rVerse - iPhone App Release Business case

- *Team PASViK*

CONTENTS

Scope & Customer Market

Goals

1. Make iphone more acceptable to business users (teens and young adults)
2. Research and draw business plans for iPhone app's -
   A. Industry segment
   B. Customer market analysis,
   C. Marketing Strategy - Promotions, Sales
   D. Regulations & Standards compliance
   E. Market Risk impacts

Type of segmentation	Segmentation criteria	Devices: **iPhone**, iPad, Mac, iPod
Geo-graphic	Region	*India,* US and international
	Density	**Urban, select Rural**
Demo-graphic	Age, Gender	*18 – 45, Male & Female*
	Life-cycle stage	**Bachelor Stage** **Newly Married Couples** **Full Nest I, Full Nest II**
	Income, Occupation	*High earners, Professionals, managers & executives*
Behavioural	Degree of loyalty	**'Hard core loyals'** **'Switchers'**
	Benefits sought	**Sense of achievement & belonging** **Self-expression,** *Speed of service, advanced features & capabilities*
	Personality	*Determined & ambitious*
Psycho-graphic	Social class	**Middle & upper classes**
	Lifestyle[2]	Resigned, **Aspirer, Succeeder Explorer**
	Risk aversion	**Risk loving,** Risk avoiding Risk neutral

Apple Market Segmentation

★ Since 2018, Apple has split its business into five segments: iPhone, iPad, Mac, Services and Wearable, Home, and Accessories. The iPhone generates the majority of Apple's revenue.

★ Apple generated $365 billion revenue in 2021, 52% from iPhone sales. Apple Services was the second-largest division, responsible for 18% of revenue. Apple revenue for the twelve months ending December 31, 2021 was **$378.323B**, a **28.62% increase** year-over-year.
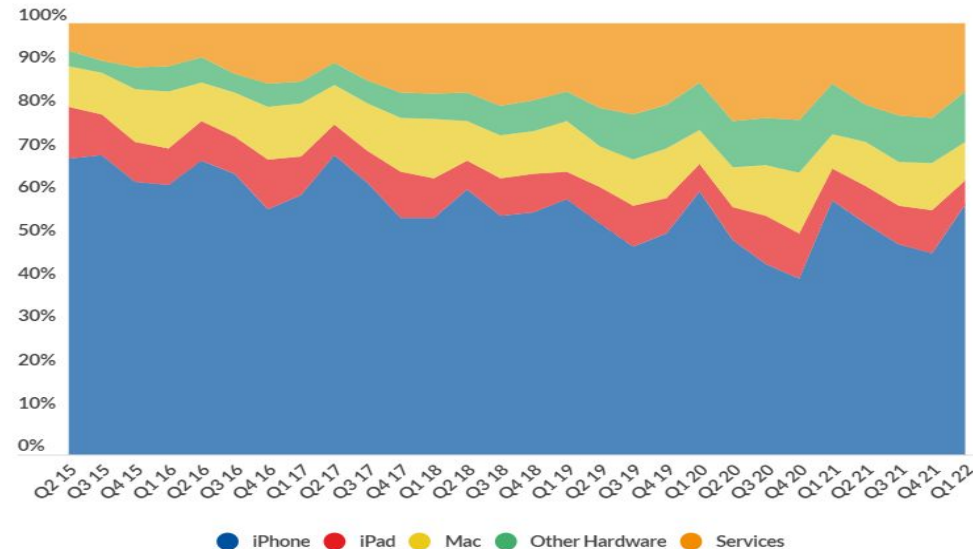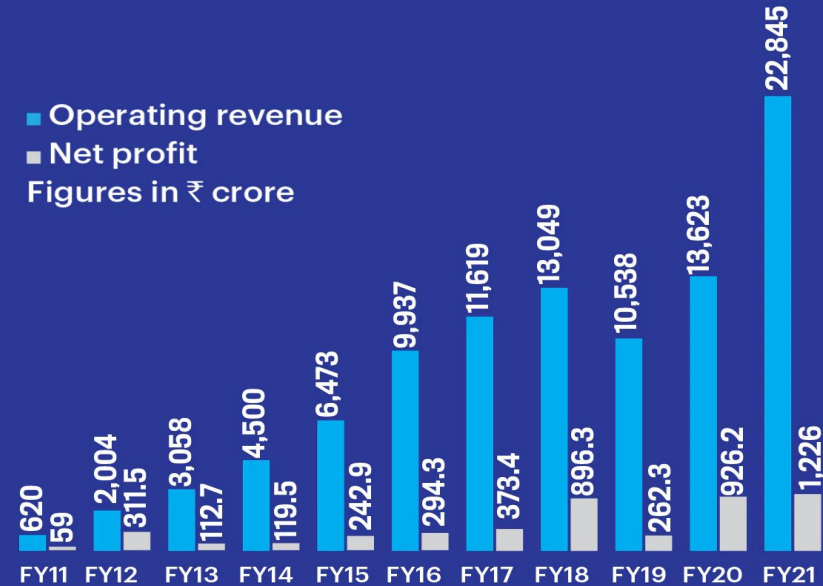

Source: Company data

RISING REVENUES

Apple's India revenue has surged 68 per cent in FY21

■ Operating revenue
■ Net profit
Figures in ₹ crore

	Operating revenue	Net profit
FY11	620	59
FY12	2,004	311.5
FY13	3,058	112.7
FY14	4,500	119.5
FY15	6,473	242.9
FY16	9,937	294.3
FY17	11,619	373.4
FY18	13,049	896.3
FY19	10,538	262.3
FY20	13,623	926.2
FY21	22,845	1,226

Source: Registrar of Companies, Ministry of Corporate Affairs

Apple iPhone India Market

➜ iPhone is Apple's most valuable product and has, since 2008, been its main source of revenue. Even though Apple has diversified its product line with Watch, AirPods and services, iPhone is still responsible for 50 percent of Apple's revenue.

➜ In the past two years, Apple has launched four models of iPhone. **These are: iPhone, Mini, Pro and Max with pre-installed rVerse app**. All come with different price points and are aimed at targeting as many consumers as possible. **Apple saw double-digit year-on-year iPhone growth from 2008 to 2015,** with stagnated revenue. More customers prefer a longer life duration usage of the iphone, with Apple providing software upgrades for longer than two years.

THE LOCAL FACTOR

The iPhone SE (1st Gen) was the first model to be made in India; since then, a number of models have been made in the country

|	Begins local procurement of...	Share of Made-in-India iPhones	iPhone's share in smartphone exports from India
2017	iPhone SE (1st Gen)	5%	0
2018	iPhone 6S	17%	0
2019	iPhone 7 & XR	30%	0
2020	iPhone 11 & SE (2nd	60%	2%
2021	iPhone 12	77%	5%
2022^	iPhone 13	80%	–

^Planned　　　　　　　　　　　　　　Source: Industry

RECORD NUMBERS

2021 will see the highest-ever iPhone shipments and market share in India

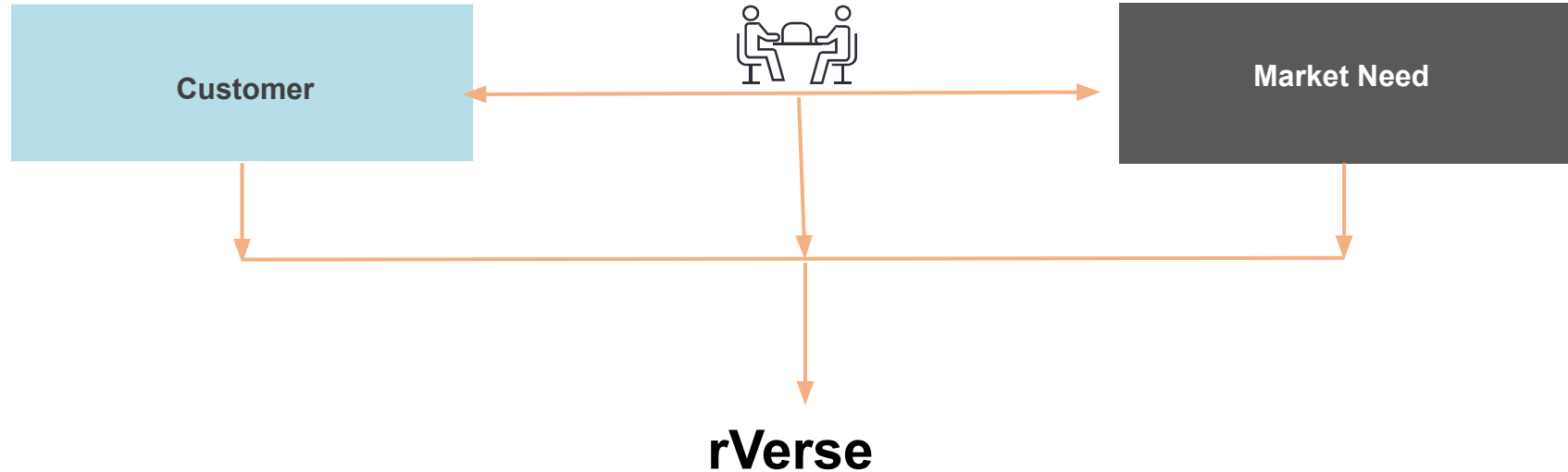| Year	Shipments	Market share
2017	3.2	2.56
2018	1.7	1.2
2019	1.9	1.25
2020	3.2	2.13
2021E*	>5	3.5
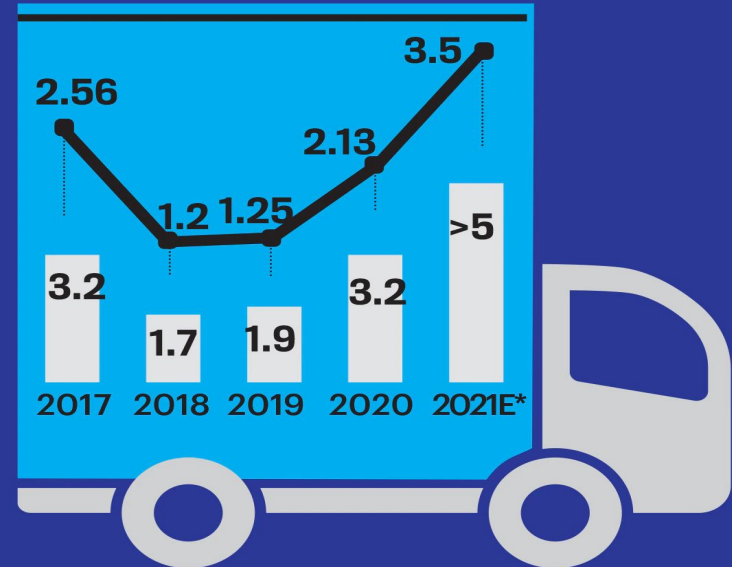
■ Shipments　　　　　— Market share

*Estimates by CMR; shipments in million units; market share in per cent　　　Source: CMR

Karthik - rVerse iPhone app product details

rVerse App - Life redefined

Customer

Market Need

rVerse

Post a thorough analysis of the scope, market needs and integrating with the outputs of the market-segmentation, we present iPhone sales growth acceleration with an app - **rVerse** for user adoption.

rVerse App for iPhone and iCloud

iPhone rVerse App Features

rVerse App is available on apple store for updates, can be used with iCloud, apples accessories and with seamless data-sharing across all apple devices of the user. The app would be released with the below features

Feature #1 NOTE: THE CONTENT IS PURPOSEFULLY REMOVED FOR COPYRIGHT REASONS

Feature #2 NOTE: THE CONTENT IS PURPOSEFULLY REMOVED FOR COPYRIGHT REASONS

Feature #3 NOTE: THE CONTENT IS PURPOSEFULLY REMOVED FOR COPYRIGHT REASONS

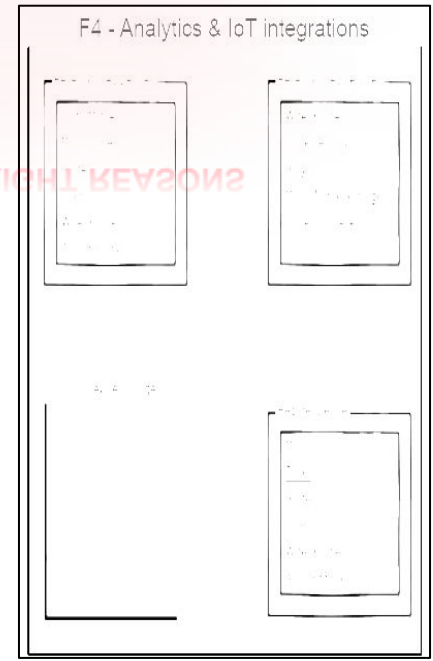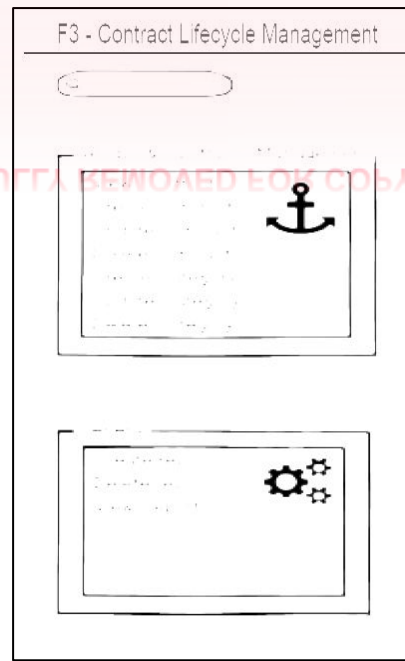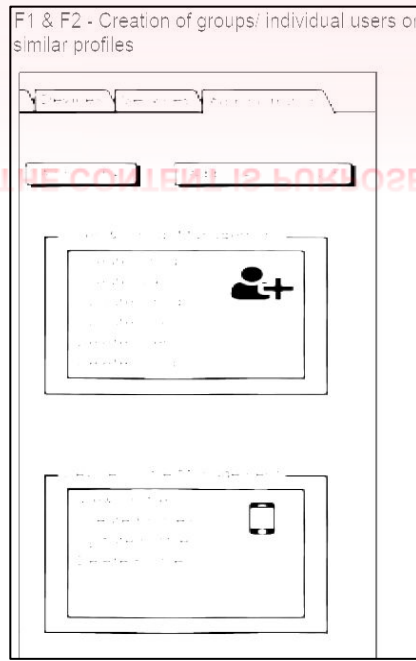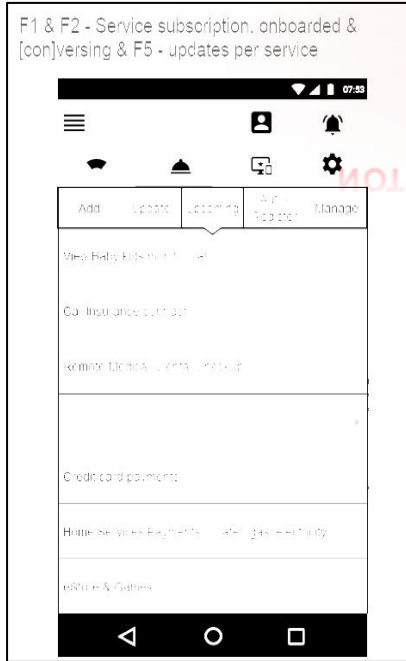**Feature #4 NOTE: THE CONTENT IS PURPOSEFULLY REMOVED FOR COPYRIGHT REASONS**

Feature #5 NOTE: THE CONTENT IS PURPOSEFULLY REMOVED FOR COPYRIGHT REASONS

rVerse App Screens

Below are app's mock-ups and show features accessible from the app and/or iCloud platform using cloud-native technology.

F1 & F2 - Service subscription, onboarded & [con]versing & F5 - updates per service

F1 & F2 - Creation of groups/ individual users or similar profiles

F3 - Contract Lifecycle Management

F4 - Analytics & IoT integrations

Shivangi - Market strategy for sales/growth Promotions

Promotions & Sales

Premise: Apple is developing an **rVerse app** with unique features and post launch, it would be available on Apple store for all iPhone users and comes with a pre-deployed free version on new iPhones.

Revenue Model -> Service Subscriptions. Based on the usage, user adaptation, revenue model will evolve, planned and structured over-time.

Assumptions -> Existing Apple users can download/update the rVerse app from the apple store and purchase/subscribe from the catalogue. New iPhones are shipped with a pre-deployed free version of the rVerse app.

Billing model -> Monthly, Quarterly, Yearly or PAYG for selected VAS or HNIs

Unknowns -> Subscription prices are strategized based on regions, volume and value for the customer. Discounts can be offered for one-time purchase and for yearly subscription vs monthly/ quarterly based plans.

Pre-Launch strategies - Sizing

1. **Schedule iPhone rVerse App Promotion Before the App Launch:** Marketing the app early has two main advantages - increasing awareness and gain feedback. It would facilitate engagement of potential customers with direct inputs. Apple offering beta testing programs could encourage & incentivize the users to use the app and gather feedback to Improve.

2. **Creating social media groups** on FB, IG, twitter & partners to market & collect feedback.

3. **Email marketing :** Sending out emails per user at regular intervals regarding information on the rVerse app offers. The email also has to contain CTA buttons that lead people to the download link. With the rVerse iPhone app promotion strategy, we will promote rVerse as well as drive downloads.

4. **Pre-Order marketing & sizing**: The marketing mails or web content will need to assist the user using notifications and lead to iPhone pre-order forms

5. Sales with Government with additional security and ease of use

Post-launch Growth strategies

1. **Offering a one-time discounted subscription fee** for existing iPhone users after rVerse app launch. It will help existing users with making a purchase decision.
2. **Gifting subscriptions -** Corporates get token points as part of recognition programs to shop on the company's merchandise. A subscription item will be added to that program enabling a corporate buyer to purchase by redeeming the tokens. This would increase acceptance of the app within business users.
3. **Cross-promote** within other relevant and popular iPhone apps.
4. **App-store optimization promoting the rVerse app with banners and/ or notifications -** There are more than 5 million apps available to download from the Apple App Store. App store optimization would improve app visibility within the app stores and increase app conversion rates. By making the app available in other languages through an App Store Optimization process called localization, we can get users from all over the region to discover the app.
5. **Email/Message marketing :** Sending out regular emails/messages/notifications informing users the value add of the new rVerse app could offer. The email also has CTA buttons that lead people to the download/upgrade link. With the above mobile rVerse app promotion strategy, we can promote the rVerse app on iPhone as well as drive downloads/purchases.
6. **POS marketing :** Deploy hoardings at stores / malls, playing videos of rVerse app functions & services it could offer as explained in the Product section above. Offering a discounted price if the user purchases the subscription together with the iPhone at the store or within a limited time frame or pre-order.

Vinit

Regulations & Standards compliance

Risk Management

The Apple iPhone product sold in India adheres to a number of high security, data, hardware, software, interfacing standards of recognized national and international institutions throughout the Product lifecycle from purchase to safe disposal or recycling enabled through its unique recycling program.

Risk Assessment and Vulnerability Identification

Apple implements the standards to mitigate and in compliance with Indian standard bodies such as TRAI, usage of data amongst stakeholders or third party and data storage.

- ## **Single window contact to Government**

  Appoint local officers for compliance, liaison and grievance handling.

- ## **Break encryption**

  "End-to-end encryption helps negative elements from penetrating the database or exploiting confidential information and thereby providing a sort of safeguard to official communications or private confidential communications as well. The question is should the safety and confidence of users be compromised. The new Government rules dictate that a company like WhatsApp should be to track down the 'first originator'. According to the government, such a request will only be made when there is sexually explicit content being circulated or a threat to national security is in play.

●AI monitored content

The Indian government also wants 'significant' social media intermediaries to monitor online content using artificial intelligence (AI), which, to be fair, is something that they're already trying to do. While 'pre-moderation' can be done using AI, post and reactive moderation is normally done by humans. Reliable, certified and secure third parties moderated content alongside **AI eco- systems.**

Carbon neutrality and Sustainability

Green Apple ,Clean Apple

Environmental, social and corporate governance (ESG) has always been the priority of Apple Ecosystems, Apple is the leading player in electronic segment using 100 percent renewable energy in its manufacturing plants.

Apple's below roadmap to reduce carbon footprint gradually by 2030

Hardware Configurations

Apple maintains US Federal Information Processing Standard (FIPS) 140-2/-3 Conformance Validation Certificates for sep OS andT2 firmware as well as other certifications. Apple starts with certification building blocks that apply broadly across multiple platforms where appropriate. One building block is the validation of corecrypto library, which is used for software and hardware cryptographic module deployments within Apple developed operating systems. A second building block is the certification of the Secure Enclave, which is embedded in many Apple devices. A third is the certification of the Secure Element (SE), found in Apple devices with Touch ID and Face ID. These hardware certifications building blocks form a foundation for broader platform security certification

Platform security certifications.

Cryptographic algorithm validations

Cryptographic module validations: FIPS 140-2/3 (ISO/IEC 19790)

Real time data privacy Model

Balanced approach of Data privacy and its compliance has instilled confidence in individual as well as government. A report by GGI and fin shots indicates the latent marketing strategy through compliance management adopted by Apple which quotes *"App Tracking Transparency in IOS 14 does not require Facebook to change its approach towards tracking users and creating targeted ads, it simply requires they give users a choice. The company's very own Search Ads now drive 58% of all iPhone app downloads when users click on an Ad.*
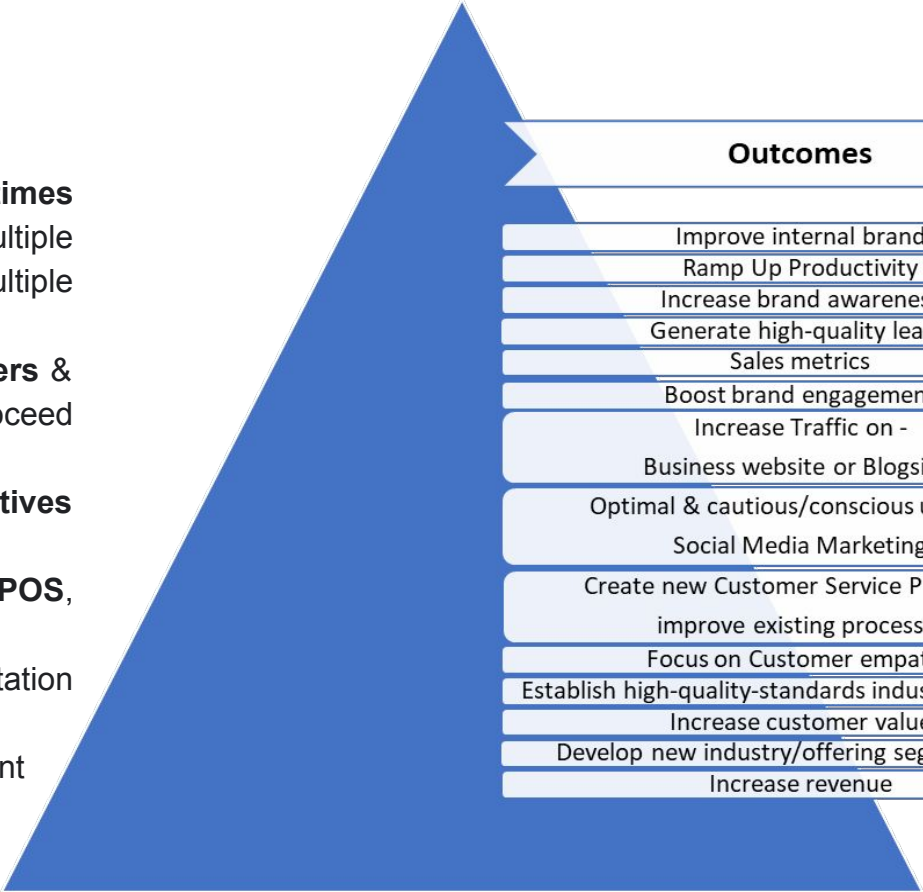
Praneeth

Impact on goals & Outcomes

Impact on Goals

Measurable goals & metrics -

1. Daily, weekly & Monthly **users reach**
2. Advertisements link access, scroll time, **times accessed**, times of day accessed, multiple users accessed on same device or multiple devices
3. Track marketing effectiveness - **pre-orders** & **customer acquisition** or blocker to proceed to next stage
4. Track **current customer** usage, **incentives** used for share or referral
5. **Sales at** each medium - **online, POS**, **upgrades**, etc
6. Dynamic & ethical sales plans implementation in case of low sales
7. **Employment** and eco-system involvement

Outcomes

- Improve internal brand
- Ramp Up Productivity
- Increase brand awareness
- Generate high-quality leads
- Sales metrics
- Boost brand engagement
- Increase Traffic on - Business website or Blogsites
- Optimal & cautious/conscious usage of Social Media Marketing
- Create new Customer Service Process or improve existing processes
- Focus on Customer empathy
- Establish high-quality-standards industry ecosystem
- Increase customer value
- Develop new industry/offering segmentation
- Increase revenue

Team - PASViK

Praneeth N   Anup Nair   Shivangi Pawan   Kartik Paruthi   Vinit Jha

__Trivia__: PASViK is a harmonious trilateral nature reserve-park shared by Norway, Russia & Finland

Thank You

Q & A

1. **Queries that can be asked in 5mins**? - have max 30-40sec answers pp
2. Slides - Praneeth, *Anup, Kartik,* Shivangi, *Vinit, Praneeth*
3. Slides Order - check - P-A-S-K-Vi-P - Done
4. Slides contents - WIP
5. Team name - **pasvik**, is a beautiful nature reserve in Norway & Russia
6. **Team members photos - TBD Shivangi,**
7. **Formatting - TBD**
8. **Theme - needs a bit of research of apple's branding - Praneeth**
9. 1 Presenter - Praneeth & 1or2 backups - Kartik, Anup, Shivangi, Vinit
10. 2mins content per slide - timekeeper for each individual - done
11. Practice presentation - sat, sun - 6-8pm
12. Quick run on Monday - 630pm? - done

Backup slides

Table of Contents

Apple revenue by region

Apple has always been most successful in the US, its home country. While revenues have increased in all regions, Americas is responsible for 45 percent of all revenue generation and approximately 40 percent of that is from the United States alone.

|	2015	2016	2017	2018	2019	2020	2021
Americas	93.8	86.6	96.6	112	116.9	124.5	153.3
Europe	50.3	49.8	36.8	62.4	60.2	68.6	89.3
China	58.7	48.5	51.6	51.9	43.6	40.3	68.3
Japan	15.7	16.9	15.3	21.7	21.5	21.4	28.4
Rest of Asia Pacific	15	13.6	44.1	17.4	17.8	19.6	26.3

Note: Values are $bn.

Market Segmentation

- Apple generated $365 billion revenue in 2021, 52% from iPhone sales

- Apple Services was the second-largest division, responsible for 18% of revenue

- 230 million iPhones, 71 million iPads and 20 million Mac and MacBook units were sold in 2020

- Apple's home and wearables division grew 25% in 2021

- It sold 110 million AirPods and 43 million Apple Watches in 2020

- Apple Music has 72 million subscribers, Apple TV+ has over 40 million

- Since 2018, Apple has split its business into five segments: iPhone, iPad, Mac, Services and Wearable, Home, and Accessories. The iPhone generates the majority of Apple's revenue,

- Apple revenue increased dramatically between 2009 to 2012, from $42.7 to $156.3 billion. During that period, Apple vastly increased its manufacturing volume through its partner Foxconn, which enabled global iPhone sales. It also saw the launch of the iPad, which added $19.1 billion revenue in the first year of sales.
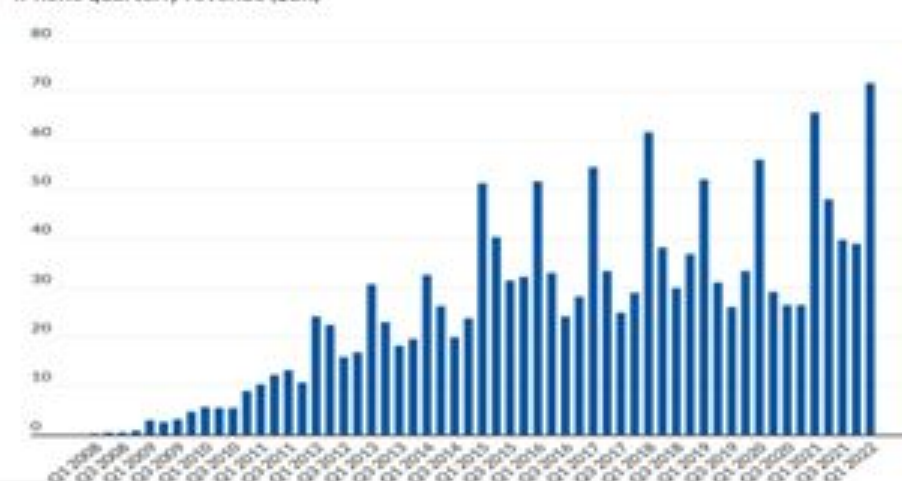
- Apple revenue for the quarter ending December 31, 2021 was **$123.945B**, a **11.22%** increase year-over-year.

- Apple revenue for the twelve months ending December 31, 2021 was **$378.323B**, a **28.62%** increase year-over-year.
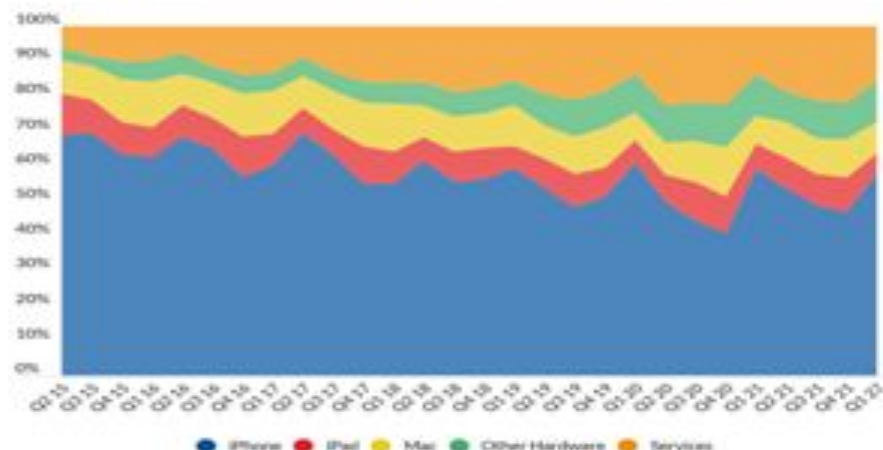
Source: Company data

iPhone quarterly revenue ($bn)

- iPhone is Apple's most valuable product and has, since 2008, been its main source of revenue. Even though Apple has diversified its product line with Watch, AirPods and services, iPhone is still responsible for 50 percent of Apple's revenue.

- In the past two years, Apple has launched four models of iPhone. These are: iPhone, Mini, Pro and Max. All come with different price points and are aimed at targeting as many consumers as possible.

- Apple saw double-digit year-on-year iPhone growth from 2008 to 2015, but revenue has stagnated since. Apple has added new models, such as the Mini, Pro and Max in the past two years, although that hasn't drawn in more customers. More customers are also holding onto their phone for longer, with Apple providing software upgrades for longer than two years.

iPhone sales by region

Sales of the iPhone have fallen each year since 2015 in China, from a high of 71.2 million in 2015 to 34.9 million in 2020. All other regions have been steady in terms of sales.

	2015	2016	2017	2018	2019	2020	2021
United States	70.3	62.9	69.3	74.8	65.7	73.3	84.3
Europe	33.9	34.6	36.8	38.2	36.3	37.3	56.1
China	71.2	58.3	51.6	44.8	31.4	34.9	42.9
Japan	15	14.6	15.3	14.9	14.8	14.7	17.8
Rest of World	38.8	40.2	44.1	46.1	39.6	41.2	40.9