

# [The iphones success based on the marketing mix](https://assignbuster.com/the-iphones-success-based-on-the-marketing-mix/)

## Abstract

Apple is a multinational company whose principal activity is to manufacture and sell computers and operating systems. However since 2001 this activity is down compared to other brand activities. After difficult times, Apple has returned success through a policy of diversification done well, which the main driver is “ innovation”.

The arrival of Apple in the mobile phone industry – via the iPhone – has been a resounding success. Besides the revolutionary technology, which it demonstrated (the competition has quickly adopted the touch on their products), the success of Apple’s first smartphone can be explained by an internationalization smoothly conducted. The iPhone is now available in 86 countries and is still expending.

The purpose of this paper is to study how a company as Apple can enter in a satured market, such as the phone market, even this one seems to be monopolized by some MNCs for years.

We will show by the method of “ marketing mix” (McCarthy’s 4P-classification), the marketing strategy that has made Apple’s iPhone so successful. The analysis we have built in this paper come from data and comments taken from different web pages, newspapers and books, which remember us what happened in 2007.

After only a couple of year in the market, Apple is the second largest worldwide vendor of Smartphones, just after Nokia, the leader for years.

Since its launch in June 2007 with the first generation iPhone, the smartphone feature of the Apple brand has sold over 50 million copies. 51. 15 exactly, if we add the 8. 75 million models sold this last quarter (a record) to 42. 4 million having already been sold. Compared with the corresponding fiscal last year, the iPhone has grown by 131% by volume (cnetfrance. fr, 02. 11. 10). That doesn’t count the new iPhone 4 launched last summer, which is estimated at 1. 5 million sales only for the first day.

## 1. Introduction

The launching of mobile phones was a huge marketing project in the 90’s. Initially, users didn’t need to have a mobile phone. They wouldn’t even thought about it. The offer created the demand, not the opposite. Nowadays we can’t do without it (e. g. in France the number of mobile phone subscriptions exceeds the number of inhabitants: penetration > 100%).

Apple Computer Inc. is an innovative company operating in the sphere of multimedia and high technology. The company was the 7th global manufacturer in 2007 -before the entry in phone market, and is present in both the production of materials hardwares, softwares and computer programs providing online services. Apple activities are very diverse, which makes its strategic line very confusing. Indeed, it is unclassifiable: one wonders if it is part of software vendors like Microsoft or Adobe, hardware manufacturers like Siemens or Sony, or service providers like Youtube. With its overwhelming success in its ways of diversification, the company now spends much of its resources on it. All indications are that the company navigates on its great commercial success.

Apple’s vision is very clear: to master his craft -the ICT-, and to develop quickly to be the leading company in the world of computing.

Before 2007, the activities of Apple are grouped into six major categories: Desktop Computers (iMac, Mac mini), Laptops (PowerMac, MacBook, iBook), MP3-Players and gadgets (iPod, PDA Newton), Peripherals (Mighty Mouse Mouse, Apple OneScanner), Software (Operating System MacOS X, iWork, etc.) Online Services (iTunes online music shop).

## 1. 1. Problem formulation

To explain why Apple launched this new market, we could first remember what the world was like before Apple introduced the iPhone in 25 points:

“ Carriers ruled the industry with an iron fist

To access carriers’ networks handset makers capitulated everything

Carriers dictated phone designs, features, apps, prices, marketing, advertising and branding

Phones were reduced to cheap, disposable lures for carriers’ service contracts

There was no revenue sharing between carriers and manufacturers

There was no notion of phone networks becoming dumb pipes anytime soon

Affordable, unlimited data plans as standard were unheard of

A phone that would entice people to switch networks by the millions was a pipe dream

Mobile devices were phones first and last, not usable handheld computers

Even the smartest phones didn’t have seamless WiFi integration

Without Visual Voice Mail, messages couldn’t be managed non-linearly

There were no manufacturer owned and operated on-the-phone application stores as the sole source

An on-the-phone store having 65, 000 apps downloaded nearly 2 billion times was not on anyone’s radar screen

Low-cost, high-volume app pricing strategy with a 70/30 split didn’t exist

Robust one-click in-app transactions were unknown

There was no efficient, large scale, consistent and lucrative mobile app market for developers large and small

Buttons, keys, joysticks, sliders…anything but the screen was the focus of phones

Phones didn’t come with huge 3. 5â€³ touch screens

Pervasive multitouch, gesture-based UI was science fiction

Actually usable, multi-language, multitouch virtual keyboards on phones didn’t exist

Integrated sensors like accelerometers and proximity detectors had no place in phones

Phones could never compete in 3D/gaming with dedicated portable consoles

iPod-class audio/video players on mobiles didn’t exist

No phone had ever offered a desktop-like web browser experience

Sophisticated SDKs and phones were strangers to each other”

(counternotions. com, 02. 11. 10)

In the last 15 years, no changes has appeared in the market, monopolied by Nokia, Microsoft, Sony Ericsson, Samsung, RIM, and some other mobile phone manufacturers. So, there was a huge market share to create, or be conquered.

So, what did cause this wave of changes in the phone market? Only a single product created by a company that didn’t have any experience in the industry. Besides, Android (OS created by Google) and webOS were developed to compete with the iPhone, and are based on its technology.

## 1. 2. Purpose

The purpose of this paper is to study how a company as Apple can enter in a satured market, such as the phone market, even this one seems to be monopolized by some MNCs for years. We have chosen to focus on the marketing mix adopted by Apple to succeed the launching of his first phone: the “ iPhone”. In the four parts of the argumentation, we also wanted to focus on the market entries strategies that could, or not, help the success of the launching.

We studied this case because it is a topical issue and we have ourselves products from the Apple brand. Maybe in a few years no one will remember the entry of Apple in the mobile phone market, so much it will be common to have an iPhone.

## 1. 3. Question formulation

The main question to be answered in this paper is as follows:

How Apple, one of the biggest company in computing, but newbie in the market of phones, has established itself as a market leader in only three years?

To answer this question, we will make our analysis by following the method of marketing mix, and show the marketing strategy that has made Apple’s iPhone so successful.

## 2. Research method

## 2. 1. Research design

We started our search for literature at the library of Ã-rebro University. We started looking through books concerning our chosen topic iPhone. We made a little meeting with the team and we have decided together on what topic we are going to write and divide the part for each member in the team, we read all information about the launch of iPhone via search in the Internet. Search words like “ Mix marketing of iPhone”, “ Launch the iPhone in France”, “ Strategy of iPhone”, “ iPhone communication”. And we also read newspaper on iPhone and get some information important about our topic.

## 2. 2. Data collection

Every week, we met each other in the library of Ã-rebro University to talk about the information that we found via Internet, newspapers and books.

We also read these books:

Apple Inc. (2009), “ Annual report pursuant to section13 or 15(d) of the securities exchange act of 1934 for the fiscal year ended September 26, 2009”.

E. Milluzo, J. M. H. Oakley, H. Lu., N. D. Lane, R. A. Peterson, &A. T. Campbell(2008), “ Evaluating the iPhone as a Mobile Platform for People-Centric Sensing Applications”

Joel West, & Michael Mace (2007), “ Entering a mature industry through innovation: Apple’s iPhone strategy”.

Neil H. Borden (1964), “ The concept of marketing mix”

Svend Hollensen(2007), “ Competition analysis in an industry”, Global Marketing( 4th edition), pp. 101-106.

Svend Hollensen(2008), “ Value chain analysis”, Essentials of global marketing, pp. 82-91

Svend Hollensen(2008), “ Designing the global marketing programme “, Essentials of global marketing, pp. 293-395

## 3. Theoretical Framework

## 3. 1. Marketing mix: 4P’s model

Traditionally, the business executives are regarded as “ mixers of ingredients” since they not only need to allocate and utilize ingredients which are available on the market efficiently but also have to adapt their original business plans to the different ingredients frequently (James Culliton, 1948). Based on this concept, the term “ marketing mix” was created in 1964 by Neil H. Borden after he wrote an article, The Concept of the Marketing Mix. In this article, Borden included product planning, branding, packaging, physical handling, pricing, advertising, promotions, distribution channels, personal selling, display, servicing, and fact finding and analysis into his framework of marketing mix.

However, scholars in the area of global marketing did not have any substantial progress until E. Jerome McCarthy, an American marketing professor at Michigan State University, published the book Basic Marketing: A Managerial Approach in 1960. In this book, the professor grouped the ingredients which were mentioned in Borden’s article into the four categories that today are known as the 4P’s of marketing. The 4Ps are delineated below:

Product. It refers to planning procedures or/and policies which are related to tangible commodities and intangible service offered by the company. Usually, product decisions are about quality, functionality, packaging, branding and after-sales service.

Price. In most cases price decisions include pricing strategy (skimming, market pricing, penetration pricing, etc.), retail and/or wholesale price, discount and ways of payment(cash, credit card, check, etc.).

Place (distribution). It refers to factors related to distribution channels between suppliers and customers. Examples of this decision are freight transportation, warehousing, channel members and inventory management.

Promotion. It sometimes can be paraphrased to communications between sellers and buyers through which suppliers want to create a positive consumer response and a larger market share as well. Examples include advertising, public relations and media. ( netmba. com, 2010-10-30)

Nevertheless, there exist some arguments that the classic 4Ps model does not take the characteristics of services into account. In order to solve this problem, a 7Ps mix model was carried out by Booms and Bitner (1981). This model incorporates three additional ingredients, namely participants, process and physical evidence. In fact, all of these three factors can be included into the product decisions of the existing 4Ps model (Booms and Bitner, cited by Hollensen, 2008). Therefore we still use the classic 4Ps model in this paper since the object we analyze is the iPhone which is more a tangible product than an intangible service.

## 3. 2. Competitive advantages

Through a resource-based view, competitive advantages can be achieved by utilizing the firm’s resources and capabilities, which consequently lead to superior value creation. Resources, which are firm-specific assets useful for creating advantages that few competitors can acquire easily, usually include reputation, patents, customer base, etc. And capabilities refer to the firm’s abilities to utilize its resources effectively and efficiently (quickmba. com, 2010-10-30).

Another important definition of competitive advantages comes from the “ competitive triangle”. It is obvious that success in the market is dependent not only on the firm’s ability to respond to customers’ demands effectively but also on the ability to ensure that the response is judged by consumers to have higher perceived value than that of competitors (Hollensen, 2007). According to D’Aveni(cited by Hollensen, 2008), the causes of different performances of different firms can be summarized into two basic factors, namely the perceived value of the product/service offered compared to the purchase price and relative costs incurred in creating this perceived value. Based on this theory, Svend Hollensen(2007) created a term “ competitive triangle” which refers to a relationship among a customer, the firm and a competitor in which whether the firm or the competitor win the customer’s favor depends on perceived value offered compared to the relative costs between the firm and the competitor. Hollensen argues that firms which offer higher perceived value and/or lower relative costs than its competitors have competitive advantages in the market.

In this essay we will adopt the second definition of the competitive advantages and analyze the competitive advantages of the iPhone through the 4Ps model since the four elements in this model -product, place, price and promotion- can explain the perceived value and the relative cost to some extent.

## 4. Analysis

## 4. 1. Product

In June, 2007, Apple Inc. released the first generation of iPhone, the iPhone original (apple. com, 2010-10-30). Since then, the iPhone has built its influential status in the market of smartphones and developed a lot of loyal fans worldwide because of its unique characteristics which cannot be easily imitated by other competitors. In this part, two important characteristics, namely innovation and brand image, which are believed to contribute a lot to the formation of the perceived value advantage, will be analyzed in detail.

## 4. 1. 1. Innovation

On MacWorld Conference & Expo (an annual tradeshow dedicated to the Apple Macintosh platform) 2007, Steve Jobs, the co-founder and chief executive officer of Apple Inc., announced that Apple was going to reinvent the phone by launching the iPhone which contained many innovations(apple. com, 2010-10-30).

## 4. 1. 1. 1. Multifunction

The iPhone, according to the description given by Jobs, is a perfect combination of three devices: a mobile phone with a touch-control screen, a widescreen iPod (a portable digital music and video player launched by Apple Inc.) and an Internet communications device.

Besides, from the first model of the line, iPhone original, to the latest one iPhone 4, the technology has developed greatly and the functions have been increasingly versatile. On June 26, 2007, the iPhone original was launched in the United States, containing a camera but no support for video recording (apple. com, 2010-10-30). About one year later, on June 9, 2008, its successor, iPhone 3G, was released with Assisted GPS (Global Positioning System) and some 3G featured improvements (wikipedia. org, 2010-10-30). In the summer of 2009, the third generation of iPhone, iPhone 3GS, has an advanced camera with video capability while the fourth generation iPhone 4, which was released in June, 2009, has a second camera and an LED(Light Emitting Diode)backlit TFT (Thin Film Transistor) LCD (Liquid Crystal Display )capacitive touch screen(apple. com, 2010-10-30).

What’s more, the iPhone makes it possible for users to wirelessly access the iTunes Store, a software-based online digital media store operated by Apple, to buy or download audiovisual products as well as thousands of other applications. In July 2008, Apple Inc. launched the App Store which creates an online platform for consumers to download various applications provided by third-party directly to an iPhone (wikipedia. org, 2010-10-30).

Obviously, these functions can meet various demands of different customer groups, say, entrepreneurs, white collars and students. To be more specific, entrepreneurs can utilize the wireless access to Internet to control firms’ production systems on the go while white collars can use the function of note-taking and record-keeping to reduce their paperwork and increase efficiency. Students, without any doubt, like watching videos, listening to music and playing games on the phone.

## 4. 1. 1. 2. Operating system

According to an article written by Miguel Helft on New York Times, if consumers prefer the system developed by Google Android, one of the Apple’s rivals on the smartphone market, they have many substitutes, for instance, Motorola’s Droid 2, Samsung’s Fascinate and LG’s Ally. Nevertheless, the iPhone is the only choice for those who like Apple-powered phones. It is believed that this is one of the important reasons why quantities of fans spend lots of time queuing to purchase the iPhone (nytimes. com, 2010-10-30).

Current models of four generations of the iPhone are all supported by Mac OS X, a series of Unix-based operating systems and delicately-designed user interfaces launched, developed, and sold by Apple Inc. These advanced operating systems, which are included in all new Macintosh computers released by Apple Inc., give more added values to the iPhone. The most attractive feature of the Mac OS X is its graphic user interface with lively icons on its menu bar which creates a clearer and quicker access between desktop and windows (E. Milluzo, J. M. H. Oakley, H. Lu., N. D. Lane, R. A. Peterson, &A. T. Campbell, 2008). Although this feature seems not complicated, it does provide a customer-oriented service for all the consumers. That is to say, individuals will have totally different experience when they use the iPhone because of, say, different sequences in which they put icons on the desktop.

## 4. 1. 1. 3. Designs

Besides the stable and advanced operating system, another key element that contributes a lot to the popularity of the iPhone is its special designs.

## Table 1: Comparison of screen sizes of different mobile phones

Brand

iPhone

LG Ally

Blackberry 9800

Norkia N95

Screen Size

3. 5-inch

3. 2-inch

3. 2-inch

2. 6-inch

From the table above, it can be seen that the major difference in designs between the iPhone and its rivals is that the iPhone has the largest screen. LG Ally, which is supported by the operating system Android, has a 3. 2-inch screen, which is a bit smaller than the iPhone (163. com, 2010-10-30). Blackberry 9800, the latest model of Blackberry released in 2010, has a screen of the same size as LG Ally (wap135. net, 2010-10-30). What’s more, Norkia N95, which was released in 2007, almost the same time with the iPhone original, only has a 2. 6-inch screen (zdnet. com. cn, 2010-10-30). With a multi-touch widescreen, the iPhone provides consumers a clear, stable and colorful display even under the glaring sunshine of noon.

In addition, the fashionable appearance also catches many people’s eyes. Except the iPhone original has several colors, all of the successive three generations—iPhone 3G, iPhone 3GS and iPhone 4 only adopt two colors, white and black, which will never be out of the fashion trend. From the loyal fans’ perspectives, the iPhone is not only a digital product, but also an artwork.

## 4. 1. 2. Brand image

Besides a lot of innovations delineated above, another critical element that contributes to the success of the iPhone is the brand image of Apple Inc.

As a company with a history more than 30 years, Apple Inc. has built and developed its image and reputation by its previous high-quality products among consumers all around the world (J. West, & M. Mace, 2007). For example, the Apple II was an enormous technological advancement over its predecessor, the Apple I, and laid a solid foundation for the future development of the company. Moreover, Macintosh, a series of personal computers featured in a graphical user interface instead of a command-line interface, has proved to be a success since 1984. In the new millennium, Apple Inc. launched the iPod which satisfies many youngsters’ demands and expands the Apple’s fans as well.

It is believed that young generations will be very proud if they own an Apple digital product because it indicates that they are sensitive to the latest fashion trend. For others, the products created by Apple Inc. represent not only personal wealth, but also social status, fashion tastes and unique lifestyles.

In conclusion, it is useful innovations and well-built brand image that increase the perceived value of the iPhone, make up the competitive advantages and lead to its success in the competitive market of smartphones.

## 4. 2. Place

The iPhone was first launched in the United States in June 2007 and was immediately a success, “ hundreds of people camped out at Apple stores in New York and elsewhere for their shot at the pricey gadgets”. (money. cnn. com, 30. 10. 2010) In November 2007 followed Germany, United Kingdom and France. The last big expansion was the launching in China in October 2009 and in South Korea a month later. Today the iPhone is available in more than 86 countries.

## 4. 2. 1. Apple Store

Apple operates online stores and also retails stores which offers which offers all kind of products of Apple.

The Apple online store opened in November 1997 and was directly a big success. In the first 30 day Apples was earning more than $ 12 million.

The first Apple retail Store opened in 2001. Today there are more than 300 retail stores worldwide. (ifoapplestore. com, 30. 10. 2010) All Apple Stores are owned by the Apple Company. Generally there is always a big queue when a new iPhone is available. Sometimes more than hundred people sleeping days before the store actually opens. (zdnet. de, 30. 10. 2010)

So before the launching of the iPhone in 2007 the brand Apple and the Apple Store were well established. This was a big advantage for launching the iPhone.

## 4. 2. 2. Premium reseller

Apple premium resellers sells all products of Apple, but are not owned by the Apple Company. To become a reseller you have to fulfill high standards, e. g. in service and a uniform store design. It is a kind of franchising where the reseller gets support in marketing and advertisement and also has to do training. (channelprograms. apple. com, 31. 10. 2010)

## 4. 2. 3. Exclusive carriers

Apple chose as a kind of entry strategy an exclusive carrier for each country who the only one is selling the iPhone. In the USA it is AT&T, in Germany T-Mobile, in France Orange and so on.

Transferring the exclusive carrier system to Europe brought some problems because of the legal laws in some countries. In Germany for example the competitor Vodafone takes to court against the exclusive carrier contract between Apple and T-Mobile because of unfair competition. However the court said that it is legal.

The exclusive carrier system is changing since a while. In 2008 Apple allowed “ agreements with service providers in Italy and Austria as well in a handful of smaller countries show that the company can deviate from its insistence on exclusivity”. (informationweek. com, 27. 10. 2010) For example the exclusive contract with T-Mobile in Germany ends right now and in the end of October or beginning of November other competitor will also offer the iPhone. Likewise the German Apple Store sells now unlocked iPhones. Now Spain will be the only European country with an exclusive carrier.

Using an exclusive carrier system brings a lot of advantages. First you share the risk with your partner. This is especially an advantage when you enter a new market. Moreover Apple could profit from the knowledge of the carrier. Likewise when you have only one supplier for a market you develop a kind of monopoly. Another important point is that both partners try to be successful. The exclusive carrier does not want to lose his contract, so he tries to do his best. In this case that means to sell much iPhones

So why does Apple change his exclusive carrier system? A reason for ending the exclusive contracts could be the increasing competition. Ending the exclusivity in France caused “ more than double the sales of the device and dealt a blow to the BlackBerry” (http://www. electronista. com 27. 10. 2010) In the USA the Androids phone from Google has already “ outsold Apple handsets for the first time on record”. (gigaom. com, 27. 10. 2010)

## 4. 2. 4. Market segmentation: USA, Europe, Asia-Pacific

The main market of the iPhone is with 50% unambiguous the United States. Thereafter follows Europe and then the Asia-Pacific. Although the hype about the iPhone is quite big in Europe the market share of Apple in the five most selling countries – Britain, Germany, France, Italy, Spain – is only 4 %.

In the United States Apple had a market share of 25% in April 2010. Especially the Android phone from Google, whose market share tripled in three month to 9% in the USA, becomes a bigger competitor for Apple.

Especially Asia has big potential for Apple in order to the high population.

In Japan the iPhone has a market share of 4. 9%. This does not sound much, but in the non -Japanese OS iPhone has even 72. 2% market share. In particular Japan has the biggest user growth with approximately 340% in 2009. Japan is the “ world’s most advanced mobile nation”. Almost every phone is a Smartphone and Japanese like high tech functions like a TV-tuner. So the establishing of the iPhone in Japan could be seen as a worldwide success for Apple.

The market launch of iPhone in China in October 2009 was not a big success as expected. In the first three days it was sold only 5000 and till end of 2009 100. 000 iPhones were sold. One reason for this bad start was that you could buy iPhones on the gray market in China long time before the actually market launch. Another reason is the high price. While an iPhone in the USA costs $ 300 in China it costs $ 1000. Likewise the wifi does not work in China, because of the strict Chinese government. However the iPhone 4G was quite a success. On the first even more than 1000 people waited before the Apple Store and there were more than 50. 000 orders on the first day. (nexus404. com, 28. 10. 2010)

## 4. 3. Promotion

## 4. 3. 1. The reasons for the success of the iPhone

Firstly we can measure the success of Apple’s iPhone at a glance. The iPhone is $ 150 million invested 4 million iPhones sold worldwide since June 2007 with 100, 000 sold in France. Apple and the iPhone has shaken up the mobile market and makes this product a real success in recent years.

Since its announcement, the iPhone has made about him in an incredible way for a product not yet available

The iPhone was expected as a superstar. The multimedia phone from Apple, has been an unprecedented buzz on the Web, so much so he was dubbed the “ iPhone Jesus” by the community of bloggers.

After releasing videos with the iPhone from all angles, the manufacturer has provided a preview of his phone four influential columnists in the U. S.: Wall Street Journal, New York Times, USA Today…

Apple allowed them to post their impressions three days before the release

Their articles and videos quickly went around the web. Although they emit some criticism towards the product, their enthusiasm is real.

From the first minutes after the announcement of the iPhone, the information spread like wildfire and was commented on many media, primarily Internet and blogs, more responsive.

The buzz around the iPhone and reputation was enormous, resulting in the 10 days following launch, the iPhone has been the word most often cited in the blog than G. W Bush or Mc Donald. Similarly, on You Tube, soon there were many videos related to the iPhone. Finally the keyword “ iPhone” has become more popular than the keyword iPod. The iPhone is more successful than the iPod.

This popularity can be explained by several factors: shape, design, charisma of Steve Jobs … revolution is more commercial than technological. But this also reflects the power of the Apple brand.

The group has announced that Apple sold millionth phone iPhone, a little over two months after its launch. One million iPhones in 74 days while it took nearly two years to reach that goal with the iPod.

Apple started its communication throughout the world and the product seems very promising in view of the first impressions of consumers. Furthermore, Apple benefits strong brand image with excellent products, reliable and very good quality (IPod…). (iphonehacks. com, 10. 26. 10)

In designing a touch screen to navigate finally at ease on the Internet, Apple iPhone makes its product a real revolution in mobile telephony. An innovative concept that some are already calling the “ Chocolate of Apple “, a look that appeals to young and trendy as the most advanced technology, it is an Apple product, aesthetically very successful, and touch interface graphic sublime. (iphonehacks. com, 10. 26. 10)

The quality of iPhone in its communication:

– “ Wonderful” “ fantastic,” elegant “ design of the iPhone has won over consumers.

– Ease of use and navigation with fingers

– The wide screen very convenient especially to watch videos

– The first true Web browser market.

– Integrated Wi-Fi, the iPhone automatically switches to the wireless technology.

(iphonehacks. com, 10. 26. 10)

The real revolution is the fact that we can do anything with the iPhone.

After a lengthy study on consumer behavior, Apple has found its target for the Iphone. Indeed, Iphone targets consumers who need to store information and communicate or people who want entertainment on the go, consumers are looking more and more ease for themselves. The targets of Apple’s company are health care workers, professionals, corporate users, entrepreneurs, and students. Currently, the market for high-end phones like the Apple Iphone is experiencing phenomenal growth; it became even a new trend of everyone. The iPhone has become the flagship product for over 3 years now. Iphone offers several applications to their users through an easy downloading in Apple Store. Through these applications can use the internet, you can go to favorite sites, play games online with other people who own Iphone, use Photoshop as the computer, check the weather wherever we want when we want, iPhone has become a product to do everything. Listen to music and watching video has become commonplace for iPhone. Apple highlights these skills on their advertisements; these skills have even become the selling points of Apple. The market of smart phone will grow rapidly in coming years due to lower prices and greater power. Despite the high price of iPhone compare to general phone users are willing to pay for this magic product. (iphoneowners. com, 10. 26. 10)

## Target segment

## Consumer need

## Corresponding feature/benefit

## Professionals

Stay in touch while on the go

Record information while on the go

e-mail, instant messaging, and p