone: Blackberry, Nokia * iPad: Samsung Galaxy Tab * iPod: Creative Zen, San Disk * iMac: Windows, Hewlett-Packard, Acer, Dell

Apple universally identifies its points of difference based on ease of use, and innovation etc. However stripping Apples products down to their generic

products they provide the same core benefit as any other computer, mp3 or phone. So what makes a consumer chose Apple over the competition.

Looking at the example of the iPod and the Creative Zen they both provide the same solution to the basic need of listening to music with the capability of watching videos. Outlined below is the point of difference Apple uses to distinguish themselves from the competition.

Points of Parity	Apple IPOD touch 32GB	Creative Zen x-Fi 32GB
	Can hold 7000 songs	Can hold 7000 songs
	Hold up to 40hrs of video	Hold up to 40hrs of video
	Hold up to 40000 photos	Hold up to 40000 photos
	Rechargeable integrated battery	Rechargeable integrated battery
	Plays multiple format	Plays multiple format
	Online Capability	Online Capability
	Uses LCD screen	Uses LCD screen
	Wi-fi enabled	Wi-fi enabled
Points of Difference	Apple IPOD touch 32GB	Creative Zen x-Fi 32GB
	Price around €250. 00	Price around €170. 00
	Higher resolution	X

Touch screen	X
Longer battery life	X
Faster charge time	X
Larger screen	X
Supports both windows and Mac	Only windows
Bluetooth Accessible	X
Has access to over 100, 000 applications	X

Customer Based Brand Equity Model Brand equity has two main ingredients a) Recognition and Recall b) Association. The CBBE model demonstrates what brand equity is and how it should be best built, measured and managed. According to the model building a strong brand involves four steps in which each step is dependent on the successful completion of the previous. . Establishing the proper brand identity, that is establishing breadth and depth of awareness. 2. Creating the appropriate brand meaning through strong, favorable and unique brand

associations. 3. Creating positive, accessible brand responses to brand identity and brand meaning. 4. Forging brand relationships with customers that are characterized by intense loyalty. In order to achieve these four steps involves establishing six brand building blocks- brand salience, brand performance, brand imagery, brand judgments, brand feelings and brand resonance.

Using the CBBE model I will analysis how apple has built and maintained its current level of powerful brand equity. 1. Identity: Achieving the right brand identity requires creating brand salience with customers. Brand salience relates to aspects of brand awareness. Brand awareness refers to the customer's ability to recall and recognise the brand. Apple has managed to develop deep and broad brand awareness by making its products easily identifiable. This is done through the apple logo which reflects the entire company. The simple monochrome apple is easily recalled and recognized worldwide.

Another brand associated product is the white headphones, these are specific to apple. The apple brand lays in the evoked set of most customers through clever advertising and the institutionalization of the “ i” concept which is identified with all apples products. Another major brand awareness mechanism is the concept of the ipod becoming in customers minds synonymous with the product itself. Apple products achieve successful salience with most consumers in through depth and breadth of the apple brand in the electronics entertainment market.

When people feel they have a need for a Smartphone, mp4 player, laptop or PDA, Apple products immediately become identified and are suitable for satisfying needs in these target areas. Customers' awareness of the Apple brand has grown significantly in the last five years, and the brand itself has been very successful as a result of this salience. 2. Meaning: To give meaning to a brand, it's important to create a brand image and establish what the brand is characterized by and should stand for universally in customers' minds.

This can be evaluated on two levels: Performance: Brand performance is the way the product or service attempts to meet customers' more functional needs. Apples brand performance has been one of the key points of success for its marketing. By adding extra benefits to all of their products such as the computer software iTunes, apps and external hardware such as docking stations apple have made its products more critical and tied people into the apple culture, Apple has generated positive word of mouth about its brand performance.

In terms of the basic functionality when it comes to media players and phones, Apple always meets the requirements when compared to other products and in most cases out passes them. As well as high technological attributes, a major core performance competency for apple is customer's ease of use identified in the design of the patented feature of the " touch wheel" in the ipod. Product reliability, durability, and serviceability are maintained through design and the level of customer service provided by

apple through product registration, highly trained customer service personnel and online troubleshooter experts.

Apple recognize that the product is the heart of brand equity. “ It’s as Apple as anything Apple has ever done” Apples unique performance dimensions help differentiate the brand. Imagery: Brand meaning also involves brand imagery, which deals with the extrinsic properties of the product or service, including the ways the brand attempts to meet customers’ more abstract psychological and social needs. In my opinion perceived image has outweighed performance capabilities and has been the most crucial and effective means of building brand equity for the Apple Corporation.

If you ask any person young or old they would be able to in sync explain the personality of the Apple Brand: creative, innovative, stylish, funky etc. Apple builds this through it’s cutting edge design and marketing programmes such as memorable advertisements and celebrity endorsements for example U2 again enforcing not only the image but also the ubiquity of the user profile of the Apple product line. The huge volume of Apple users buy into the status Apple perceives pushing Apple as the market leader, having an apple product increases consumers psychological and social senses in terms of being on trend and fashionable.

Strong brands like Apple typically have firmly established strong, favorable, and unique brand associations with consumers, which are essential for building customer-based brand equity. 3. Response Companies must pay attention to how customers respond to the brand i. e. what the customers think or feel about the brand. These brand responses can be distinguished

according to brand judgments and brand feelings. The Apple brand is well known to most consumers of electronic goods. Apple have established themselves in this market they have initiated successful responses to the brand.

When people see an Apple logo or product, they usually respond positively by feeling a need for that product above others. An example of this is the success of the Apple iPod against the Creative Zen X and other competitors. Apple has developed strong, feel good responses to their brand which has significantly increased their brand equity. Judgements: Apples consumer judgements are based on quality, credibility, consideration and superiority. Apple maintains to have the highest quality products in the media electronics sector with a low percentage of faulty products.

Another enforcer of quality is the constant update of product versions to achieve higher quality. Examples include the ipod which is now entering its 4th generation and the iphone which is in its 2nd with no more than a year between each release. Apple Macs are also low maintenance in comparison compared to windows. In relation to credibility, Apple is viewed as the innovative market leader. Credibility has been instilled through intensive product research which instigates trustworthiness e. g. Apple is dependable, keeping customer needs in mind.

The brand also possesses the likeability factor perceived as fun and entertaining. Apple has built up its brand and is instilled in the evoked set of consumer purchasing decisions and is therefore a major contender for physical purchases as long as price isn't a dominant factor. Feelings: Apple

products make consumers feel energized about the brand and believe they experience something special. The brand makes them feel cool and fashionable. Apple also offers consumers the feeling of social approval and more importantly consumers have positive feelings about the reactions of others who look favorably on their use of the brand. . Relationships The final step focuses on the relationship and level of personal identification the customer has with the brand. Brand Resonance is characterized by the depth of the psychological bond customers have with the brand as well as how much activity this loyalty creates. Apple has achieved this level of resonance with many consumers around the world. This resonance has been achieved by making sure that consumers feel a connected relationship with the Apple brand.

This level of equity is both very intense and very keep and represents the loyalty, personal attachments, sense of community and engagements to the brand. Apple has built relationships and successful repeat purchases through product extensions and continuous updates of its products. The link between apps and iTunes means that customers become tied in with the apple brand and are more likely to repeat buy Apple. Apple has successfully developed a sense of community and active engagement producing Apple advocates who communicate and strengthen the brand through; online forums, “ i” cult, and product registration.

Another clever tactic Apple has adopted to maintain brand resonance is distracting customers from the competition by having re launch after re launch Conclusion and Recommendations Apple has successfully built brand

equity becoming one of the most powerful and recognized brands in the world. They have managed to build brand equity staying ahead of the competition and developing an economy of “1” advocates through the companies clear and clever marketing strategies and product designs.

Heading into the future where competition is strife and technology is breaking boundaries Apple has to remain fresh but loyal to its users. Its philosophy of simple function and big marketing budget is working but they must not become complacent as the mission of its major competitors is to knock Apple off the top. As an active user and repurchaser of Apple products I feel that they have successfully moved through the CBBE model and built brand resonance with me.