

Case study- Apple

MARKETING

Role of marketing

Interdependence with other key business functions

- Marketing – Operations – Primary and secondary market research is the first step for Apple innovating and developing new products
- Marketing – Finance – Apples public relations team provide consistent and plausible message as the company's finance and financial transactions are always scrutinised by the media and public.
- Marketing – HR – The images of Apple determines the types of skills and employees that are required. The continual need to innovate and the changing nature of market influences the skills inventory in which Apple require

Production, selling and marketing approaches

- Apple employs a marketing approach as primary and secondary market research is integral to Apples innovation. Understanding what the customer wants and needs is the first step to the success of Apples marketing.

Types of markets

- Apple uses a segmented approach to marketing. Apple sells mainly to consumer markets but also have other intermediaries such as JB-HI-Fi selling Apple products.

Influences

Consumer Choice

The competition consumer act 2010 legislates and the ACCC protects consumers and regulates competition

Warranties

- repairs faulty phones not due to consumer damage outside of the warrant period- implied quality

Ethical

- Invasion of privacy- by placing your order you agree that Apple may store, process and use data collected from your order. Consumers also agree that Apple may transfer such data to other companies within the Apple Group.

Processes

Market research

o Market information system – Apple has a lot of data on its customers from iTunes,

Establishing Market Objectives

Increase Market Share

- iPhone shipments went from 8.7 million in the first quarter of 2010 to 18.7 million in the first quarter of 2011. Shift in market share 2.8% in 2010 to 5% in 2011.

Expanding Product Mix

- iPad Mini with Retina display – March 2013 – Over 3 million iPads with retina display were sold on a single weekend.

- IOS 8,
- iphone 6 and 6 plus,
- i watch

Maximising customer service

Identifying Target Markets

- Apples product strategy is to target different market segments. Apple targets different segments with different products.

Strategies

Market Segmentation, product/service differentiation and positioning

Brand Image – Apple creates innovative products and services, more recently adding a perception of value by making the customer experience the central idea. Now offering harmonised, synchronised experience across all devices.

Products

Positioning

- Identify and Promote Strengths
- Customer discovery and differentiation
 - Retail stores attract customers through experience
 - Customers see the array of interconnected products
 - Sales staff take customers on an experience
 - Stores provide support

Products

- focuses on the concept
- Branding and packaging – Design focus is based upon minimalism, products are trademarked by seamless integration.
- In 2010 Apple’s brand progression saw the introduction of iCloud allowing for sharing across all Apple devices. It extends the brand experience well beyond individual products.

Price

Price Skimming – Apple ignores competitors prices by pricing their products double competitors. They build beautiful products for an audience that loves them passionately. They justify their price with features and benefits that cant be matched

Promotion

- Advertising
 - Apple’s Tv and mass media commercials may not be creative but convey the business message
 - Consistent brand image – Apple always has a high quality putting forward a brand image of excellence.
- PR, publicity and word of mouth
 - Cultivate customer enthusiasm

- Apple can spend less on advertising than competitors such as Microsoft and still get hype by creating information vacuums around its products and letting social media and opinion leaders fill in the gaps around them.
- Product placement – throughout 2012 over 1000 instances of product placement of Apple devices occurred. In particular Mission Impossible, Legally Blonde, 24, Modern Family, 30 Rock, The Office.

Place/ Distribution

- Apple distribute
 - Producer – Retailer – Consumer
 - E-Commerce via Producer – Consumer
- Distribution Channels -Selective
- Minimal Physical Distribution Issues
 - Transport – due to Apples effective and efficient production methods Apple can use all forms of transport to assist with short lead times and large volumes
 - Warehousing – Apple use e-commerce and sells directly to consumers to avoid large warehousing costs
 - Inventory – to avoid large costs Apple uses a Just in Time management strategy

People/Processes/Physical Evidence

- Customer obsessed empathetic employees
- Quality is the most important aspect of any marketing campaign – Apple retail stores display products interactively so that users can experience them. Most stores also offer free in depth classes on how to use their products adding to their value.

E-marketing

- Apple products use internet based applications and online services such as iCloud
- Apple use social media sites to create publicity and support product launches Apple.com is an e-commerce site selling products direct to the end consumer

Global Marketing

- **Global Branding**
 - Apple global branding – most iPhone owners enjoy the ecosystem integration of other Apple devices. iCloud allows consumers to share media. They've created a desirable offering and features to create consumer lock in and switching costs.
- **Global Pricing**
 - Customised pricing to incorporate tariffs – 2013 Apple Australia blamed its US parent for higher local prices

