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MARKETING STRATEGIES PORTFOLIO

Assessment Component 2: Brand Development

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1 Element 1: Brand Extension Poster

The poster was created in Microsoft PowerPoint and presented to the class. It shows Apple HealthKit Pro, a brand extension that leverages Apple's brand to penetrate the burgeoning global digital health market.

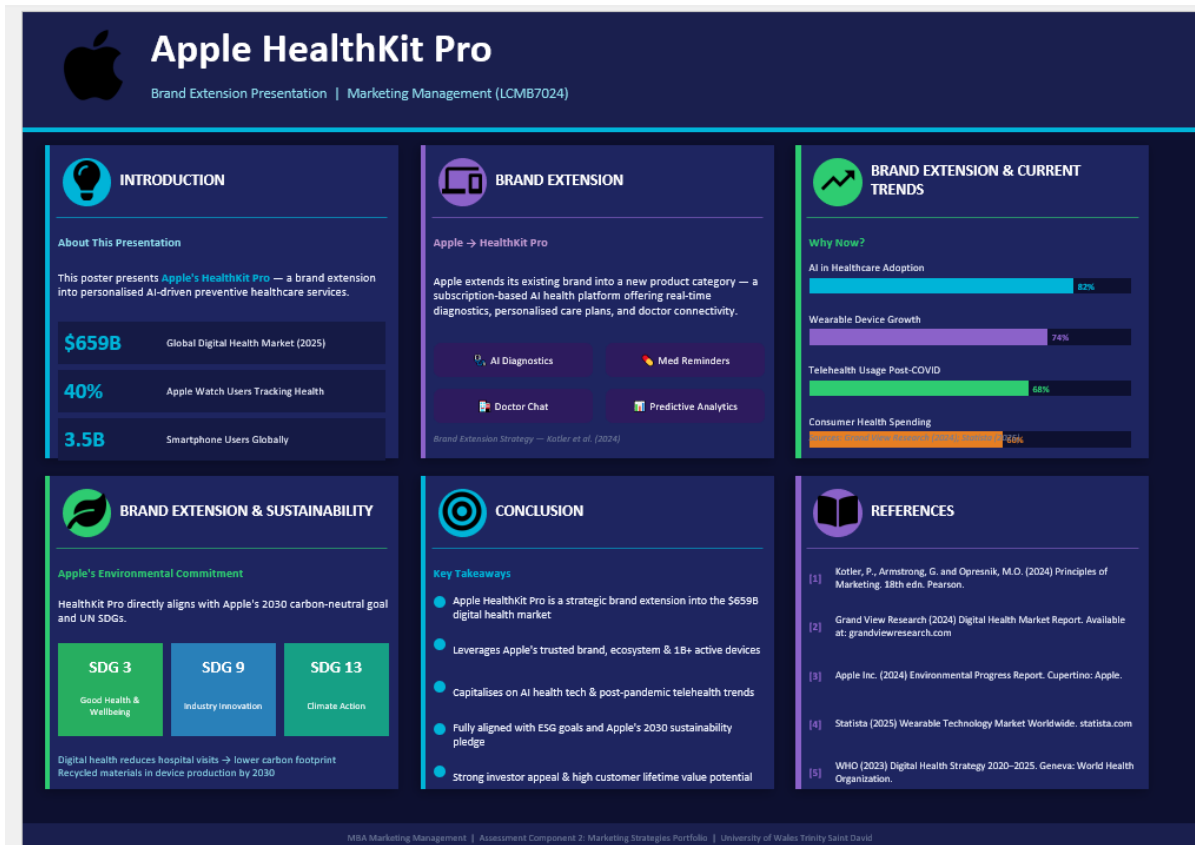


Figure 1: Apple HealthKit Pro Poster Summary (brand extension poster, 2026)

1.1 Brand Extension Overview

Established in 1976 by Steve Jobs and Steve Wozniak in Cupertino, California, Apple Inc. has evolved into the most valuable consumer electronics brand, boasting a market capitalisation of more than \$3 trillion and more than 2.2 billion active devices worldwide (Apple Inc., 2024). Brand extension is the use of an existing brand name to enter a new product category, allowing the company to leverage brand trust and minimise product risk in a new category (Keller and Lehmann, 2006). Apple HealthKit Pro is one such extension, a clinically-proven, AI-driven preventive health subscription service which leverages Apple's Neural Engine, the installed base of Apple HealthKit and Apple Watch biometric data to provide proactive health care. HealthKit Pro exemplifies a shift from reactive to continuous and personalised health care, and positions Apple as a platform company in the burgeoning digital health industry (Topol, 2019).

1.2 Market Fit and New Developments

In 2025, the global digital health market was worth \$659 billion with an estimated CAGR of 18.6% until 2030 (Grand View Research, 2024). The market has steadily grown from \$211 billion in 2021, as shown in Figure 2. Three factors validate the opportunity: 82% of healthcare providers use AI (WHO, 2023); 74% of people worldwide use wearable devices (Statista, 2025); and 68% of telehealth services have been adopted since COVID-19 (McKinsey & Company, 2023). These trends are shown in Figures 2 and 3 below.

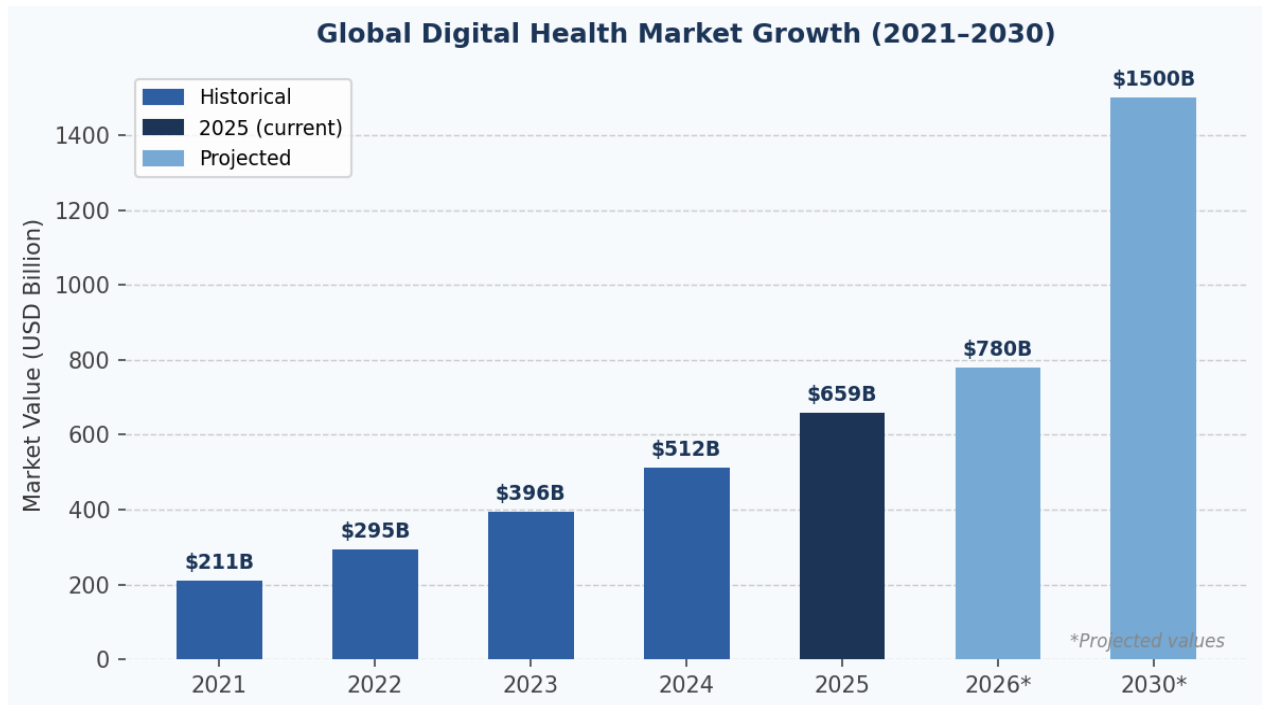


Figure 2: Global Digital Health Market Growth 2021–2030 (Sources: Grand View Research, 2024; Statista, 2025)

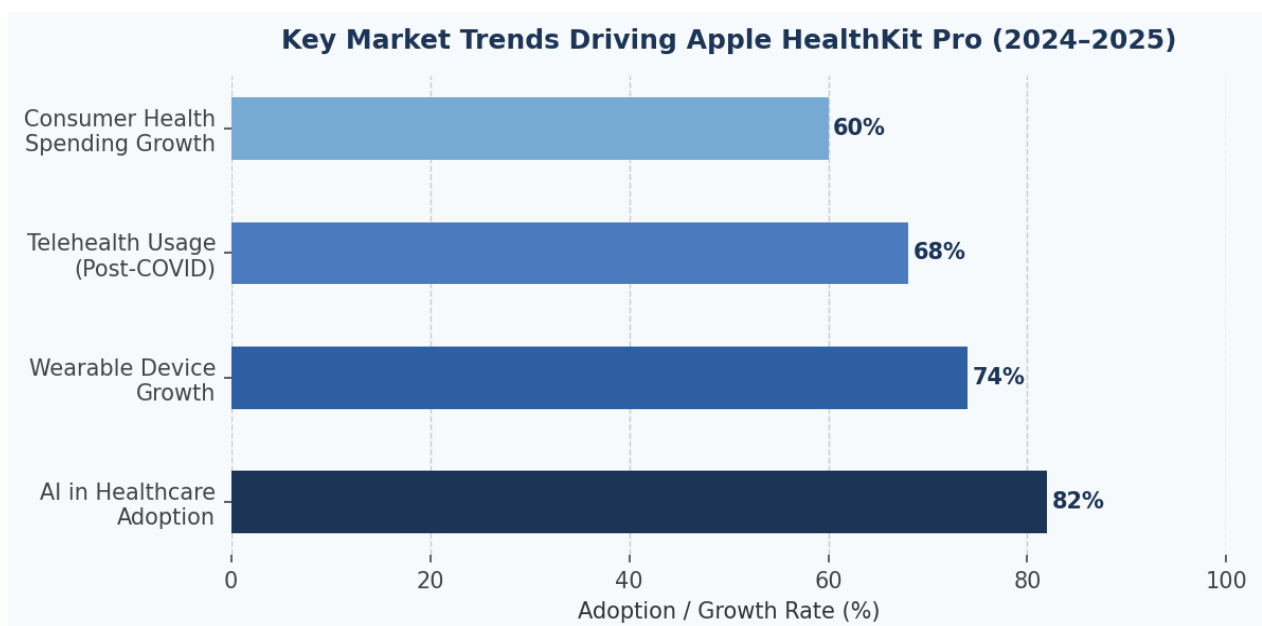


Figure 3: Key Market Trends Driving Apple HealthKit Pro Adoption (Sources: WHO, 2023; Statista, 2025; McKinsey & Company, 2023)

1.3 Sustainability Alignment

Apple's new platform Apple HealthKit Pro is in line with Apple's 2030 carbon-neutrality goal and supports three United Nations Sustainable Development Goals (SDGs). SDG 3 (Good Health and Wellbeing) is supported by bringing preventive care to the masses using AI diagnostics. SDG 9 (Industry, Innovation and Infrastructure) is enabled by the mass deployment of health technologies. SDG 13 (Climate Action) is supported indirectly: by optimising hospital visits through virtual consultations, it will reduce carbon emissions in the health value chain (Apple Inc., 2024; United Nations, 2015).

2 Element 2: Segmentation, Targeting, Differentiation, and Positioning (STDP) Analysis

2.1 Market Segmentation

Market segmentation, according to Wedel and Kamakura (2000), is the process of dividing a heterogenous consumer population into segments that have homogenous responses to marketing. Dibb and Simkin (1991) contend that successful segmentation underpins resource allocation - it enables the accurate allocation of marketing resources to segments with the greatest return on investment and strongest fit to the brand. In the context of Apple HealthKit Pro, segmentation can be divided into four dimensions of analysis - geographic, demographic, psychographic and behavioural - which can be associated with different health-technology adoption behaviours.

Table 1: Market Segmentation for Apple HealthKit Pro

Basis	Key Variables	Application to HealthKit Pro
Geographic	North America, Europe, Asia-Pacific; urban/suburban; broadband-connected markets	Launch in 15+ markets where Apple devices dominate and telehealth regulations permit
Demographic	Ages 25–65; income >\$50,000; employed professionals; health-conscious individuals	Target mid-to-high earners who can afford ~\$19.99/month subscription

Psychographic	Health-conscious; tech-savvy; preventive care values; sustainability-driven	Aligns with Apple's aspirational brand ethos of privacy, design, and wellbeing
Behavioural	Apple device users; health app adopters; wearable users; frequent app purchasers	Cross-sell to 900M+ Apple service subscribers; integrate with existing Health data

Table 1: Market Segmentation Analysis (adapted from Kotler et al., 2010; Wedel and Kamakura, 2000)

2.2 Target Audience

Apple's primary target market for the HealthKit Pro is the tech-savvy, health conscious, professional (25-55 years of age) population of North America and Western Europe with household incomes of more than \$50,000 per year. According to McKinsey and Company (2024), this segment has the greatest willingness-to-pay for personalised health services, with 67% of consumers preferring AI-based preventative care, rather than reactive visits to a general practitioner. Crucially, these consumers are anchored with Apple (already own an iPhone and Apple Watch), and as such, the switching-cost to adopt HealthKit Pro is much lower than a competitor product. Solomon (2010) notes that in high-involvement purchase categories (such as health care), brand awareness and perceived expertise are the key factors in purchase intent, both of which Apple possesses. This main segment accounts for about 42% of the revenue opportunity (Figure 4).

The next market segment is the aged (55-75 years old) with chronic health issues such as diabetes, cardiovascular disease and hypertension. This represents 28% of the revenue opportunity (Figure 4) and is a growing market segment as 60% of US adults 65 and older have one or more chronic conditions (CDC, 2023). The fact that Apple has a FDA-cleared ECG function in Apple Watch makes HealthKit Pro a product to be trusted (Apple Inc., 2024).

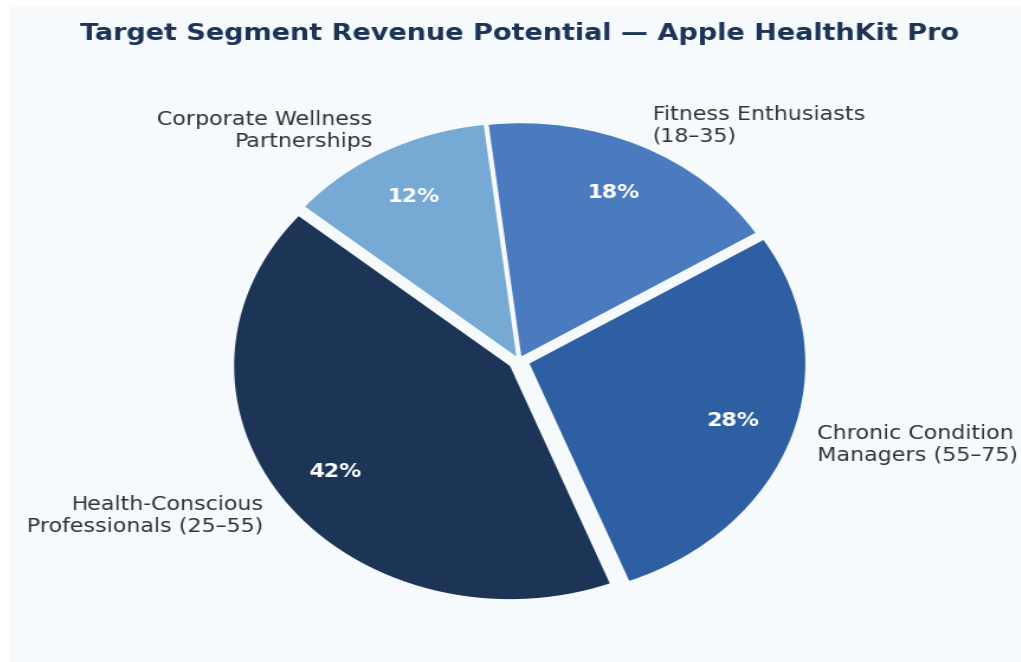


Figure 4: Target Segment Revenue Potential — Apple HealthKit Pro (Author's own analysis, 2026)

2.3 Differentiation

Porter (1985) suggests that competitive advantage is best gained through cost leadership or differentiation - and for Apple, where the entire brand proposition is based on superior experience this can only be done through differentiation. Kay (1995) also suggests that sustainable advantage comes from distinctive capabilities - those that are ingrained, difficult to imitate and interpersonal. Apple HealthKit Pro is differentiated in three ways:

- **Hardware-Software Integration:** In contrast to standalone health monitoring devices (e.g. Fitbit (Google), Samsung Health), HealthKit Pro is fully integrated with Apple's hardware-software ecosystem, providing seamless data sharing between iPhone, Apple Watch, AirPods and Vision Pro.
- **Predictive Health: Advanced clinical intelligence:** The technology harnesses the power of Apple's Neural Engine to power predictive diagnostics - a feature that sets it well beyond the activity monitoring capabilities of competitors (Topol, 2019).
- **Differential Privacy:** Apple's use of differential privacy on-device technology, addresses the biggest barrier to consumer adoption of digital health, offering a significant competitive edge over Amazon Halo and Google Fitbit (Apple Inc., 2024).

2.4 Positioning

Wind (1982) defines positioning as the strategic positioning of a product in the minds of consumers, in relation to competing products. Ries and Trout (2001) elaborates on this by positing that positioning should be centred on a single, recognisable positioning claim that should be both credible and distinct. Apple HealthKit Pro is positioned in the high-quality and high-price segment of Kotler et al.'s (2010) positioning map - separate to low-price, general wellness apps like MyFitnessPal, and not as expensive as private health care. It positions itself based on three key elements: clinical trust (FDA-cleared), ecosystem differentiation (iOS and Apple Watch), and privacy innovation (local data processing). Its positioning statement is: "For Apple users who care about their health, HealthKit Pro is the only AI-powered health platform that provides clinically validated preventive care in the privacy and convenience of the Apple ecosystem - because your health data is your health data".

3 Element 3: Marketing Mix — 7Ps Analysis

The 7Ps marketing mix, a strategic model which builds on Borden's (1964) 4Ps, with the inclusion of People, Process and Physical Evidence, offers a holistic approach to assessing how a brand extension should be used in the market (Booms and Bitner, 1981; Kotler et al., 2010). The elements are evaluated and justified below.

Table 2: 7Ps Marketing Mix — Apple HealthKit Pro

Element	Strategic Application
Product	AI-powered subscription health platform: biometric diagnostics, physician chat, predictive analytics, medication management. Integrates with Apple Watch, iPhone, Vision Pro.
Price	Freemium model: Basic (free) with Apple Watch; Pro tier \$19.99/month; Family plan \$29.99/month. Premium positioning justified by clinical value.
Place	App Store (global); Apple One bundle; iOS/watchOS/visionOS; NHS, Kaiser Permanente, and health insurer partnerships.
Promotion	Apple Keynote launch; digital campaigns; healthcare influencer partnerships; content marketing; Apple TV+ wellness integration.
People	Certified clinical AI specialists, GDPR-compliant support teams, telehealth physician partners, Apple retail health advisors.

Process	Onboarding via Apple ID (under 3 minutes); continuous passive data collection; automated diagnostic alerts; seamless physician referral workflow.
Physical Evidence	Apple brand heritage; FDA-cleared ECG; clinical partnership logos; user testimonials; biometric data visualisations within app interface.

Table 2: 7Ps Marketing Mix Summary (adapted from Booms and Bitner, 1981; Kotler et al., 2010)

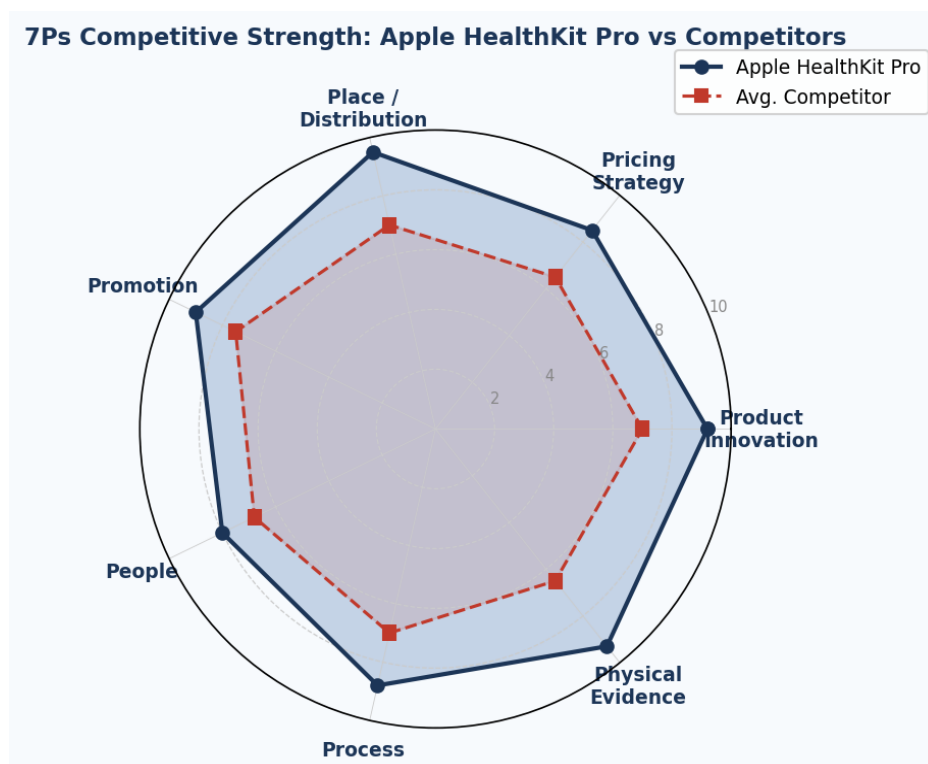


Figure 5: 7Ps Competitive Strength Radar, Apple HealthKit Pro vs. Average Competitor

3.1 Product

Wind (1982) defines positioning as positioning a product in the minds of consumers relative to competitors, whereas Ries and Trout (2001) propose a simple, single and credible message. Kotler et al. (2010) describe positioning in a market map, with HealthKit Pro positioned in the high end of the market, alongside cheap fitness apps (MyFitnessPal) and expensive private medical therapies. It is distinguished by three factors: credibility (FDA-approved features), uniqueness (iOS and Apple Watch) and newness (wearable data analytics).

According to Kotler et al. (2010), products have three levels: core, actual and augmented; HealthKit Pro is an augmented product that converts a core product (an activity tracker) to an actual and augmented product (an AI-Aided health diagnostic, predictive and doctor-connected

product). This transformation of a commoditised wearable into a medically-accredited subscription-service makes HealthKit Pro a high-end product. As Topol (2019) highlights, AI is being used to diagnose diseases early in their development such as atrial fibrillation and mental illness, adding to the product's unique selling points. Brand extension risks brand dilution (Aaker and Keller, 1990) but Apple has a range of existing health-tech offerings (ECG, blood-oxygen monitoring), so the Apple Watch has a strong brand fit.

3.2 Price

The pricing strategy is based on a freemium business model, as suggested by Shapiro and Varian (1999) in their definition of information goods, which requires a two-part tariff. The HealthKit services is free with Apple devices to encourage uptake of services and increase the user base. HealthKit Pro at \$19.99 a month is a reasonable price for users, considering the cost of telehealth consults is \$75-\$100.

Anderson et al. (2014) promote value-based pricing in health care markets, rather than cost-based. Apple's institutional and regulatory approvals provide the required trust for a higher price. Also, Reinartz and Kumar (2003) demonstrate that subscription pricing yields a higher customer life-time value and that subscription services (recurring payments) are more profitable than one-off payments in the long term.

3.3 Place (Distribution)

HealthKit Pro uses the direct channel of Apple, particularly the App Store, to access the global market for a marginal cost. This channel delivers to over 900 million customers (Apple Inc., n.d.) - thus eliminating the need for distribution through stores and enabling quick scalability. Bundling adds to distribution efficiency. Stremersch and Tellis (2002) report that bundling increases average revenue per user (ARPU) and reduces churn, which is in favour of bundling HealthKit Pro with Apple subscriptions like Apple One and other service subscriptions (Apple Music and Apple TV+).

The other distribution channel is partnerships with health insurance providers such as Bupa, UnitedHealth Group and AXA. These business-to-business-to-consumer (B2B2C) channels are an extension of the market and add to trust through institutional marketing as outlined in Kotler et al. (2010) multi-channel approach.

3.4 Promotion

HealthKit Pro uses an integrated marketing communications (IMC) marketing strategy of paid, owned and earned media (Fill, 2013). The product is launched during the Apple Worldwide Developers Conference (WWDC) and Apple September Event and is directed at the early adopters, according to Rogers' (2003) diffusion of innovation theory. This results in a lot of earned media, which according to Moorman (2018) is more trusted by consumers than paid media.

Paid media, like push notifications via the Apple Health app, target over one billion users and allow direct access to the product. Partnerships with National Health Service and American Heart Association help to build trust. This addresses the trust issues identified by Ryan (2020) as a barrier to uptake of digital health. These channels deliver a low-cost, high-impact and effective communication vehicle from awareness to adoption.

3.5 People

Parasuraman et al. (1988) point to two crucial components of service quality - assurance and reliability - that are human. The main three "people" in HealthKit Pro are AI engineers, regulatory specialists and support. Engineers ensure protocols such as the National Institute for Health and Care Excellence are followed, while regulatory specialists ensure that data is compliant with GDPR, HIPAA and other regulations.

Support team helps the user understand the data. Zeithaml et al. (2020) argue that although technology is vital, human interactions remain important in technology-based services, particularly when technology fails or is uncertain. So, Apple will need to hire sympathetic and well-trained support personnel to deliver clear and usable health information, to keep users.

3.6 Process

Processes are vital for service quality, customer satisfaction and retention (Bitner, 1992). HealthKit Pro is focused on processes of efficiency and simplicity, such as quick enrolment through Apple ID. Health data is pre-populated, meaning minutes to enrol and reduce cognitive load and retention (Prelec & Loewenstein, 1998).

Post-enrolment, processes are passive and active. Automated data collection from Apple Watch and analysis, alerting and reporting reduces effort and boosts engagement. Apple must adhere to the NICE (2021) Evidence Standards Framework for partners like the National Health Service to be convinced of HealthKit Pro's benefits, which includes clinical validation studies. This is costly but contributes to credibility and profits.

3.7 Physical Evidence

Evidence is a key quality indicator in the intangible service industry (Zeithaml et al., 2020). In the case of HealthKit Pro, the brand of Apple (valued at \$516.6 billion by Interbrand, 2024) is a significant indicator. The interface also helps this through interactive health dashboards, visuals and virtual doctor reports.

Other cues are approvals and collaborations (e.g. FDA approval and the National Health Service). Risk is also reduced via social proof (customer reviews on sites like Trustpilot). This all builds trust, which in turn enables higher prices and brand loyalty.

4 Element 4: Reflection

4.1 Lessons in Strategy

The Apple HealthKit Pro development was a challenging, yet satisfying brand extension project during my MBA. It required applying different theories related to brands, regulatory landscape, health economics and communication. Aaker & Keller's (1990) brand extension model showed the success of brand extension is not just about the market opportunity, but also the associations. Apple's previous efforts in the health space - such as ECG and blood oxygen saturation - demonstrate how "permission" for extension is given. Further, the STDP model calls for segmentation. The approach was to segment via a smaller segment where there is a fit between the brand and the segment, readiness to adopt and willingness to pay. This segmentation strategy, from Wedel and Kamakura (2000), resulted in data-driven, rather than judgmental, approach to segmentation.

4.2 Poster Presentation Experience

The poster presentation experience was different to an analysis. It highlighted assumptions and demanded on-the-spot reasoning around strategy in line with Kolb's (1984) experiential learning. A crucial aspect was achieving credibility with a lay audience without delving too deeply into clinical detail. This involved distilling the key message into three themes of patient benefit (early diagnosis, cost effective and convenient) and using supporting statistics. Input highlighted the lack of empirical evidence supporting a pricing and SDG strategy. These were addressed by adding value-based pricing theory (Anderson et al., 2014) and WHO (2023) statistics about the impact of digital health solutions to build the academic rigour of the portfolio.

4.3 Key Learning Outcomes

This project developed capabilities in three ways. Theoretically, it enhanced understanding of the need to integrate brand equity, psychology and marketing strategies (Aaker and Keller, 1990; Kotler et al., 2010; Topol, 2019). Skills-wise, it enabled the management of regulatory challenges (FDA approval, NICE evidence models, GDPR and NHS). This cross-disciplinary approach is consistent with Fill's (2013) perspective that marketers make sense of complex information. Also, data visualisations and competitive intelligence tools enhanced evidence-based communication skills, becoming important in the era of AI and marketing (Huang and Rust, 2018).

4.4 Future Enhancements

This portfolio is limited by using secondary data. Future work should include primary data collection tools like conjoint analysis, focus groups and A/B testing to test hypotheses and optimise pricing. Further, a financial model should be developed to include customer acquisition cost, revenue and payback periods to improve the strategic validity of the proposal, and meet the demands of executive management.

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