

Apple's iPhone launch: a case study in effective marketing assignment

[Art & Culture](#)



The allure of Apple's phone has become a double-edged sword for the company as TTS popularity's created a huge black market for unlocked phones. When Apple announced it had sold 3.7 multimillion's by the end of December, and AT reported it had less than 2 million account activations in the same period more than a few analysts took notice. Sales in the U. K. France, and Germany account for part of the variation, but their sales have been sluggish and only account for approximately one-fifth of the 6 literance. For. This is a problem Apple because the phone must be activated on AT's network in order for Apple to receive additional revenue. Apple has taken notice and said the number of unlocked phones " was significant in the quarter, but we're unsure how to reliably estimate the number (Crumb, 2008). If the current trendsetting it could have a significant effect on Apple's bottom line for years to come.

Research analysts Chicagoans has said that if Apple meets their goal of selling 10 million units by the end of 2008 and percent of the phones are unlocked it could mean as much as \$1 billion in lost revenue to Apple over then two years (Crumb, 2008). The problems created by unlocked phones do not stop with Apple. Instead, every carrier that hastened an exclusive agreement with the company is being hurt. For example, AT&T is also losing out on the monthly revenues from lost phones, and they are more likely than Apple to try to stem the flow of unlocked phones through legal action.

AT&T is more apt to target the companies who are unlocking devices and then selling them rather than taking Apple to court. Mark Siegel, who is an AT&T spokesman, has said that the phone is ' " meant for use by the person who buys it,' and not to be resold for commercialism's" (Burrows, 2008).
<https://assignbuster.com/apples-iphone-launch-a-case-study-in-effective-marketing-assignment/>

After all, AT is hurt more by losing account activations because authoritative only comes from one source, monthly fees, where Apple has the profit from phone sales to offset losses from unlocked units.

PHONE SALES Since the release of Apple's phone on June 29, 2007, it has sold an astounding four million units (Care, 2008). The hype surrounding its release helped it become the fourth most popular handset in the U.S., and by the end of the October, Apple reported selling 1.12 million units.

Additionally, it has become AT's most popular handset, commanding nearly 13 percent of its overall sales (Philanderer, 2007). During Apple's 2008 Macdonald keynote address Jobs announced that the phone had a 19.5 percent share of the smart phone market in the same quarter (Care, 2008).

Consumer satisfaction with the phone has been significantly higher than its competitors, according to a 2008 Changeable survey. Additionally, the survey shows the phone is the top choice among those planning to buy a new phone in the next six months (2008). Despite the fears of a looming consumer-led economic recession, Apple executives still believe that selling 10 million phones by the end of 2008 is attainable. Reaching this goal, however, will depend on future modifications to the phone and neurotransmitters in the slowing economic conditions.

The normally secretive Jobs let it slip in September that he can expect a G phone in 2008 (Miles, 2007). He expects that improvements in technology will allow for the faster network without affecting the battery life of the device. The recent release of a gigabyte phone demonstrates Apple's continued ability to recreate their products and spur sales as a result of

<https://assignbuster.com/apples-iphone-launch-a-case-study-in-effective-marketing-assignment/>

change. Additionally, Apple is leasing a software development kit (SDK) which will allow third parties to market software for the phone.

This is an excellent example of the emerging two-participatory business model (Gamesman, Parker and Van Listen, 2006). CONCLUSION Apple created a very strong overall marketing strategy. Apple managed every aspect of the phone's launch very effectively. Like almost all products, the phone has some flaws and drawbacks, but Apple was able to develop a unique product for tech-savvy consumers interested in a combination of phone-music player and make those customers aware of the product through well-masterminded efforts and strong publicity.