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Executive Summary ‘ phone Marketing Plan By actors product started six months earlier, the moment Apple biblically hinted of the launch; and was clearly seen by the crowds waiting in line outside retailers. The record- breaking consumer response to the release of the phone was due to the position Apple placed itself within the smart phone market. Strategic marketing ignited a buzz for the new product that has stayed lit for the past five years. Apple’s phone has remained on top of the smart phone market share since its release.

However, in the past five years the release of multiple comparable products has given Apple a season to expect a decrease in their market share. In order to avoid this decline we propose Apple penetrate a new market and once again be the innovative trend setter their brand has become known for. As of today Apple has always targeted professionals, students and individuals between the ages of 18-35. This demographic is the main market for smart phones, but the truth is the demographic that has seen the most increase in smart phone purchases over the past five years are “ twenties” (children aged 8-12).

Apple’s primary goal is to remain at the top of the market while gaining market share. We propose the following recommendations for Apple to uphold a positive business strategy: \* Introduction of the phone Mini; an phone geared towards the “ teen” market; offering beneficial features for children and parents. \* Position the phone Mini in the market as the smartest, safest smart phone for “ teens”, young teens, and older teens. \* Increase market share domestically and internationally Mission Statement “ Apple designs Macs, the best personal computers in the world, along with SO X, ‘ Life, rework and professional software.

Apple leads the digital music revolution with its pods and tunes online store. Apple has reinvented the mobile phone with its revolutionary phone and App Store, and is defining the future of mobile media and computing devices with pad” (Apple Inc. , 2013). Situation Analysis Apple Inc. Is an American multinational corporation that designs and markets consumer electronics, computer software, and personal computers. The company’s best-known hardware products include the Macintosh line of computers, the pod, the phone and the pad.

Thanks to its philosophy of comprehensive aesthetic design and its distinctive advertising campaigns, Apple has established a unique reputation n the consumer electronics industry. This includes a customer base that is devoted to the company and its brand, particularly in the United States. Recently, the company has recognized the opportunity to develop the phone Mini, targeted to the little ones of the families, this due to the fact that children are attracted to technology and smart phones. Apple has acknowledged their opportunity to attract consumers in this market.

Industry Environment Political and Legal Forces. Governments provide the basic legal regulations and restrictions that influence the PC in producing and selling personal computers and mart phones. These refer to government policy such as the degree of intervention in the economy. Apple, being a Cupertino based company in California, is subject to American laws and regulations. These include taxation laws and product manufacturing regulations. Socio-cultural Forces. Changes in social trends can impact the demand for a firm’s products and the availability and willingness of trends, it starts them.

It is very good at market research and finding out what it is exactly that people want. The omnipresent phone is a massive trend in itself. Technological Forces. New technologies create new products and new recesses. Technology can reduce costs, improve quality and lead to innovation. These developments can benefit consumers as well as the organizations providing the products. Apple, being a consumer electronics company has a core competency in technology, more importantly it also has a competitive advantage regarding technology given some of the revolutionary products it has.

For example, its Retina display is the first mass produced screen with over IPPP (pixels per inch). Economic Forces. Economic environment implies all the factors both internal and external involved in operation of a business. These economic factors will include; income, employment inflation, interest rates and wealth that have an influence on buying behaviors of consumers and the firms. The company is focusing on recovery economy. The economy in the United States and Europe has improved thus there are hopes of full recovery looming although the outlook is not certain.

The uncertainty in the markets will always leave the consumers weary of hike in price or big ticket purchase like mobile communication devices and computers. Competitive Environment As part of a very competitive industry, Apple faces the threat of many competitors guarding smart phones. The biggest competitor is Google’s Android SO with Samsung as a leader in 2012; the Android SO has claimed 42. 7% of tablet sales. Android smartened sales have increased from 57. 5% of total smartness worldwide in 2011, to 75% of smartened sales in 2012.

The markets for digital devices are highly competitive because they are characterized by high and rapid technological changes in software and hardware that have increased the potential and substantial use of computers, mobile communication gadgets, and digital electronics. This has led competitors to introduce new products with highly competitive and friendly pricing, features and performance behavior. Internal Since its birth, Apple has been a company run by engineers and programmers instead of managers. Apple began using the matrix structure of management when the company became larger.

Top management hands out strategic decisions to project managers and different departments to be carried out. The project managers then devise an operational plan and then coordinate their units to successfully carry it out. The department managers are then consulted to provide budgeting, scheduling, and market analysis. The official departments that make up the matrix structure for Apple are Finance, Sales, Hardware Engineering, and Software Engineering. This structure is clearly understood by everyone in the whole company.

Additionally, the current structure is consistent with current corporate objectives and trainees because Apple’s current focus has been on increasing sales through software and hardware engineering. This is similar to many other computer companies in the business such as IBM and Compact. Moreover, Apple’s internal environment is known to have the following characteristics: good management, a flat organization, positive social contribution, individual reward systems, individual performance opportunities, and a positive team spirit.

Corporate Culture. Apple prides itself on its innovative culture – freethinking and open-mindedness is encouraged. This goes along perfectly with their new “ think different” advertising aiming, which has resulted in an increased popularity of Apple in the minds of consumers. Their corporate culture is consistent with their current strategy of differentiation because it portrays a typical Mac user as a free thinker that will not assimilate to popular beliefs of the time.

SOOT SOOT analysis shows on one hand the internal factors that are consider as strengths and weaknesses within the company, and on the other hand the external environment for opportunities and threats that are related to Apple Inc. Strengths. Apple has many strengths; some of their strengths are having strong customer loyalty, being the leading innovator of mobile device technology, having strong financial performance, a good brand reputation, strong marketing and advertising teams, and a unique fashion identity. One of its most important strengths is its strong loyal customer base, which provides a strong competitive advantage.

The company has been chosen as the most innovative company in the world for the 3rd time in 2012. Apple’s essential competency of producing innovative products is the strength the company builds upon and is able to bring the most innovative products to the market. Moreover, Apple’s financial performance is one of the best among many companies. By the end of 2012 the company held about $10, 000, 000, 000 in cash, which can be used for acquisitions, buying back company shares and other matters. It also has higher gross profit margin than its main competitors, which is equal to 43. 9%.

Apple also has a reputation of highly innovative, well designed, and well- functioning products and sound company performance. The brand is valued at $76. 5 billion and was the second most valuable brand in the world in 2012 Marketing is one of the strongest functional areas Apple has. It can sell pricier products, build heir products in a compelling manner. Weaknesses. Some weaknesses of Apple Inc. Include their high prices, product incompatibility due to their distinct operating systems, recent changes in management, and their lack of corporate users. Many critics argue that the price is not Justified.

When there’s such a fierce competition, Apple’s pricing has become a weakness because consumers can easily opt for similar quality but lower price products. Another weakness is that Apple uses ISO and SO X. The ISO and SO X are quite different from other SO and uses software that is unlike the software used in Microsoft SO. Due to such differences, both in software and hardware, users often choose to stay with their accustomed software and hardware (Microsoft SO and Intel hardware). This can also cause less appeal to corporate users because most corporations use Windows systems.

Recently, Apple has lost Steve Jobs, a known figure that has been trusted by many. Steve Jobs has been called the mastermind of the phone, pad, and Mac products. As of late August 2011, Tim Cook became the new CEO. Along with Jobs departure, Scott Forestall and John Browbeat (Chief of Retail) left the company as well, causing an impact of Apple’s management. Many have said that the recent decline in sales and control has been a direct effect of recent management changes in Apple. Opportunities. Although there are many weaknesses, Apple has many opportunities.

With the sharp rise in consumer demand, growth in the mobile market, and new target markets, there are many opportunities for Apple. Apple’s aid advertising platform, which allows advertising on Apple phone, pad and pod touch has created growth in the market. In a technological era where there is an increasing demand for technology, this creates a wider target market. The growth of mobile advertising market is an opportunity, which could be further seized upon. Apple could also expand its range of cloud services and software as the demand for cloud-based services is expanding.

Finally, there is a chance to increase sales from targeting families offering the option of having an extra phone for their children at a lower price. This idea goes according the fact that children at early age have started using smart phones and appeal with music and games offered by tunes and Passport. Threats. Apple Inc. , like any other corporation, faces a plethora of threats. Some threats include the rapid genealogical changes, price pressure from competitors, new competitors, an online growing market, and similar substitute products.

One of the most severe threats Apple and the other technology companies are facing is the rapid technological change. Companies are under the pressure to release new products faster and faster. Those companies that cannot keep up with the competitions often fail. This is especially hard when a company wants to introduce something new, innovative and successful. Apple has been able to bring very innovative products to the market so far but for the moment, even Apple hasn’t unveiled any plans for the new products (except ‘ TV) and may lack new introductions to keep up with competition.

Price pressure from competitors over key components is another threat. Samsung, for example, has already asked Apple to pay higher price for its application processors. Due to intense competition and no viable substitutes, Apple may be asked to pay even more. Online music subscription companies, such as Spottily, where people can find music and APS cheaper or even free. Marketing Strategy Objectives Our first objective is to increase market share an estimated 50% as a result of using he phone Mini as a product extension. Specifically, using the low-cost features of the phone Mini, we hope to increase market share in Asia.

It is currently 23% in China. Market share should be greater than 30%, especially since Android has a market share of 70%. In India we currently have a 5% market share, which we hope to increase anywhere between 10% to 15%. In the United States we hope to increase market share by 10%. Our second objective is to increase awareness of the phone Mini by increasing share of heart and share of mind by advertising throughout the three-tier advertising strategy. Target Markets Essentially, we will be targeting two distinct groups of people with some level of overlap. Initially we will be targeting a market of children between the ages of 8 and 18.

This group of individuals is separated into teens (ages 8-12), young teens (11-14) and older teens (14-18). Currently, there are 20 million teens in the U. S and it is projected to reach 23 million by 2020 (U. S Census Bureau, 2012). It is suggested that when children enter the teen’ age, they begin to grow distinctive social needs and desires, and subsequently reveal different hopes, dreams, and prospects for the true. Teens begin to develop their own self-identity and seek out information from parents, media, and peers that will all help shape that child’s future.

Therefore, we wish to instill positive ideas of the Apple brand at this young age in hopes of them becoming a lifetime customer, as with all Apple products, they provide for an elegant mix of sophistication with simplicity. We have found that the age of 10-11 appears to be traditional age for pre-teens to be given a cell phone. Six out of 10 pre-teens were either 10 or 11 years old when they were given their first phone. Further, 20% of 8-9 ear olds and 15% of 12 year olds were given a cell phone (Roding, 2012).

It is evident with such numbers that this age group appears to be a potential “ sweet spot” for our phone Mini. Specifically we include older teens as part of our target market because in this day and age parents are buying cell phones at historically young ages, meaning children with parents in the ‘ late-majority and ‘ laggards’ stages will traditionally receive their phones later in their lives. With generations becoming more and more technologically savvy, it is imperative for us to grab hold of this racket. The increased technological skills that pre-teens have will make our advertising schedule paramount.

We must endeavor to have Apple at the top of these children’s mind. A recent survey found that the top three reasons parents buy cell phones for teens are: safety (84%), tracking child’s after-school activities (73%), and child asked for one (16%) (Roding, 2012). Invariably, this demonstrates that the biggest reasons for buying a cell phone for a child are parent’s safety issues with their children at school. This shows that we must consider parents as a distinct part f our target market, as they undoubtedly have more power in the eventual buying decision.

Additionally, it has been estimated that it is more expensive for a firm to why we also are going to rely on our present customers, who are embodied by the parents in a family home that already have the genuine love for the brand and the expertise needed for Apple products to continue pushing this tradition with their offspring. Essentially, the parents and potentially grandparents will be acting as an informational reference group for our target of pre-teens all the way through the oldest teens.

As a final measure of our target markets we need to assess their insurability, how substantial they are, accessibility, how differentiable they are, and if they are actionable. It is clear that it is a measurable market, as it is dictated as children between the ages of 8 and 12, and they alone amount to 20 million in the U. S. Furthermore, in this day and age we can say that it is definitely a substantial market as a study found that 60% of teens possesses a cell phone, and they have grown up being exposed to constantly evolving forms of technology, which will leave them more repaired for a smart phone that any teens in history.

This specific target market we are analyzing is also readily accessible, as the openness of the Internet along with the buzz of social media has made accessing potential youth segments a lot easier. Additionally, by targeting the parents of these children who are already phone users we can make their children’s transition into Apple products completely seamless. There is also no doubt that we can easily differentiate the varied segments, as we are explicitly targeting younger children and not simply wasting targeted ammunitions on a more ambiguous target.

Finally, one can also state that the segment we chose is actionable because it is an ever-growing market, and as the prior survey revealed, it is becoming a form of safety mechanisms for parents who wish to maintain constant contact with their kids during school or during any other forms of activities. Strategies Our initial strategy is to promote awareness of the existence of the phone Mini. We must make it an imminent choice for potential customers to want to have the newest phone product with respect to similarly priced models. We must implement a mutinous advertising strategy that uses T.

V commercials, social media, online advertisements, and advertisements used by our varied carriers. The message that we will be encoding will seek to communicate the totality of the phone Minim’s features, which will be similar to the regular phone, but will also add a touch of improvisation when taking into account the different colors that can be employed. The mediums that will be used for the T. V commercials will primarily family-based networks such as BBC Family, Disney Channel, and main networks such as NBC in order to tailor to our target market.

Within the communications that we will be sending to our respective target markets, we will be looking to elicit an emotional connection with our consumers. This connection will be based on Apple’s brand personality, which represents adjectives such as chic, refined, and elegance. These sentiments that are aroused in our customers can definitely not be used to compare our competition, whether it be Samsung, LAG, or any new company attempting to break in the smartened market.

Customers must feel slightly ‘ superior’ when holding an phone Mini instead of any similarly priced phone, and for that we must aka sure that a lot of the most important features of the phone (memory, tunes, It is obvious that our main strategy will be that of growth. This growth we are seeking will take shape in the form of a market-penetration campaign, as we are presenting a new product (phone Mini) in an industry that we are already apart of.

This strategy was chosen because of how Samsung has recently increased their market share significantly, and we feel that we are not filling a ‘ perceived need’ in customers by not providing a more low-cost smartened to offset the relatively high prices of our main products (phone, Macomb). Teens’ who are not able to purchase the regular phone feel outdated and out of their local social ambiance. The Apple brand holds a very high regard in the professional environment as well as young adults as being dependable, sophisticated, and socially popular.

Moreover, by offering an phone Mini at a lower price with color customization, we will be filling this ‘ apparent’ need of “ coolness” combined with “ seriousness” at an affordable price. We will also be implementing the option of family bundles with homes that have several phones. We are confident that parents with Apple products will like their hillier to use the same brand and will subsequently streamline any training that must be done. Furthermore we want our brand personality reputation with the older segments to act as a “ pull” strategy with their children as they can instill a preference for the Apple brand.

By making this love for our brand uniform we will undoubtedly increase sales of our phone Mini. We will also focus on the safety and education of children. Eventually we will release the phone mini in the Asia market, in which we are currently being considerably beat out by Samsung. Hopefully when consumers see hat we are tailoring a product for their region of the world they will see the Apple brand even more favorably. Since Asia is the fastest growing market in the world due to their population demographics we must make sure that we make our market share more substantial as it will continue to provide room for growth.

This growth technique that we will employ is referred to as a market-development strategy as we will present a product, which already exists (phone Mini) in a market that we are not fully immersed in (Asia). This international expansion of our newly created product ill ideally undercut the market share of our competitors and, in time, lead us to become the number one smartened in every available price range; cementing our reputation as the most valuable brand in the world. Positioning Apple will position itself as the premier smartened company in the U.

S. Despite decreasing market share in recent years, as Apple’s brand still resonates as the most elite brand for the majority of cell phone users. It is clear that this market share has been dwindling due to the fact that other companies, such as Samsung, have introduced more economical versions of smartness. Being that we are a very sophisticated brand, we have always priced our products at a relatively high level. Our price-skimming technique has led to Apple becoming recognized by many as the world’s most valuable brand.

For instance, in the Milliard Brown Optimism’s Annual Brands Study they again ranked Apple as the world’s most valuable brand followed by Google and then IBM (Milliard Brown, 2013). Moreover, we need to capitalize on this view of our brand by adding the phone Mini as a clever innovation instead of being viewed as a senseless pursuit of market share. It is evident that we would be rand franchise. This method would essentially be using the phone Mini as “ traffic builders” because they are able to “ trade up” customers to a higher-priced model, being that they already appreciate all the features that an phone contains.

It is also imperative to position the phone mini to parents as a safeguard for their children’s safety and academic success. We must show that we genuinely care for the health and personal success of American children, and this can evidenced with the varied features within the phone that will enable parents to know what websites their hillier are using, where they are going before or after school, how much social media they employ, and who they are deciding to text with. We will be continuously conducting focus groups with our target markets in order to gauge the reception of the phone Mini in both younger individuals and adult figures.

The Apple brand already has a strong share of mind percentage as well as a share of heart percentage within consumers, so we only wish to reinforce this notion, and disregard any thoughts that the phone Mini is a blind move for greater market share in the industry. We will be using this post-release focus groups and surveys as means of measure whether the phone mini comes up in the discussion of best- priced smart phones on the market, as we are not looking to place it in Juxtaposition with our “ cash cows” (phone, Macomb, pad).

In conclusion, we seek to be viewed as the only brand option when considering a smartened, regardless of different price elasticity in customers, whether it be our 32-Gigabyte phone or our 8-Gigabyte color-customizable phone Mini. Marketing Mix Product Apple Inc. Will be introducing the phone Mini in 2015. The phone Mini will be the first customizable and greatly economical smart phone for children. We acknowledge that we are in a world where technology is no longer a want, but a need.

For this reason, Apple has begun to focus on the children of today, and the professionals of tomorrow, our Twenties. The phone Mini will give parents the ability to grant children the smartest safest phone, that not only thinks for today, but for tomorrow. The phone Mini will imitate the quality of the phone 5, with a few variations to its features, which have given us the ability to lower our prices. Quality. The phone Mini will contain the AY chip, the same chip used in the phone 5. With the AY chip, everything you do will be noticeably faster.

This AY chip “ has more than enough battery power to last throughout the day – up to 8 hours of browsing on a cellular connection and up to 8 hours of talk time” (Apple Inc. , 2013). The phone Mini will also contain the Anna-SIMI. This Anna-SIMI, or Anna- Subscriber Identity Module, is a memory chip that stores personal information, text messages, and other data. The Anna-SIMI is “ 44 percent smaller than a micro-SIMI,” yet it has the capabilities of one greater. This innovative SIMI uses two memory chips, one for voice and one for data, but are combined on a single memory chip.

This has helped us build a younger designed phone for our thinner generation. Design. The phone Mini will revolutionary thin and light, weighing only 3. 95 ounces, with a depth of . 30 inches, a height of 4. 5 inches, a width of 2. 31 inches, and a retina display of 3. 5 inches. Making a thinner, lighter phone meant even the display had to be thinner. Apple engineers are accomplishing that by creating the first Retina display with integrated between display pixels, the pixels do double duty -” acting as touch-sensing electrodes while displaying the image at the same time.

With one less layer between you and what you see on phone 5, you [will] experience more clarity than ever before. All on a display that’s 30 percent thinner than before. (Apple Inc. , 2013) This slick and thin design will be manufactured in black and white but can be color customized and engraved for an additional cost. These wonderful up and coming customizable colors can be seen in Appendix A. Features. The phone Mini will contain 8 gigabytes. It will have Wi-If and cellular capabilities, along with digital compass and assisted GAPS.

Every phone Mini will come with tunes U, which will notation free complete courses and educational content from universities and other schools. Guardians will also be able to monitor and regulate phone use. Guardians will be able to restrict children from accessing various types of websites, using the phone and Internet for too long and prohibiting some types of contents. When you purchase the phone Mini, you will be able to access more than 1. 5 million free books from the books application.

Finally, the phone Mini will have the Find My Friends application, which will allow guardians to track their children by using the integrated GAPS. Packaging. Every phone Mini will come with a charging wall port, USB cable, and Reapers. These new Reapers fit comfortably in various ear types, without falling off. These new headphones are being made “ with the goal of creating airbeds that rest comfortably inside -” and stay inside -” a variety of ear types, while also producing quality sound.

The result is a breakthrough for airbed headphones: Apple Reapers… Unlike anything you’ve ever seen or heard” (Apple Inc. , 2013). Price With all these wonderful qualities, services, and designs, pricing is a very important ingredient in the new phone Mini. Our aim is to be the product-quality leader in the racket. We want our consumers to know they are receiving an affordable luxury, which has high levels of quality, style, and features, but its price is in a consumers’ reach.

With our loyal customer base we hope to offer premium prices in order to attract new consumers. The pricing of phone Mini must support the objectives of the plan. The main focus of the objectives is gaining market share and penetrating Asian markets. The most determining factor of lower market share of phone is the high price. In order to achieve the desired objectives Apple will have to sacrifice part of its profit margin on Phone Mini to make it cheaper and more available even in Asian markets.

For price calculation the production costs of phone 5 and phone AS were used (Patella, 2012). For an phone Mini to be cheaper, cost savings are necessary. These will be achieved mainly by reduction of physical material needed, flash memory reduction, reduction of display, and using some cheaper parts from phone AS. After research we have concluded the following production costs for a single phone Mini, which will make it $40 less to produce compared to phone 5 BIBB. Variable Costs: Production Costs I Memory $15 Retina Display Screen | $30 |