

Brand Customer Value in The Context of Brand Positioning: A Case Study of Apple Smartphones

*This study is derived from Hichem ABADLI's Master Thesis Study "Importance of Brand Positioning in Value Creation: A Case Study of Apple Smartphones".

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Abstract:- In today's global society, where nations connection has risen dramatically, creating a brand, and increasing brand awareness has become critical. Brands globally positioned while retaining their cultural aspects have a better chance of success. The principal goal of this research is to look into the importance and effects of brand positioning in the costumer value creation. A questionnaire has been performed on Apple smartphones users for this purpose. It's the brand value seen by customers with regard to brand positioning in the Algerian and Turkish market has been studied. The findings indicate that there is a strong relation between the brand market positioning and the value seen by customers in both countries.

Keywords:- Branding, Market Positioning, Value Creation, Customer Loyalty.

I. INTRODUCTION

The importance and role of international trade is growing day by day, and as interdependence between countries increase in the world of limited resources, trade between countries has become inevitable. As a result, many industries are under competitive pressure. Therefore, companies must comply with international regulations in order to build and maintain trust.

To be financially successful, businesses must match the needs of their customers, differentiate themselves from their competitors, and stand out in the marketplace. In today's competitive marketplaces, it is vital to grasp brand concept, brand positioning, how customers perceive brand value, and to understand and meet the needs of international trade.

This article examines the concept of market and brand positioning, as well as different market positioning tactics and value management. The relationship between branding and brand positioning has been discussed, as well as the necessity and significance of brand positioning.

Following Apple market entry strategies and it's positioning are presented. Finally, a questionnaire has been conducted for the purpose of this research, which aim to examines Apple's positioning and the value seen by their customers. Apple is almost universally recognized and has positioned well its brand.

Two hypotheses have been generated and tested for this research:

H1: There is no meaningful positive relationship between the value perceived by customers and the brand's market positioning.

H2: There is a meaningful positive relationship between the value perceived by customers and the brand's market positioning.

II. LITERATURE REVIEW

Positioning has received a lot of attention in the last period and has become an important topic in marketing management. One of the important parts of modern marketing management is theoretical, practical and strategic positioning.

Positioning is important, according to several authors (Aaker and Shansby, 1982; Arnott, 1992; Blankson and Kalafatis, 2004; Sengupta, 2005; Diwan and Bodla, 2011; Boatswain, 2015), because the positioning strategy dictates the direction of every marketing decisions that a corporation purports to make. A corporation can only generate a successful marketing mix if it has developed a defined positioning plan. Poor positioning decisions can affect a company's marketing mix, with negative repercussions. (Day et al., 1990; Fisher, 1991; Urban and Hauser, 1993; Brooksbank, 1994; Mazanec, 1995; Porter, 1996;) The long-term success of a company and its services & products is determined by their market positioning.

Product positioning is vital enough to be examined at the mission level, according to (Aaker and Shansby, 1982). (Dovel, 1990) The positioning is the foundation of a business plan and the heart and soul of the organization. (Magard, 1976) contends that positioning can be used as an ideological tool to successfully integrate various marketing principles (market segmentation, product differentiation, consumer preferences, target market, etc.) Crawford (1985). Consider positioning to be a component of an overarching strategy rather than an advertising method that should be managed throughout an association's marketing program. Following the positioning statement must come the product, brand, pricing, promotion, and distribution.

(Ries and Trout, 1986) Realize the significance of positioning as a competitive weapon. Positioning assists consumers in understanding the true differences between competitive elements (DiMingo, 1988) and assists in the making of true brand images in the minds of consumers (Wells and Prensky, 1996). One of the most significant benefits of a successful positioning strategy, according to (Schouten and McAlexander, 1989), is the partial protection it provides against competitive pressure from competing firms.

(Marsden, 2002) Effective positioning is important to brand success in today's highly communicative and customer-oriented society. Positioning decisions influence brand success (Pham and Muthukrishnan, 2002; Punj and Moon, 2002; Fuchs and Diamantopoulos, 2010), and positioning decisions and brand success have a favourable link. Blankson and Kalafatis (2007), de Chernatony (2009), and Esch (2010) Positioning is an essential component of brand management, and it is intrinsically tied to branding. A good product positioning is essential for reaching and maintaining high performance levels (Cravens and Piercy, 2009).

III. POSITIONING AND VALUE MANAGEMENT

Positioning means positioning a brand in the minds and hearts of consumers. The relationship between the consumer and the brand determines the position of the brand on the market. Thus, a brand can adjust its marketing mix to gain a position in the market, but ultimately the consumer determines the position of the brand. Simply put, positioning is the battle for a place in the mind of the consumer. Companies use positioning to create a mental image of their product or service in the minds of the target audience. The positioning of a brand proposal affects its uniqueness in terms of providing tangible benefits to consumers. Marketers use marketing to inform consumers about their company's market position and how they perceive their products and services. Finding an article is not what it does. The action you take considering your prospectus or how you place the product in the mindset of your prospectus is called positioning (Ries & Trout, 2001).

A corporation must first choose a target market segment before settling on a market position. Because there are more clients or less competitors in the niche where the positioning occurs, this market segment should be profitable. Companies must discover ways to make their brands more appealing to this demographic. A positioning strategy relates solely to a certain product or service in a specific market and should not be mistaken with the larger notion of "business strategy" or the more precise concept of strategy for each individual component of the marketing mix, such as "promotion" or "pricing" strategies.

A strong positioning strategy requires accurate knowledge of the markets in which it competes. It shows how your business differs from its competitors, market conditions and prospects. Many companies make the mistake of treating positioning as a marketing tactic that should be one of the

foundations of their overall business strategy. Because if you can't prove it, you can't present your product as a quality offer.

Consumers recognize that brands compete on price or quality when they have a certain positioning plan. Positioning is not just a communication strategy. You need synergies between your business strategy and sales and marketing methods. A combination of products or services can meet customer expectations and deliver on positioning promises. Businesses must clearly identify their positioning throughout the value chain. Communication would otherwise become unorganized and confusing.

The five main techniques that businesses might employ to position themselves are as follows:

- Positioning based on product characteristics
- Positioning based on price
- Positioning based on quality or luxury
- Positioning based on product use or application
- Positioning based on the competition

Customers can ask the company to explain the high cost of the product compared to the product of competition, and many companies have bad ideas about what it means to customers and, instead of evaluating products and services, they are giving bad ideas about the company by doing price concessions. The company offers a high value without support and sometimes does not offer reasonable profits for a high value, because it is the same as the primitive value, which has a negative impact on their profit, in other words "leave the money on the table". (Anderson, Kumar, Narus, 2007)

Customer value management is a useful and progressive method for the business market with two main objectives. The first is to evaluate certain market segments and customer behavior, and the second is to obtain a reasonable return on value delivered, allowing the company to become a valuable seller. (Anderson, Kumar and Narus, 2007). Simply put, for a company to achieve a reasonable or acceptable return on value, it must be able to reliably demonstrate and document the value it offers its customers compared to the next best thing. Demonstrations include showing potential customers how much money or value they can save by choosing a product before the best thing.

Demonstrating great value is essential, but in today's business environment, being an organization with best practices is not enough. Businesses must also demonstrate additional cost and benefit savings to their customers. As a result, companies work with their customers to identify values that can be used to measure cost or benefit savings. (Anderson, Kumar, Narus, 2007)

IV. APPLE STRATEGY AND POSITIONING

Apple Inc. (formerly Apple Computer Inc.) is a multinational corporation that designs, manufactures, and sells consumer electronics, computers, servers, and software, as well as digital media content. On April 1, 1976, Steve Jobs, Steve Wozniak, and Ronald Wayne founded Apple Computer

to sell the Apple I Wozniak desktop computer and transform people's perceptions of computers by creating enough for homes and offices. On January 3, 1977, the corporation was founded in Cupertino, California.

Apple's marketing business model has significantly contributed to Apple's success in the computer hardware and software industry. The company aims to provide experiences to students, teachers, creative professionals and consumers around the world through innovative technologies and state-of-the-art solutions. Apple Inc. has taken a business-oriented approach to creating a full-service company that designs its own operating system (iOS), hardware, applications and services. However, this strategy evolved in a different way, as the company relied on a handful of suppliers for each component. Apple's initial differentiation strategy was to create and introduce a variety of products that only they could offer.

Apple expended its distribution network and began distribution to third-party vendors known as "Apple Inc Prime Resellers," in addition to spending in R&D. Apple Inc. created connections with companies that would go on to be incredibly successful, such as Disney (2014). As a result of these strategic partnerships based on Apple's best-selling iPhone and iPod devices, Apple's Various products can be produced. The company focuses on iPhone smartphones. This is also reflected in the change in the name of the company that started as Apple Computer Inc. It is now known as Apple Inc.

Apple has established itself as a premium brand on the market, offering high quality products and services with advanced features. Apple first focused on positioning the company by segmenting customers according to characteristics such as occupation, age, gender and other customer preferences, and these categories had to be accessible, scalable and functional. Apple has also used demographic segmentation to produce products based on age, lifestyle and occupation of the target audience. After that, Apple items are distributed and classified in different places according to the size and age of the family.

Since customer demands differ, if all consumers are served equally, the corporation will fail to meet its market-satisfying goal. Customers must be treated depending to their individual needs and requirements. Both young and old are terrific examples. These two markets have several and different demands, and products, and various techniques are required to suit these needs. Because of its huge global markets, Apple's segmentation includes geographical variables. By December 2021, Apple would have 500 stores in 25 countries. Customers can purchase items from online stores all around the world in addition to their physical

location. This enables Apple to broaden its market reach and reach more people.

Apple's targeting strategy is to identify the most appealing aspects of the organization. During the segmentation process, Apple will identify certain groups to which it may sell products. Apple's target customers are wealthy individuals who are willing to spend more for technological products and services with superior capabilities, efficiency, and design. According to Apple's analysis of consumer qualities, the majority of customers value the quality, performance, and design of technological goods and services. Apple's positioning strategy, which combines great experiences with emotional connections with customers, is one of the best, especially in an extremely competitive market. Apple has a competitive positioning strategy as well. As the IT sector grows increasingly competitive. Apple frequently introduces new products and features.

V. METHODOLOGY

Deductive reasoning is the research approach and methodology used in this study in order to formulate theory-based hypotheses. It helps to determine logical conclusions that provide a clear picture of the situation of a particular group. As a result, descriptive research methods are used on the study sample to analyse the components in depth and to elucidate their potential origins and meanings.

A. Data collection and Sampling Size

This study collected primary data from Apple mobile users through a survey of 273 respondents and collected data using Google Forms. The subjects of the study were users of Apple smartphones living in Turkey and Algeria, the data were collected using a simple randomization method, each member of the statistical population was given an equal chance, and the number of respondents was calculated based on: The following data sampling formula. Tables 1, 2, 3, 4 and 5 contain additional information.

In this two-part survey, data were collected from respondents using a closed-ended questionnaire. It consists of five closed-ended questions with answers to the questions in the first part, which include socio-demographic and general information, such as the respondent's gender, age, level of education, country of residence and duration of use of Apple devices. In Part 2, a 5-point Likert scale, consisting of 20 items, ranging from 1 (strongly disagree) to 5 (strongly agree) was used to collect the data needed for the purpose of the survey.

Table 1:- Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	160	58.6	58.6	58.6
	Male	113	41.4	41.4	100.0
	Total	273	100.0	100.0	

Table 2:- Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 25	188	68.9	68.9	68.9
	26 - 34	58	21.2	21.2	90.1
	35 - 44	27	9.9	9.9	100.0
	Total	273	100.0	100.0	

Table 3:- Education Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School Diploma	26	9.5	9.5	9.5
	Bachelor’s Degree	142	52.0	52.0	61.5
	Master’s Degree	101	37.0	37.0	98.5
	Doctoral Degree	4	1.5	1.5	100.0
	Total	273	100.0	100.0	

Table 4:- Country

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Turkey	130	47.6	47.6	47.6
	Algeria	143	52.4	52.4	100.0
	Total	273	100.0	100.0	

Table 5:- Duration of usage of Apple smartphone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 6 months	16	5.9	5.9	5.9
	6 - 12 months	13	4.8	4.8	10.6
	1 - 2 years	26	9.5	9.5	20.1
	2 - 3 years	50	18.3	18.3	38.5
	More than 3 years	168	61.5	61.5	100.0
	Total	273	100.0	100.0	

B. Statistics Analyses and Reliability

Cronbach's alpha evaluates the reliability of measurements on a set of scale items when using questionnaires to identify and interpret individual differences (Cronbach, 1951; 297). Consequently, the internal consistency of the scale is reflected by these dependability coefficients, which operate similarly to the equivalence scale (Cronbach, 1947; 6). According to the most widely accepted reliability factor standards, the confidence level for the proposed alpha factor should be at least 0.70. However, in practical studies a level of .90 or higher is recommended (Peterson, 1994; 381, 382; Cortina, 1993; 101, 102; Tavakol & Dennick, 2011; 53, 54). Alpha ranges from .90 to .95 indicates good or strong dependability (Taber, 2018; 1278). Reliable scores above .70 indicate that the scale is reliable and can produce statistically significant results.

The reliability test findings show that the independent variable, brand market positioning, is reliable with 0.796 Cronbach's Alpha value with 10 items, while the dependent variable, customer value, is reliable with 0.800 Cronbach's Alpha value with 10 items. In terms of reliability, all variables with 20 items have a Cronbach's Alpha value of 0.848,

indicating that there is strong item reliability and validity. Table 6 displays the study's findings.

Table 6:- Reliability Test Results

Variable	Cronbach's Alpha	N of Items
Reliability for independent variable	.796	10
Reliability for dependent variable	.800	10
Reliability for all variables	.848	20

A model summary, ANOVA test, and coefficient analyses will be used to evaluate regression studies between the two variables. The model summary provides information about the model's connection with the dependent variable. The model summary shows the model's overall correlation, which has a R square value of 0.067. As a result, brand market positioning may explain 67 % in customer perceived value.

Table 7:- Model Summary (Market brand positioning & value seen by customer)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.258 ^a	.067	.063	.84996

a. Predictors: (Constant), Brand market positioning

The ANOVA test is performed to see if there are any statistically significant differences in the means of two or more independent variables. According to the ANOVA results, the regression analysis does not support hypothesis

H1 but does support hypothesis H2 with a significance value of 0.001, which is less than 0.05.

Table 8:- ANOVA (Market brand positioning & value seen by customer)

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.988	1	13.988	19.363	<.001 ^b
	Residual	195.777	271	.722		
	Total	209.766	272			
a. Dependent Variable: Value seen by the customer b. Predictors: (Constant), Brand market positioning						

We need to check in the Coefficients to see how well each variable contributes to the final equation. Statistically significant coefficients have p-values of 0.05 or less, and in

our results the coefficient of brand market positioning .238 is statistically significant because its p-value of 0.001 is less than .05.

Table 9:- Coefficients (Market brand positioning & value seen by customer)

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.367	.159		14.892	<.001
	Brand market positioning	.238	.054	.258	4.400	<.001
a. Dependent Variable: Value seen by the customer						

C. Hypothesis Testing

The table below summarizes the hypotheses tested based on the results of regression analysis. Because of the positive relationship found in the results, the p-value suggested below 0.05 at a 5% confidence interval for the

dependent variable (Value seen by customer) with the independent variable (Market brand positioning) supports one of the hypotheses as statistically significant. The p-value is less than 0.05, the model is statistically significant, and one of the two hypotheses is supported.

Table 10:- Hypothesis results

H	Hypothesis	Result
H1	There is no meaningful positive relationship between the value perceived by customers and the brand’s market positioning.	Not Supported
H2	There is a meaningful positive relationship between the value perceived by customers and the brand’s market positioning.	Supported

VI. CONCLUSION

The branding concept is described in depth in this study, as are the brand's components. Since the beginning of time, when people began to manufacture their first item, it has been a constantly changing and progressing idea that we use our abilities. In an age when industries and trade were immature, the concept of branding to increase ownership of things became the most important means of distinguishing things from similarities, and now only ownership and positioning remain. The positioning and brand links were investigated. The brand concept is described in detail in this study, and the brand components such as brand loyalty, brand value, and brand identity and image are examined. Along with the brand concept, the relationship between the brand and brand positioning was emphasized, as well as the importance and need for brand positioning in the global market. The brand's positioning in connection to consumer value, which underpins the investigation's premise, is explained, and clarifications are made concerning both the value perceived by customers and brand positioning. The customer value and brand positioning were reviewed. These issues have been addressed in the context of Apple and its brand positioning. A discussion of Apple and its market strategy was also introduced.

Market penetration is the next step for companies after developing a strategy for building and segmenting the brand. The growth of global markets and the emergence of global ethnic groups have made opportunities in global markets attractive to organizations. Organizations that want to take advantage of these opportunities must create globally institutionalized things and promote publicly in the same way that innovation is homogenizing international markets.

Apple, one of the most well-known companies positioned itself as a premium brand in a worldwide market, offering high-quality products and services with advanced features and functionality, make us realise that their marketing strategy by focusing on segmenting its customers according to certain criteria, and employing demographic segmentation to develop products depending targeted audience and specific needs, is making their customer value more the brand and most important being more loyal to them. And the goal behind their segmentation is to identify the most charming parts of the company by customers and understand by several analyses that their costumers value the quality, performance, and design of Apple products and services.

Many organizations have a do not really understand what truly creates value for their customers; instead of valuing their products and services, they develop marketing techniques. Companies must create and document a high-value company philosophy before implementing it through a consumer value management strategy. Customer value management is a pragmatic and progressive approach to the business market, and companies must be able to convincingly demonstrate and document the value they offer in order to achieve fair or reasonable success in the value they offer compared to their competitor. It is vital to demonstrate greater value yet becoming a best-practice organization is no longer sufficient in today's commercial environments.

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