

The Successful Marketing Strategy of Apple

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Abstract: In The electronic product market, marketing strategy is a very important factor. Apple is successful in this area. Apple is the first brand to publish a flagship store to market, that provides outstanding service. But the place and service are not enough. In this paper, we will find out why Apple can be successful in the market. we will be using the 4Ps method to research Apple's marketing strategy. The way of Apple uses product ecosystem and word of mouth by customers. And on the other hand, Apple is working through pricing strategy and location of Apple stores.

Keywords: 4P, consuming experience, brand image, marketing strategy, word of mouth

1. Introduction

Nowadays, Apple is the highest market capitalization company in the world. Apple is like a symbol of the high-tech industry. Apple's products are activated by a huge number of people around the world. What makes Apple so successful in the market? Apple is like an innovator in the smartphone market. The iPhone 2G is the first-generation iPhone, which has a touch screen, and it combines the three products. Like Steve Jobs said, "An iPod, a phone and an internet communicator." Before the iPhone 2G, people need three products to get the three functions. iPod was easy to carry out and listen to music, but it could not make a phone call or connect to the internet. The other brand of phones at that time still used old and useless function systems, and customers begin to fall bored with those products. The internet communicator will be a very big computer that cannot be portable. The iPhone is the best solution for customers at that time. But the unique product is just one of the leading successful marketing factors. The customer experience is another major factor. Apple inputs a lot of sources to provide the best consumer experience. This experience is covered by the Apple store or the official website. The Exquisite typography layout and the environment of the Apple store. The staff is kind and patient. Customers can try anything they want in the Apple store. If you're going to get any support for your Apple devices, you can find a genius bar easily, by calling or just walking in. Depending on the impressive products and fantastic consuming experience, an excellent brand image is built by Apple. We want to know why Apple can get that powerful marketing strategy nowadays. What is the main factor in achieving a successful marketing strategy? We will research this topic by the 4Ps method. This paper will discuss Apple from product, price, place, and promotion.

2. Review

Based on previous studies on the marketing strategies by Apple. The original of Apple is two high school dropout two students. They are Steve Jobs, and his close friend, Ron Wayne, Steve Wozniak [1]. The success factor of Apple is that it has a strong management team, and every employee gives full play to their unique advantages to form a big team. Apple's vision is to provide all consumers with a great user experience [2]. The factor of Apple's success is also its business strategy and goal. They advocate to use of unique designs and the development of their own operating system, and provide the highest service to customers with service capabilities [3]. They are most successful when they do market research to satisfy people's needs [4]. They are also technologically advanced and can make suitable and useful products from environmentally friendly materials.

The author of this study gives several suggestions to Apple. The first is to conduct more extensive product research and development. The most important thing is to maintain the innovation of their research technology [2]. As a diversified company, Apple can open more offline stores and make some positive social contributions. It can win the loyalty of customers by designing high-quality products [3]. Apple is growing both revenue and net income, which is a good prospect for Apple, and these factors are key to their success.

Apple has strong innovation ability [3]. What they want to bring to consumers is very novel. The most important thing is that every employee of Apple is very careful and responsible for every software decision. Apple is very strict about managing its employees. Follow the employee handbook. Because every employee is assigned to a different position, and all departments in their company are divided into details and plans, within Apple, there are also different parts responsible for different fields. Therefore, in every big company, the leader is a vital presence, and the core of the whole company is also considered around the leader's ideas. Apple has developed a variety of products and promoted them in different ways, such as hunger marketing. Apple keeps its products in a state of hunger in the market, so as to maintain price stability and control product upgrades. In other words, if the quantity of products fails to satisfy consumers, the price of products will rise. Apple also catches consumers' obsession with product upgrading. There is also experiential marketing [5]. Apple Inc. will provide different product lines to give consumers the opportunity to choose the best one for themselves. The most important thing is that the software developed by Apple can provide a good sense of use for most people, so when friends suggest buying mobile phones, everyone will recommend iPhone [6]. When a product feels good to use, the reputation of the company's product will increase. Intangibles also do marketing for products.

Apple Inc. has developed a new "software health." [3] which will monitor people's health data in real-time, and also give personalized health opinions. So in order to further understand consumers' motivations for buying fruits and vegetables, Apple has launched a value graph, which indicates that some consumers' choices are correct, and uses a part of its advertising strategy to end the conceptual basis as a hypothesis [4]. So Apple carried out three kinds of print advertising strategies, and through interviewing different consumers, it learned what consumers want most [1]. These can indicate that the spread and content of advertisements will lead to different brand attitudes [7].

3. Analysis

There are three main reasons for Apple's success [2]. First, there is the core technology. They have their own development prospects and core technology and the technology they want to present to consumers. They have professional product experience, which includes good post-user service and following a lot of consumer opinions, and their software design is irrational and applicable. Most important is Apple's own investment strategy and investments [3]. I am very good at looking at the overall market prospects, and I am very good at following my investment direction and selecting

companies to achieve the biggest goal. The management of personnel is also very strict. The communication between departments and the innovation of ideas are very detailed and strategic in Apple's management is divided into two divisions: software and hardware. The leadership of Apple is very innovative and has its own wind in it. The marketing strategy applied by Apple Inc [7]. is viral marketing, which is propagated on the Internet through users' word-of-mouth or through person-to-person transmission [5]. In addition, there is also advertising marketing, which often occupies the logo of Apple on the brands of various shopping malls, so as to enhance its popularity and make consumers see the brand of Apple at first sight [7]. So it will find a lot of limited models, so that people or consumers to wait for this product. Their brand concept is also very good. They first pursue perfection, keep learning, minimalism, keep teamwork, reward employees and motivate employees [2]. This is a promising company, so they will adopt environmental protection and portability in their software or other products. The main advice to users is convenience and comfort.

3.1. The Product

Apple has a powerful marketing strategy to help it become the highest-value company in the world [1]. iPhone is the most successful product of Apple. It has an incredible selling number with the high price. "In 2014, the iPhone 6 series was published, and it became the best-selling iPhone model ever. It had 222,400,000 sales." [6]. The product line Apple is formed by normal users and pro users. The base, Mini, and Air mode is made for people who want to experience the Apple ecosystem at a low cost or they very care about product portability. On the other side the proline such as Mac Pro, iPhone 14 Pro, and iPad Pro. Those products will provide the last generation AMOLED or miniLED display, the most powerful chip inside to support your creativity, but also at a high price. Most users buy those products for their business. We can think that they live by those products. Those pro products can bring profit from their business. Apple uses this to make an innovative and high-tech brand image [8]. When those pro users use the Apple product in their life, it will become a free advertisement for Apple. On the other side, the ecosystem is a very important product of Apple. When people join the Apple ecosystem, they use iPhone, Apple Watch, iPad, and Mac. Those products working together will bring you to the next level of experience, such as you can copy a sentence or picture on your iPhone and pasting it into the PPT you are editing on your Mac. The ecosystem will improve customer loyalty. People will keep updating their Apple products rather than compare them with other brand products. "An ecosystem is defined as a biological community of interacting organisms. In tech terms, this means a group of devices with software to create one collaborative network. Many companies use this to create a 'family' of products, but no company has mastered it like Apple with the Apple Ecosystem." [7].

The accessory is another very big part of the product. You can imagine the huge sales number of iPhones every year. The need for the accessory will grow quickly. Apple's accessory is expensive so it cannot cover the whole market. So, Apple publishes the MFI-certified product, which makes certification of third-party accessories for Apple products. If some third-party company produces the certification accessory, Apple can turn down the user experience, such as the charger. Apple will be limited the watts to those certification accessories. Until you get the certification of MFI. This MFI program charges those third-party companies USD 99 (plus any applicable taxes and fees) per membership year. This certification creates a huge demand in the market.

Except for those physical products, Apple both have some software products. Such as the Apple Music and Apple Care. "Apple Care is a very helpful product that gives consumers the best insurance and allows them to exchange a new phone at a low price. Apple Care can help buy new iPhones at the most affordable price and bring security to existing iPhones." Apple Music can be smooth through each Apple product, such as you can drop your Apple Music from your iPhone to your Home Pod with vibration feedback from the Taptic engine inside of your iPhone. The iCloud is another main

part of Apple's software product. "Customers can use iCloud to save documents on one type of product, and the user can see or use it on the other products because the iCloud is a private cloud space that makes it easy for Apple users to share personal data between different devices." [8]. Customer can edit their documents on all the Apple devices that they have. The picture can browse on any Apple device, which will save a lot of time and convenience. Apple does not just want to sell a single product like an iPhone or a Mac. It wants to attract people to join its ecosystem and experience the corporate between each Apple device. The main factor of Apple's marketing strategy of products is the ecosystem made by Apple can get a high loyalty of customers. The character of the Apple ecosystem is different compared with other brand ecosystems. Apple's ecosystem is more closed, which is made by each Apple OS system. When people join this ecosystem, they can get benefit from this corrupt system, but if you want to change your phone or laptop to another brand, the experience will become destroyed. Based on those factors, customers of Apple will have high loyalty to purchasing.

3.2. The Price

Apple's pricing strategy is designed with a clear understanding of its brand valuation. Three main methods lead Apple's marketing to get humorous success. The skimming pricing strategy, the differential pricing strategy, and the bundling pricing strategy.

The skimming pricing strategy: "Apple's target customers are middle- and high-income people. They are willing to pay more for an iPhone." [6], therefore, Apple chooses to price its price at a high level. According to Counterpoint, in Q4 2019, the average selling price of Apple's smartphones was \$748. However, Huawei and Xiaomi only had average selling prices of \$391 and \$220 respectively, indicating a much higher profit space. And the high price does not harm the sales. During the same period, Apple sold approximately 72 million smartphones globally and owns 18% of the global smartphone market share, but Huawei and Xiaomi sold 56 million and 33 million respectively with only 15% and 9% market shares. "These marketing activities of the firm influence the consumer mindset with respect to the brand." [9].

The differential pricing strategy: "Apple releases a new iPhone every year. With the release of each new iPhone, the price of other iPhones will be lower than before. " [7]. According to the general thinking, after the release of the iPhone 12 series, the iPhone 11 series should gradually become less popular," [6]. According to Counterpoint, after the release of the iPhone XS in September 2018, the sales of the iPhone 7 and iPhone 8 on Apple's official website both saw an increase, with the sales of the iPhone 7 more than doubling in the first week. A similar trend was also observed after the release of the iPhone X in 2017, with sales of the iPhone 7 and iPhone SE seeing an increase, which has a huge benefit to sales of Apple.

The bundling pricing strategy: Bundling pricing strategy is always honored to be a golden way of increasing sales and expanding the acknowledgment of different products and at the same time saving advertising and promotion fees. Apple's official financial report data shows that Apple's bund sales strategy has performed well in the past few years. Among them, the bundled sales strategy of iPhone and Air Pods brought the company \$126 billion in revenue in the fourth quarter of 2020, accounting for 56% of the total revenue. Meanwhile, in the past few years, Apple has launched various service packs through bundled sales, such as Apple Music, Apple TV+, Apple Arcade, and iCloud, and the sales of these service packs have also continued to grow. In addition, according to market research firm Counterpoint, Apple's share in the global headphone market reached 29% in the third quarter of 2020, with Air Pods accounting for 6% of sales. These data indicate the success and popularity of Apple's bundled sales strategy in the market.

3.3. The Promotion

Apple's promotion uses unique customer psychologies, which makes the customers have very different experiences during their purchases. And "as the extreme dynamism in the course of social, economic, cultural and technological processes in society." [10] I conclude those promotions into 3 aspects: the mysterious marketing, the community marketing strategy, and the hunger marketing strategy.

Mysterious marketing: Apple used mysterious omens and information to satisfy consumers' appetites before the release of its new product, which creates a strong sense of excitement and anticipation and largely increases the exposure. Apple's product release events are one of the most anticipated events worldwide. According to reports, the iPhone 11 launch event in 2019 had over 10 million viewers. According to statistics, the iPhone 11 series released in September 2019 sold 45 million units in the first month, which is a huge success.

Community marketing strategy: Apple is always very good at community marketing strategy. They establish close connections with customers through social media platforms. Their advertising campaigns are not only very precise but also very innovative, attracting a wide audience of consumers.

Hunger marketing strategy: "It only took ten seconds to sell out. It's fair to say that the iPhone 12 has been a huge success in terms of sales because of the way it has been delayed." [6]. The Hunger marketing strategy shows Apple is very good at taking advantage of their fan's benefits.

3.4. The Place

Nowadays, Apple has three major channels to sell. Firstly, the Apple store. It is the first brand to publish those types of flagships to the market. The Apple store attracts customers and builds a high-end brand image quickly. It was different compared with the other brand store at that time. Apple stores will be located in a city's central area, such as a shopping mall or some symbolic building. It can bring a high-end brand image to customers. "There are the most complete Apple products and the best Apple services." [6]. Of course, there will provide all categories of the Apple product. In Apple stores there are not just selling products. Apple will organize some teaching courses about their devices. Such as using the iPhone camera system to get a nice picture. And Apple will invite some famous people in one major area like some music producers come to the Apple store. And sharing their experience or some tips about using Apple hardware and software to make creative. It is like a society area rather than just a shopping store. The other brand is very hard to copy this successful marketing strategy. Because it needs timing and huge input, such as the high level of service, need the matching salary to support. On the other side, Apple publishes this strategy to the market first, so most of its customers will be already attracted to Apple. The residual customer not so much and the staff in the Apple store always be kind and confident.

Secondly, the Apple official website is another selling channel. This online channel is popular these years, as COVID-19 and the growth of the express delivery industry. "Nowadays young generation prefers online shopping." [11]. On the other hand, this official website can help Apple to cover more areas of the market, such as some cities still not having Apple stores. On the Apple official website, customer can customize their product, such as editing their name on their iPad backside or the surface of their Air Pods, which will be an awesome unique consuming experience. The official website both have other functions Customers can make a genius bar repair appointment on the website, which will save you waiting time before the repair.

Thirdly, selling channel of Apple is the independent store. Those stores are usually in the shopping mall but will be much smaller than the Apple store. Simultaneously, they will sell some other brand products like ANKER and UGREEN. Those brands will have some accessories for Apple devices.

Those independent stores will be a good place that allows other brands' customers to experience Apple products. Apple's three major selling channels can cover many customer markets.

4. Conclusion

By the above 4Ps researching, we found the major factors of Apple's successful marketing. The outstanding consuming experience, advanced advertisement, and powerful brand image are much important. Those factors are made by Apple's control of the 4Ps area. The product, price, promotion, and place work together. Nowadays with the growth of the Internet and IT market. more and more companies are joining this area. So, the competition will become much more intense. How to survive in this situation, the right marketing strategy is very important. Apple can depend on its constant style and control through each area, that customers will be experienced during consuming. This control will help Apple continue its success in the market. If a brand wants to be more controllable of its marketing strategy, a vivid brand image is much important.

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