



**JUSTICE K S HEGDE  
INSTITUTE OF MANAGEMENT**

## **MARKETING WORKBOOK**

**COMPANY NAME: APPLE**

**SUBMITTED BY: TEAM C12**

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Apple Inc is an U.S. based consumer electronics company that deals with consumer electronics and software services. Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne on April 1, 1976, Apple is one of the top 5 U.S. Tech giants along with its competitors Google, Amazon, Meta and Microsoft. The current CEO of Apple Inc is Tim Cook, Apple is the world's second largest smartphone manufacturers next to Samsung. Apple produces the products that provide customers with an incredible user experience.

**Vision:**

“To make the best products on earth, and to leave the world better than we found it.”

**Mission:**

“To bring the best user experience to customers through innovative hardware, software, and services.”

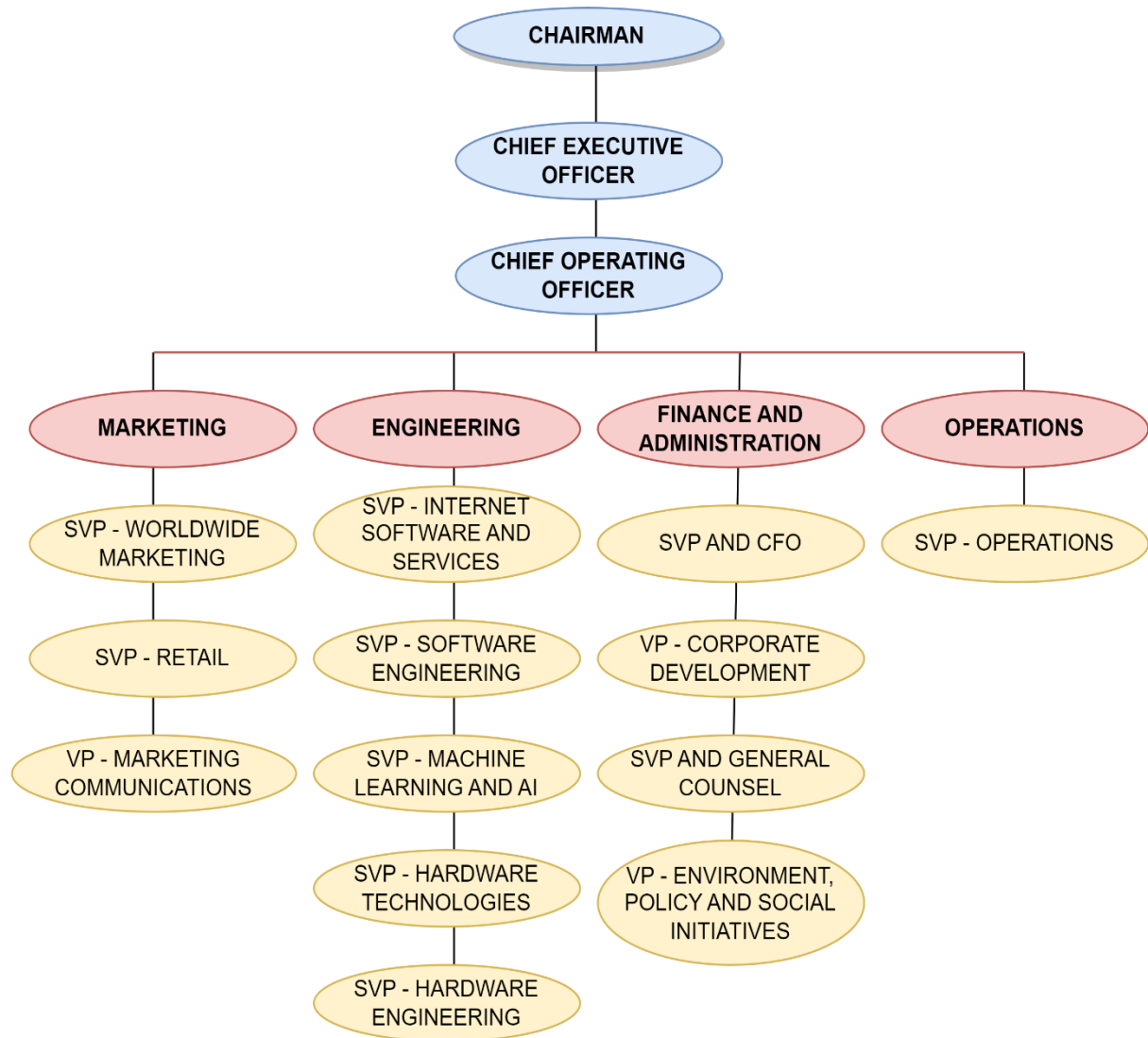
**Product Line:**

Product Line	Products
iPhone	iPhone 15, iPhone 14, iPhone 13, etc
MacBook	MacBook Air, MacBook Pro, etc
Smart Watch	Apple watch series 9, Apple watch ultra2, Apple watch SE, etc
iPad	iPad Pro, iPad Air, iPad mini, etc
Air pods	Air pods (3 <sup>rd</sup> gen), Air pods Pro (2 <sup>nd</sup> gen), etc

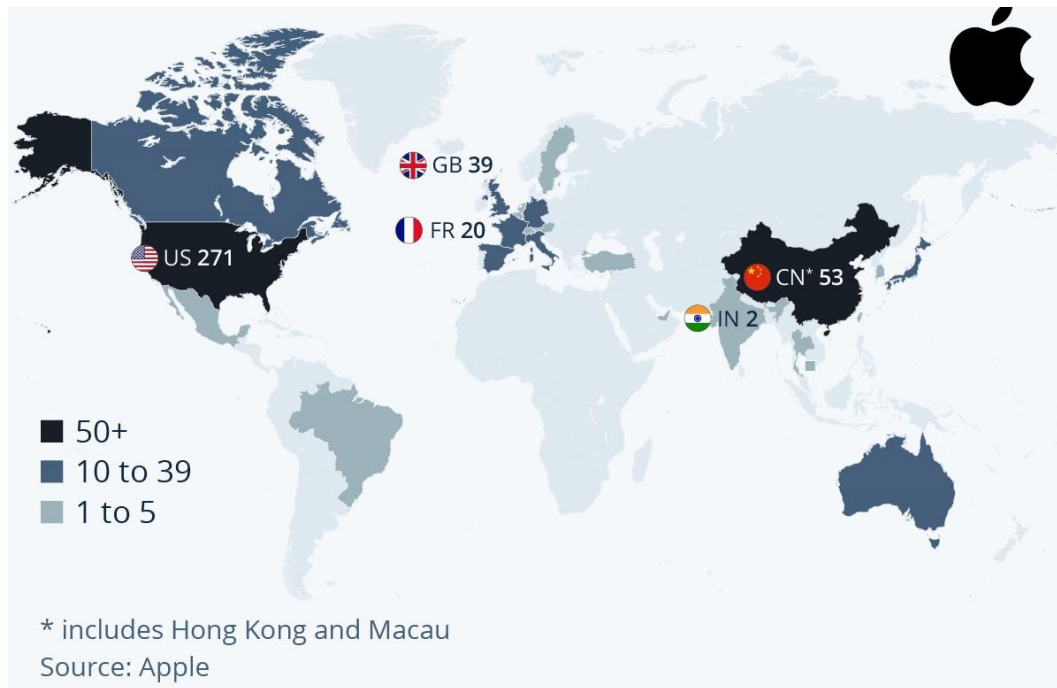
**Service Line:**

Apple Pay
iCloud
Apple Store
iBooks store
Apple Music

## Organizational Structure:



### Market Area Covered:



### Customer Profile:

Apple's target audience consists of Upper Middle-class and Upper-class users and it's mainly used by youngsters and middle-aged people.

### Format 1:

Chosen Industry : Computers and Electronics Manufacturing

Chosen Company : Apple

### Format 2:

Historic Financial Details:

(In Million USD)

	2019	2020	2021	2022	2023 (Two Quarters)
<b>Sales Revenue</b>	2,60,174 (-2.04%)	2,74,515 (5.51%)	3,65,817 (33.25%)	3,94,328 (7.7%)	3,83,933 (2.63%)
<b>Marketing Expenditure</b>	18,245 (9.21%)	19,916 (9.15%)	21,973 (10.32%)	25,094 (14.20%)	-
<b>Net Profit</b>	55,280.5 (-6.83%)	57,346.2 (3.73%)	94,455.6 (64.71%)	99,803 (5.66%)	94,760 (5.05%)
<b>Market Share</b>	13.7%	15.4%	17.2%	18.7%	18%

### **Format 3:**

#### **Environmental Force Analysis:**

<b>Force</b>	<b>Important Examples</b>	<b>Potential Impact on the business.</b>
<b>Political</b>	New Tariffs imposed by US govt on Chinese imports	Increase in cost of the product affected the sales around 2%.
<b>Economical</b>	China has banned government officials from using iPhone.	Share price went down by 6% and it wiped out nearly \$190 Billion from Apple's market share
<b>Sociocultural</b>	Increase in health consciousness among people	The sale of I Watches is estimated to be 781 million units by the end of 2025.
<b>Technology</b>	Development lag in the field of AI	Apple hasn't yet entered the race of generative AI.
<b>Legal</b>	EU has forced Apple to switch to Type C port on October 2022	It costed \$2 billion to shift from lightning port to USB C port
<b>Ecological Environment</b>	Radiation emitting from iPhone 12	French regulators put stop to further sale of iPhone 12

### **FORMAT: 4**

Identify the major challenges and opportunities for your business/firm unit based in the above PESTEL analysis.

#### **Challenges for the firm**

Apple faces number of challenges due to the introduction of the USB-C chargers. From nearly a decade Apple used lightning port for all its products but now due to the introduction of Type C ports in Iphone15 series Apple needs to develop new accessories and adapters, or to work with third party accessory makers to ensure compatibility. Apple also may have to incur additional cost to transition to USB-C. This is because USB-C components are more expensive than lightning components, apple may also have to pay licensing fees to the USB implementers forum, the organization that develops and maintains the USB-C standards It costed \$2 billion to shift from lightning port to USB C port. Apple also face some backlash from its customers who are unhappy with the change. Some customers may feel that apple is forcing them to buy new accessories, while others may simply prefer the lighting connector.

There is also a chance of Chinese government banning Apple products in China, which might have a significant financial impact on Apple. This is because Apple is heavily relied on China

for its revenue growth and manufacturing. Roughly 19% of the company's total revenue is generated from China.

### **Opportunities for the firm**

Apples transition from lightning to USB-C might also bring some potential benefits to Apple for example USB-C is more versatile connector than lightning. It can be used for both data transfer and power delivery, and it can be used with a wider range of devices. This can make apple devices more attractive to customers who are already using USB-C chargers.

Apple also has some promising opportunities in the field of AI. It is found that AI could boost global GDP by up to \$13 trillion by 2030. In 2022, Apple's AI-powered products and services generated over \$100 billion in revenue. This represents a significant increase from 2021, when Apple's AI-powered products and services generated \$75 billion in revenue. Currently Apples AI Market share is 3.7%.

## **FORMAT: 5**

### **Strengths:**

Most valuable brand

Apple is ranked in the first position for the 9<sup>th</sup> consecutive year by Interbrand-with the brand value of \$880.5 billion. Which is then followed by amazon and Microsoft. Apple is one of the dominant players in the market due to its quality, innovation and premium pricing due to this they have loyal customer base and maintain a competitive advantage in the market.

### **Weakness:**

Apples incompatibility with other software

It has been found that 23% of I phone users had experienced difficulties in transferring data to or from other devices. The most common problems faced by the customers where failure to transfer all data types, data corruption, transfer process getting stuck and transfer taking a long time. This is because I phone use IOS operating system, while most other device use android or windows. This operating device have different files systems and data format which can make it difficult to transfer data between them.

### **Opportunities:**

Opportunities in the field of AR and VR

Augmented reality and virtual reality are significant opportunity for apple. The global AR/VR Market is expected to grow from \$28.6 billion in 2023 to \$119.7 billion by 2028, at CAGR of 34.9%. Apple has already invested heavily in AR and VR. AR VR can be used

in various fields such as gaming, entertainment, productivity, and education. Overall If apple enters into the AR VR market, they have the chances to be a market leader.

### **Threats:**

#### Effects of Russia Ukraine War

The wars can have a negative impact on the sales of Apple products in certain markets. In case of Russia due to the war between Russia and Ukraine. It had a significant impact on its sales, it was decreased by 30%. Over all it is estimated that the wars have had a negative impact of around of 5 to 10% on Apples global sales.

## **FORMAT: 6**

### Purchase Decision Process

You need to identify the purchase decision process for the customer for your company

Purchase Decision step	Questions to Ask	Behaviour of customer type
Recognising problems	How do these customers recognise the problem that a purchase will solve? Are there any specific triggers that raise customer awareness?	Need of fulfilling esteem, status recognition, gaming features, privacy, vlog, streaming, influenced by friends or relative etc
Acquiring information	What sorts of information do these customers seek?	Software experience, product design, camera quality, customer service, eco system.
Evaluating alternatives	How do these customers evaluate alternatives?	The customers evaluate the alternatives by reading reviews, articles, YouTube videos, Asking or enquiring with the retailers about the similar smart phones that are competing with Apple.
Making a choice	What choices are these customers likely to make?	Usually, customers prefer low cost and better-quality products, but Apple is an exception because of the brand and quality of products they produce along with innovative features that attracts the customers to purchase Apple products even if it highly priced as it is a Premium or Luxury product which will improve their standards.
Post Purchase processes	What sorts of decisions do these customers make after purchase	The customers are satisfied with iPhones as they think iPhones are value for money and it fulfils their requirements as well as wants, they are happy as it increases their standard.

**FORMAT: 7****Identify the Multi person Purchase decisions process for your Company**

Questions	Response
Will the purchase decision be made by an individual or by a group? If a group. Who do you expect to be involved	It is usually done by an individual, but in case if the price of the product is of high budget, then the purchase decision will be influenced by friends, parents, siblings etc.
What are the power relationships among purchase decision actors?	Usually, the earning member of the family who finances the purchase of Apple products makes the decision it maybe man/women.
Do you expect coalitions of individuals to form for this purchase decision? If yes identify the coalition	Parents will be financing, while other family members and friends will give their opinions on the product.
What mechanisms does the customer use to resolve purchase- decision conflicts	The conflicts will arise as the Apple products are priced premiumly and parents might have to rethink about the purchase decision.
Based on your answer to the forgoing questions, What actions should you consider taking?	Whether the Apple product increases the status of the person Whether the Product will give value to its purchase? Whether the Product will satisfy his needs and requirements? Based on these questions the decision will be taken.

**FORMAT: 8**

Develop a detailed Consumer Profile for your company using the following dimensions

1. Demographics (may include Age, gender, income, family life cycle, occupation etc)

Age	All age groups, including children, youngsters, adults, mid aged as well as old aged people.
Gender	All genders can purchase the products including male, female, and others.
Income	Middle, Upper-middle- and high-income people.
Family life cycle	Even singles and couples purchase Apple products, though they have children's they purchase it to increase their status provided they have that capacity.
Occupation	Any occupation with a better salary can afford to purchase Apple products
Education	People without education will also purchase the Apple products if they have income to purchase it.



## 2. Buying Habits (role, frequency, purpose, mode of purchase etc)

Role	
Frequency	Not so often but depends on financial position of an individual
Purpose	Communication, photography and privacy
Mode of Purchase	Online stores, official stores and authorised stores

## 3. Psychographics (attitude, value, lifestyle, personality etc)

Attitude	People usually have positive attitude while purchasing apple products because of brand image.
Value	Satisfaction and Social Status
Lifestyle	As Apple is considered as an established brand, people usually want to show off and seek high status
Personality	Id, ego and superego

## 4. Persona Types ( Eg: competitive, spontaneous, humanistic, principle oriented etc)

Competitive	Customers like competition so they see apple product as innovation and status symbol so they want to adopt to new technology faster and look superior to others. These people are called Innovators.
Spontaneous	These customers groups are called fulfillers who are very open minded and are impulse in their decisions they adopt apple products as they provide new experience and easy to use features which makes their life easier and enjoyable.
Humanistic	These customers come under the category of actualizers who value apples ethical practices and apples determination towards sustainability regarding environment because they think that buying apple products will help them connect with other people and create a positive difference in the world
Principle Oriented	These customers have a strong sense of what is right and wrong and are guided by morality so these customers buy apple products because they provide a sense of trust and commitment to its customers and are reliable which helps them to be more organized .

## FORMAT: 9

### Identify the Benefits and Value for customer for your company

#### Benefits

1. Flexible ecosystem
2. Privacy and security
3. Clean software
4. User friendly interface
5. Better performance

## Values

1. Brand Image
2. Increased Standard of living
3. Quality service
4. Flexible after sales services
5. Consistent Software updates

## FORMAT: 10

Identify the Competitors and Complements for your company

	Direct Competitor	Indirect Competitor
Actual	Samsung and other android phones	Dell, HP, Lenovo
Potential	Google	Amazon

## Complementary Products

Phone cases, Adapter, Screen protector, Camera attachment, Bluetooth accessories

## FORMAT: 11

### Market Segmentation and Targeting

#### List the Market Segmentation Dimension for your company

1. Demographic – it is based on age and income level of people
2. Behavioural – It is based on the perception of people
3. Psychographic – It is based on attitude of people
4. Geographic – it operates in about 26 countries

## FORMAT: 12

Based on the Segmentation dimension form the various subgroup for dimensions

### 1. Demographic

Based on age, income level, occupation, education level, gender, Apple has segmented its priority for customers.

Usually, age group above 14 years would purchase the Apple products and the occupation will depend on the income level ability to pay for the product.

### 2. Behavioural

Apple has a hardcore customer base who are loyal towards the brand and its product. People usually purchase Apple products for its brand recognition and their status.

There are two kind of people, one who are the upgraders and the other is the switchers who switch their products from ios to android.

### 3. Psychographic

People who want to upgrade their status by using branded products would buy Apple products as Apple is one of the best innovative brand which is positioned on top.

**FORMAT: 13**

Product Mix details

Product Length	Product Width			
	iPhone series	iPad	Apple Watch	AirPods
	iPhone 15 series	Apple iPad Pro 11 <sup>th</sup> Gen	Apple Watch Series 9	AirPods 3 <sup>rd</sup> Gen
	iPhone 14 series	Apple iPad 10 <sup>th</sup> Gen	Apple Watch Series 8	AirPods Pro 2
	iPhone 13 series	Apple iPad 9 <sup>th</sup> Gen	Apple Watch Series 7	AirPods 1 <sup>st</sup> Gen

**FORMAT: 14**

Life Cycle Strategy

For your company's product draw the life cycle scenario and analyse the current position

Product Life Cycle Stage	Scenario	Selected Strategic option
Introduction	Apple's introduction stage began in the year 2007 and it has launched its first product as iPhone. The market awareness was limited in the introduction stage which has resulted in the introduction stage.	Apple was the revolutionary product as it was the first company to introduce touch screen phones which was the greatest innovation their user-friendly design and innovative features help them reach the growth stage.
Growth	The Apples sales is rapidly increased when the customers where created awareness regarding Apple's product benefits and its brand it has also attracted people due to its innovation	The main focus is on improving the user experience and they achieved it by building a brand image through their minimalist and word of mouth marketing.
Maturity	At the saturation stage there was a dramatic decrease in the sales of the Apple products.	But Apple has maintained its market share by adopting premium pricing strategies.

Decline	Some of the products started to decline due to lack of updates and introduction of new technologies Ex: iPod, iPencil.	Apple widened its product line and introduced new technologies and Apple ceased to produce the unprofitable products
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### **FORMAT: 15**

#### Brand Identity

Analyse your Company's brand identity

Brand Identity: The logo of Apple company is bitten apple which has become an iconic and unique logo in the minds of the customers world-wide. It is recognised as a valuable brand with a hardcore customer base Interbrand has ranked Apple as the most valuable brand for consecutive 9 years. The tagline of Apple is, "Think Different" which would persuade people to think on different perceptions while choosing a product.

### **FORMAT: 16**

#### Brand Association and Brand Name

You need to interview view customers who are using your product and develop the brand association.

1. Innovation
2. Quality of the products
3. Software
4. Privacy and Security
5. Cinematic Videography
6. Ecosystem

### **FORMAT:17**

Identify the Brand image in the mind of Customer.

1. Overpriced
2. It should focus on to allow sideloading apps
3. Premium brand and product
4. Social Status
5. Desired quality
6. Limited retail stores
7. Best after care service

### **FORMAT: 18**

Identify the gap between the Brand identity and Brand Image. If there is any gap, please suggest your solutions to your company

Branding elements you should change- people's perception towards apple is that the products are priced expensive. Some People feel like they are exclusively for upper class and upper middle-class people.

Tentative Approaches for aligning brand identity and brand image- consistently communicating its core values and having better emotional connections with its customers

through loyalty by ensuring that there is no difference in the way how consumers perceive the brand and experience it.

### **FORMAT: 19**

#### **Brand Positioning Statement**

Most valuable brand Apple is ranked in the first position for the 9th consecutive year by Interbrand-with the brand value of \$880.5 billion. Which is then followed by Amazon and Microsoft. Apple is one of the dominant players in the market due to its quality, innovation and premium pricing due to this they have a loyal customer base and maintain a competitive advantage in the market.

### **FORMAT: 20**

#### **Pricing**

Identify the Company's Pricing Strategy and analyse

	Current
Objectives	To provide superior quality hardware and software with cutting edge technology and massive improvements in camera department. All these factors will successfully contribute for the huge sales in iPhone.
Pricing Strategy	Apple sell their products with premium price tag as they know that the customers would buy their products though the price is high as it has hardcore loyal customers.

### **FORMAT: 21**

#### **Communication Strategy**

Identify any two TVC or print ad or promotional campaign of the company and evaluate it critically in terms of its message, content, execution, reach and the impact.

### **iPhone 15**

#### **Message:**

As a mobile phone is used for communication purpose, there are also other features which the customers expect from an Android phone. iPhone 15 provides a dynamic island screen and display, the phone's frame is secured by a titanium frame. The 2x telephoto zoom and 48 mp camera of Apple helps an individual to capture moments without losing the quality of image. Even the Apple iPhone is water resistant and has a high battery life.

#### **Content:**

It attracts the youngsters as it provides innovative features.

#### **Execution:**

It focuses on potential customers of all age groups as it provides minimalistic designs and better features.

Reach:

Potential customers of all age groups

Impact:

It persuades people to switch to iPhones from android Phones.

Youtube Link: <https://youtu.be/XHTTrLYShBRQ?si=a27fCSt1Ie50ib2D>

### **MacBook**

Message:

A laptop with a Sleek design and light weight convenient to carry anywhere would leave the people spellbound. It consists of 6 speakers that allows spatial audio which provides the more balanced audio output, and the speakers are also loud which will help people to enjoy the music and movies. The laptop has a battery life of 18 hours which would help an individual to use it continuously even in outdoors without worrying about running out of battery.

Content:

It mainly focuses on attracting the working professionals.

Execution:

It focuses mainly on working professionals for doing the productive works who want the sleek and light weight machine which can be carried anywhere.

Reach:

It targets young and middle-aged consumers who are in white collar jobs or aims to pursue white collared jobs (students).

Impact:

It has changed the perception of people behaviour in purchasing a laptop.

Youtube Link:

<https://youtu.be/0okuAwqTHs0?feature=shared>

