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Individual Project Assignment

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Apple's consumer groups and product positioning

Apple Inc. was founded on April 1, 1976. Headquartered in California. Apple Inc. is mainly engaged in electronic technology products. In its development process, it has been committed to the research and development of personal computers, operating systems, music players, and other projects. Since 2007, Apple has successively launched unique and novel electronic products such as the iPhone and iPad, which has promoted the rapid development of Apple. In August 2011, Apple successfully shook Nokia's mobile phone dominance and became the world's largest mobile phone manufacturer.

Consumers targeted by Apple

In 2011, to have a comprehensive and in-depth understanding of Apple iPhone users and their specific behaviors of using the iPhone, the Internet Consumer Research Center launched questionnaires in various channels. The time is from June 2 to June 25, which lasts for 24 days. A total of 1296 questionnaires were returned. Through the screening and filtering of user ID, IP, and other registration information and the completeness of the questionnaire, 1064 valid questionnaires were obtained. After a series of statistics and analysis, the following data are obtained:

- 1) 70.5% of Apple iPhone users are between 18 - 30 years old. The average age is around 24 years old. Users aged 31 - 35 also account for nearly 20%. This part of the population is mostly middle-level and above managers with relatively high-income levels.
- 2) 55.6% of Apple iPhone users have a bachelor's degree or above. 27.7% of users with academic qualifications concentrated in specialist courses. Those with high school education and below accounted for a relatively low proportion, only 16.7%.
- 3) 54.1% of Apple iPhone users live in second-tier cities and above.
- 4) 44% of Apple's iPhone users have a low monthly fee. Apple's iPhone monthly fee level is directly related to its position.
- 5) Male users accounted for a relatively large proportion of Apple iPhone users, reaching 81.7%. Female users are less than 20%.

The Pew Research Center surveyed 2,252 adult, mobile phone users, in the United States from April 17 to May 19, 2013(Aaron, 2013). The results show that people's income and education level may be directly related to their choice of mobile phones. Rich and highly educated people are more willing to choose iPhone. Among these interviewees, 49% of those with a household income of more than US\$150,000 claimed that they were using an iPhone. Among those with a household income of US\$75,000 to US\$150,000, 40% use iPhone. With the decline in income levels, the number of people using the iPhone is also decreasing. In comparison, among respondents who have Android phone users, 27% - 31% have the same income level.

The survey also shows that iPhone users have a great relationship with their education level. Among the respondents with an undergraduate or postgraduate diploma, 38% use an iPhone. 29% of people use Android phones. Among people with lower education, the situation is

just the opposite. Among the respondents without a high school diploma, 11% use an iPhone. And 25% of people use Android phones.

Apple's positioning relative to competitors

Since Apple Inc. launched the iPhone in 2007, it has opened a new era of cutting-edge mobile device software functions. It redefines the functions of mobile phones. Regardless of appearance, design, performance, and configuration, it has become the industry leader. It is still in the dominant position to this day.

Since the iPhone was launched in 2007, every generation of iPhone has captured the hearts of consumers with the latest high-end technology. Once Apple's first IOS system was launched, the Symbian system, which dominated the mobile phone industry, was pushed into a desperate situation. The mobile phone giant Nokia has since declined. And Google's timely launch of the Android system gave the Finnish giant a fatal blow. With the help of the Android system, a series of mobile phone brands have risen. For example, Samsung, LG, HTC, Sony, and so on. And Nokia also cooperated with Microsoft to rebirth from the ashes equipped with windows phone mobile phone system. Launched the Lumia series of mobile phones. The mobile phone market has formed a three-legged pattern of iPhone represented by IOS, Samsung, sony represented by Android, etc., and Nokia represented by WP.

I think the positioning of the iPhone relative to its competitors is successful. First of all, when Apple was founded, the smartphone market was blank. Because the market of other mobile phone manufacturers should be the feature phone market. Even though the Symbian system called itself a smartphone at the time, it did not occupy the position of a smartphone in the minds of users. When Apple's first mobile phone was released, Apple took advantage of its huge

differentiation from other mobile phone manufacturers and quickly occupied the position of smartphones in users' hearts. Smartphones are a brand new category, so Apple mobile phones also created this category. According to the leading principles of positioning theory, the first brand to enter a new category has a huge advantage of becoming the first. And Apple is like that. So Apple has become the number one in the category of smartphones. There are many factors for Apple to become the number one, such as its IOS system, minimalist design, and so on. But positioning is more concerned with the user's mind.

Can being the number one ensure the number one forever? of course not. The smartphone market is one of the most competitive markets in recent years. In addition to Apple, there are also mobile phone manufacturers such as Samsung, Lenovo, and Huawei. Although Apple is the number one in the smartphone category, it has not stood still. If you want to maintain your leadership position, you must launch a business war. According to the positioning theory, it should choose defensive warfare. In the positioning theory, defensive warfare is a strategic model specially prepared for market leaders, and this is what Apple needs. For market leaders, the best defense is to attack themselves. So when Apple releases new products every year, it is his previous generation products that suffer the most. Of course, Apple is still the most beneficial. Because every self-attack of new Apple products proves to the market that Apple is the market leader and innovator. Thus defeating the opponent's offense.

Should Apple change the positioning of its products? I think the answer is no. In recent years, "negative news" of Apple products has been spreading out one after another. From the departure of chief designer Jonathan Ive from Apple to the recall of MacBook Pro due to battery problems... The pursuit of ultimate quality and advanced technology layout seems to no longer be Apple's label. Apple ignored the original brand and product positioning on the road of change

and innovation. The purpose of Apple's change and innovation seems to be no longer the pursuit of the ultimate quality and the use of technology to solve consumer problems, but more enthusiasm for reducing costs and packaging itself with new technology.

Before this, Apple was extremely cautious in the selection of suppliers. However, in recent years, to reduce costs and risks caused by insufficient supplier capacity, Apple has changed its strategy of strictly controlling the number of suppliers. Apple has introduced more manufacturers to participate in the production and supply of accessories, and quality control problems have also followed. According to a computer reliability survey conducted by the American computer services franchise company Rescuecom, Apple has fallen behind Samsung, Lenovo, Microsoft, and Acer ranking fifth. According to the latest data released by market research institutions Gartner and IDC, in the first quarter of 2019, Apple computer sales fell by 2.5 percentage points. The market share is only 6.8%, lagging behind Lenovo, HP, and Dell.

For consumers, it is not wrong for Apple to maintain high-end brand positioning and high prices, but the product positioning should match the price. Apple seeks to change, the spirit of innovation is undeniable. However, if you ignore the initial positioning of the brand and products, do not pay attention to quality control, and only use the application of new technologies as the highlight of product packaging, without considering the effect of its actual application, then this will consume Apple's pursuit of the ultimate and user-centric. The spirit of the brand will also consume consumers' confidence in the brand. This will also provide competitors with the possibility of surpassing.

New products that may be suitable for Apple

I think Apple can consider developing household appliances that are closer to users' lives. For example, a coffee machine can be connected to the alarm clock of the iPhone. It can automatically make coffee for you every morning. Apple can also develop a smart refrigerator. It will track your movement in the room. There will be different parts of a variety of different foods in the refrigerator, so you can use the app on your iOS device to defrost a piece of meat at work. There will even be a "super freezing" part in the freezer, which can freeze food in a short time.

Reference

Aaron, Smith. "Smartphone Ownership 2013" Pew Research Center. 5 June 2013

<<https://www.pewresearch.org/internet/2013/06/05/smartphone-ownership-2013/>>