

Analysis of the Product Evolution and Marketing Strategy of Apple Company

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Abstract: Apple Inc. has been one of the dominant enterprises within the industry but still faces problems like losing market share. This paper aims to analyze the strength of Apple's product and the corporate concept to better understand and cope with the industry market. The research will mainly focus on Apple Inc.'s products, market strategies and developmental strategies with published information. In general, Apple products' unique characteristic is crucial for the company to dominate the market. To regain the market share, Apple Inc. needs to establish suitable pricing and market strategy to adapt the changing environment and universal consumer groups. At the same time, Apple Inc. should further develop its unique characteristic to expand its products' advantages.

Keywords: product evolution, marketing strategy, apple company

1. Introduction

Since the brand iPhone was unveiled in 2007, an iconic series of devices has helped Apple take over the smartphone market for more than one decade. In the U.S. market, the subscriber share held by iOS operating systems raised from 29.5% in 2012 to 51.2% in 2022 [1]. At this rate, Apple is no doubt one of the most influential and recognizable electronic companies worldwide. With the success of the iPhone and the massive revenue, Apple was able to launch new product categories like the iPad in 2010 and later the Apple Watch in 2015 which contribute a considerable amount of profit for the Apple company. Even though Apple's advanced technologies is one of the primary success factors that are difficult to substitute in the smartphone market, it is to be noted that newly developed companies are entering the market with new technologies, high-quality products, and competitive pricing system.

In this paper, the Apple company will be analyzed from different aspects of its core products compare to its competitor to determine its competitive strength. In the face of the incoming market demand, the current market share of Apple's iOS in the enterprise mobile terminal market is lower than Android and Windows [2]. Knowing this background, this paper aims to study the marketing strategy of Chinese enterprises for iOS products. Analyze the product, industry, competitive environment, and the problems that exist in the current Apple marketing strategy and combine the results of enterprise customer satisfaction research to summarize the needs of customers for mobile devices. On this basis, propose marketing strategies for products, channels, prices, and promotions to capture more potential market share. This paper will be relevant for enterprises in the same industry

that are willing to enter the Chinese market to examine their strengths and features and adapt to the market.

2. General Analysis of Apple Products

2.1. Target Market and Consumer Needs

Middle and upper-class consumers who are able and ready to pay more after being tempted by a superior user experience make up the core target market for Apple's products. Additionally, Apple targets professionals in the fields of office, film, music, and design who need professional applications that are exclusive to apple users. These individuals include musicians who work with Logic Studios and film producers who use the Final Cut Studio Collection plus students who utilize MacBooks, iPhones, and iPads to take notes and practice. Handoff function, lightweight, and outstanding performance construct most of Apple's consumer market [3].

From the target market and the layout of Apple's consumers, practical product characteristics are the primary features to consider when purchasing electronic devices. Apple fulfilled its consumers' needs with its core product features.

2.1.1. Performance.

Data processing capability, presenting capability and good portability are required. Mobile office needs to deal with large numbers of workflow issues, multi-dimensional information interaction, file processing, etc. Apple's outstanding M1 and M1 Max processors with smooth operating systems, supporting software, and graphic abilities not only are the top tier in the industry but also use 100 watts less power when delivering similar performance compared to other processors [4]. An example of comparing the M1 chip vs Intel in real life scenario. For instance, the XPS 13 converts a 4K video to 1080p in 18 minutes and 22 seconds, which is almost twice as long as Apple's M1 MacBook Air's 9 minutes and 15-second conversion time. Even though the Yoga 9i was quicker than the XPS, it still fell short, completing the task in 14 minutes and 24 seconds [5]. These features are crucial to consumers who demand high-performance devices in special industries such as design works, efficiency-orientated workplaces, and students.

2.1.2. Diversification.

Diversified products ranging from computers to watches offer selective products for the consumer to choose from. Consumers determine their destined product according to their specific requirements. Different types of products differ in terms of functional display abilities, such as the iPhone focuses on lightweight, portability, photography, and other work conducive to rapid information communication; while the iPad focuses on the visual display, functionally close to computers but very portable; and Mac with its concise layout, extraordinary CPU and graphics abilities but rather a weak gaming performance conducive to office efficiency. Apple's products do have a rich and selective product line of electronic devices, but products are comprehensive with abilities in the destined field that are irreplaceable with one another.

2.2. Core System Iteration

The iteration of Apple's operating system integrates many powerful and practical functions that bring convenience to consumers by coping with the general development of society. Starting with the iOS 10 operating. A new 3D touch interaction was introduced for the screen with many shortcut functions, which expands the fast-processing capabilities of notifications. The keyboard can make more

suggestions based on the current content of the screen. Photos add the 'recommend for you' function, which can automatically organize related photos and generate videos.

For iOS 11 a translation function has been added to Siri. It was demonstrated on the spot that Siri translates English audio into Chinese. The system also added support for QR codes. It is worth mentioning that Apple demonstrated this new feature unique to China at the press conference which later proved to be one of the most universal functions in the Chinese market.

The "RangeFinder" application has been added to iOS12, which can measure objects through AR technology. The photo search function has been enhanced to search by specific object categories. A new 'Shortcut Instruction' program is added, and some functions of the third-party software can be set to activate sentences through shortcut instructions, and corresponding functions can be realized through voice control. More options had been added to the 'Do not disturb' mode for more flexible settings. The 'Screen usage' function allows the system to generate usage reports automatically and to let users know the usage of the device.

The iOS 13 operating system claims to be 2x faster to launch apps and 30% faster to unlock Face ID. App downloads require 50% less space and app upgrades require 60% less space. The most important thing is to bring a new "dark mode". It is more suitable for OLED screens and low-light environments. In terms of security, you can choose to hide your email when logging in with an Apple account, and your phone will generate a random email for registration and login. In addition, a cloud storage service for images captured by surveillance cameras has been added. For the first time, the iPhone supports editing of video tones, lighting effects, duration, rotation, and cropping within the Photos app.

iOS 15 adds Focus Mode to make your phone more relevant to work and personal time. The "Summary" function has been added to the lock screen notification, which can display messages of a specific period in the form of a summary. Devices equipped with an Apple A12 chip or newer support Live Text, which can recognize text captured by a camera or text in a photo and convert it into editable text.

Only a preview version of iOS16 has been released so far, and the official version should be launched with the new iPhone in September 2022. An interesting function is "iOS 16" which not only supports extracting text from photos but also the picture of the object from the photo and dragging and dropping it into other programs. A new "safety check" function has been added, which can help users quickly view and reset the permissions previously granted to others, and support the control of permissions set in the app. It can be understood as a management center for all permissions [6].

3. Marketing Strategy Analysis

3.1. Channel Strategy

3.1.1. Optimization of Channel Construction and Compensation for Lack of Cooperation between Channels.

In recent years, the deployment of mobile information technology by domestic enterprises is a growing interest, Apple seize this opportunity to take advantage of the expansion of the iOS market share. It is necessary to expand the coverage of customers, for the existing channel model to adjust. The recent step is to do channel construction planning and build a corporate business channel system with direct sales channels as the core and distribution channels to support the synergy. Establish good communication channels between direct sales and direct sales, and between direct sales and authorized channels to share resources and improve service quality. In the front-end, direct sales part, retail stores, and online stores encounter different types of customers and accumulate a large number of customer resources Portion of high-quality customers should be selected according to criteria and

transferred to the back-end Key Account Department for follow-up services, digging deeper into customer needs, providing next-generation network, security, data center, and collaboration-related products and solutions, expanding sales scale, and setting an industry model as a way to increase Apple's visibility and brand image among enterprise customers. Direct sales and authorized store have their advantages and disadvantages. Direct sales use vendor resources, unified services, and prices that can cover the whole market, and guarantee stable and timely delivery, while the channels are very flexible in terms of authorized stores. If all these resources can be integrated, Apple's corporate sales will give greater support to customers and trigger new sales growth points [7].

Currently, more enterprise customers in the Chinese market flow to non-enterprise channels. While strengthening the direct sales channels of enterprises, it is equally necessary to expand the distribution partners of enterprises and make targeted use of distribution channel resources, especially dealers with strong strength in the region or industry, to expand market development. In addition to increasing the number of distribution partners, Apple should treat its distributors like end customers, define the needs of intermediate distributors, plan and implement training programs, and provide distributors with a thorough understanding of Apple's products and market direction. end customer satisfaction.

3.1.2.Strengthening Direct Sales Teams and Merging Online Stores with Physical Retail Stores.

Commercial specialists in retail stores and corporate telemarketers in online stores can establish initial contact with customers, conduct initial probing of their purchasing needs, and help them place orders for shipment. Currently, Apple mainly uses the brick-and-mortar store plus online store approach to reach small and medium-sized businesses. Customers can watch, touch, and try out products in retail stores. Through product demonstrations and industry-specific seminars in retail stores, customers are provided with a good offline experience, which is used as a natural evolution of the online sales channel to increase the conversion rate of online sales. Apple needs to increase the number of retail stores, expand its online commerce team sales force, and optimize customer reach before it can help more companies accelerate their growth, keep pace with digital transformation, and fully enter the Internet of Everything era [8].

Apple currently maintains an organizational structure with two separate sets of leadership, staff, and marketing programs for its online stores and physical retail stores. However, the drawbacks associated with this approach are becoming increasingly apparent as the need for customers to be able to seamlessly switch between online and offline shopping grows stronger.

3.2. Pricing Strategy

In the consumer market, Apple's strong brand effect and a large number of loyal "Apple fans" with good purchasing power and low price sensitivity, the uniqueness, fashion, and individuality of the products, and the significant differentiation advantages all lays the foundation for Apple to successfully implement skim pricing in the consumer market. In the industry market, as smartphones are not very different in terms of functions, applications are mainly phone calls, messages, and emails, most brands of cell phones can meet basic needs, and customers are very price sensitive. In addition, the competition in the tablet market is getting fiercer and sales are declining. Apple's technological innovation on the iPad is insufficient, but on the other hand, cheap tablets from Samsung, Microsoft, and other companies have caused a great impact on the iPad's sales.

Apple may consider launching low-priced versions of the iPhone and iPad in the emerging enterprise mobile information market to seize market share and solve the problems of high price sensitivity of enterprise customers, fierce market competition, and low market share of iOS.

There is no doubt that the low-priced enterprise version of the iPhone and iPad will definitely bring an increase in sales of low-priced products, but more profits will also cause an increase in sales of high-profit products as the market share increases. Once the share of iOS products in the enterprise market expands, not only the sales of hardware will rise, but also the value-added parts attached to the iPhone and iPad will bring a second value capture to Apple, thus constituting an ecosystem with great value creativity, where all parties interact and collaborate to achieve value capture. For example, the App Store built into the iPhone and iPad is the only channel for users to download applications, which not only attracts a large number of third-party software developers to provide application downloads and updates but also generates profits for Apple while bringing in more customers and increasing customer loyalty, which in turn further strengthens the sales of the iPhone and iPad.

3.3. Promotion Strategy

To increase the sales of iOS products in the corporate market, in addition to strengthening the product, price, and channel aspects, the investment of promotional resources and increased corporate sales promotions can establish a brand image in customer memory, strengthen loyalty and drive sales, which can bring huge returns with the right approach. Advertising can reach geographically dispersed buyers and can build a long-term image for a product or trigger quick sales. Corporate advertising can improve a company's reputation, increase the chances that salespeople will make a good first impression, and get customers to feel the product before when they first touch the product. Apple should work with partner agencies to launch a "mobile enterprise" business strategy and a multi-platform communications program to promote how Apple's technology and experts can help within specific industries, traveling, education, healthcare, energy saving in new ways, helping companies win over more users and capture new markets. Apple's Worldwide Developers Conference attracts the world's attention every time, and at such events, Apple and other experts can discuss and debate the challenges faced and show the world how Apple's combination of mobility with data and cloud phenomena is changing the industries and the world we live in historic ways. Allowing people to reimagine the whole experience [9].

4. Future Development Analysis and Suggestions

Technological change will always bring a reshuffle in the industry. There is no doubt that the development of the mobile Internet is destined to bring comprehensive changes to the entire social and working life. From the internal environment, mobile information applications have now completed the full penetration from consumer customers to enterprise-level customers, and deep into all levels of corporate business. Whether it is business, internal control or strategic decision-making are all showing the need for mobile applications. In terms of the external environment, mobile terminal-based applications and platforms are creating a new business sales and consumption model, which also requires enterprises to make changes to adapt to external mobile application needs.

As can be seen, with the continuous extension of enterprise-level mobile applications, mobile Internet technology allows information technology providers to access new business opportunities. In the face of the incoming market demand and Apple's shrinking market share, this thesis aims to investigate the marketing tactics used by Chinese businesses to market iOS products, examine the product, market, competitive landscape, and issues that currently trouble Apple's marketing efforts, combine the findings of a study on enterprise customer satisfaction to identify the requirements of business customers for mobile devices. And then suggest marketing strategies for products, distribution channels, prices, and promotions.

4.1. Product Strategy Adapted to the Needs of Enterprises

Cooperate with giants in the industry to make up for Apple's shortage of only hardware products and propose a hardware+application+service solution applicable to the business [10]. Combined with the fierce competition of mobile devices in the enterprise market, Apple needs to optimize its product line to launch iPhones and iPads suitable for the business market. Although closed iOS operating systems provide users with excellent security, they must be combined with OsX to enable seamless communication between iOS applications and PC applications. On one hand to counteract Windows' hegemonic position in the enterprise market. On the other side, it also encourages the sales of iOS goods due to its strong position in the enterprise sector.

4.2. Expand the Enterprise Sales Team and Strengthen the Cooperation and Win-Win Situation of Each Channel

Apple needs to grow the size of its sales staff if tends to gain client coverage and market share. As the team grows, the organizational structure should be adjusted, the communication channels between the teams opened, and each team's strengths should be complemented so that more consumer markets can learn about Apple's services and the overall satisfaction of clients can be increased.

4.3. Adjust Prices in the Enterprise Market to Expand Market Share

Although the Apple iPhone and iPad are both premium products, enterprise customers are very price-conscious and frequently opt for the device with better bargains even when there aren't many differences between the features and performance of the two products. The price in the enterprise market needs to be changed to enhance market share. The value-added sales associated with iOS products, such as iOS applications, will grow in line with market share growth and play a part in firmly locking in customers, which will in turn promote an increase in sales.

4.4. Expand the Scope of Publicity among Corporate Customers and Increase Publicity Efforts

Customers can learn about Apple's innovative investment in the enterprise market and the value of Apple's assistance to businesses in transforming mobile information technology, increasing work efficiency, and bringing in more money through advertising and the use of the WWDC platform.

5. Conclusion

Mobile terminals will gradually overtake PCs in terms of market share due to their increasing popularity and the ongoing advancements in mobile communication network technology. This could herald a new era. This paper finds that enterprise-level mobile applications will eventually become standard information technology and reflect a more significant application value. Apple aims to take this chance to break into the server market as the market for enterprise mobile information technology is developing in China. This paper attempts to suggest focused marketing methods in this thesis to address the issues with Apple's enterprise market sales, but because of human limitations, these techniques are still largely general and lacking in specificity. Future research should focus on how to better interact and connect electronic devices with household appliances to promote the cohesiveness of Apple products' interconnection.

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