

# Analysis of Apple’s Marketing Strategy

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## ABSTRACT

Marketing has several meanings, one of which is defined as a kind of business activity to realize the consumption needs and satisfy the enterprise’s purpose. This paper mainly analyzes the current corporate marketing situation of Apple Inc. by combining the market field of Apple and studying the marketing strategy of Apple. The author also explains the problems caused by Apple’s marketing strategy, which is formulated by its current market environment and its own development characteristics, and puts forward solutions. In order to give suggestions of marketing strategies for other companies, it is of significance to analyze Apple Inc., so that it can be better understood. In addition, after the analysis, other companies can get assistance in judging the marketing strategy and means.

**Keywords:** Apple Inc., Marketing strategy, Company, Analysis

## 1. INTRODUCTION

At present, with the continuous development of economy, electronic products have become one of the most important things in the society. Undoubtedly, Apple is one of the leading companies in the industry. It was ranked number one in the 100 most valuable brands of 2011. At the same time, its profits soared this year, ranking it first among the world’s top 10 companies. In this era of brand success, to stand out among various

excellent brands, it is far from enough to rely on functional features alone. More humanized factors should be endowed to brands to generate greater appeal. Therefore, it is necessary to study Apple’s marketing strategy. In order to better compare marketing strategies with other companies, Apple is unquestionably number one in terms of electronic devices. Through the analysis of Apple, other companies can better improve their marketing strategies and better help other people who do corporate strategy analysis to come up with new ideas.

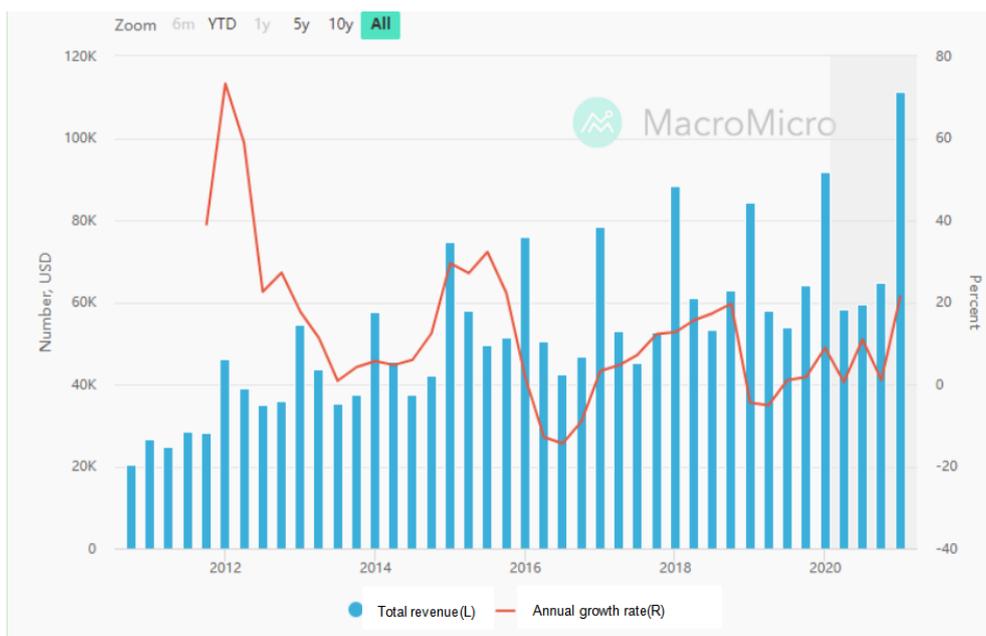


Figure 1 Apple’s Revenue [3]

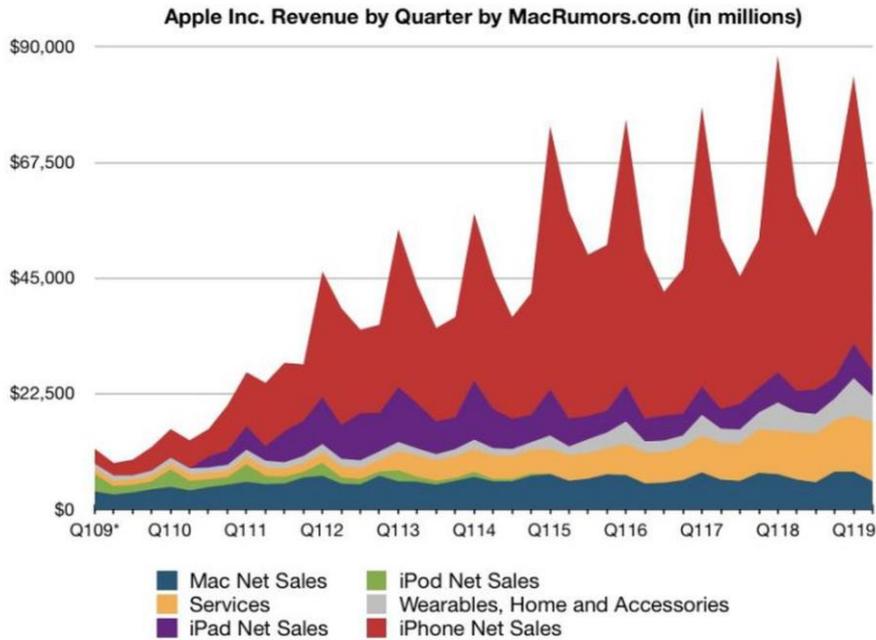


Figure 2 Apple Inc. Revenue by Quarter [3]

## 2. THE SWOT ANALYSIS OF APPLE COMPANY

### 2.1. Strength

In 1984, Apple introduced a new type of computer. Sales were so high that they made up a big chunk of Apple’s revenue. As more and more people know about Apple, consumers buy a lot of this new type of computers, and the products of Apple is much better than other brands. At the same time, it also invests in a wide range of advertising resources, such as celebrity endorsements. It makes consumers want to buy more, which can not only attract a lot of consumers, but also recommend to the people around them, in order to greatly increase their income.

### 2.2. Weakness

The efficiency of Apple’s manufacturing department is relatively low, while the design and cost are high, which makes Apple lack of competitiveness in the IT industry. Its products are also prone to explosions, screen damage and other accidents. But Apple is also aggressively recruiting these products and offering them to consumers for free.

### 2.3. Opportunity

There are many kinds of Apple products. Basically, each new model has its own characteristics as they can maintain the old customers and constantly expand new markets to maintain more customers. As the reputation of Apple grows, people will gradually accept Apple’s

products, thus more and more people will consume their products by contrasting with other brands.

### 2.4. Threat

The biggest threat to a company like Apple is the high level of competition in technology. Start-up capital can only last a short time to develop new products. Android became the strongest competitor to iOS, but it also faced competition from Samsung and other brands. Therefore, there is also a lot of pressure on many Apple’s products.

## 3. ENVIRONMENTAL ANALYSIS OF APPLE’S OPERATIONS

In order to maintain its competitive position, Apple has always attached great importance to research and development of product and the market. The demand for iPad and Mac is very important, because most consumers buy the most Apple products are iPhone and iPad, and it takes up a large part of Apple’s quantity of sales. However, with the economic recession, the demand will be affected and will decline.

Apple is headquartered in the United States, they attach great importance to the development of high-tech industries and are willing to invest in them. China is a socialist country, and the political environment Apple faces in China is still quite severe. If Apple does not comply with China’s foreign trade policies and regulations, its development in the Chinese market will be very difficult. The growing demand for electronic products, together with the impact of various measures taken by the government to expand domestic demand on

the macro economy, has led to an unprecedented peak of demand. With the continuous development of scientific research, electronic products begin to play an important role in social life. Under this condition, Apple Inc. keeps making technological innovations to shorten the life cycle of products.

## **4. MARKETING METHODS AND STRATEGIES OF APPLE**

### **4.1. Hunger Marketing Strategy**

“Hunger marketing” refers to the commodity providers interested in lower yield, the more customers buy the better. By using the new methods, apple will hunger marketing strategy, which is widely applied in the marketing of iPhone and the iPad, the phenomenon of lining up, snapping up the conflicts in the process of phenomenon also happen from time to time. The marketing curve of Apple company is: information control— press conference— launch date announced— waiting— official launch— snap up— full line out of stock— hot sale. Information control is the first step of its marketing, without which there will be no Apple product on hot sale. Press conference of the sold products only roughly shows the new products, and the details are rarely mentioned, which arouses appetite of consumers, greatly improve the mystery of the product. When the product is officially opened after it begins to campaign, with a strong sense of contrast, it can attract consumer and media through improving the desire for purchasing.

### **4.2. Experiential Marketing Strategy**

It takes a softer approach to conduct experiential marketing, with Apple defining its retail stores as product experience stores. Apple’s product sales focus on customer feelings. Compared with other brands of retail stores, Apple’s product retail approach is more humane. In Apple’s retail stores, there is a digital experience area, where products are placed on the table so customers can easily touch the products they want to know and try using them. In Apple’s retail stores, consumers will not be bothered by the sales promotion carried out by clerks to promote their products. Apple has made a new definition of store service personnel. They are not only the salesmen of products, they are able to provide customers with a better product experience, rather than just selling to customers. This greatly enhances the ability to get customers to buy their products. In addition, there is a user experience area in each store. Customers can take a class on how to use electronic products in their spare time and learn how to use apps on mobile phones or computers. And it is a reservation system, so it is not very crowded.

### **4.3. Turning Mobile Phones from Communication Tools into Toys**

Marketing process and means must make people feel happy and interesting, so that they can participate voluntarily. With the popularity of Internet microblog, iPhone has become a fashion tool for entertainment. The most popular entrepreneurs and celebrities on Weibo are using their iPhones to send all kinds of information, or edit and create all kinds of news, all of which are labeled as iPhone users [1]. This makes more microblog users want this logo. Which mobile phone brand is popular like a star? Maybe it's just Apple. Apple fans often lose themselves in the pursuit of Apple products.

Many people want to show their loved machine, personally demonstrate, exchange experience, and show off the machine personality accessories, even going everywhere with a leather notebook in their hands. Even the biggest names like SONY, Dell and Nokia may not match the enthusiasm of their users with the craziness of “Apple fans”.

## **5. STEPS OF APPLE’S COMPANY FOR MARKETING**

Cooperating with carriers to promote new product concept is a good way [2]. Apple can not only seize the opportunity of cooperation with operators, but also indirectly contribute to the development of fashion industry in the new era. Because many fashion brand companies are influenced by the advanced concepts of Apple, they constantly integrate into the trend of Apple and produce various add-on products of iPhone, such as mobile phone case. By combining digital music with music players, Apple has formed a new alliance with record entertainment companies to share benefits, and consumers also benefit from it. This combination is not only the improvement of Apple’s closed business model, but also can bring new experience to the consumers of Apple products, increase the number of customers, and bring huge profits to the company [1]. At the same time, software development or terminal manufacturing is generally in a passive state, but with the emergence of apple, different operators are selected according to different regions. In China, China Unicom and China Mobile are operators. In this way, the space for mutual benefit and win-win will be expanded. Apple dominates product development, and its behavior depends entirely on it. At the same time, Apple’s control over mobile openness or other value-added services is also dominated by itself.

As a service provider, its contact with the company is mainly through the bundling to complete the work, which is conducive to changing carriers have been similar to the competition mode, and realized a new mode of future development.

### ***5.1. Focusing on the Main Customer Groups, Cultivate Loyal Customers***

In terms of sales, Apple is undoubtedly better than any other company. In terms of services, such as flagship stores or directly operated stores, Apple provides free use of mobile phones, so that customers could have a sufficient sense of experience as customers can try to use them before deciding to buy. In each flagship store, Apple provides free service, including teaching customers the functions and skills of using mobile phones and computers. This kind of service is something that many companies do not have. Apple focuses on the hearts and needs of customers as well as customers' experience. What is more, the layout of the apple store is different from other digital products, and there are no lights or noisy background music as marketing means. Even the marketers will not force the products to be sold to customers. However, consumers who buy Apple products can directly enter the experience field. When customers see the introduction of products by professional service personnel, it can fully reflect Apple's humanized concept.

### ***5.2. Making Use of Consumers' Psychology of Seeking New and Different***

This method constantly introduces new technologies and it is helpful to expand the market, which is in a planned way of industrial design and the abolition of the system for electronic products. Apple's system (IOS) is the use of artificial way to make the product in a short time to disappear the original function. In other words, Apple has this kind of system, which makes their marketing methods very novel. By letting Apple's system, which means iOS system gradually eliminated by consumer groups, slowly pulling out of the market, Apple is able to make consumer eyes move to the new products. Apple has demonstrated this approach to the maximum extent possible. Apple has shown that it is the most attractive method to customers and it works. Since Apple's system has new changes and updates annually, consumers want to follow the trend and hope to have a better system and good APP. So Apple has also captured this feature, and follows it with every new phone, with the system constantly updating when the new phone comes out, which arises to consumers' desire to buy. In order to promote the product, Apple makes small changes every two years and big changes every three to four years. Nowadays, with the continuous development and relative maturity of science and technology, consumers generally have a strong sense of rejection of outdated old products and are more willing to comply with the trend of the times of scientific and technological progress and choose the most advanced and high-end products. So Apple's strategy actually captures the psychological needs of consumers. They make their sales more and more high. In recent years,

Apple has launched a trade-in program, which recommends people to buy mobile phones when they buy them and they can let people buy their new phones within the expiration date, and trade off their old phones for the normal price, which makes old customers feel like they are getting a good deal. But that is why they have caught on to the consumer psyche, getting a new phone at a lower price but actually paying more.

### ***5.3. Application of New Technologies***

Through the application of new technologies, customers are willing to squander existing resources and aspire more novel experiences, thus winning the huge market of Apple products.

Using the network platform to cultivate the customer group indirectly is helpful. Apple has created an open platform that allows users to download software from the app store or submit applications to the company for development. Since the platform is only open to Apple users, it is actually indirectly cultivating the customer base.

It is beneficial to adopt viral marketing to expand customer base. Apple uses viral marketing to win customers and build over a long period of time to customer relationships [1]. The so-called viral marketing refers to the rapid spread of Apple brand in the crowd through certain public praise. It is like a virus, replication and growth is very fast, resulting in a huge marketing effect. Apple's customers are mainly those with higher income and education level. At the same time, these customers also enjoy life and pay attention to the taste and quality of life. The virus effect can also use the Internet and other modern scientific and technological means to publish various opinions on the apple brand on the Internet and influence the trend of public opinion. In fact, it can virtually bring more customers to Apple. Thus customers have more love for Apple.

Establishment of three-dimensional marketing network is also necessary. There is no doubt that Apple's great success is based on its good brand influence and strong R&D capabilities. And accumulated a good customer reputation. Excellent products, good reputation and excellent after-sales service attract more and more consumers to become their loyal fans. Apple's marketing is not only so, but also through its own innovation, including manufacturers in the downstream of the industrial chain, film and television media, operators, logistics companies, Internet marketing personnel, software developers. It has formed its own marketing network, provided better services for consumers, and achieved a win-win situation in the enterprise industrial chain. To earn huge profits for yourself.

## 6. CONCLUSION

Technological progress and the complexity of demand constantly promote the innovation revolution, but also bring about the integration of products and industries [4]. Apple is different from its competitors in two ways. Apple's constant technological innovation keeps it on the top position, giving it time to gain value and compete for the next round. Constant innovation and time lag with competitors also give Apple an opportunity to nurture its consumer base and strengthen its brand [5]. But if Apple does not maintain its edge all the time, it will be in an adverse position. Through the case of Apple, it can be found that the key to the success of experience marketing lies in grasping the psychology of consumers in the era of experience economy. As for Apple, it has not only grasped what customers want to point to, but also mastered a sales strategy that makes it more profitable than any other company.

## ACKNOWLEDGMENTS

I would like to thank Teacher Jane for guiding me to revise my paper, and Professor Zhang for teaching me a lot of knowledge about marketing. I appreciate my parents' support even more.

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