

Marketing Fundamentals Analysis and Evaluation – Assessment 2

Marketing Fundamentals

Lecturer name: Tushara Baladran

***Svetlana Valentinova Grozeva -
1908892***

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Introduction

This essay will be described the process and stages of marketing and the role of the marketing mix in it. Also, it will be explained about how marketing creates value for the customer. Moreover, the engagement and impact of stakeholders in marketing activities will be discussed.

Processes and stages of marketing including the role of the marketing mix



Marketing plays a significant role in promoting of products and services to customers. It allows business to reach their target audience and create awareness in the market. In recent times, there are many trends which has occurred in way of marketing. It has transformed the entire process. Digital marketing is highly used in it. The marketing mix plays a vital role as it consists of four main points. (Armstrong and et.al., 2018) Apple is a multinational American corporation established in 1976. They offer various types of

software products.

Marketing Stages (Google Images)

Marketing: Marketing can be defined as a procedure for attracting customers and making them interested in the company. It is a set of activities which companies perform for promoting their products to aware of customers and influence them to buy. (Armstrong and et.al., 2018)

Stages on marketing process: Marketing is a set of activities as a process of marketing includes several stages. In the context of Apple's, it can be said that it is important for its marketing manager to perform all stages in a systematic manner to accomplish their goals. Some steps are being discussed in a detailed manner: Planning mission, analysing company's positioning by analysis, establishing strategies, selection of target market, marketing mix, and controlling. (Naseri and Noruzi, 2018, pp.8-18)

Mission: Apple's mission statement is to offer its consumers the greatest user experience with creative equipment, applications, and services. (Apple, 2020)

Situational analysis: After setting objectives and goals, it is important to analyse marketing condition in which a company wants to sell their products and want to operate. Situational analysis is one of the main and important in which managers of an organization like Apple make effective use of techniques and tools to identify the condition of the business environment. With the help of SWOT analysis Tool Company can identify internal environmental factors. PESTLE is being used for analysing external

business environmental factors and Porter's 5 forces are for identifying the intensity of competition. (Clarke, 2019, pp.1)

Objectives: Apple's goal is to deliver excellent goods and services that enrich people's lives and provide incredible customer experience and ensure that customers are incredibly satisfied, loyal, and dedicated.

Strategy: Apple has adopted approaches at all stages of activity as part of its strategic option. It competes at different stages to retain its goods' competitive edge. Apples stuck out as the world's most successful and now the wealthiest business in the 2nd decade of the 21st century.

Implementation: After selecting strategies it is important to implement them within an organization to see own strengths and weaknesses. It also allows Apple to take competitive advantages.

Control: Controlling is the last but not the last step in the process of marketing as it allows companies in analysing whether their implementation is going on the right track or as per the set objectives or not. If they find any variances than they immediately make changes to prevent themselves against failure and loss.

PESTLE Analysis: This framework relates to evaluating environmental variables that play a critical role in undertaking work before initiating a new project. Managers assess the risks posed by identified factors and use their knowledge to make beneficial business decisions.

Political factors on Apple:

- Apple relies heavily on lower-cost manufacturing in China. In China, social and political instability may interrupt manufacturing or raise production costs. To improve the American industry, demands were even made to ban Chinese products in the United States. Apple may boost its efficiency by taking advantage of macro-environment by exploiting political incentives, but protection is needed to maintain stability irrespective of trade tensions. This factor is unfavourable for Apple.
- With time, stronger general free trade strategies are created. The global market consideration enhances Apple Inc.'s potential to sell more of its goods worldwide. Favourable for the company.

Economic factors on Apple:

- Stagnating middle-class wages may reduce the potential demand for higher-end consumer products such as those sold by Apple in certain developing countries, including the United States. This can affect the company unfavourable.
- A strong US dollar could raise exchange rates, which would render trading in key markets like Europe more expensive for Apple. This can unfavourably affect the business.

Social factors on Apple:

- In developing world countries like Africa, Apple is expecting a rise in market demand over the coming decades, where the public is not conscious of Apple devices. The business will enter the

unexplored sector and deliver fresh sales growth possibilities. This will influence the Business favourable.

- Apple is one of the world's largest businesses. It is just about the brand, it is the logo people choose to bring all over the planet. It is not connected to the iPhone and iMac. The singularity, technological creativity, easy advertising advertisement, and high quality of the goods render Apple more attractive for its customers. This is favourable to the company.

Technological Factors on Apple:

- Competitors including Google and Samsung have demonstrated a good capacity to copy goods and services from Apple. It took less than one year for Google to launch a payment app; Android Pay, with the same capabilities as Apple Pay. That implies that many services and goods endorsed by Apple are no longer original. Unpleasantly pleasant for the company, which can be stimulating.
- There are small numbers of popular goods that Apple will introduce. In comparison, such electronic devices as Apple TV have a somewhat small client base. Unfavourable for the business.
- The rising number of cybercriminals rendering Apple networks insecure and less consumer secure. It literally takes away the most valuable benefit, a reputation for security and protection. It may put the business in a difficult situation.

Legal Factors on Apple:

- Apple is planning to join the automotive sector and is pressing its staff to start electric car manufacturing as fast as possible. Favourable for the company.
- For most of its revenue, Apple relies on a variety of items protected by regulations on intellectual property, such as apps and music. This leaves the company highly vulnerable to both piracy and litigation. This can put the company in unfavourable situation.

Environmental Factors on Apple:

- If the pace of global warming rises, Apple is addressing the transoceanic transportation dilemma that is the heart of Apple's supply chain. Can have a negative impact on the business.
- This organization faces a big problem of discarding the lithium batteries in the appliances. It would cost the company some huge expenses. Apple is expected to pay costs because of the relevant environmental impact. Disadvantageous for the company.

SWOT Analysis: This is framework that differentiates and analyses the conditions that affect the company's market climate. Strengths and weaknesses are classified as internal factors controllable by a organisation. Opportunities and threats are external factors, which intend a very little control over them.

Apple's **strengths** are all features of the product which give the product a competitive advantage. One of Apple's strengths is to use both direct and indirect distribution channels. The retail stores of the

organization are typically located at a high traffic position in premium shopping centres and highways. The willingness of Apple to succeed is a huge benefit for the business. The organization is funded by its own research and development facilities which are continuing to create innovative technology and update current goods. Apple works in 24 countries worldwide and the company's sales sum to \$91.8 billion, backed by solid advertisement and marketing expertise. Unique ability to design and develop proprietary hardware, software, applications, and services. (Apple, 2020)

Weaknesses are these characteristics, which gives to the business disadvantage comparing with similar companies. High priced goods and minimal advertising and discounts are the main drawbacks of Apple. Apart from supporting other applications or technologies, Apple products are not incompatible with any other device. Against Apple, the case filed for the slowing down of older iPhones urges owners to buy a replacement as new models are launched. The charges should have been approved in California by US District Judge Edward Davila. (MarketLine,2020)

Opportunities are chances to take an advantage of given situation to make profit and improve the company's name. Opportunities may happen from external influence as changes in legislation, economic or social requirements. Apple is yet to launch products that are created using green technology. Apple has highly qualified professionals of researchers, developers, and product specialists like can continuously build new opportunities to consist customer growth. (Apple,2020)

Threats are factors that could generate a risk for the company as new competitors and transformations in external environment that is difficult to be predicted. One of the biggest threats which is facing Apple is Coronavirus Outbreak because it is highly dependent on China for its manufacturing and supply chain. In another look although Apple as a brand has solidified itself, it still faces threats from another brands like Samsung and Google. (MarketLine, 2020)

Segmentation, targeting and positioning

Segmentation involves the classification of the population into classes according to certain characteristics. The typical collection of characteristics expressed by the apple target consumer group involves recognition of the design, the quality and output of technology products and services over their prices. By geographic segmentation, Apple is focused on the United States and internationally. According to demographic segmentation, the company is concentrated in males and females, age between 20 and 45 with high earnings income. Psychographic segmentation includes the middle, social, and upper classes. Apple uses a single-group placement system that responds to a single consumer group to positioning. The company is expanding the consumer market to include well-off people ready to spend more on digital goods and services with innovative design, features, and capabilities. For making and effective position, it focuses on target quality-centric market.

Marketing Mix-Product, Price, Place, Promotion

Marketing is a method of analysis and recognition of customer desires, and the use of correct packaging, merchandise, position, and advertising tactics to satisfy these desires is lucrative. (Peter Stimpson, 2002, pp.129)

Product: It has a wide range of products which include iPad, iPod, iPhone, Apple TV, Apple Watch, Accessories, could services, etc.

Price: It uses 2 pricing strategies as per the current situation of the market and mainly focuses on premium and freemium pricing. Freemium is a combination of free and premium in which some products of Apple are being sold free, but customers must pay to access more advanced. (Abdelhady, Fayed and Fawzy, 2019).

Place: It has several physical store locations, owned official website, authorized sellers as well as telecommunication companies which sell its products and services.

Promotion: It makes use of a variety of media and sources to promote products and services such as personal selling, sales promotion, advertising, and public relation.

The role of marketing in creating value for customers

One of the major roles of marketing is to create value for the consumer by promoting its brand and creating awareness related to the products and services that have been sold by the firm. It has also been analysed that Apple can create value for the consumers by providing the right information to consumers in advertising that has been done by them. This will assist the firm in retaining consumers. It will also help them in attracting a large range of consumers which is necessary for the growth of the firm. It includes the following:

Informing and education consumers: It has been analysed that marketing assists Apple in making consumers know about the facts and figures related to goods and services that have been sold by them. This assists those in creating value and support firm in enhancing the likeness of their product. Value can also be created by Apple by making consumers aware of the quality of products that have been sold by them with the help of marketing. The firm can also be engaged in making use of different types of marketing channels such as digital marketing, social media marketing which can assist them in creating value. Educating customers about the goods and services of Apple products and services can also help them in increasing sales. They can also create brand awareness through it (Biswas, 2018). They can also include more practical information such as manufacturing date, address, and phone number. This can also help Apple in taking feedback from consumers by creating consumer loyalty. The creation of value is important for the company to grow. This can assist them in achieving their goals and objectives and increase their revenue.

Managing consumer expectations: It has also been analysed that value to the consumers can also be developed by Apple company through managing expectations of customers. The company needs to be engaged in doing market research so that they will be able to find out the needs and demands of customers (Aaker, 2020). This can assist the firm in creating the belongingness of consumers which is necessary for the growth of the firm. It has also been analysed that to create value for the consumers; Apple needs to be engaged in creating brand loyalty. This will help them in managing the wants of

consumers. It will also be helpful in gaining a competitive advantage which is necessary for the growth of a firm. During the time of promoting the products, the firm also needs to make sure that only the right information is been provided to consumers. This will help them in building their brand value and the relationship of trust can be created. It will also be helpful for the growth of firm. They can also use the information group to know which group is most reliable. Apple also needs to be engaged in analysing the needs and demands of consumers.

To encourage consumers to pay a price for the product Apple use strategies that are likely to 'add value'. They are creating an exclusive and luxurious retail environment to make consumers feel that they are being treated as important. Apple is using a high-quality packaging to differentiate the product from other brands. Promote and mark the company to become a 'must-have' brand name. And not the last point always trying to produce and launched a unique product that clearly differentiates a product from other manufacturers. This may be a risky tactic, however lucrative if it works. The key point of adding value is that that when customers increasingly are richer and more cautious in their buying practices, manufacturers who are willing to create something special than other companies are more likely to draw customer interest and earn a higher income. (Peter Stimpson, 2002, pp.136)

Ansoff Matrix on Apple

Product Development applies to selling new product to existing customers. This can be defined as developing a product for customers that are already loyal to the brand. It is primarily a medium-risk approach. For example, Apple launched the newest iPod as a convenient and compact tool for its current consumers.

Diversification applies to selling new products to new markets. It is one of the riskiest development approaches because all goods and customers are fresh, new, and unknown. The use of this approach is apparent from the production of Apple devices, e.g. Apple Watch and Apple Pay. It is important to know that Apple has started its path with a computer and has gone on to create other items that are radically fresh and distinct from the initial ones.

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

Stakeholder refers to people who take an interest in organization growth and are involved with the company directly and indirectly (Fageha and Aibinu, 2016). It may be a person, organization, and a society that has a stake in an organization.

Stakeholders could be classified as: **Internal**– these stakeholders are directly connected with the organisation and these could be employees, owners, and investors. **External** are stakeholders, who are not directly related with the purpose and aims of the organisation as media, banks, competitors, and Government. (BPP Learning Media, 2013, p.264)

In the context of Apple, it can be said that it has several stakeholders which are being divided into 2 parts such as internal and external.

Internal stakeholders are the managers and staff. The Manager it is one of the main important stakeholders because they play several roles by carrying out the main vision. It is stated that the growth

of this retailer is especially because of the abilities of the manager to manage all activities. Apple has around 137,000 employees in all departments. It is considered the main stakeholder because they help the company in developing and wants Apple to become the market leader. (BPP Learning Media, 2013, p.264)

External stakeholders can be customers and suppliers. Customers are the main stakeholder whose satisfaction is the main key to success. Customers' interest in products and services as well as knowing that how it performs is important which makes it able to focus on the quality of products (Cardwell, Williams and Pyle, 2017). Suppliers are called indirect stakeholders for the company who determines that the firm is performing in an effective manner or its social responsibility efforts. One of the main strengths is it has a strong relationship and suppliers of this company want this company to increase sales.

Communication strategy:

At the first-place communication plan needs to set the objectives and significant for the organisation messages and targets. The next step is to create operative communication strategies and to target an appropriate audience. The following step of the plan is to set time frame, budget, and responsibilities. And the last stage is adjusting the plan and measurement of the results.

After identifying stakeholders, it is important to communicate with them. For effective interaction, Apple makes an effective use of letters and oral communication. As per the type of message, it uses communication modes like letters, oral communication, news conferences, updating on social media platforms, etc. But one of the main modes of communication is social media and oral because it believes that with oral communication it can identify human behaviours and can improve relationships with them. Developing a relationship with stakeholders would bring benefits - making them interested about the venue and the culture of it, it would increase the effectiveness of work within the organisation and put decisions making together.

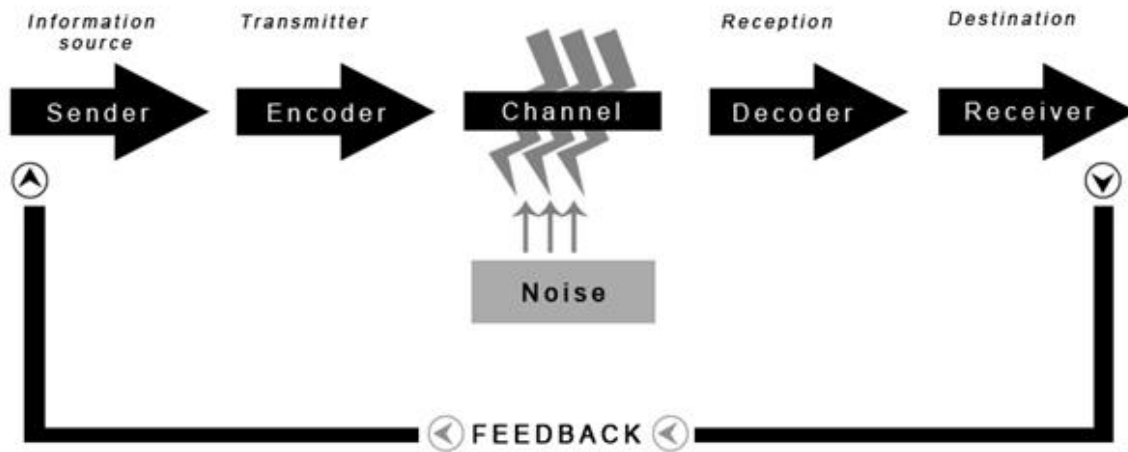
Communication – Task 1B

Marketing communications utilize a range of media platforms and resources in tandem. Marketing contact networks concentrate on the way a company sends a message to its target market or to the audience in general. The brand engagement method may be anything from advertisement, personal purchases, direct marketing, support, networking, social media, and public relations promotion. (Tomšič & Snoj, 2014)

Shannon and Weaver's Model

The most well-known and influential formal model of communication is Shannon and Weaver's model, developed in 1949 by Claude Shannon and Warren Weaver. It is an information source that generates a message, a transmitter that encodes the message into signals, a medium to which a signal has been

modified for transmission, an information source that decodes (reconstructs) the message from a signal, a destination where the message is sent; a communication model composed of five components. Shannon and Weaver's original model contains five elements: information source, transmitter, channel, receiver, and destination. The information source is where the information is stored. (Chandler D., Munday R., 2011)



SHANNON-WEAVER'S MODEL OF COMMUNICATION

Shannon and Weaver's Model of Communication - Diagram (Google Images)

Integrated Marketing Communications

Integrated Marketing Communications (IMC) means that an organization incorporates and manages its various messaging networks carefully to have a transparent and coherent message. This works at ensuring the consistency of the message and the complementary use of media. IMC combines all marketing methods, strategies, and services into a business, which maximizes the effect of maximum benefit at minimal cost on the mind of the customer. This framework major using tools are:

- Advertising
- Sales Promotion
- Personal Selling
- Public Relations
- Direct Marketing
- Events and Experiences
- Social Media Marketing
- Mobile Marketing

One of the main benefits of integrated marketing communications is that advertisers can express their ideas and messages across multiple media networks easily and efficiently to increase brand awareness. The other benefit of integrated marketing communications is that it creates a competitive advantage for companies looking to boost their sales and profits. This is especially useful for small to medium-sized businesses with minimal staff and marketing budgets. IMC immerses consumers in interactions and assists them in the different steps of the buying process. Around the same time, the company consolidates its identity, establishes a conversation, and promotes customer interaction during the trade. IMC will help to build a smooth shopping experience that allows consumers to be committed, lifetime consumers. (Feedough.com, 2019)

Promotion Examples

The way Apple can achieve and retain its covetable reputation is by the continual creation of new features and updates to enhance each product relative to the previous version. Research shows that Apple advertising promotes its products more effectively than indirectly building brand perceptions. The commitment generated by such advertising strategies leads to word of mouth and this word of mouth helps to build the brand perceptions of the company and to build the product's desire.

Instead of investing thousands of dollars on AdWords and Facebook advertisements, the Tech Giant focuses its promotional resources (especially with celebrities and famous shows) on product placement and on the hype generated by positive media feedback.

How Apple's advertising and marketing campaigns show are not features and attributes, but instead how the company will change your life. But there are no Apple stops. This is just one step in their marketing campaigns. They also spread this 'simpler is better' ideology across their product lines. There are not too many options, parameters, or options overwhelming potential customers.

Overall, while Apple's products are of good quality, they are outstanding in their promotional campaigns, putting consumers at the forefront of the creativity and disruption curve of technology products in the Apple group.

Conclusion

From the above, it can be concluded that stages in marketing include mission, goals and objectives, situational analysis, implementation, and control. Furthermore, it consists of STP and marketing mix. Also, marketing creates value by informing and educating customers, managing consumer experience, the internal and external stakeholders are engaged in marketing and impact on it. Suppliers, the customer, provide useful data and info from the market, and manager analyse it to develop marketing strategies. The stakeholders are communicated about the strategy.

The organisation can effectively create and introduce new product lines leveraging its good market identity and fast cycles of innovation. Apple poses significant threats to unfair rivalry and emulation, however, which present major challenges for participants in the global consumer electronics, computer hardware, and software industries and online digital content delivery systems. By offering TV advertisements and online newspapers, Apple should improve its advertising strategies against Apple TV, MacBook, iPad, and its latest launch software in 2020.

Finally, I would like to finish by pointing out that after Apple used a phrase that 'Think Different' it is now time Apple thought about adding interest, discounts, the delivery network, and inventions more and more.

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