

BA Business and Management

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Marketing Fundamentals

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HISTORY OF APPLE COMPANY

History of Apple: The story of Steve Jobs and the company he founded



On 1 April 1976 Apple was founded, making the company 41 years old as of the 1 April 2017-here's a historical breakdown of the company.

The Foundation of Apple

The history of everyone's favorite start-up is a tech fairytale of one garage, three friends and very humble beginnings.

The two Steves-Jobs and Wozniak-may have been Apple's most visible founders but were it not for their friend Ronald Wayne there might be no iPhone, iPad or iMac today. Jobs convinced him to take 10% of the company

How Jobs met Woz

Jobs and Woz were introduced in 1971 by a mutual friend, Bill Fernandez, who went on to become one of Apple's employee.

The two Steves got along thanks to their shared love of technology and pranks.

The first Apple computer

Together they founded Apple Computer Inc on 1 April 1976, alongside Ronald Wayne. WOZ produced the first computer with a typewriter-like keyboard and the ability to connect to a regular TV as a screen, but Wozniak wasn't trying to change the world with what he'd produced-he just wanted to show off how much he'd managed to do with so few resources.

Why Apple was named Apple

According to the biography of Steve Jobs, the name was conceived by Jobs after he returned from apple farm. He apparently thought the name sounded “fun” spirited and not intimidating

The Apple Logo

There are other theories about the meaning behind the name Apple. The idea that was named thus because Newton was inspired when an Apple fell out of a tree hitting him on the head. The original Apple logo was a rather complicated illustration of Newton Siting under a tree.

However according to Rob Jaroff, the designer who created the logo, the Turing connection is simply “a wonderful urban legend”

APPLE Inc is one of the most iconic companies of the recent decade. Apple has not only been developing and sealing great products.

The company has been building an incredible platform and san ecosystem for its loyal users. Apple has a formidable competition within well established and well financed companies.

Despite strong competition the company managed to grow and thrive within its industries and enjoys one of the best balance sheets and financial metrics among its peers.

MARKETING FUNDAMENTAL

Introducing

The essay demonstrates the marketing fundamentals of Apple that provides knowledge regarding the stages of marketing and the roles of the marketing mix. Apple is a multinational technology company in the US that designs consumer electronics, online service, and computer software. More than 147000 employees are working in Apple and Tim Cook is the CEO of Apple. The revenue of Apple is about \$274.515 billion with \$66.288 billion operating income. The purpose of the essay is to analyze STP for Apple to coincide STP with the marketing mix for meeting the necessities of the current market. The essay sheds light on the 7Ps marketing mix, SWOT analysis, PESTLE analysis, and Porter's five forces. The essay discusses the relationship between a SWOT analysis and a PESTLE analysis.

Stages and processes of marketing including the marketing mix roles

Marketing demonstrates the activities of a company to undertake the product and service promotion (De Pelsmacker et al., 2018). The marketing process refers to the series of steps that allow Apple to identify the customer problems and introduce marketing materials for reaching the desired audiences. Marketing processes consist of five stages that are given below.

Step 1: Mission of Apple	Step 2: Situational analysis objectives	Step 3: Strategy	Step 4: Implementation	Step 5: Control
The mission of Apple is to demonstrate the best personal computing	The competitive advantage of Apple is to demonstrate higher job	The marketing strategy of Apple is unique as Apple entered into the	Apple has a premium pricing context, offers a wide range of products and	Each product of Apple complements others and Apple works within a

products and support the students, businesspersons and consumers with the quality products of Apple (Apple.com, 2021).	commitment for understanding customer's needs based on the mission statement (De Pelsmacker et al., 2018).	marketplace with new products and concentrates on brand loyalty creation.	Apple relies on strict product distribution guidelines (Apple.com, 2021).	similar ecosystem that tends to hold the brand identity and loyal customers.

Table 1: Stages of marketing

Source: (Created by Author)



Figure 1: Stages of marketing

Source: (Created by Author

2.3 PESTLE analysis with advantages and disadvantages

PESTLE Analysis demonstrates the macro-environmental factors that impact the business context of Apple. The PESTLE analysis is given below.

PESTLE Analysis	Description
Political factors	1. The US is a politically stable country that is favourable for Apple as it develops the business planning context of Apple. 2. The improvement of free trade policies in the US is favorable for Apple as it reduces the operating costs of Apple (Pistol and Bucea-Manea, 2017, July).
Economic factor	1. The rate of currency exchange fluctuation is unfavorable for Apple as the management of Apple can't design the price strategies. 2. As a developed country, the economy of the US is stable and favorable for Apple as it ensures a stable investment context for Apple (Christodoulou and Cullinane, 2019).
Social factor	1. The customer's demand is increasing rapidly towards Smartphones and Tablets that are favorable for Apple to capture the customers. 2. The outbreak of Covid-19 is unfavorable for Apple as it decreases the sales of Apple and reduces customer attachment (Christodoulou and Cullinane, 2019).

Technological factor	1. The increment of technological integration is favorable for Apple to improve the product lines (Apple.com, 2021). 2. The growth of technological capacities and technical adaptation of the competitors is unfavorable as it demonstrates a higher degree of competition for Apple.
Legal factor	1. Fair Labor Standards Act 1938 is the US legislation regarding the fair employment practice that is favorable for Apple as it possesses motivation for the employees (Apple.com, 2021). 2. The Government pressurizes on privacy maintenance that is favorable as it protects intellectual property and valuable data of Apple.
Environmental factor	1. The business sustainability trends are favorable for Apple as it provides the business stability. 2. The energy efficiency trend is favorable for Apple as it helps the company to adopt renewable energy resources (Sukma et al., 2019).

Table 2: PESTLE Analysis

Source: (Created by Author)

The advantages and disadvantages of PESTLE analysis are given below.

Advantages	Disadvantages
PESTLE Analysis is cost-effective and effectively scans the market.	Sustainable business planning can't be done by Apple as the market is dynamic (Ezeh, 2017).
It raises awareness of potential market threats (Sukma et al., 2019).	The pace of market changes restricts the anticipated development of Apple in future.

Table 3: Advantages and disadvantages of PESTLE analysis

Source: (Created by Author)

2.4 Porter's five forces analysis

Porter's five forces refer to the competitive forces analysis that helps Apple to identify the core competitiveness. These are given below.

Competitive rivalry- The existence of competitors of Apple in the marketplace is high and it possesses a high impact on Apple. The competitors of Apple have an

excellent brand image and they provide different technological and online services to the customers at comparatively lower costs (Ezeh, 2017).

Buyer's bargaining power-The bargaining power of the buyers is high as there exist different competitors of Apple which offer the services at comparatively lower prices (Christodoulou and Cullinane, 2019). The switching power of the customers is high, and they shift brands that offer similar services at a lower price.

Supplier's bargaining power- The supplier's bargaining power of the suppliers is low as there exists different suppliers in the market. The suppliers can't impose their demands on Apple as the switching power of Apple is high (Do and Vu, 2020).

Substitute threats- The substitutes threats on Apple are moderate as the people can use landline telephones to make calls and digital cameras to take photos instead of iPhones. Alternatively, the technological features of the iPhone are higher compared to the substitutes that can attract customers towards Apple (Apple.com, 2021).

New entrant threats- The new entrant threats on Apple are moderate as the new entrant requires more capitals and intact business planning to hold the market

share and brand development. Alternatively, the potential and new ideas of new entrants possess threats for Apple (De Pelsmacker et al., 2018).



Figure 2: Porter's five forces

Source: (Created by Author)

2.5 SWOT analysis

SWOT Analysis of Apple helps to measure both external and internal factors that are given below.

Strengths → Apple has an extensive brand identity with a higher profit margin. → The rapid innovation process of Apple develops the technological deployment for product renovation (Gürel and Tat, 2017).	Weaknesses → The distribution network of Apple is limited due to its policy of exclusivity. → The product and service price of Apple is high and Apple mainly focuses on higher-income bracket customers.
Opportunities → Apple has a more widespread and aggressive marketing context that increases sales volumes. → The demands of Apple's products are	Threats → The existence of aggressive competitors in the marketplace such as Amazon, Samsung, and Microsoft possess threats for Apple (Apple.com, 2021).

increasing day by day.	→ The competitors have a lower product price context that can swift the customers from Apple to its competitors.
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Table 4: SWOT Analysis

Source: (Created by Author)

The advantages and disadvantages of SWOT Analysis are given below.

Advantages of SWOT Analysis	Disadvantages of SWOT Analysis
1. SWOT Analysis identifies the core competencies of the organization (Pistol and Bucea-Manea, 2017, July).	1. The lack of efficient and skilled employees restricts the utilization of SWOT Analysis.
2. SWOT Analysis helps Apple to set the	2. SWOT Analysis demands the right

organizational objectives for strategic planning.	information demonstrating that affects the business alignment of Apple (Gürel and Tat, 2017).
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Table 5: Advantages and disadvantages of SWOT Analysis

Source: (Created by Author)

Relate SWOT analysis and PESTLE Analysis

PESTLE Analysis concentrates on the external environmental factors whereas SWOT analysis measures the core competencies. Both SWOT and PESTLE Analysis provide the competitive way for Apple to cope up with the competitive advantages. SWOT Analysis refers to strategic planning for Apple to identify the internal factors including strengths and weaknesses. SWOT analysis demonstrates the external factors including opportunities and threats (De Pelsmacker et al., 2018). SWOT analysis concentrates on the actions taken by Apple by utilizing the internal strengths and weaknesses. PESTLE analysis defines the external factors that control the business context of Apple. SWOT analysis interprets the findings for the business for utilizing opportunities and discards the threats.

Apple Marketing Strategy

Apple's marketing policy is focused on the belief that consumers do not necessarily realize what they want, as espoused by CEO Steve Jobs. To determine consumer expectations and desires, the international technology corporation prefers to incorporate new features and functionality into its offerings, causing customers to desire Apple products

7Ps marketing mix

Apple 7PS of marketing is distinguished by a special focus on the product element of the marketing and even more sales promotions are rarely used as part of the company's marketing strategy. Apple places a greater emphasis on print advertising, media, and personal selling in Apple stores. The marketing mix demonstrates the strategic marketing tool that helps Apple to hold competitive advantages. 4Ps marketing mix is used for products and 7Ps marketing mix is used for services that are the extended version of 4Ps. 7

Focusing on attractive value proposition.

The world's largest IT company by revenue has been able to avoid price wars with competitors. The design of the company, a media platform, a publishing company, a software powerhouse and a computer manufacturer, is what makes it unique in the world.

Product (docshare.com)

Apple has a wide product range including iPhone, iPod, iPad, Mac and different electronics appliances. The technological feature is aligned with Apple's product to increase the values of products (Vassileva,2017). For several years Apple's product strategy involved creating innovative products and services aligned with a "digital hub" strategy, whereby Apple Macintosh computer products function as the digital hub for digital devices, including the Apple iPod, personal digital assistants, cellular phones, digital video and still cameras, and other electronic devices. More recently, the full impact of a very well throughout brand strategy has come into focus-and one in which customer experience is central. (docshare.com, 2017).



The company tried to avoid complicated marketing strategies, from early on that Apple brand has understood that simplicity is key when communicating its products to its audience.

The Apple Brand Personality

Apple has a branding strategy that focuses on the emotions. The Apple brand personality is about lifestyle; imagination; liberty regained; innovation; passion hopes; dreams and aspirations; and power-to-the-people through technology.

The Apple brand personality is also about simplicity and the removal of complexity from people's lives; people-driven product design; and about being a humanistic company with a heartfelt connection with its customers.

Place

Apple has 500 retail stores in more than 25 countries and high traffic locations are selected to establish Apple stores. Apple has an official website, 34% of sales are done through direct channel distribution and 66% of sales are done through indirect channel distribution (Apple.com, 2021).

Promotion

Apple has both online and offline promotional aspects. The online product promotion of Apple includes the official website, social media, and online marketing. The offline product promotion includes television, newspaper, and direct sales (Vassileva, 2017).

Price

Apple has a premium pricing strategy in which Apple offers iPhone 12 for USD 1,099 (Apple.com, 2021). Apple has a geographical pricing strategy to cope up with the currency fluctuation rate.

Process

Apple invests in R&D to develop product quality and the technical team of Apple helps to develop official websites. Apple provides training to the employees to increase the sales funnel with flexible budget designing (Do and Vu, 2020).

People

Apple management and leaders possess the motivation to the employees for enhancing their engagement. Apple has a favorable working policy for the employees such as flexible working hours, bonus, incentives that inspire them (Do and Vu, 2020).

Physical evidence

The logo of Apple is attractive, and the official websites are designed with the latest products and services. Apple store managers display the products promptly that attracts customers (Pistol and Bucea-Manea, 2017, July).

STP for Apple

STP consists of segmentation, targeting, and positioning to examine the products and services of Apple along with their communicating context with the customers.

These are given below.

Segmentation

Segmentation refers to the process of dividing the customer bases relies on the following segments.

Customer Segmentation for Apple	
Demographics	Income- \$100000 to \$500000 Age- 18 years to 60 years Social status- Higher Occupation- Students, Businessperson and

	service-holders Gender- Male and female
Psychographics	Lifestyle- Higher Attitude- Positive Values- Honest and transparent Personality- Openness and conscious
Behavioral	Intent- High User status- Active Engagement- High Purchase- Regular
Geographics	City- California

	Country- US Language- English
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Table 6: Customer segmentation for Apple

Source: (Created by Author)

Targeting- Apple targets the demographic customer segments as it provides the specific customer signature. Apple can develop personalized marketing strategies to appeal to specific customers. It develops the overall customer experiences and increases customer loyalty (Vassileva, 2017).

Positioning- Apple has strong brand recognition and excellent competitive positioning (Sukma et al., 2019). Apple demonstrated a new platform for the iPhone for capturing the attention of the customers who belong to 18 years to 40 years old. Apple invested more than \$1 trillion to develop the R&D and Apple controls software, retail strategy, hardware, and product differentiation to meet the needs of 30 years to 60 years old customers (Apple.com, 2021)

3. CONCLUSION

After the assessment of the entire essay, it is configured that the recent increments of market competition carry the significant signature to analyze the marketing fundamentals for holding the competitive advantages. Apple needs to enhance the customer segments for increasing its customer base. A marketing mix helps Apple to develop proper business strategies and Porter's five forces identify the competitive position of Apple. Apple develops new product lines to meet the demands of online services and consumer electronics.

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