Apple's Branding Strategy
Case Study

Apple Inc. uses the Apple brand to compete across several highly competitive markets. Apple
brand has evolved as it has expanded its range of products and services. Originally starting in
the late 1970s with desktop computers and then laptops in the 1990s, it took over 20 years
before the company expanded into its first major new product area with the launch of the iPo
in 2001, followed by iPhone in 2007, iPad in 2010, and now Apple Pay and Apple Watch in 201

In the early decades, Apple's brand was very much that of a challenger, bringing easy to use
computers to consumers and small businesses in a way that as focused on the needs,
individuality, and style of ordinary people, rather than the conformity and technical mandates
big business.

Apple's brand position has evolved, but today's brand is still consistent with these early
promises.

Apple's core competence remains delivering exceptional customer experience through superb
user interfaces. The company's product strategy is based around this, with the iPhone (with it'
touch screen "gestures" that are re-used on the iPad), Mac, iCloud, iTunes, and the Apps Store
playing key roles. THE distinctive feature of each of Apple Pay and Apple Watch remains the
customer experience of an elegant user interface and simplicity of use.

Starting with a major re-vitalisation of the Apple brand when the iPod was launched in 2001,
Apple worked hard to harmonize and migrate its brand and its product strategy closer togethe
to achieve today's position.

Steve Jobs, Apple's co-Founder, described Apple as a "mobile devices company" - the largest o
in the world. The company renamed itself Apple Inc. rather than Apple Computer. At the time
this was a significant move, signifying Apple's move beyond being more than a computer
company.

The company is now defining itself more broadly than being just a devices company. It has
blended its digital content services (eg Apple Music, iTunes, iBooks and App Store) to be a key
part of the value proposition to Apple device owners, and (with iCloud in the background) App
is making many services and functionality which consumers use accessible on whatever (Appl
device they happen to be using at the time, be it on their desk, lap, fingertips or wrist.

The Apple Brand Personality

Apple has a branding strategy that focuses on the emotions. The starting point is how an Appl
product experience makes you feel. The Apple brand personality is about lifestyle; imaginatio
liberty regained; innovation; passion; hopes, dreams and aspirations; and power-to-the-peopl
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 really humanistic company wi
a heartfelt connection with its customers.

Apple Brand Equity and Apple's Customer Franchise

The Apple brand is not just intimate with its customers, it's loved, and there is a real sense of community among users of its main product lines.

The brand equity and customer franchise which Apple embodies is extremely strong. The preference for Apple products amongst the "Mac community", for instance, not only kept the company alive for much of the 90's (when from a rational economic perspective it looked like a dead duck) but it even enables the company to sustain pricing that is at a premium to its competitors.

It is arguable that without the price-premium which the Apple brand sustains in many product areas, the company would have exited the personal computer business several years ago. In recent years, this strength in brand preference has flowed directly to Apple's profits - the company has dramatically improved its manufacturing costs, while still maintaining very strong brand equity.

The Apple Customer Experience

The huge promise of the Apple brand, of course presents Apple with an enormous challenge to live up to. The innovative, beautifully-designed, highly ergonomic, and technology-leading products which Apple delivers are not only designed to match the brand promise, but are fundamental to keeping it.

Apple fully understands that all aspects of the customer experience are important and that all brand touch-points must reinforce the Apple brand.

Key Mome

Apple has expanded and improved its distribution capabilities by opening hundreds of its own retail stores in key cities around the world, usually in up-market, quality shopping venues.

As it has developed the iPhone business, Apple has hugely increased its retail reach through the retail outlets of the telco companies. Apple has also increased the accessibility of iPads and iPods through various resellers that do not normally sell computers, and has increased the reach of its online stores.

The very successful Apple Retail stores give prospective customers direct experience of Apple's brand values. Apple Retail visitors experience a stimulating, no-pressure environment where they can discover more about the Apple family, try out the company's products, and get training and practical help on Apple products at the shops' Guru Bars. Apple retail staff are helpful, informative, and let their enthusiasm show without being brash or pushy.

The overall feeling is one of inclusiveness by a community that really understands what good technology should look and feel like - and how it should fit into people's lives.

Apple Brand Architecture

From a brand architecture viewpoint, the company maintains a "monolithic" or master brand identity - everything being associated with the Apple name, even when investing strongly in th Apple iPhone, iPad, iPod and Apple iTunes products.

Apple's current line-up of product families includes not just these devices, but also iMac, iBoo iLife, iWork, iPhone, iPad, and now iCloud. However, even though marketing investments arou iPad are substantial, Apple has not established an "i" brand. While the "i" prefix is used only f consumer products, many of Apple's consumer products (eg Mac mini, MacBook, Apple TV, AirPort Extreme and Time Capsule, Safari, QuickTime, and Magic Mouse) do not use it.

The 2014 move to establish the Apple Pay and Apple Watch brands has in fact drawn its newe business areas to be even more closely associated with the Apple name. There is no iWatch brand, and the brand identity of Apple Music, Apple Pencil, Apple Pay and Apple Watch is sim the Apple logo combined with the word which describes their function. Interestingly, the bra names of Apple Pay and Apple Watch are consistent with Apple TV - one of Apple's long-term projects that has the potential to transform user experiences in yet another aspect of people' daily lives (an ambition reinforced by being featured in Apple's September 2015 Special Event

The **list of Apple's Trademarks** reflects something of a jumbled past. The predominant sub- brand since the introduction of the Apple Macintosh in January 1984 has always been the App Mac. Products whose market includes Microsoft computer users (for example QuickTime, Bonjour, and Safari) have been named so they are somewhat neutral, and therefore more acceptable to Windows users. Yet other product have been developed more for a professiona market (eg Aperture, the Final Cut family, and Xserve).

Apple Brand Halo Effect

Though Apple's iPhone and iTunes music business is profitable in its own right, Apple's ventu into these product areas was based on a strategy of using the music business to help boost th appeal of Apple's computing business.

Apple used iPad, iTunes, iPhone, and (very important at the time) iPod to reinforce and re- invigorate the Apple brand personality. At the same time, these product initiatives are growin highly relevant, appealing brand image in the minds of consumer segments that Apple has no previously reached.

In a so-called iPod halo effect, Apple hoped that the popularity of iPod and iTunes among the new groups of customers would cause these segments to be interested in Apple's computer products. This does seem to have happened. Since the take-off of the iPod there has been a dramatic rise in Apple's computer sales and market share.

Some years ago, Apple's aspirations for the iPod halo effect was was highlighted most strongl when it used the slogan "from the creators of iPod" in its promotion of iMac G5 computers. In this instance, the Apple brand came full-circle - having been built into a branding system that originates in the personal computer market, then leveraged into the consumer electronics market, and then back into the consumer personal computer market.

This halo effect is extended with the hugely successful Apple iPad tablet computer. Great customer experience with iPhone (and familiarity with Apple's touch screen gesture controls) combined with a great product in its own right, has made iPod a huge success that in turn is drawing even more people to Apple's Mac computer products. In a move which brought matt full circle, the 2011 Lion version of Mac OSX gave the Mac the same touch screen gesture controls which iPad and iPod users have learned. In 2014 at the company's World Wide Developer Conference, it further strengthened the link between the Mac and other product li by making it easy to provide continuity of user experience for a customer using a mix of Appl devices during her daily life.

Apple is employing the halo effect in its Apple Mac product strategy.

From mid-2012 onwards, OS X incorporated many small changes to the Mac user interface that make the Mac's style of use much more like the iPad and iOS. By introducing such changes (which have frustrated some long-term Mac users), Apple has clearly decided that greater volumes of Apple Mac can be sold through selling to iPad (or iPhone) users than can be generated by upgrade sales to long-term Mac users.

This extension of a common user experience across Apple products was further strengthened by the introduction of the Apps Store to Mac OS X in mid-2011. Mac users can now buy their OS X applications with the same convenience as iPad or iPhone users can buy iOS Apps.

Also in 2012, Apple dropped the Mac part of the name from the operating system, so that it is now called just "OS X", rather than "Mac OS X". This small but important branding change opens the way for Apple to consolidate, perhaps into a single Operating System, the software used across its multiple devices.

Expect the Halo to Speak - Siri and beyond

Speech will be the next dimension in which Apple will gaining synergy across its product lines. The natural language speech processing and interactivity capabilities introduced in October 2011 on the iPhone 4S has been introduced on the iPad (which now uses the same operating system and A8 and A9-family processors as the current iPhones). Siri has also been introduced on the new Apple TV model, released in late 2015.

Apple is giving substance to speech interactivity by giving it a character - a personal assistant called "Siri". Siri can be somewhat customised by using different languages and idioms (for example, there are 8 versions of English speech available with country-specific accents and pronunciation for Australia, Canada, Denmark, India, New Zealand, Singapore, UK, and U.S.A.). Presumably other customisation or personalization features will also be introduced (perhaps user choice of name and other "identity" characteristics).

Siri highlights the marketing genius of Apple: speech control and interactivity are not new features on computers or phones. For example, smartphones running Microsoft's Windows Mobile operating system have had very similar functionality to Siri for some time. When Apple created the Siri "personal assistant" which gives these otherwise rather hard to describe features a character, consumers were given a hook around which they could finally understand what voice interactivity was all about.

Having taught customers to use touch gestures, Apple is now going to teach us how to speak to computers (almost unavoidably, in a specific Apple dialect of speech interaction).

Apple Re-entering the Corporate Market via the iPhone and iPad Halo Effect

In recent years a large part of Apple's strategy seems focused on the Corporate marketplace. The company is careful to maintain its brand values as it engages with corporations: it positions itself as facilitating the use of the individual's devices of choice (primarily iPads and iPhones) in the corporate world so that businesses can innovate and develop new ways of doing business and improving the world around them. Apple also announced a global partnership with IBM in mid-2014 which will see IBM furthering the penetration of iPads and iPhones into large corporates though its IBM MobileFirst initiative. (A similar partnership with Cisco being announced in mid-2015).

The business market has been important to Apple before: A long time ago, Apple had a strong market share in large companies.

A long, long time ago (at the end of the 1970's) the first spreadsheet program (VisiCalc) was launched on the Apple II. The first PC (the IBM PC) to run a Microsoft operating system (PC DOS) did not appear until 1981. When Microsoft launched its Excel spreadsheet in 1984 it appeared

first on the just-released Apple Mac, such was Apple's presence among accounting and finance departments. The "creative professions" (most notably the now largely defunct Desktop Publishing industry) have always been an important business market for Apple and its main software partner in this area, Adobe.

Even though Apple effectively stopped competing for corporate business during the 1990s, the Apple Mac is still used in corporate environments. Microsoft still has a vigorous applications development team totally dedicated to writing business software for the Apple Mac. New versions of Microsoft Office for Apple Mac still come out approximately 2 years before similar functionality is placed in the next version of Microsoft Office for the Windows operating system.

Over the next few years it seems likely that Apple will re-focus on the Corporate marketplace: The company provides regular updates on the proportion of Fortune 500 companies which are either trialling or deploying iPhone (now well over 90%), and the iPad.

Apple has solved all the technical problems of integrating its iOS and OS X products into existing Corporate IT environments. For example, starting in 2009, when Apple announced "Snow Leopard" (the then-latest version of the Apple Mac operating system) it included features allowing Mac computers to fully support Microsoft Exchange. This enables corporate IT departments to support business users who wish to use Apple Macs for their main email clients. Apple's Mac OS X Lion release (in Summer 2011) includes all the functionality needed to use a Mac as a business server.

Also, Microsoft continues to bring out advanced versions of Microsoft Office for Apple Mac, and - very significantly - in mid-2008 Apple announced a software upgrade for the iPhone which allows iPhones to be fully supported by Microsoft Exchange email servers. Corporate IT departments can now include iPhones as email clients.

One aspect of Apple's strategy seems clear: to use the popularity of the iPhone and iPad to break back into large corporations, sell lots of those devices, and have Apple Mac back on the desks of large businesses (or more probably - in the laptop bags of middle and senior managers in most large businesses). Particularly with iPhone and iPad and the trend to bring-your-own-device into companies, there is a groundswell of expectation that Apple devices should be supported by IT departments, and employees often suggest many new business soiutions and improvements which could be enabled by their use (particularly where better access to information when they are on the move would be particularly helpful).

The Macbook Air and iPad are clearly designed for business markets as well as for consumers, and Apple continues to display its mastery in smoothly morphing customer experience and brand preference from one product category to another.

In 2015 Apple CEO Tim Cook started to ramp-up statements about the company's ambitions to sell to large companies, and Apple's branding strategy is clearly expanding to include business and corporate markets once again.

After Halos - Clouds

An enabling next step in Apple's marketing strategy is the Apple iCloud, which delivers a seamless experience for using and sharing content across all your Apple devices (iPhone, iPod, iPad, or Mac). iCloud enables a common "it just works" experience for using content across all of Apple's mainstream products. iCloud positions the company for a future where customers experiences and their digtal lives transcend the hardware devices which they use, and enables Apple to extend the brand experience well beyond individual products.

Apple has invested in a one million square foot Apple data center in rural North Carolina. This data centre is a core data repository for Apple's iCloud services, which will enable Apple to leverage its customer franchise into an even broader market space. Apple iCloud is one of many ways in which Apple and Google are fast becoming arch rivals.

iKnow Siri?

Once Apple hand-held device users have become accustomed to this style of interactivity, presumably natural language speech interaction will also be extended to the Mac - in whatever form-factor Apple's full-function computers have evolved into by then. Perhaps longer-term, it can also be assumed that a user's Siri personal assistant will be used to embody and create a feeling of continuous experience across different devices (including cars!), with Siri seemingly moving with us from device to device.

This continuity across devices will be possible because Apple is using iCloud to offer customers device-independence and multi-device synchronisation - so that whichever Apple device you move to the experience continues because the new one will "know" what you were doing on the last one and can pick up dialogues such as chat messages where you left off.

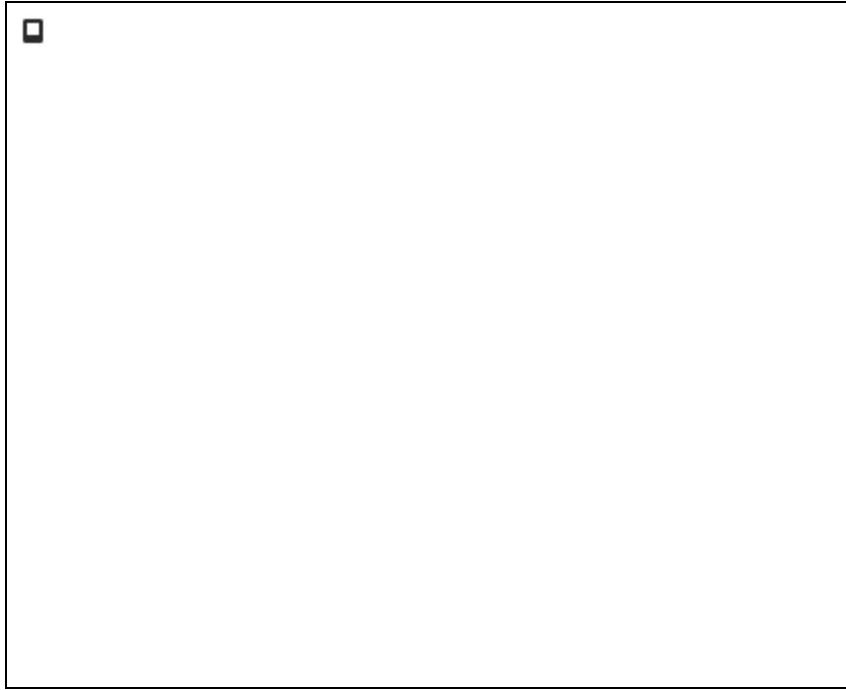# Apple Watch: The Masterbrand and Brand Promise

The use of the Apple Pay and Apple Watch brands reflect just how strong the Apple brand name has become over the last 10 years. The Apple Pay and Apple Watch names are descriptive and they leverage the full strength of the Apple brand in each of the new categories which Apple is entering.

The brand promise which the names of Apple Pay and Apple Watch contain is now greater than the halo effect - in a way that would not have been possible 10 years ago. Because the Apple brand personality is now so strong, our expectations are already set, with the products themselves having to live up to the brand promise. Their role is to sustain the brand promise, rather establishing it, as many of the i-products needed to.

Apple's Original Apple Macintosh Marketing Strategy

Stanford University has published contemporary records and **original documents of the marketing strategy for the Apple Macintosh launch in 1984**, including the original Apple marketing strategy and the Apple Macintosh product introduction plan written by Regis McKenna.

It is now three decades since the launch of the Apple Macintosh (on January 24, 1984). Having proven itself and already gained considerable popularity with the Apple II, Apple chose to announce the Apple Mac in one of the most famous-ever commercials, aired during the third quarter of Super Bowl XVIII on 22 January 1984.

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