

Ipad preliminary marketing report assignment

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Executive Summary This Preliminary Marketing Report has been prepared upon being commissioned by Apply to provide the company with an analysis of the market and an overview prior to launching the iPad product into the Australian market. The report will give an overview of the current situation along with strategies for the future. It looks at observing the current competitors that are aimed against the iPad and defining the industry in which the product is planned to be launched in.

The analysis includes a macro economic analysis environment for the Apple iPad which includes the political-legal, economic, socio-cultural and technology factors along with reviewing the way consumer behave in regards to their decision making process. Insights into further marketing research Apple can undertake to help ensure a successful product launch has been instigated. It has also been decided that Apple should focus the demographic segment in general but more specifically be targeting their product primarily to the 18-35 yr old age group along with the secondary target of 6-17 yr old.

By targeting marketing stimuli etc to these age groups, Apple can make the most of their competitive advantage and be able to position the product as a high priced high quality product

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References Page 15 Introduction/Overview The purpose of the following

Preliminary Marketing Report is upon being commissioned by Apple, to

provide the company with a report in relation to its new product, the iPad.

The report will look at conducting an initial analysis of the Australian market in which the iPad is planned to being launched into.

Recommendations that are to be made in this report will allow for Apple to

decide whether it is appropriate to launch at the moment or whether further

research is required, prior to expanding into this market. The report will

discuss the marketing environment, target audience, positioning,

consumption habits of the Australian public and the longer term viability and

adoption rates of this new item. In addition to that mentioned previously,

there will be an overview of the industry undertaken, analysis of the current

market situation i. e. environment and consumer behavior nalysis and also

identification of a segment of the market that Apple should be aiming at

targeting along with a recommendation for its positioning strategy. Industry

Definition With technology booming faster than ever, it is getting hard to

keep up with the rather rapid advancements in this field. Nowadays more

people than ever, own some form of personal computing and with ever

changing lifestyles, the average person is always in the need for something

that is adaptable, flexible and complements their way of life without holding

them back.

As a result of this, portable devices have now seen a boom in the market

over the past few years to meet consumer needs. “ Demand for laptop or

notebook computers experienced considerable growth between 1999 and

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2004. Once regarded as a luxury item only purchased by traveling business people, laptops have become a frequent household item”(IBIS 2010). The iPads falls under this bracket of portable devices with alternative options to it being that of the tablet pc, laptops and smart phones.

The iPad effectively contains all that is found in a laptop however with its touch screen keyboard, allows for the iPad to be much more portable due to its slim and lightweight nature in comparison to the average laptop. The iPad allows for consumers to read e-books which are being regarded as the most important transformation within the book industry since the introduction of publication houses (IBIS 2010). Added to all of this, the iPad runs almost 150,000 applications which were made for iPods and iPhones. (IBIS 2010)

Competitor Overview

To aid in a successful launch of the iPad, it is necessary that analysis is done of the iPad’s competitors. By doing so it will help identify and utilise any strengths and weaknesses of the competitors. The competition can be divided into two categories; direct and indirect competitors. Direct competitors can be regards as those which compete in the same product category and offer identical or near identical products or services, whereas on the other hand indirect competitors would be classified as those that offer similar but not identical products or services.

As the competitor overview will only be focused on analyzing the Australian market, it has been established that there are a number of products which could be considered as direct competitors. However for the purpose of the report, only three major direct competitors will be mentioned. These are as

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follows: ??? Hewlett Packard's Slate ??? Amazon's Kindle ??? Asus's Eee Tablet Apple has always placed a major emphasis on the marketing and the brand awareness of its products.

It has prized itself on its glamorous advertising campaigns which include presentations by the CEO and various other channels of marketing. This presents both the direct and indirect competitors with a challenge in marketing their products over the iPad. This also provides Apple with a competitive advantage over the other competitors as their products and services are well established. This will enhance the buyer decision making process and will put Apple in a dominant spot in the market. The main indirect competitors for Apple iPad are desktop computers, MP3 players and smart phones.

These products are offering similar features to what the iPad is offering. The iPad's advantage over these products is that they offer several different features in one product. So converging all the new technology into one product is the route apple is seeking. It's making life easier for their consumers by being able to conduct many applications in the one product. On the other hand it could be perceived as a strength for the indirect competitors who only specialize in certain products and services.

P Dixon, 2010 states " convergence can be boring, destroys variety, breeds monopoly, kills invention, adds unwanted options, makes life more complicated - and robs consumers of choice". Macro Environmental Analysis It is crucial for a macro environmental analysis of the situation is undertaken as it will help Apple respond to any opportunities and minimize the impact of

possible threats. There are unlimited amounts of macro environmental factors that could be imposed onto Apple, however it is crucial to prioritise and carefully monitor those factors that are important to Apple.

Analysis could be undertaken by looking at demographical factors, economic factors, natural factors, technological factors, political factors, cultural factors and social factors. Political/legal Apple needs to abide by the Australian Fair Trading acts to successfully release and continue to sell the iPad in Australia. Trading regulations and tariffs is something they need to consider before commencing business in Australia. Another issue they need to consider is the pricing regulations to provide everyday Australians the chance to purchase the product.

Economical There are 2 main factors affecting the release of the iPad, which are the unemployment rate and the other being the disposable income. According to Australian Bureau of Statistics the unemployment rate stands at 5.2%. Australia experienced significant real income growth during the past decade. Between 1997-98 and 2007-08, real net national disposable income per person grew by 2.8% a year on average, appreciably faster than during the preceding 20-year period (ABS 2010). [pic] Figure 1: ABS Net Disposable Income June 2010

This indicates that an average Australian will have enough disposable income to invest in materials for interest being potential customers to Apple. Socio-Cultural Education is a major factor affecting the Australia's acceptance of the Apple iPad. The people need to have sound literacy and education rates to be aware of new upcoming technology. ABS, June 2010

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states Approximately 96% (2. 6 million) of people aged 15-64 years who were enrolled in a course of study were enrolled in a course for a qualification (Table 1).

The proportion of people aged 15-64 years who were enrolled in a course for a qualification increased from 17% in 2001 to 18% in 2009. The indication of a well-educated country only shows signs of a new product being accepted rather than rejected. Apple also needs to consider the attitudes people have towards accepting latest technology. Luckily Australia is one country, which encourages a culture where new technology is accepted and widely used. SME's use new technology is enhancing their workplace making working easier.

Technological Technology affects the iPad immensely as it is used in every aspect to advertise and promote the new product. Apple takes pride in using high quality and to the point advertising to create brand and product awareness. The growing trend of consumers using the Internet and television to find out about new products is a perfect reason for Apple to invest in technological advertising putting themselves on the net, TV, Radio and most importantly hand held devices

Consumer Behaviour Analysis To be able to perform an effective consumer behavior analysis, the consumer market and the buying behaviour must first be defined. Consumer market can be defined as " all the individuals and households who buy or acquire goods and services for personal consumption" and consumer buying behaviour can be defined as " the

buying behaviour of final consumers, individuals and households who buy goods and services for personal consumption” (Kotler et al. 2009).

By undertaking this analysis it is possible to understand more about what consumers like to buy, who buys these items, how they go about buying these items, when they buy these items, where they buy these items and the most important query to address is why they buy these items. | Stage | Explanation | Internal Influence | External Influence | Strategic Implications | | Need Recognition | | | | | Information Search | | | | | Evaluation of | | | | | Alternatives | | | | | Purchase | | | | | Post Purchase Behaviour | | | | |

Further Marketing Research Required For Apple to be able to market the iPad and provide its consumers with a remarkable product, superior value and customer satisfaction, they must do research and develop strategic plans by obtaining information in relation to their customers, the macro and micro environment and government regulations (Lancaster 2010).

Marketing research can be defined as “ the function that links consumer, customer and public to the marketer through information that is used to identify and define marketing opportunities and problems; to generate, refine and evaluate marketing actions; to monitor marketing performance; and to improve understanding of the marketing process” (Kotler et al. 2009). To start the research process, the problem must be defined and from here a research plan must be developed. This is one of the most challenging parts to the research process and Apple can start by gathering both primary and secondary data (Polaris 2009).

Primary data can be split into qualitative and quantitative data. Qualitative data can take the form of conducting focus group sessions on behalf of Apple or in-depth interviews. By doing this it is possible for Apple to get a broader understanding, based on the questions asked, to find out more about the consumers wants, needs and personal opinions in regards to decision making. Here questions can be tailored and modified as the interviews and sessions are conducted with regards to the responses the general public or particular individuals provide.

Quantitative data can take in the form of conducting surveys or sending out mailed or electronics surveys for the public to perform. In this, questions can be asked of the person completing the survey about the personal preferences in relation to portable devices, their lifestyle habits, what they perceive to be important to them and from this further insight can be obtained into appealing to the consumer. In addition to the above, secondary data can also be utilized. This can take the form of internal and external secondary research.

Internal research data can be that of sales revenues, customer demographics, purchase patterns and other information that has been collected for other purposes by Apple but can be applied to the iPad (Polaris 2009). External research data can be that of financial performance data, expert opinions and analysis, competitive intelligence firms and corporate executive interview just to name a few which can be sourced from industry reports, newspapers and government publications which are only a few (Polaris 2009).

Lastly Apple will need to implement the research plan by putting the various plans into action which involves collecting, processing and analysing the information. Data collection can be carried out by the market research staff or by an outside agency. This stage of data collection can prove to be quite expensive and most prone to error. Here the collected data can be processed by machine reading or checked and coded manually for computer analysis.

(Lancaster 2010) Market Segmentation

Market segmentation is the process which groups or links individuals according to similarities in needs, wants, characteristics or behavior (Lancaster 2010). A market segment can be defined as being a group of people who share some similarities and who will be likely to respond in a similar way to a given offer. Apple has to come to the understanding that they will not be able to win over everyone with the iPad and will need to make use of market segmentation to tailor their marketing programs to the needs and wants of a narrowly defined geographic, demographic, psychographic or behavioural segments (Lancaster 2010). By doing this, Apple will benefit by being able to improve allocation of marketing resources, identify opportunities for new product development and help design effective marketing programs (Lancaster 2010). Justification for choice of segmentation base For the iPad the base that has been selected for segmentation is demographics.

Under this segment there are a number of things to consider such as age, gender, family size, family life cycle, income, occupation, education, race, nationality and religion. Demographics will allow for an effective segmentation as it allows for measurable, accessible, substantial and

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actionable data (Lancaster 2010). Understanding the demographics would be best suited to the iPad, as it has more subcategories that would benefit the marketing of the iPad if focused on such as age, income and occupation.

This segment base will also allow for easier and more relevant understanding in regards to consumers as demographics entails factors which can be closed related to the iPad products. By this it is possible to target the appropriate factors through these factors such as age and gender by observing what age groups are likely to use the product or which age category is more flexing in adapting to changes in technology or to even evaluate who would be more interested in these sorts of products. It allows for a better explanation of the factors behind wanting to purchase an iPad.

Profile of Segment | SEGMENT | BUILD A PROFILE | | Age Group | Usage Rate | Lifestyle | Attitude to product | | 6-17 | Medium Users | Highly active | Seeking Fun | | 18-35 | Heavy User | Highly social and active at work | Seeking Fashionable, Fun and | | | Practical | | 36+ | Light ??? Medium Users | Highly active at work and | Seeking Practical | | | Moderately social | |

Target market choice and justification After evaluation of the above segments, it has been decided to primarily target the iPad at the 18-35 year old generation.

This age group is particularly open-minded in regards to technology and considered to be 'tech savvy'. The group includes those who are considered to be students ranging through to the corporate professionals. They are well informed with advancements in technology and always competing with their peers to be at the frontline in relation to these portable devices. The Apple

brand has also become a fashion statement in comparison to the product itself. The image perception behind owning Apple products outweighs the functionality of the product itself in some instances.

For this age bracket, self-conscious attitudes and behaviour are quite influential in the decisions these consumers make in relation to technological products and Apple would benefit in marketing the product in a way that would create an image within the consumer that the iPad is an accessory, more than an electronic product. The secondary target will be the six to seventeen year old generation. It is not a prominent market as the primary target however it is definitely a rapidly emerging target. Children and teenagers nowadays are constantly being exposed to these portable devices to aid their learning slope and other forms of entertainment.

The days of learning the basics from books and physical toys are becoming a distant memory with more and more companies aiming electronics learning aids at children for the more interactive experience. With many consumers in this age group quite easily influenced by marketing material seen on the television, or peers having purchased similar items, consumers in this bracket more often than ever are convincing their parents and elders to purchase these items as it becomes a must-have possession to them. |

PRIMARY TARGET AUDIENCE | SECONDARY TARGET AUDIENCE | | AGE

SEGMENT | 18-35 yr old | 6-17 yr old | | Size of Market | Large | Medium | |

Brand Awareness | High | Medium | | Price Sensitivity | High | Medium |

Proposed Positioning Strategy Apple needs to create an identity in the target market's minds, which will enable to see where Apple stands compared to the alternatives. Apple should categorize them in the high quality range and
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set their prices high due to the quality and amount of features they offer. The consumer's should see the iPad as a worthy product and be willing to pay the high price, as it's an all in one product. The consumers need to see the significance of converging of all the latest technology in one product.

The perception of being high priced means high quality that's what Apple is trying to achieve. References ??? Australian Bureau of Statistics 2010, ' 6523. 0 ??? Household Income and Income distribution, Australia, 2010' ABS, viewed on 20th July 2010 ??? Denning, D 2010, ' Australia has highest household debt to disposable income ratio in world', The Daily Reckoning, viewed on 21st July 2010 ??? Dixon P 2010, ' Technology Innovation: Future Trends', Global Change, viewed on 22nd July 2010 ??? IBISWORLD 2010, ' G5236 ??? Computer and Software Retailing in Australia', IBIS, viewed on 22nd July 2010 ??? Kotler, P, Adam, S, Denize, S, & Armstrong, G 2009, ' Principles of Marketing ??? Fourth Edition', Pearson Education, NSW 2008 Lancaster , N 2010, ' HBN110N ??? Fundamentals of Marketing ??? Lecture Five: The MIS and Marketing Research', Swinburne University of Technology, Blackboard, 30 June, viewed on 18th July 2010 ??? Lancaster , N 2010, ' HBN110N ??? Fundamentals of Marketing ??? Lecture Six: Market Segmentation, Targeting and Positioning', Swinburne University of Technology, Blackboard, 5 July, viewed on 18th July 2010 ??? Net MBA 2010, ' Pest Analysis', Net MBA, viewed on 21st July 2010 ??? Polaris 2009, ' Understanding the six steps in marketing research', Polaris Marketing Research, viewed on 22nd July 2010 ————— High Quality Portable Devices iPad Tablets Laptops Portable Devices Computer Computing Home

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