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# Introduction:

The technology giant that has cornered the market on all electronic types, ranging from computers to phones to tablets: yes, I am talking about Apple. Founded in 1976 in California, United States, Apple has become one of the most well-known companies that exist to date. In 1976 the Apple I, the first computer built by Apple, had a significant influence over the public. Additionally, the following are some of Apple's most influential products (Gibbs, 2018): • Apple I (1976) • Macintosh (1984) • iMac G3 (1988) • iPod (2001) • iPhone (2007) • iPad (2010) Apple uses product-based grouping that divides its products into "services, Mac, iPhone, iPad, and other" to help distinguish revenues and profits from their various high-selling products (Dudovskiy, 2021, para 5). In addition to Apple's hierarchical organizational structure that motivates employees to perform well through promotion opportunities, Apple has developed a vast and ever-increasing consumer base. In 2007, with the idea to combine a cellphone, digital camera, and computer onto one small handheld device, Apple introduced the iPhone. It has been deemed that the story of the iPhone is "one of evolution, not revolution" as each year, Apple makes the phones bigger, faster, and exponentially more popular (Pierce, 2018, para. 10). The iPhone is Apple's best selling product, with more than 46.89 million units sold in the fourth quarter of 2018 alone (Statista, 2021)! Furthermore, operations for Apple's iPhone have already become carbon neutral. To further its environmental consciousness, Apple have made commitments for its supply chain and products to demonstrate carbon neutrality by 2030. By utilizing multiple marketing strategies discussed in this analysis, you will begin to see how Apple has marketed the iPhone to help them position themselves in the market today. Environmental Scan As the world continues to develop, many factors will impact the way Apple iPhones are marketed. These factors are economic, social, regulatory, competitive, and technological. By interpreting potential trends, Apple can use market information to identify opportunities for profitable growth. The above trends for this business are discussed briefly as follows. Economic Factors First, economic factors that will impact Apple and its marketing activities. The most significant external economic factors for Apple are as follows (Lombardo, 2019, para. 7): 1. The stable economies of developed countries (opportunity)

## 2. The rapid growth of developing countries

(opportunity) 3. The rising level of disposable income among Apple's target customers (opportunity) Arguably, the most significant economic factor for Apple to consider is the rapid growth of developing countries. Take Bolivia, for example; the high economic growth rate creates numerous opportunities for Apple to increase revenues through sales in foreign markets. In these developing countries, cultural niches are important for Apple to find as they are the ultimate driver of sales and success. These cultural preferences can be met through simple software and content adjustments that make Apple products more appealing to the specified target (Laugesen & Yuan, 2010). Furthermore, current financial stability in already developed countries creates additional opportunities for Apple to expand its markets. These developed countries have provided a stable base for Apple to grow their consumer market, as Apple's brand recognition has 'locked-in' millions of repeat buyers. These repeat buyers allow Apple to advance by pursuing new opportunities in the developing markets. Both these factors, alongside the increase of

disposable income, consistently drive Apple's marketing opportunities and help them sell their relatively high-price products (Lombardo, 2019). Social Factors Second, social factors will impact Apple and its marketing activities. In Apple's case, the following social trends are significant in the macro-environment (Lombardo, 2019).

**Consumer Behaviour** The mental and social process that precedes and follows the actions a person takes when purchasing and using a product is known as consumer behaviour. Consumer behaviour helps marketers understand what influences consumers' buying decisions. Apple can use knowledge of consumer behaviour to fill the gap in the market and identify products that will fulfill consumers needs. The consumer purchasing decision process is made up of five steps:

- Problem recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Post-purchase behaviour

Firstly, problem recognition is the perception of a need in the eyes of a consumer. With Apple's iPhone, it is the need for a portable, yet powerful, device that allows the user to access information quickly and efficiently. Secondly, information searching is where Apple's colossal brand name helps their marketing. The company is most likely to be found in an internal search (one's previous knowledge) and through an external search (recommended through friends and family etc.). Thirdly, alternative evaluation is consumers assessment of the value of each brand they would consider. This evaluation is based on an individual set of evaluation criteria that one uses when considering acceptable solutions. Fourthly, the purchase decision is deciding when to buy and whom to buy from, typically influenced by incentives provided by the sellers when the product is purchased. Finally, consumers compare the product they purchased to their expectations, which is also known as consumer satisfaction or dissatisfaction with the product. The five-step consumer purchasing process is influenced by the marketing mix, psychological, sociocultural, and situational influences. I will focus on psychological and sociocultural influences, as they tend to have the most involvement in influencing consumers when buying.

## . Psychological Influences:

**Psychological Influences** The following are the psychological factors that influence consumer buying behaviour as far as the iPhone is considered:

• **Motivation • Personality • Perception • Learning • Values, beliefs, and attitude • Lifestyle** In my opinion, the two most critical psychological influences regarding consumer behaviour that Apple should consider for marketing the iPhone are personality and lifestyle. An individual's different traits, like compliance, dominance, and assertiveness, are all factors that play into one's personality. When a consumer purchases a product, one thing they consider is the self-image or self-concept. Self-image/concept is how a "consumer sees and feels about him/herself" and how "customers want others to see them" (Atkinson, 2018, paras. 4-5). Apple's well-known brand makes the iPhone look close to luxury in the eyes of consumers. These standards influence customers to buy the iPhone over alternatives because it gives consumers a sense of wealth and status. In other words, it helps the consumer turn their actual self into their ideal self. The personality of the individual is closely related to the lifestyle of the individual. The lifestyle of an individual typically reflects an individual's attitude, view, and world view. Different lifestyles and modes of living have been grouped into target markets that play a significant role in a company's marketing strategy. Since Apple is such a big, well-known brand, they appeal to various lifestyles and can access a lot of target markets.

**Sociocultural Influences** The following are the sociocultural that influence consumer buying behaviour as far as the iPhone is considered:

• **Personal influence • Reference groups • Family • Social class • Culture • Subculture** In my opinion, the most important sociocultural influence for Apple is social class. I believe this because everyone, regardless of culture or religion, makes decisions based on income. Social class can be further broken down into three general categories.

In 2017 “about half (52%) of American adults lived in the middle-class,” which is greater than the 48% in the upper and lower classes, 19% and 29%, respectively (Kochhar, 2020, para. 1). Thus, I believe that Apple should prioritize marketing practices towards the middle class. Based on the price comparison to other well-known brands like Samsung and Huawei, I gauge that Apple targets the upper/middle class and not the middle class (see Table 1). By charging significantly more than its competitors but competing in the same market, Apple is losing potential profits.

**Table 1. iPhone Comparison With That of Competitors**

Brand/Phone	Apple iPhone X	Huawei P20 Pro	Samsung Galaxy S9
Storage	64 GB 128GB	64GB	Ram 3 GB 6 GB 4 GB
Display size	5.8 In (14.73cm)	6.1 In (15.49)	5.8 In (14.73)
Price (CAD)*	Approx. \$1560	Approx. \$1140	Approx. \$1015

Adapted from “Compare Apple iPhone X VS Huawei P20 Pro VS Samsung Galaxy S9,” Gadgets Now, 2021, <https://www.gadgetsnow.com/compare-mobile-phones/Apple-iPhone-X-vs-Huawei-P20-Pro-vs-Samsung-Galaxy-S9>. \*Prices are based on the price at first release.

## Target Market/Segmentation:

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**The potential increase in sales and profits is what drives segmentation. Overall, segmentation is a key component of a marketing strategy, as it helps to serve the customer and increase the firm's financial position. Geographically, I would argue that Apple iPhones are only consistently present in developed countries, which opens the opportunity to expand into developing countries, as mentioned earlier. Demographically, age and income are the driving factors for Apple. Marketing to youth and young adults increases Apple's revenues, as these target groups tend to be more impulse buyers. Youth and young adults are seen as 'tech-savvy' and willing to spend more on their wants, making the iPhone marketed to a sizable, desired, and fast-growing market (Mickalowski et al., 2008). Additionally, consumers are becoming more likely to buy Apple products with rising household income levels, as discussed earlier, as consumers have more income to spend on wants. The increase in demand will therefore be for high-end cellphone products like the new iPhone. Secondly, I have chosen to use demographic segmentation, utilizing the market segment of income (social class) to create a product market grid for various iPhones (See Table 2)**

Target Market/Segmentation The potential increase in sales and profits is what drives segmentation. Overall, segmentation is a key component of a marketing strategy, as it helps to serve the customer and increase the firm's financial position. Geographically, I would argue that Apple iPhones are only consistently present in developed countries, which opens the opportunity to expand into developing countries, as mentioned earlier. Demographically, age and income are the driving factors for Apple. Marketing to youth and young adults increases Apple's revenues, as these target groups tend to be more impulse buyers. Youth and young adults are seen as 'tech-savvy' and willing to spend more on their wants, making the iPhone marketed to a sizable, desired, and fast-growing market (Mickalowski et al., 2008). Additionally, consumers are becoming more likely to buy Apple products with rising household income levels, as discussed earlier, as consumers have more income to spend on wants. The increase in demand will therefore be for high-end cellphone products like the new iPhone. Secondly, I have chosen to use demographic segmentation, utilizing the market segment of income (social class) to create a product market grid for various iPhones (See Table 2).

7 Using this data, a perceptual map has been developed which shows the position of the iPhone compared to competitor products (please refer to Figure 1).

Table 2. Product-Market Grid of iPhone Market Segments

iPhone (income)	iPhone 12	Pro iPhone X	iPhone SE	Upper Class	19%	Middle	52%	Lower	29%
Figure 1. Perceptual Map of iPhone Compared to That of Competition	Perceptual Map:	12	10	Samsung	Apple	8	Huawei	6	4
2	0	0	200	400	600	800	1000	1200	Price (\$)
Perceptual Map Based on:	Price (Cell phone)	(avg)	Quality	Market Share	iPhone	1000	9	12%	Samsung
900	10	23%	Huawei	800	7	15%	Adapted from "Smartphone Market Share," IDC, 2021, <a href="https://www.idc.com/promo/smartphone-market_share/vendor">https://www.idc.com/promo/smartphone-market_share/vendor</a> . I would argue that the		

Apple iPhone's current target market, mainly consisting of the upper-middle class, has worked and will continue to work in the company's favor as it meets the basic market segmentation criteria: 1. Have an excellent current market size. 2. Have various options for expected growth and future volumes.

## Result:

The screenshot displays a Mural collaborative workspace titled "nc brainstorming". The central canvas outlines a four-step process for market segmentation:

- 1 Define your problem statement**: The team should pick a facilitator who will connect all participants and... (Note: The text is partially obscured by a sticky note).
- 2 Brainstorm**: The facilitator should pick the ideas that are the most interesting and... (Note: The text is partially obscured by a sticky note).
- 3 Group ideas**: The group should group the ideas into categories and... (Note: The text is partially obscured by a sticky note).
- 4 Prioritize**: The group should prioritize the ideas and... (Note: The text is partially obscured by a sticky note).

The right-hand panel shows an "Outline" of the session and a green sticky note diagram illustrating a market segmentation strategy. The diagram shows a central box labeled "Market Segmentation" with arrows pointing to four surrounding boxes: "Define problem statement", "Brainstorm", "Group ideas", and "Prioritize".

Below the Mural workspace, a Windows taskbar is visible, showing several open applications including "Apple iPhone\_A\_Market\_Cas...", "Sakthivel-1.pdf", "Story 1.pdf", and "bandicam 2023-10-20 10:34". The active application is a PDF viewer displaying a report on the smartphone market. The report includes the following text and charts:

Apple continues to strengthen its standing in the smartphone market. The brand has risen to a position of particular dominance in the US, and the top 10 best-selling smartphone models in January 2022 were designed by Apple.

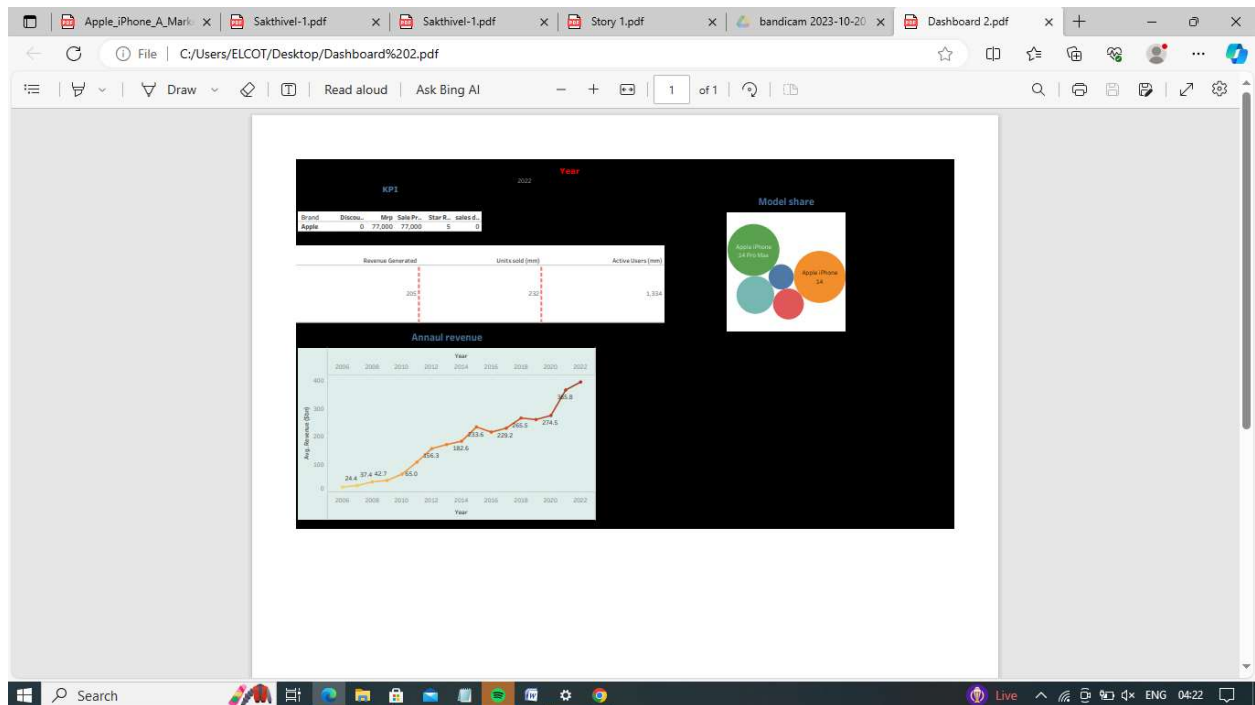
More than 1 billion consumers currently use iPhones. Since its initial launch, more than 1.8 billion iPhones have been sold. iPhone sales in 2021 surpassed the 2019 peak, but decline in 2022 to 202.2 million units.

iPhone sales generated \$206 billion revenue for Apple in 2022, more than Microsoft's total revenue. It sold 232 million phone units that year.

The report includes three charts:

- Global Market Share**: A bar chart showing the market share of various smartphone models. The y-axis is labeled "Sales Share" and ranges from 0.00% to 4.00%. The x-axis is labeled "Models". The chart shows that Apple's iPhone models (iPhone 12, iPhone 11, iPhone 12 Pro, iPhone 12 Pro Max) have the highest market share, followed by Samsung's Galaxy S21 and Galaxy Z Fold 2.
- Country wise best selling smartphone**: A bar chart showing the best-selling smartphone model in various countries. The y-axis is labeled "Sales Share" and ranges from 0.00% to 4.00%. The x-axis is labeled "Country". The chart shows that Apple's iPhone models are the best-selling in most countries, including the US, UK, Germany, France, and India.
- gusharearterly**: A donut chart showing the market share of various smartphone models. The chart is divided into segments for different models, with the largest segment being Apple's iPhone models (20.26%).





**Conclusion :** It is irrefutable to say that Apple Inc. is one of the most well-known companies to date. With a huge brand name and consumer base, Apple has been able to target multiple markets simultaneously. The Apple iPhone has successfully been able to satisfy the need for a portable, yet powerful device, that allows the user to access information quickly and efficiently. First, an environmental scan helped us see some upcoming opportunities and threats for Apple Inc., such as developing countries' growth. Second, by defining Apple's main consumer behaviours in terms of psychological and sociocultural influences, we can see that Apple products give consumers an idealized view of themselves and a sense of luxury. Third, by identifying Apple's target market for the iPhone and using a market-product grid and perceptual map, we can determine Apple's ideal market is towards men between the ages 35-44 and secondary market to ages 18-34. Along with Apple's brand name, its successful influence on its target market has led them to become the technology giant they are today.

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