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ASSESSMENT 2

The role of marketing and stakeholder engagement in APPLE

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Executive summary

The aim of this work is to explain what is marketing, to consider the role of marketing in creating value for customers and how apple creating value for customers. Also to make a discussion regarding who are stakeholders and how they have impact on Apple inc.

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The role of marketing and stakeholder engagement in APPLE

Introduction

Marketing is the notion that refers to the set of well-crafted activities undertaken by the company for promoting the purchase of its product or service (Baker, 2014). In its simplest form, marketing entails selling, advertising, and delivering products or services to customers. While some of the scholars argue that marketing is the process in which brands teach customers why they should be choosing their product or service over another brand (Varadarajan, 2015). This can fall under the form of carrying out persuasive communication. Essentially, the process of carrying out marketing for any brand is linked with three major purposes i.e. it aims to capture the attention of brand's target audience, it persuade customers to buy brand's product or service, and it provide customer a particular, low-risk action that is easy for them to be taken.

From creating the concept of product or service to identification of target audiences along with promoting it and moving it through multiple yet appropriate channels of sells; marketing encompasses wide range of activities. As Baker, (2014) has defined that anything that can be used for communicating with customers with an aim to persuade them for buying its products or services is marketing, which may include range of tactics such as advertisement, sales, coupons, loyalty programs, social media, and even how the brand display its products. The actions of marketing have been getting revolutionise by the passage of time; from merely a newspaper or television advertisement to brochure then press release and more recently the social media accounts and advertisement videos on social media platforms. In certain research papers, it has also been noticed that marketing general is perceived and used as manipulation, it serves the purpose of bringing mission of the company to life and increase stakeholder engagement in the ongoing and ever-deepening relationships. In this essay, the role of marketing and stakeholder engagement is explored for one of the renowned companies across the globe – Apple.

1. The role of marketing in creating value for customers.

In either scholarly articles (such as Fuentes-Blasco et al., 2017; Dewi and Darma, 2019) or survey reports (such as Yohn, 2019; Rodríguez-Vilá et al., 2020), the vital role of marketing cannot be denied in terms of allowing brands to get the attention of its targeted audience and develop their interest towards the brand's product or services. In organisations, marketing is commonly used as the tool to create value for customer as a result of using and purchasing the product of the brand (Payne, Frow, and Eggert, 2017). By creating the need, providing customers the relevant knowledge, and reaching the potential and target market; brands use marketing to create value essentially. The notion of customer value is deemed as the perception of what service or product is worth for the customer against its likable alternatives (Wu and Li, 2018). Whereas, worth implies to the meaning of customers' feeling that benefits are received over what was paid.

1.1 How Apple's marketing is creating value for its customers?

Apple Company has enjoyed astounding incomparable growth in its revenue from the period of 2004 till 2020 which accounts for revenue of \$8 billion to \$2,274 billion. The success of the company is not only about making lots of money by selling immense number of products. The aspect to think is that there are very less number of brands across the countries that have absolutely reformed the game in their niches similar to how Apple has done. Despite certain strong criticism from the pessimists, Apple remain successful in changing the game and remain at the top of the competition (Hoppner, Westerhoff, and Weber, 2019; Garg, 2020). From iPod to iPad to iPhone, all the products are said to have greatly modernised their corresponding market "space". Their success is the direct impact of their well-established and well-implemented marketing strategies that have successfully created value for the customer using certain tactics and values. There are many high-end journalistic publications (such as Hollis, 2011 posted on The Atlantic) that endlessly write about the company and its marketing strategies that create unique value for the customers. The marketing mix of the company mainly influence creating rave among fans or loyal customers who do not get bother by standing in line for several hours only to get the first series of any new product that is launched just a couple of minutes ago. Undeniably, Apple is no more the computer brand merely, the products that Apple creates are aimed for larger target market and making them believe that these products are essential for making life easier, better, cooler, and more fun (Moorman, 2018).

Below are some of the prominent tactics that are used by Apple's marketing team for creating value for its customers:

Re-think the necessity for marketing

While many of the brands find it tempting to spend huge amount of money on PPC advertisement with Google or Facebook with the need for increasing their sales revenue (Kapoor, Dwivedi, and Piercy, 2016), Apple does not necessarily invest in such tactics all the time. Apple, in fact, relies on two absolutely distinct marketing tactics that helps in creating value for its customers: the thrill created by positive WOM/E-WOM and reviews in the media and product placement particularly in popular shows and with celebrities (Moorman, 2018).

Elude “Price Wars” by putting emphasis on its UVP – Unique Value Proposition

Misleadingly, a number of brands seem of believe that the point of competition is pricing, however, it is noticed in several business reports (such as Zhang, Jahromi, and Kizildag, 2018) that competing on the basis of price is potential of hurting the business in the longer run. Therefore, the pricing strategy of Apple for all of its product range has never remained wavered and thus developed a successful and effective market share. Instead of dropping the prices and winning the price wars, Apple creates value for customer by emphasising on their unique value proposition (UVP) that entails a beautiful design of its products that is ready to be function right getting out of the box along with using the tactic of smaller packaging.

Apple is not competing on the price aspect absolutely which is why its customers certainly pay more for a particular product as compared to its competitor's products. The point of concern here is why then customer still ready to pay high price for the product that they can easily get in cheaper prices from its competitors? The answer to this is Apple create value for its overall product rather than focusing on a single killer feature, the UVP of Apple emphasis on entire product, and it shows. It is the core reason behind how Apple characteristically receives higher prices with top-of-the-line specifications and features.

Keeps marketing and its products simple

As mentioned at several places, technology and supreme advancements can sometimes overwhelmed customers, which in turn, creates a misunderstanding in marketing mix (Buttle and Maklan, 2019). Apple aims to reduce the confusion for its customers by making their web and sales copy simplified. By eschewing industry terms or jargons that may confuse consumers, Apple ensures that its customers do not get confuse with too much information and thus focus one keeping it as simple as possible. Whether it is the product design, description, or advertisement it run; this principle of keeping things simple yet attention-grabbing is persistent. The example of classic “Mac vs. PC” spots can be taken to illustrate the principle of simplicity.

In general, the advertisement of Apple and its marketing strategies seek to create value by not conveying specifications and features; instead the company aims to showcase how that product can transform the life of customers and make it better (Revella, 2015). In the similar manner, by keeping products simple, minimal, and

sleek using clean, uncluttered design, and simpler colour schemes, Apple implement the principle of simplicity.

Knows its customer well and talks to them in their language.

While in the previous marketing tactics, it was observed that Apple keeps things simple and minimal whether it is an advertisement of the product or design. However, it is not that Apple refrain from mentioning the product specification and other technical details completely. Every product page on the website of Apple have these details mentioned but it has put it below-the-fold. Initially, the visitors scroll past eye-catching images of the products with large-font simple copy explaining the benefits of the product. The products of Apple are said to be marketing mix themselves that boast its relevance to the way customers of Apple actually live their lives. As an example, it can be taken that Apple branded about its iPhone by saying that “it is not just a smartphone - it lets you put the power of an Apple computer in your phone”.

Designs a better experience for its customers.

The fans, loyal customers, and even bloggers and vloggers now often found to be filming or creating videos of themselves where they unbox their brand-new version of Apple products to be uploaded on social media and YouTube channels. A random search on YouTube for Apple unboxing gives us a hundred of results. It is essentially for the reason that the customer experience created by Apple goes further than simply purchasing the product in its retail store. As mentioned by Allen (2020) and Hoos (2019), Apple now no longer need to have a huge content marketing team as their loyal customers and fans are already doing it for Apple.

The value is creating from the experience that entails aspects from every element in the process of purchasing i.e. trying out products in retail store, comparing different versions of the product, buying the product, receiving it, unboxing it, and setting it up. All of these aspects does not tend to take place inadvertently; these are the outcomes of keenly shaped, reviewed, and polished appeal made towards every sense of the customer.

For majority of the people, the experience of retail store of apple is not just a quick trip. They rather end up staying for a long time in the Apple store due to their exposure for trying out products and inquiring about different feature from the “geniuses” who work there. It is also noticed that many of the visitors who visit Apple retail store walk out with the new purchase given that apple store enthralls buying. The design of the apple retail store is said to be crafted carefully that it induces the right “feeling” when stepping inside the store. From the layout of the stores to its aesthetics including monochromatic colour schemes and warm lighting; everything act as the reason to appeal the senses of the customers which helps in creating better customer experience (Montgomerie and Roscoe, 2013).

Builds a community of its customers or users to make them feel connected

Apple, over the years, has built one of the most uncompromising fan bases that no other brand in the world is practically able to do so across the globe. Although it is noticed that loyal customers who purchase new product launches may not present major percentage of Apple consumers overall, however, the kind of eagerness and zeal are rare. The culture created by Apple as to create value is friendly, fun, and cool which is mainly contradictory to its competitors. The marketing strategy of Apple entails making customer want that belongingness in the community.

For example, taking the ad campaign of Apple – Think Different, its voiceover narration stated that “Here’s to the crazy ones. The misfits. The rebels. The troublemakers” which seize the attention of many of the people around the world and stimulate them to join the community because almost everyone around the corner of the globe has felt like that at least once in their lives. In this way, it can be said that Apple capitalise in a very smart manner on the universality of that self-perception that helps its customer believing that Apple is like them and understands them.

2. Stakeholder engagement and their impact on the marketing activities of an organisation

2.1 Who are stakeholders?

According to the definition of stakeholders, it entails anyone that has an interest in the company along with having the potential to either impact or getting impacted by the business (Barrett, Oborn, and Orlikowski, 2016). The list of stakeholder can generally be divided into two categories; internal stakeholders and external stakeholders. Internal stakeholder are those who have interest in the company be means of having direct link, for instance: investors, employees, or owner. On the other hand, external stakeholders are those who do not tend to have direct link with the company in terms of working and offering their services, but they are somehow affected by the outcomes and actions of the business.

At Apple, the main internal stakeholders include its Board of Directors, employees, executives, and shareholders. CEO, Vice President, and Chief Operating Officers are the top executive while employees at Apple are also deemed one of the important internal stakeholders due to their utmost contributions in the company’s success and growth. Apple has individual shareholders as well as institutional shareholders. Some of the largest individual shareholders of Apple include its current or former employees while some of its major institutional shareholders include Berkshire Hathaway Inc., Vanguard Group, and BlackRock Inc (Cliffe, 2020).

The main external stakeholder, Apple has, include its suppliers, competitors, customers, local communities, pressure groups, and the government. Averagely, the number of active devices of Apple is more than one and a half billion with iPhones nearly equal to a billion. These figures clearly replicate the number of external

stakeholders. Likewise, apple also has a massive number of competitors due to its diversified product ranges. Such as in the market of smart phones, the competitors include Samsung, Oppo, Huawei, LG, and Xiami while in the sector of laptops and personal computers, the competitors involve HP, Lenovo, Dell, Asus, Acer, and Toshiba. With respect to suppliers as the external stakeholders, there are hundreds of suppliers with whom Apple works, notably in the regions like China, South Korea, USA, Japan, and Taiwan.

2.2 How Apple communicates with its stakeholders?

There are multiple medium and platforms that Apple use in order to communicate with its stakeholders. The website of Apple (www.apple.com) has significant extent of information that assist in communicating with its customers, shareholders, and other stakeholder. For example, career information for its employees and job candidates in future, product information for its customers, corporate information for its investors and shareholders, and such other information. Apart from this, social media platform is also used widely in order to engage its customers effectively and communicate with them uninterruptedly. The communication with competitors and suppliers is also possible over the medium of social media such as LinkedIn and Twitter. For instance, one of the pillars of Twitter strategy of Apple is to post one tip every day. For communicating with its customers, Apple also uses advertising campaigns and other marketing approaches as Apple spends more than \$1.8 billion on advertising yearly.

2.3 How the stakeholders impact of the marketing activities of Apple?

Stakeholders of Apple have different concerns and expectation with respect to how Apple is performing or functions, quality, employment practice, business sustainability, and financial performance. The needs of different stakeholders of the company highlight the need for taking a holistic approach in its function so as to keep its stakeholders satisfied. When it comes to customers as the stakeholder of Apple, the marketing tactics have been greatly influenced by them. Their needs and their expectation mainly shape how Apple will market its products. Using the behaviour trends of customer, the marketing activities are planned and carried out. For instance, the brand logo of Apple changes in 1998 which was sleek and monochromatic (modern chrome colour) and fits perfectly with the direction that Steve Jobs had for the company. However, the new improvement in the logo as the marketing tactic has repositioned the brand in effective manner for the new century in the perception of the users by retaining the apple's shape but modifying the rainbow colour to chrome creating an effective reaction from users. The change was mainly influenced by the needs and change in the minds of users (stakeholders). This way, the marketing activities are affected by the stakeholders and mainly depend on their needs and desires from the Brand.

Conclusion:

Marketing, indeed, plays a crucial role in improving and maintain the brand image in the market as well as in front of its targeted audience. Although carrying out marketing tactics is linked with one major goal that is to increase the revenue growth eventually, the approaches to do so varies greatly from one brand to another brand. It can be said that the core values of the brand have a major role to play in deciding what approach a brand would take for marketing. The organisation of study in this essay was “Apple” that is one of the most renowned companies not just in terms of using right, appropriate, and distinct marketing strategies but also in terms of constantly improving its revenue stream. One of the major aspect of marketing that it creates value for the customers. Apple create value for its customer from marketing tactics that include rethinking the need for advertising, avoiding the act of indulging into price wars and focus on creating unique value proposition that seize customers’ attention, keeping products as well as its marketing simple and minimal, knowing the needs and lifestyle of customer and their knowledge to communicate easily, designing better customer experience from start to end, and building a community of users where they can feel like associated. While marketing helps in creating value, it is also noticed in the essay that marketing activities are greatly influenced by the engagement of stakeholders and produce beneficial results for the overall performance of Apple.

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Appendix:



Source: <https://managementweekly.org/ansoff-matrix-explained/>