

# Marketing Strategies used by Apple to Increase Customer Base

Ninad Hiremath<sup>1</sup>

PG students at Universal Business School, Mumbai

<sup>1</sup> Marketing Management,

Nimisha Gupta<sup>2</sup>

PG students at Universal Business School, Mumbai

<sup>2</sup> Marketing Management,

**Abstract:- In an ever changing and upgrading technological world, the smartphone industry has cut-throat competition in all the price segments. Due to this, the consumers have a lot of options, and it becomes difficult for businesses to stand out and sustain for a long time in the market. This study focuses on the unique ways of Apple's marketing strategies, how it created its brand differentiation and customer perception towards Apple. Research focuses on the techniques Apple uses to differentiate its brand effectively. The proposed research is based on the reference of different kinds of research papers and secondary research which includes descriptive and causal research to find out how the independent variables like design and features, brand image and its price affect consumers. The positioning strategy has also helped Apple create its mark. Apple moved towards an emotive positioning strategy that sold a lifestyle rather than a product using a silhouette themed iPod advertisement. There are many more aspects of this covered in the research. Hence, Apple uses well-defined and effective promotional activities to accomplish a position on the consumer preference podium. The goal of this research is to determine how Apple strategies influence consumer to increase their customer base.**

**Keywords:** Apple, marketing strategies, customers, consumers.

## I. INTRODUCTION

The tech industry is ever changing and has seen some significant changes in the last 2 decades. For many years, Apple has been the market leader in the electronic industry, as well as in research and development, shares, and marketing techniques. Some companies like Blackberry and Nokia which were once very established have exited the industry and have failed badly in the market. However, some other companies like Samsung and Apple have sustained in the industry for nearly 2 decades and have the highest market share. Even Google which was the new entrant in the smartphone industry has quickly made a name for itself and has become a big player in the market and directly competes with Apple and Samsung. This paper analyses the marketing strategies that makes Apple have such a distinct brand image in the market and have such a strong loyal customer base. It also analyses how consumers perceive the brand and what kind of changes could make the brand better and why Apple has been so distinct throughout the years. A

major part of this is also because of the founder of Apple which is Steve Jobs. He was responsible for making the WWDC event popular through his unique pitch of the products. There is also an analysis of the different kinds of marketing concepts and models through which we have come to understanding of the success of Apple. The brand is devoted to offering the highest experience for its customers to with its unique technology, application, devices, and services. The business strategy of Apple lies on its ability to develop and manufacture unique products by its own OS, technology, mobile apps, including services provided to customers in order to create adequate solutions and services to its customers that can be used easily, with greater interconnectivity, and are unique. As per the company, ongoing investment in research and development, and also advertisement and branding, is critical to the manufacture and marketing of innovative products and technologies. As part of this plan, the Apple company is expanding its network for the exploration and distribution of third-party digital content through the iTunes Store.

## II. LITERATURE REVIEW

(Margarida Almeida, 2021) studied how Apple's marketing techniques affect customer decisions to purchase electronic devices. A survey of 700 people was done for this, and the results were analysed using descriptive and inferential statistics. Advertising and word of mouth were found to be important for customers to identify product devices. Apple customers are also very reliable, and buy a wide range of branded products from branded stores, both in person and online.

(Amron, 2018) examined that the purpose of this study was to model the purchase decision of the iPhone, taking into account the product image, design, feature, and price variations as independent features and purchase decision as dependent variations. It is done using the iPhone to collect data. It was also found that the four independent variables have the potential to have a positive impact on consumer purchasing decisions. Based on the product image, the researcher advises company executives to sell products with current models on the same basis in order to improve product attractiveness and recognition.

(Ewa Więcek-Janka, 2017) examines the life cycles of Apple mobile products. Its purpose is to demonstrate its impact on the overall product life cycle. Apple uses this approach to expand its customer base by releasing new phones regularly. The data was analyzed using image representation, which helps to better understand the impact of Apple's major products on its product life cycle. It was found that the company's choice to quickly withdraw the original model and release a new, improved model was the key to product success, as it launched the product and attracted a large number of dedicated customers.

(He, 2021) examine Apple's marketing efforts, particularly those involving iPhones, utilising the 4p model of the product, price, placement, and advertisement. The attractiveness of Apple devices reflects modesty, simplicity, and luxury. This is consistent with the company-led market, that brought them together with individuals who value and love living a better lifestyle. Every year, Apple releases new smartphones, and each latest smartphone satisfies or beats the aspirations of Apple users.

(TIAN, 2016) analysis of hunger marketing strategy used by apple. The Apple brands all the products are among the most powerful companies which have effectively used the hunger marketing technique. The executive Chairman of Apple Company, Steve Jobs, had come to launch the products of Apple brand and there he stated that Apple's brand devices have "once again, changed everything," as well as he stated that new products of apple brand will be mentioned soon, but currently it's been a good amount of time and there are still no details regarding Apple devices, buyers throughout this period has been holding as much as they can for various devices.

(Jinjin, 2013) Apple Inc.'s external and internal environments are examined. Apple's growth as a computer and consumer electronics powerhouse is based on four core philosophies: "Think Different" (a spirit of perpetual invention), direct sales, customer-centric services, and brand power of Apple. Under the motto "Think Different," Apple never ceases developing and improving its products. As a successful replica, Apple distributes products directly to customers in an endless stream over the web, by phone, and in Apple stores. As a result of the customer-focused services and "Switcher" campaign, the population of Apple World, and even the People's Republic of Mac (Feng, 2009), is expanding by the day. Apple is a well-known innovator and inventor, as well as a successful imitator and strategist.

(Alnabhan, 2018) analysis of apple's products and its sales. The introduction of a new product in the market is tricky and requires a lot of consideration for it to be successful. Apple operates in the information and technology industry that needs a lot of innovations and creativity. The introduction of the new product iPhone X by Apple Company will be successful if the company takes into consideration the critical factors that

influence the development of new products. Customers' demands are continuously evolving, and the company needs to take into account the trends in the critical factors such as distribution, promotion, and development of new product features (Wind & Mahajan, 1997). Companies need to consider behavioral economics as it plays a critical role in marketing campaigns. Apple Inc. needs to ensure that it enforces the best approaches for it to realize success in marketing campaigns.

(Dave, 2018) evaluated how the iPhone was developed, priced, promoted, and distributed is lesson for marketers around the world. Apple devised a fantastic overall marketing strategy for the iPhone and handled every aspect of its launch flawlessly. Apple was able to build a unique product for tech-savvy consumers wanting for a phone and music player in one gadget, and make those people aware of the product through well-managed marketing efforts and major publicity. Apple's ability to generate excitement about products among its loyal customers, who keep their focus fixed on the company, and then supplying a high-quality, desirable product to back up the hype is exemplified by the iPhone.

(Aaker, 2012) focuses on importance of brand positioning and discusses its usefulness as a strategy for marketers and brand management, with particular focus on Apple's application of the concept in the marketplace. Positioning is an important decision for a brand because it influences the consumer's decision. As a result, marketers must devise effective methods in order to be successful (Schiffman et al., 2014). A successful and distinctive brand provides a point of differentiation that the customer likes. At the end of the day, is the brand's embodied position that creates a genuine relationship through self-image congruence and resonance with the customer (Belk, 1988). The most important positioning goals use your relationship and position to your advantage Long-term value propositions should be encouraged.

(Katherine Johnson, 2012) Providing strategic marketing plans for further development of apple. It is critical that the corporation utilises its rapid innovation processes to capitalise on opportunities in several industries, such as renewable energy and self-driving technologies. To be sure, Apple must contend with some dangers, such as the Coronavirus outbreak, fierce competition from other major companies, and the impact of the trade war.

(heracleous, 2013) the fundamental goal of this study, was to learn how a corporation may develop a strategy that incorporates possibly contradicting parts. The study was conducted utilising a literature review relevant to the field, which allowed them to identify a research gap. According to the findings, Apple is a master of Quantum Strategy, which is both rare and difficult to implement. The company has achieved serial innovation and outstanding design, as well as simultaneous cost leadership, having become more efficient

than the traditional cost leader, Dell, in terms of its offerings and business model.

(Aljafari, 2016) focuses on Apple's strengths, weaknesses, opportunities, and threats in comparison to their industry competitors and analyses Apple Inc.'s performance and financials to assess if they are on a successful, sustainable path. They did primary study on persons in the middle and upper classes. Apple customers range in age from 35 to 44, with one in every four users between the ages of 18 and 34. It was discovered that the Company's business strategy takes advantage of its unique capacity to design and develop its own operating systems in order to give new goods and solutions to its clients that are easier to use, integrate seamlessly, and have inventive design. The company's goal also includes extending its distribution network in order to successfully reach more clients and provide them with high-quality sales and after-sales services support experience that helps targeting more customers.

(Yu, 2015) studies the analysis of swot and marketing strategies of apple and MI in this study. He uses literature research method, comparative analysis, case analysis, experiential summary method. It states that - Following the development of a good product, a good marketing strategy is required to make the consumer identify with the product, allowing the product to gradually occupy more market share. As a result, a proper marketing strategy is also a necessary condition for the success of a business. Apple Inc.'s marketing is quite impressive. During the marketing process, Apple Inc. employs a consumer demand-oriented strategy, providing value-added software services while promoting hardware products. ]

(Johnna Montgomerie, 2013) by evaluating the routine and out-of-date components of Apple's business model, concentrate on what makes it unique or different. Examine the entire supply chain, from source to store, to get a more comprehensive picture of Apple's business model. The study is based on a review of the literature. The power Apple derives from the source that its success is a business model that enables the firm to exercise unparalleled control over its multi-channel platform is evident downstream in the supply chain, for example, with retailers, where Apple designs its own in-store displays and places its own sales staff in big box retail stores to promote Apple products, which influences customers and helps to increase its customer base.

### III. OBJECTIVES OF STUDY

- To find out how Apple created its brand differentiation.
- To analyse the unique ways of Apple's marketing strategies.
- To understand how consumers perceive Apple as a brand.

### IV. RESEARCH METHODOLOGY

Research focuses on the techniques Apple uses to differentiate its brand effectively. This research is based on secondary research which includes various research papers, journals, and websites. Descriptive and causal research designs are used to find out how independent variables like design and features, brand image and its price affect consumers.

### V. ANALYSIS

Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne is an American technology corporation founded in April 1976. The business, incorporated in 1977, was one of the first to provide personal computer devices featuring graphical user interfaces. The business has also ventured into various consumer electronics areas including as smart phones, music players, laptops, and accessories throughout the years.

Apple does not compete on pricing, instead it focuses on its UVP (unique value proposition) by releasing new designs every year that sync well with smaller packaging. This marketing strategy has assisted Apple in increasing its market share and has provided Apple with a competitive edge.

Apple's strategy is to use a free trial program. Where Apple ask influencers to give information about the product which helps them to increase awareness of that product which in turn helps to attract more customers and generate more sales.

Apple understands its consumers well and they actually know how to interact with their consumers in such a manner that benefits them, feel at ease rather than overwhelmed and bewildered.

The Apple gadgets are themselves a promotional strategy that demonstrates their significance towards the manner Apple's consumers live out their lives. For example- The Apple device named iPod is more than simply a device that contains music and a storage device as it can contain a list of so many songs in one hand. Also, the iPhone is not only a smartphone but it allows us to do all the activities that a computer does as it contains all the computer features and applications simply acts like a computer in our pocket.

The study states that a product image is a combination of relevant information generated in the customer's mind because of unique products. As a result, this suggests that there is a positive relationship between the product image and the purchase decision on the iPhone. Apple's brand image has a positive and significant impact on decisions about buying an iPhone. As Apple offers unique products of the brand's distinctiveness and comprehensive marketing strategies.

Many different forms of study have been carried out on the basis of design to influence customer purchasing decisions in the purchase of items. And it was found that, the design can convince customer purchase decisions. Also, it appears in Apple products that the design has a positive effect on purchasing decisions. As a result of this research, it can be concluded that there is a strong association between design and buying choice.

One of the strongest selling points for Apple is its simplicity and elegance in its products, its marketing communication and everything else they do. In all its advertisements, the content is simple and easy to understand, there are no flashy sounds and simple graphics make the ads engaging and entertaining along with communicating the message effectively.

Another rare thing which Apple does is that it sends an email to all new Apple users asking for feedback. This email is rolled out roughly after 1 month of usage of the product. They also mention that they don't use the data for anything else apart from improving their products. Small things like these create a deep impact on the customers psyche and help create big impact on the brand and customer satisfaction also increases.

Apple realizes that in order to differentiate itself, just selling a good product isn't enough. Therefore, it makes sure to create a whole experience. This creation of an experience starts from the stage of creation of the concept till provision of the after sales. From highly aesthetic move like ads to retail stores which are designed around the idea of customer experience to extra ordinary packaging. Apple has high attention to detail in every aspect of its customer experience.

Another one of Apple's strategies is acting mysterious about the things they are doing. There is a lot of hype created before any new event or product or service is announced and this creates excitement in customers and leads to word of mouth publicity.

Apple ecosystem : Apple and its products which sync with each other and work together in getting things done is known as The Apple ecosystem. This includes products like the iPhone, iPod, Macbook, Homepod, Apple watch, Apple Earpods and services like iTunes, Apple Store, iCloud, etc. E.g., If you want to write an essay on a certain topic, you have a few ideas, you note them down on your iPhone and want to continue it in your Macbook, all you have to do is connect to your Wi-Fi and the notes are synced across all devices and you carry on from where you left off from any device. The seamless integration of different apps and softwares is extra-ordinary which the customers seem to like. One of the biggest differentiating factor Apple has created is its ecosystem. The way these Apple products work together, no other brand's products work together. Even companies like Google and Samsung have failed trying to create such ecosystem. Once you enter the Apple ecosystem its very hard to leave because the cost of switching

becomes too high and the quality provided is extremely difficult to replace, hence the customers stay for a long time. This helps the company in customer retention. The Apple ecosystem has become a huge trend for the tech savvy users and it doesn't seem to fade. Therefore, if a person buys one Apple product, he is curious to know how another Apple product will work with it and hence purchases another one. Sometimes, this chain continues until the said user has the complete ecosystem resulting in customer acquisition for more than one product.

## VI. CONCLUSION

The objective of the paper was to study and analyse the Apple's innovative strategies that has helped it sustain in the business for so long. The study found that one of the biggest factors for Apple's success is its products' design, its features, brand image, advertising and customer experience. How Apple's ecosystem has helped it create a brand differentiation was also analysed. Through the study, we also found that Apple's advertisements along with its different kinds of campaigns also help it in creating a long-lasting impression in the minds of the consumers. Through the research it was found that a brand which is not very similar to others, which provides clean look and design and has a functionality that is not standardized along with unique and diverse marketing strategies help the brand significantly to create a strong customer base provided the pricing is justified for the level of differentiation that the brand provides.

## REFERENCES

- [1]. Aljafari, A. (2016). Apple Inc. Industry Analysis Business Policy and Strategy. *International Journal of Scientific & Engineering Research*.
- [2]. Alnabhan, O. (2018). *Literature Review Marketing New Products*. Academia.
- [3]. Amron. (2018). *The Influence of Brand Image, Design, Feature, and Price on Purchasing Decision of*.
- [4]. Dave, J. G. (2018). A CASE STUDY ON MARKETING A CASE STUDY ON MARKETING. *IJRAR*.
- [5]. Ewa Więcek-Janka, M. P. (2017). *Apple Products: A Discussion of the Product Life Cycle*. Atlantis Press.
- [6]. He, M. (2021). *Analysis of iPhone's Marketing Strategy*. New York: Atlantis Press.
- [7]. heracleous, L. (2013). Quantum strategy of Apple Inc. *Elsevier*.
- [8]. Jinjin, T. (2013). *A Strategic Analysis of Apple Computer Inc. & Recommendations for the Future*. CSC Canda Management Science and Engineering.
- [9]. Johnna Montgomerie, S. R. (2013). *Owning the consumer—Getting to the core of the Apple business model*. Elsevier.
- [10]. Katherine Johnson, Y. L. (2012). , "The Innovative Success that is Apple, Inc." . *Theses, Dissertations and Capstones*., paper 418.

- [11]. Margarida Almeida, E. S. (2021). *Samsung vs. Apple: How Different Communication Strategies Affect Consumers in Portugal*. MDPI.
- [12]. TIAN, S.-b. (2016). d International Conference on Economics and Management (ICEM 2016).
- [13]. Yu, X. (2015). *Analysis of chinese and foreign marketing model : mi and apple as example*. TALLINN UNIVERSITY OF TECHNOLOGY.
- [14]. (n.d). Retrieved from <https://digitalagencynetwork.com/an-ultimate-guide-for-apples-digital-marketing-strategy/>