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Marketing management

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Contents

.....	1
Introduction	3
Background information of Apple:	3
External analysis of Apple:	4
PESTLE analysis of Apple:	4
Porter's five force analysis of apple:	6
SWOT analysis of Apple:	8
Explain Market segmentation, target and positing of apple:	9
Marketing mix of Apple:	10
Ansoff matrix of Apple:	11
Recommendation	12
Conclusion:	12
Reference	14

Introduction

Marketing management is process of Planning, organising, implementing, and controlling marketing efforts in order to meet organisational goals and objectives. In order to effectively market and sell goods or services, plans and tactics must take into account market trends, client needs, and preferences (Baber, et.al 2020). Any business' success depends on effective marketing management, which helps to identify target markets, build brand awareness, and long term relationships with customers. The below report includes Apple's marketing strategy for the global market are provided in the report below. Also with the use of internal and external analysis of the organisation is included, along with suggestions for the future.

Background information of Apple:

Apple Inc. is a global technological corporation with its headquarters in Cupertino, California, in the United States. On April 1, 1976, Steve Jobs, Steve Wozniak, and Ronald Wayne had launched the company (Duan, et.al 2021). Apple was once a computer company, but it gradually diversified into various consumer electronics such as smartphones, tablets, smart watches, and other devices.

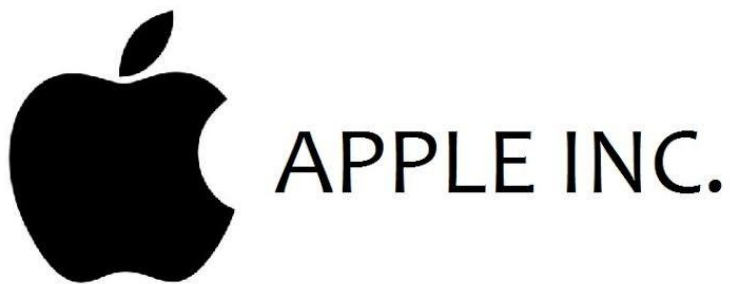


Figure 1: <https://www.linkedin.com/pulse/strategic-analysis-apple-inc-bidemi-ogedengbe>

Company's mission statement: "Apple creates OS X, iLife, iWork, and professional software in addition to Macs, the best personal computers in the world. Apple, with its iPods and iTunes online store, is at the forefront of the digital music revolution (Gao, et.al 2023). With the **ground**

of iPhone and App Store, Apple has transformed the mobile phone, and the iPad is defining the future of mobile media and computer devices.

External analysis of Apple:

PESTLE analysis of Apple:

The external macro-environmental elements that can have an impact on a company's operations are analysed using the PESTLE analysis tool. Below is the explanation of PESTLE analysis of Apple, along with an evaluation of how favourable or unfavourable each aspect is for the business:



Figure 2:<https://parsadi.com/pestle-analysis-of-apple/>

Political: Apple has operations in a number of nations throughout the world, and it is impacted by the political climate in each of these nations. Apple has a global footprint and can profit from stable governments in the nations where it conducts business. For instance, despite the COVID-19 epidemic and political turmoil in some of its main markets, such as the US and China, Apple posted good financial performance in 2020 (Gleiss, et.al 2021). However, Changes in governmental regulations and policies, such as tariffs, taxes, and data privacy legislation, have a detrimental impact on Apple's business operations and profitability. For instance, the US government put tariffs in 2018 on the importation of specific Chinese goods, including Apple devices, which caused Apple's stock price to drop (Gleiss, et.al 2021).

Economic: The financial success of Apple is impacted by the state of the economies in the nations where it does business. A well-established business like Apple can survive in economic down fall due to its strong brand recognition and devoted customer base. For instance, Apple's sales increased despite the 2008 global financial crisis, and in 2012 the business surpassed all others in terms of market valuation (Lee, et.al 2019). However, The amount of money it takes to make a product, how much people are willing to pay for it, and how much money they have to spend can all be influenced by changes in interest rates, inflation, and exchange rates. These changes can affect how much money Apple makes. For example, in 2015, when the value of the US dollar went up compared to other currencies, it had a bad effect on Apple's sales growth (McKerchar, et.al 2020).

Social: Apple is renowned for its cutting-edge and fashionable goods that appeal to a variety of age groups and demographics. Apple is really good at designing and coming up with new ideas, which makes them better than other companies and attracts many different types of customers. For example, the iPhone 11 was the most popular smartphone in the whole world in 2020, and their AirPods were in charge of almost a third of the market for wireless earbuds worldwide. However, if Apple does not focus on consumer trends and preferences while developing its products, such as the rising desire for eco-friendly goods, it may face difficulties (McKerchar, et.al 2020). For instance, Greenpeace named Apple the most ecologically friendly IT business in 2019 while simultaneously urging the corporation to take additional steps to lessen its carbon footprint (McKerchar, et.al 2020).

Technological: Apple leads technical innovation and makes significant investments in R&D. With its R&D spending, Apple is able to continue to be recognised as a leader in technology and create marketable new goods and services. For instance, Apple unveiled its M1 chip in 2021, which performs and uses less energy than earlier chips, as well as its Air Tag tracking system (McKerchar, et.al 2020). However, Technology developments like the emergence of artificial intelligence and the Internet of Things can put Apple in competition and upset its current product lines. For instance, Alexa from Amazon and Assistant from Google, compete with Siri from Apple.

Environmental: Apple made a commitment to reduce its influence on the environment, and it runs on renewable energy sources. Apple's dedication to sustainability can improve its standing with customers and draw in those who care about the environment. For instance, Apple declared in 2020 that all of its facilities worldwide are powered by renewable energy, and the company hopes to achieve carbon neutrality throughout its entire supply chain by 2030 (Michael and Abbas, 2020). However, Apple's operations and supply chain may be at risk from unforeseen environmental catastrophes like natural disasters or changes in environmental policies. For example, the 2011 Japanese earthquake and tsunami impacted Apple's overall growth (Michael and Abbas, 2020).

Legal: Intellectual property rules are a significant legal consideration for Apple. Changes in the laws and regulations governing intellectual property could have a substantial influence on the business of a company that largely relies on its patents and trademarks. Laws governing data security and privacy are also crucial to Apple. The legal factor has unfavourable impact on the Apple (Michael and Abbas, 2020).

Porter's five force analysis of apple:

Threat of new entrants: LOW

It's not very likely that new competitors can challenge Apple because it's hard for new companies to join the market and become competitive. Apple has a lot of customers and people know their brand well. Also, starting a new tech business is difficult because it takes a lot of money to research, develop, make, and sell new products. Apple is the second biggest seller of smartphones in the world, after Samsung. In 2020, they had about 15% of the market. (Miles, et.al 2020).

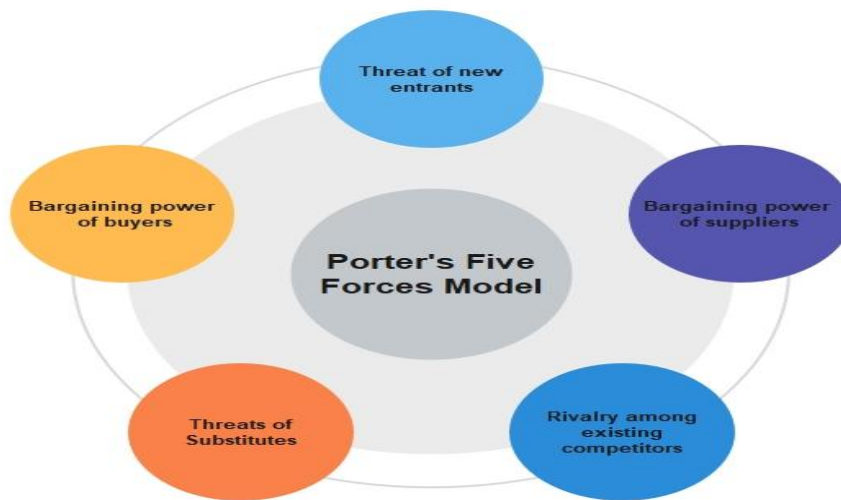


Figure 3: <https://www.edrawmind.com/article/porters-five-forces-analysis-definition-and-examples.html>

Bargaining power of suppliers: MEDIUM

The purchasing power of Apple's suppliers is medium. Large, effective businesses that sell parts and components to numerous other technological companies include Foxconn, one of Apple's suppliers. They now have a powerful negotiating position with Apple to discuss terms and costs. Additionally, a limited number of suppliers control certain of the components used in Apple's devices, like as memory chips, giving them even more negotiating power. In 2020, Apple had 242 suppliers spread over 36 countries, according to the company's report on supplier responsibility (Podolny and Hansen, 2020).

Bargaining power of buyers: LOW

The purchasing power of Apple is low, Due to Apple's strong brand reputation, devoted customer base, and distinctive products, customers have less leverage when negotiating prices. Furthermore, Apple's products are expensive, which may make customers less price-sensitive. The average selling price of an iPhone in the fourth quarter of 2020 was \$873 (Podolny and Hansen, 2020).

Threat of substitutes: MEDIUM

Threat of Substitutes for Apple is medium. Though Apple's products are unique from the competition and have a solid reputation, there are a lot of alternatives on the market, including smartphones and tablets from Huawei, Samsung, and other rivals. Moreover, compared to competing items, Apple's prices are frequently higher, which may deter some customers from purchasing them. Samsung was the biggest smartphone vendor globally in 2020, with a 19.2% market share of the global smartphone industry (Podolny and Hansen, 2020).

Rivalry among existing competitors: HIGH

The rivalry among existing competitors for Apple is high. The technology sector is fiercely competitive, and Apple faces off against a number of well-known competitors including Huawei, Samsung, and Google. Moreover, in order to stay one step ahead of their rivals, these firms are very innovative and make significant investments in R&D. Samsung has a 19.2% market share of the worldwide smartphone market in 2020, while Huawei held a 14.6% market share (Podolny and Hansen, 2020). Apple's iOS operating system and Google's Android operating system are rivals (Podolny and Hansen, 2020).

SWOT analysis of Apple:

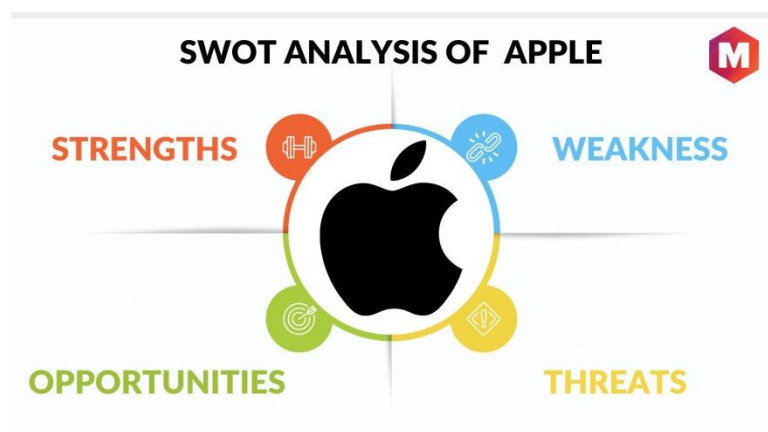


Figure 4: <https://www.marketing91.com/swot-analysis-apple/>

Strength	Weakness
• Innovative products and designs. • high profit margins, • strong financial position with a sizable	• Dependence on a small number of essential products, such as the iPhone; • high product costs in comparison to

cash reserve, • strong supply chain management • Strong brand recognition and customer loyalty.	rivals; • few possibilities for product customisation
Opportunity	Threat
• Growth in developing markets • Diversification into new product categories, like wearable technology and healthcare technology • Partnerships and acquisitions to increase the range of available products (Razak, et.al 2020) • Increasing demand for environmental efforts and green technology	• Strong rivalry in the technological sector • Quick changes in customer preferences and technology • Dependence on important suppliers like Foxconn. • More government regulations and court battles

Explain Market segmentation, target and positing of apple:

Market segmentation: Apple divides the market into many categories based on criteria including age, income, lifestyle, and personality attributes. It does this through a combination of demographic and psychographic segmentation. For instance, Apple targets younger consumers with its entry-level iPhone SE and iPod products, while older, wealthier consumers are the target audience for its higher-end items like the iPhone Pro and MacBook Pro (Razak, et.al 2020).



Figure 5: <https://www.edrawmind.com/article/apple-segmentation-targeting-and-positioning.html>

Targeting: Apple caters to a small, specialised market of buyers who are willing to pay a premium for superior goods with distinctive designs and user experiences. Apple appeals to those who are creative, tech-savvy, and who prioritise quality and performance over cost (Razak, et.al 2020).

Positioning: Apple presents the business that provides excellent services, cutting-edge, and user-friendly products that gain its target customers. The distinctive design and user experience of Apple's products, as well as their exceptional performance, quality, and reliability, are highlighted in the company's brand message and advertising. Customers that care about sustainability and data privacy are drawn to Apple's positioning as a socially conscious business that supports privacy and sustainability (Razak, et.al 2020).

Marketing mix of Apple:

Product: Apple sells a variety of cutting-edge and superior goods, including as iPhones, iPads, Macs, AirPods, and other accessories. Apple goods stand out from the competition thanks to their distinctive designs, user interfaces, and performance (Satheeshan and Puthusserry, 2022).

Price: Because of superior quality and distinctive features, Apple's goods cost more than those of the majority of its rivals. Apple seeks clients who are prepared to pay a premium for high-quality items with its premium pricing approach (Tien, 2019).

Place: Apple distributes its goods via its own brick-and-mortar stores, online store, and accredited resellers. Customers who seek quality and innovation will find Apple's retail outlets to offer a distinctive shopping experience that merges the brand's design and user experience(Tien, 2019).

Promotion: with the use of advertising, public relations, and event marketing, Apple focuses on developing a strong brand image and generating buzz about its products. The distinctive design and user experience of Apple's products are frequently highlighted in its advertising campaigns, which helps set them apart from rivals.

Ansoff matrix of Apple:

The Ansoff Matrix is a strategic and effective planning tool that assists organizations to determine their product and market growth strategy. Apple can analyse its strategic direction with the use of Ansoff Matrix, which identifies four potential strategies for apple: market penetration, market development, product development, and diversification.

- **Market penetration:** This refers to selling more of the same product to existing customers,
- **Market development:** this involves selling the same product to new customers.
- **Product development:** This involves developing new products for existing customers,
- **Diversification:** involves developing new products for new markets.

For example, Apple's launch of the iPhone was an example of product development, while the expansion of the iPhone's market to China was an example of market development.

Recommendation

Keep innovating: Apple is so successful is because the company make products that are unique and give customers a good experience. If Apple wants to grow even more and stay ahead of other companies, they need to keep spending money on researching and developing new things that their customers will like. This way, they can keep up with what people want and need (Tien, 2019).

Expand into developing nations: Although Apple is a well-known brand in many developed nations; there is still a lot of space for expansion in developing nations like India and China. Apple should think about providing more reasonably priced goods that meet the specific demands and tastes of customers in various markets if it wants to enter these markets (Yamoah and Acquaye, 2019).

Focus on sustainability: Consumers are placing more and more importance on this problem, and businesses that prioritise sustainability in their operations are more likely to draw in and keep clients. Apple needs to keep putting effort into environmental projects like employing renewable energy and cutting waste in its manufacturing procedures.

Stress the importance of privacy and security: In the modern digital world, consumers' top worries are privacy and security. Apple has already made steps to emphasise the privacy and security of its products, but it needs to continue to give these concerns top priority and make investments in new features and technology that increase the security of its products (Zanandrea, et.al 2021).

Conclusion:

From the above mentioned information it can be conclude that the marketing management is efficient tool that helps to gain better growth and strategic direction towards success of business. Apple has an impactful foundation for future growth, but in order to stay ahead of the competition and keep its position as an effective leader in the technology sector, it must continue to innovate and adapt to shifting market trends and consumer preferences. Apple's marketing strategy is created to appeal to a certain target market that values innovation, quality, and design.

By concentrating on these essential components, Apple has developed a strong brand identity and a following of devoted customers who appreciate its goods.

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