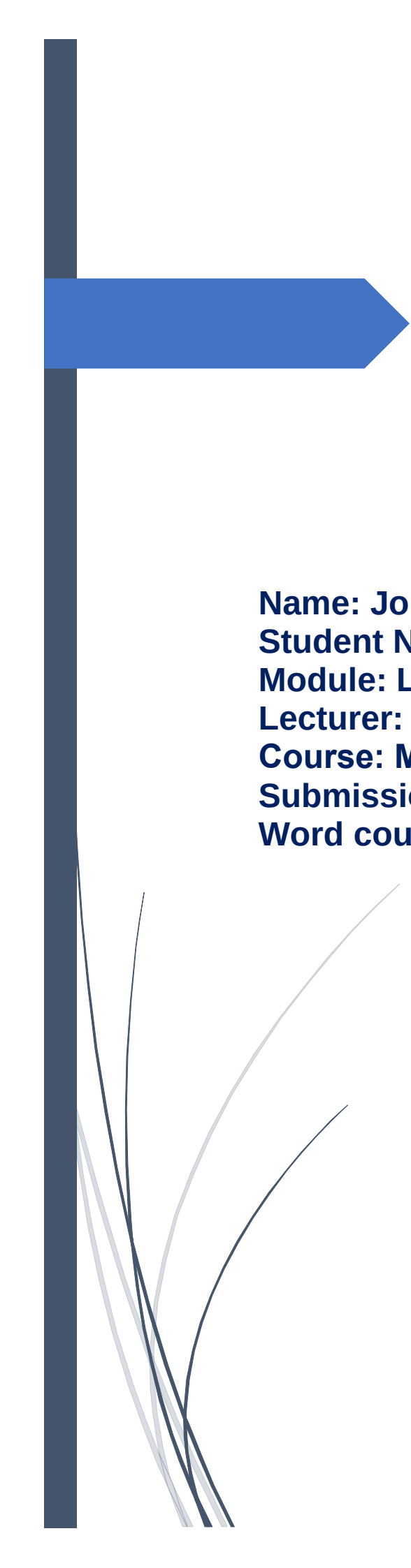




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Innovative Marketing Strategies Apple Inc.



Introduction

This report discusses the innovative marketing strategies used by the company Apple Inc. to raise awareness of its brand iPhone, by addressing the Shannon & Weaver communication model, integrated marketing communication (IMC), promotional strategies - online promotions and offline promotions, branding & brand equity, customer journey, customer touchpoints and the total engagement model.

Data was collected from journals, articles, and online resources.

Company overview

Apple Inc. is an innovative and leading multinational technology company that specializes in consumer electronics, software, and online services. The company is based in California, United States. The company was founded as Apple Computer Company on April 1, 1976, by Steve Jobs, Steve Wozniak and Ronald Wayne, later the company name was changed to Apple Inc., and Apple went public in 1980. (Calendarz, 2022). Apple's products include iPhone, iPad, Mac, iPod, Apple Watch, and Apple TV, the company's main competitors are Samsung, Google, Alphabet, Amazon, Meta, and Microsoft.

In June 1997, Steve Jobs replaces Amelio, becoming Apple's CEO and in the 2007, Steve Jobs unveils the iPhone, a smartphone that is appealing to the consumers both in design and innovation, which combines a revolutionary mobile phone with a finger touch control iPod, and new internet communications device that has desktop email, maps, web browser and search engine.

As stated by Steve Jobs: “iPhone is a revolutionary and magical product that is literally five years ahead of any other mobile phone - we are all born with the ultimate pointing device, our fingers, and iPhone uses them to create the most revolutionary user interface since the mouse”. (Apple inc., 2022)

Steve Jobs died on 5th October 2011 at 56 years of age, since then Apple only introduced newer versions of their existing devices, nonetheless, the company has enjoyed great financial results. Due to increased demand of the iPhone, in 2018 Apple became the first company to reach a value of one trillion dollars. And within two years, Apple became the first company to double that figure. (Britannica, 2022)

According to Apple Insider, Apple's iPhone had grown from 57% in the first quarter of 2021 to a 62% global market share for premium smart phone devices, in the first quarter of 2022, as shown on the figure below.

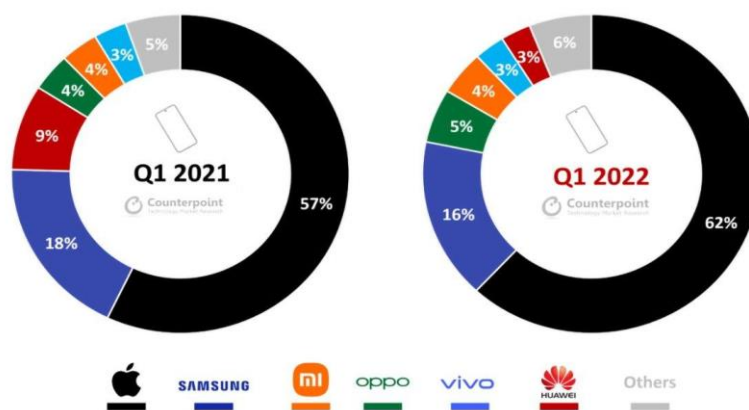


Figure 1 - Apple iPhone global market share 2021-2022(Quiller media inc., 2022)

Apple's corporate vision and mission statements

Apple's corporate mission is *“to bring the best personal computing products and support to students, educators, designers, scientists, engineers, businesspersons and consumers in over 140 countries around the world.”*

Apple's corporate vision is *“to make the best products on earth, and to leave the world better than we found it.”*

The corporate vision statement aligns with Apple's corporate social responsibility strategy, and puts emphasis on sustainability, environmental conservation, and the ecological impact of the business. (Panmore Institute, 2022)

Communication model

Communication is a form to diffuse information to a target population or business.

Marketing communication “refers to the means adopted by the companies to convey messages about the products and the brands they sell, either directly or indirectly to the customers with the intention to persuade them to purchase” (Business Jargons, 2022).

Shannon & Weaver macro model is the most well-known formal communication model developed by Claude Shannon and Warren Weaver in 1949 and was later improved to include a feedback loop. It is used to represent the standard steps of any form of effective communication. (Oxford University Press, 2022)

The sender creates the message, encodes it, and then use a channel media such as television, radio, newspaper, to convey the message, then the receiver decodes the information and may provide feedback. (Helpful professor, 2022)

Any chosen media has its advantages and disadvantages, i.e. – television has the advantage of reaching both, a wide target, and a niche market, it is a multi-sensorial media where the product or service can be demonstrated; disadvantages can be the large amount of noise due to many adverts at same time, short time messages and also expensive adverts.

Advantages:

- Explains the barriers to effective communication by addressing the noise
- Explains the communication process in understandable steps
- Is transferable to several situations

Disadvantage:

- This model does not address one-to-many communication
- It is more of a linear communication, does not give much attention to feedback.

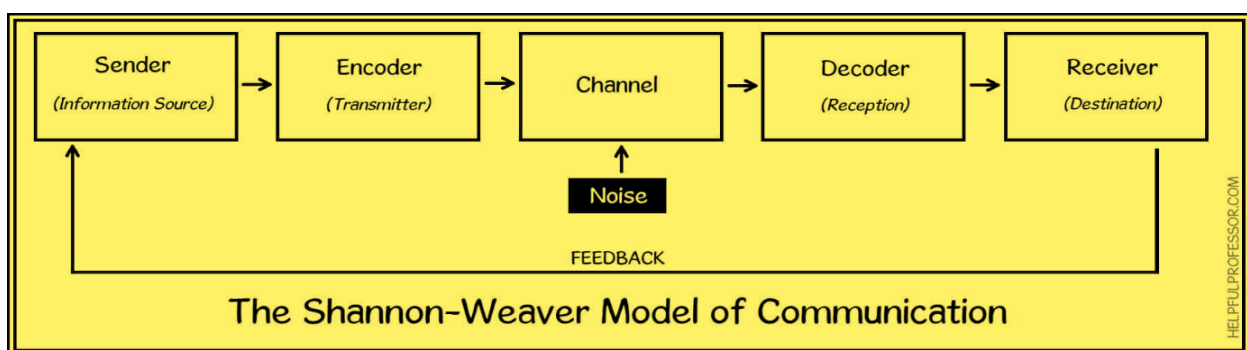


Fig 2: Shannon-Weaver communication model

Integrated marketing communications

Integrated marketing communication (IMC) is “a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines - general advertising, direct response, sales promotion, and public relations - and combines these disciplines to provide clarity, consistency, and maximum communication impact”. (Kliatchko, 2005)

Integrated marketing communication comprises of five steps:

- Identify customers and prospects
- Valuation of customers
- Creating and delivering messages and incentives
- Estimating return on customer
- Budgeting, allocation, and evaluation

Apple uses integrated marketing communication by using all forms of communication and messages in synergy to convey their products and services.

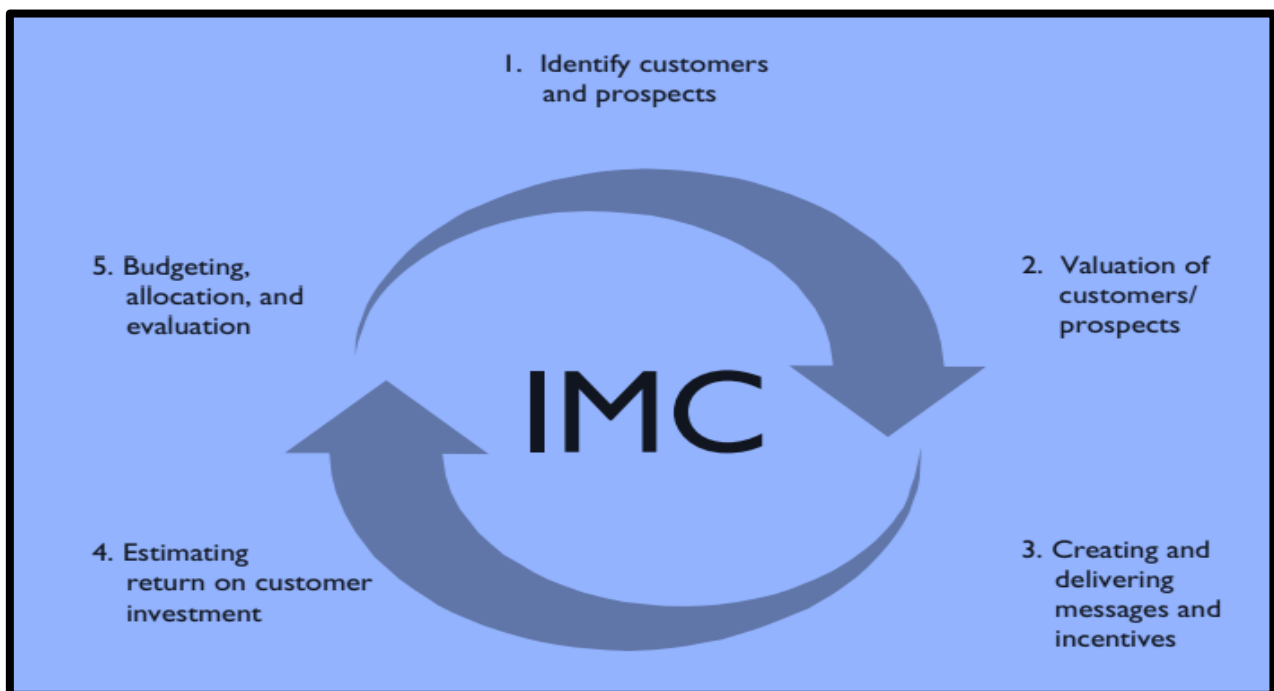


Fig. 3 The five steps in the Integrated Marketing Communication. (Source: Schultz, 2004)

Promotional Strategies

Online promotions

Apple uses various social media platforms to promote its brand. However, they never intended to force the sales pitch on social media, but instead influenced and attracted customers with their innovative ideas (Fondevila *et al.* 2020). For example, the company has implemented a campaign titled "Give the gift of Go with Apple Watch" during the holiday season (medium, 2022). The company used this campaign to spread a message saying that when people buy Apple watches for others, they can be motivated and equipped for adventure. However, most other brands use social media to increase their brand awareness, while Apple creates a buzz with its events year after year. And this buzz has led to people lining up outside their stores and waiting their turn to grab those latest products.



Figure 4: A line outside of an Apple store as the iPhone X debuts (Source: medium, 2022)

First Party Data

Apple Inc. should also use first party data collected directly by the company.

The activation of this data requires the technical capability in collecting all first-party interaction throughout customer journey and integrate that data into marketing and analytics tools to provide customer first-experience. Data such as email address from a user that subscribed to the company's newsletter is used, as this data is generally seen as the most valuable to understand the customer experience and also the safest to collect as the company can verify exactly where and why this data was collected. By using first party data, Apple can better understand the wants and needs of the customer and provide Products or services accordingly. (Segment, 2021)

Offline promotions

Sale events & Offers

Both online and offline marketing is necessary to stay competitive, the best marketing strategies connect and combine offline and digital campaigns. Apple can make use of these multichannel marketing strategies as they provide greater brand exposure, connect the company's messaging between every point of contact it presents, and can potentially drive a greater return on investment. Apple can further increase brand loyalty and get its message across to customers, by choosing a demographic and making a sale event and offering coupons, loyalty programs, and special discounts. This will make customers feel privileged and therefore increase leads and sales. (Live Plan, 2021)

Branding & Brand Equity

A brand is the unique design, sign, symbol, words, or a combination of them, used to create an image that identifies a product and differentiates it from its competitors.

Brand equity is the value of the brand, it refers to a value premium that a company generates from a product with recognizable name when compared to a generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable, superior in quality and reliable. (Journal of Emerging Technologies and Innovative Research, n.d.)

A superior lifetime value is created not by customer satisfaction but by "differentially high customer loyalty, even brand devotion, customers who buy more of whatever it is you have to sell them and will do it forever, even if offered cheaper alternatives by competitors". (Kompella, 2018)

Several factors can influence the strength of a brand or product, understanding them can help in the launch of a new product or service, or to make a struggling brand to succeed.

Keller's brand equity model can be used to analyse these factors and strengthen the company brand. To build a strong brand the company "must shape how customers think and feel about the product", and "build the right type of experiences around the company's brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions and perceptions about it." (Emerald Works Limited., 2022)

Keller's brand equity model

Kevin Lane Keller was an American professor who created a framework to develop the theory associated with brand value. The model has concentrated on the significance of brand marketing to make the organization successful (Chatzipanagiotou *et al.* 2019). In addition, the focus has been provided to create effective and active relationships with the

customers. Keller has illustrated the entire theory with the guidance of the resonance pyramid. The pyramid comprises four steps namely Brand equity, Brand response, brand identity, and brand meaning.

Keller's brand equity model with Apple

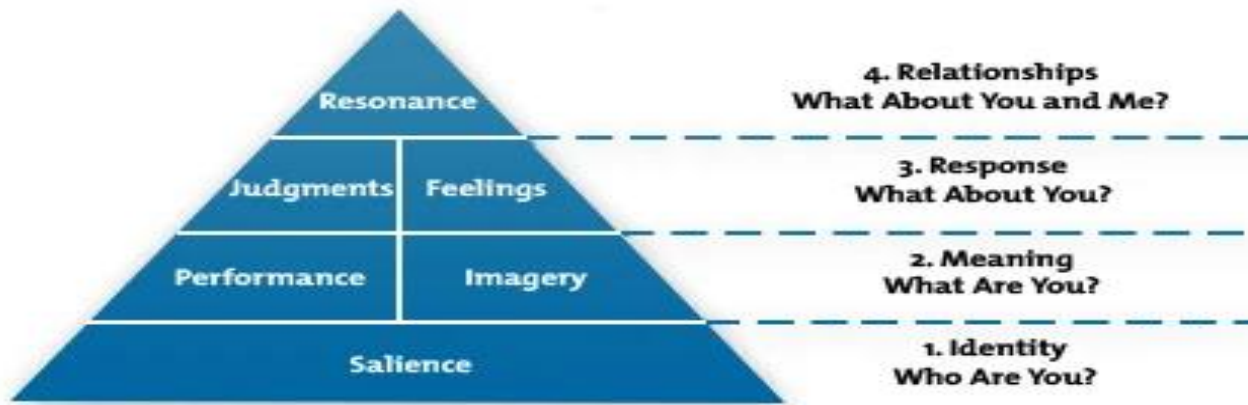


Figure 6: Keller's brand Equity Model [Source: Mindtools, 2022]

Brand Salience: Apple has concentrated on incorporating superficial features into its gadgets which has guided the brand in attracting large number of customers as well as investors followed by the enhancement of the brand value. This approach has helped the organization in capturing a huge portion of the global market. It has successfully turned itself into an iconic brand that has focused on providing an impression to the audience to become better individuals. The company has done lots of advertisements to expand its business which has helped it in enhancing its sales revenue.

Performance: the innovative gadgets provided by Apple has been successful in meeting the demand of individuals. The company is aware of maintaining the balance between the environment and the social factors during the time of choosing raw materials. The organization is cautious in meeting the psychological and social requirements of the customers.

Brand response: it refers to the feedback that has been provided by the consumers regarding the product. This feedback helps Apple in understanding the perceptions of customers based on which the changes are generally implemented (Ishaq and Di Maria, 2020).

Brand relationship: it refers to the attachment of customers to the brand. The provision of upgraded and innovative products has helped the organization in widening its base of customers which had proven to be beneficial for the company in terms of creating a strong

brand image. This approach has helped Apple in building a strong relationship with its customers followed by the generation of a positive externality.

Advantages and disadvantages of Keller's brand equity model

The framework of brand equity can guide the company to learn the tactics for improvising the quality of its products for building a strong brand image. It can help Apple reach the hierarchy of success which will be beneficial in terms of achieving the desired objectives of higher revenue. It will help Apple to expand its share in the platform of the international market which will help the company. The drawback of the brand equity framework is that the organization needs to make a higher investment for implementing the model, which can generate financial pressure on the brand. This approach can increase the production cost which is unfavourable in terms of provision of the net income.

Customer journey



Fig 7: Customer Journey Map (Source: Online.visual-paradigm.com, 2022)

Stages of Customer Journey Map

Awareness: The customers before purchasing the product focus on gathering facts about it to evaluate whether the commodity can satisfy its requirements. Consumers properly scrutinize the details of products related to Apple before purchasing them.

Consideration: After thoroughly researching the details of the product, the consumers make considerations. These buyers mainly take into account the features associated with the services provided by brands and compare them with the products that are being offered by other brands.

Decision: After gathering all the relevant information related to the products, the customers decide on purchasing the services (Naidoo and Abratt, 2018). These buyers scrutinize the feedback of other customers about the product before deciding on purchasing it.

Retention: Is regarded as the crucial stage associated with the organization where the company must focus on maintaining the trust of customers which will be beneficial for the organization to maintain its reputation on the global platform.

Advocacy: the consumer's focus on the activity of advocacy about the products. These buyers will provide a positive review regarding the services if it has successfully satisfied the basic requirements of the consumers.

Customer touchpoints

Any time a consumer interacts with the Apple brand, it constitutes a customer touch point. Although the interaction can happen through Apple's official websites, advertisements on social media, or through employees as well. Therefore, it can be stated that the consumer experiences through those touchpoints shape their view of the company (Lotz *et al.* 2018).

Pre-purchase Touchpoints

Loren is a professional photographer in London and is 30 years old. Having received a huge project, she wanted to celebrate this with a gift for herself. As she is hardworking and enthusiastic about capturing unique things, she planned on buying a phone. Loren accessed the Apple official website, where latest products that were available caught her attention (1st touchpoint). Then, Loren visited other social media platforms for reviews and feedback (2nd touchpoint). She learned the company offers a unique experience in stores, so before she made a decision to buy, she wanted to visit the physical store. Then Loren decided to search for a store near her location (3rd touchpoint). Upon visiting that store, she noticed that they approach customers with a personalized and warmly welcome (4th touchpoint).

Purchase Touchpoints

As she wanted to enjoy the experience, she took a time off from her work and visited the store. Loren understood that Apple did not want customers to think of the location as a store as it is equipped with knowledgeable staff for the purpose of educating them about the iPhone and the gadgets and its features. Moreover, it also teaches the customer how to take photos which got Loren more engaged (5th touch point). Although, throughout the journey, Loren assisted and helped her to find the potential product by interacting with and understanding her needs (6th touch point). Eventually, she bought an iPhone 13 pro after the staff educated her about how the product benefits more people like her (a photographer)

(7th touch point). When Loren had completed their purchase the Apple store staff gave a fond farewell and an invitation to return. (8th touch point). Later Apple company has sent an email to Loren regarding a feedback survey where Loren was asked to rate their satisfaction level (9th touch point).

Post-purchase Touchpoints

Although before leaving, the staff educated her about after-sales services (10th touch point). Moreover, Loren got to know more about the brand after sale service where she can purchase AppleCare Plus which adds unlimited coverage for accidental damage incidents. Although the validity depends on the chosen plan (11th touch point).

Customer journey map

Advantages and disadvantages of Apple's customer journey map

The opportunities or advantages of Apple are that it is one of the most valuable brands which has the potential of meeting the required needs and wants of consumers. Apart from this, the organization tends to use upgraded technology which had made the features of the gadgets quite suitable.

The Company tends to put effort while designing its products, which has helped the brand in retaining its existing customers along with the addition of new customers (Tasci, 2018). The company is proficient in maintaining the balance between social and environmental factors which has proven to be favourable in terms of attaining a higher amount of success (Paam *et al.* 2019). The organization has been highly responsible for reducing the emission of carbon, which has helped the brand in protecting the environment. The company has a profound team of customer service to solve the queries and the problems of customers.

There are certain disadvantages associated with the services of Apple, such as the provision of high-priced services along with limited advertisement as well as the lack promotion. Apart from this, the gadgets are not compatible with other software which has created an adverse impact on the satisfaction of customers. The organization has allegations of tracking apps which can hamper the brand value of Apple.

Total engagement model

Customer engagement is the procedure of creating a strong bond with customers which will be beneficial in terms of improvising the overall sales revenue. The maximization of the number of customers can guide the brand in becoming much more strong competition which will be advantageous for achieving success. This factor has guided the company to expand its share in the platform of the international which has helped it in maximizing its revenue

(Li, 2021). The main propaganda of the framework related to customer engagement will help the organization build a profound connection with its buyers through proficient interactions and various forms of participation.

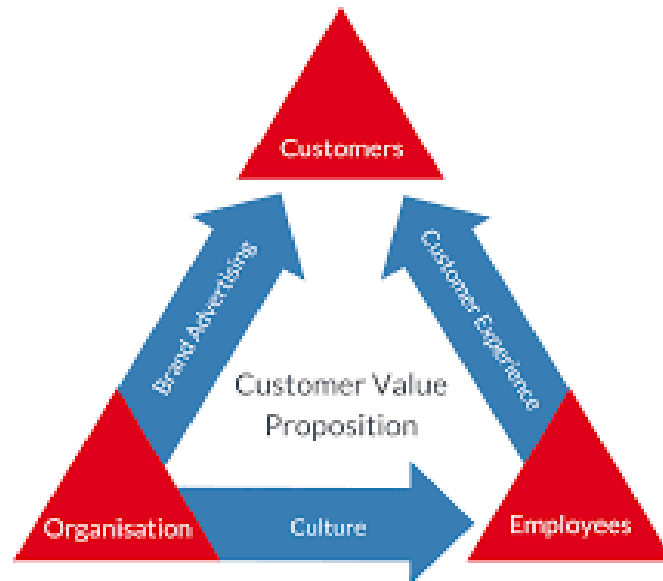


Figure 8: Total engagement Model [Source: engagedstrategy, 2016]

The figure has inferred that the profound value of the brand and effective interaction are required for customer engagement. To accomplish the objectives of consumer engagement, the framework of total engagement concentrates on the synergy of elements like company culture, advertising, services, and products.

The above picture shows that excellent value of the brand and adequate communication is the required factor for engaging the customer and therefore increase the overall sales revenue. The products of Apple are of high quality and are readily recognized by everyone. The company needs to enhance its marketing tactics to make its services popular so that it can maximize overall revenue (Aliekperov, 2019). The company needs to use social media as part of its marketing strategy which will help Apple in its customer engagement. The organization must be attentive in its pricing strategy to make it accessible to everyone which will help it in capturing a huge portion of the market.

Conclusion and recommendations

This report illustrates the importance of a variety of marketing tools and how they can improve customer needs and achieve effective results. A customer journey map and a customer touch point analysis have been conducted to better understand customer needs.

As a result of this analysis, the company will have the capacity to understand the main points and improvement areas. The report also mentions integrated communication and the company's online and offline promotional strategies. In addition, the total engagement model mentioned, which is a system that puts all departments together in synergy, to make it more effective and efficient. In addition, through aligning with Apple, Keller's brand equity model was also described in four steps: Brand equity, Brand response, Brand identity, and Brand meaning. Despite the benefits, Apple should undertake some action regarding the pricing of products as it only offers premium-based products. Moreover, Apple should focus on the security system and implement more strategic planning as the competition in the market is high and the threat of cyber security is ever growing (The Sun, us inc., 2021). Apple should consider the promotions strategies on some of its products, to increase the niche market and thus, number of customers.

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