

Analysis of Apple's Marketing Strategy Based on 4P Theory

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Abstract: Apple is the world's largest technology company and is an industry leader since the first computer was developed. One of the keys to Apple's success is developing an entire ecosystem that includes IOS. Based on the 4P theory of marketing, this paper analyzes the development strategy of Apple. The purpose of this paper is to discover the development potential and potential problems of the company through the analysis of marketing strategy. Through the method of case study, this paper analyzes the existing problems of Apple in product, price, place and promotion strategies and puts forward suggestions. The results show that creating innovative and high-quality products, providing a unique user experience, and classifying products according to different groups are effective development strategies for Apple Inc. In addition, increasing the number of directly operated stores to improve service quality and controlling the quantity and quality of advertisements are also key factors in Apple's success. Apple's 4P analysis shows that Apple still has opportunities to make progress and needs to improve the details of its future development. Overall, this paper provides valuable insight into the development strategy of one of the world's most successful companies and a useful framework for businesses seeking to achieve similar success.

Keywords: 4P theory, case analysis, development strategy

1. Introduction

As a world-renowned technology company, Apple Inc. has become one of the leaders in the global consumer electronics industry. Since its foundation in 1976 by Steve Jobs, Steve, Gary Wozniak and others, Apple has been engaged in innovation and technology development [1]. Its main products include iPhone, iPad, Mac, Apple Watch, etc. These products have changed people's lifestyles and deeply influenced the development of the global tech industry. Apple's products provide guidance and benchmark targets for other tech companies. With its innovation ability and technology, Apple Inc. constantly breaks through the limitation of product design and offers premium prices, unique marketing strategy and exceptional user experience, and has become a giant of product brands in the market. Total net sales for fiscal 2021 increased 33% from 2020 to \$365.8 billion, representing an increase of \$91.3 billion [2]. Despite the impact of the global pandemic on the economy as a whole, Apple has increased sales and maintained its position as an industry leader. Apple has always focused on quality and design in its products. It has built a premium brand image with a simple and innovative appearance and excellent performance, which has been highly recognized by consumers worldwide. In addition to product innovation performance, Apple has a robust ecosystem that includes hardware

products, software and services. They constructed the beloved IOS operating system on the principle of user experience. The ecosystem aims to provide full, multi-device interconnection, a fluid and stable system, which greatly enhances the value of the user experience and further strengthens Apple's competitiveness in the marketplace.

Now there is some literature on 4p theory on Apple inc. They have analyzed the benefits and competitiveness of Apple from four aspects of 4p theory [3]. Of course, these studies provide helpful advice and information to companies. However, these documents did not analyze the potential problems of Apple's 4p theory and conduct an in-depth discussion so as to give a development strategy. So the research in this area is still vacant. This will play an important part in the overall development of Apple and stable leadership in the future.

With continued advancements in science and technology and the continued decline in innovation capacity, Apple will face a new test. This is also the main purpose of this paper, how to analyze the existing problems of Apple from different angles through the 4P theory and indicate corresponding solutions and suggestions. In response to ever-changing market conditions and changing user demand, Apple needs to make some changes. In order to better explore these problems, this paper will, through the method of case analysis, realize Apple's possible problems in product design, price positioning, channel selection and promotion strategy, and demonstrate different suggestions and solutions according to these problems. Through the research of this paper, the purpose is to provide some useful ideas and future development direction reference for Apple, so as to help Apple maintain a leading position in the market competition.

2. Apple Inc.'s Potential Marketing Problems

Under pressure from such competition, Apple Inc. must continually improve its own products and strategies to maintain its position in the marketplace. As a global technology giant, Apple's influence in science and technology is a no-brainer, and the company's development process is also very fast. At each step, from the first computer to the iPhone, Apple has produced historical products. But Apple's iPhone upgrades from 2019 were not as strong as expected, and they did not catch consumers' attention as strongly as before [4]. Although Apple tries to introduce new products and features annually, there is no incredible innovation [4]. As for Apple's price, Apple's pricing strategy makes it an electronics company and more of a luxury company [5]. Apple's current major products such as the iPhone, iPad and Mac are selling for over \$1,000 [5]. This raises the bar for consumers looking to purchase Apple. Apple sells through many channels, including Apple's official applications, stores and many other permitted trading platforms. It remains to be examined if it can provide excellent service through various marketing methods. As a global brand, it remains to be seen if there are going to be sales issues in other countries. Consumers can see various kinds of Apple advertising promotion in daily lives, whether it is online, on TV or on billboards. Whether the various forms of advertising will make the brand heavier and have negative effects should also be discussed. If these problems are not dealt with on time, they can cause minor problems to become major problems, and ultimately be eliminated from the market. Therefore, Apple INC must take these problems seriously and propose solutions and suggestions accordingly.

3. Analysis Based on 4P Theory

Through the analysis of Apple's previous products, it can be found that the innovation of new products of iPhone in recent years has been less than before. Starting in 2020 and ending in 2023, each generation is just a minor upgrade compared to the previous generation [4]. At the time of Steve Jobs, the iPhone 4 and iPhone 6 are the products of the time. However, nothing like this has been seen since the iPhone X. The iPhone 4's appearance, phone screen, camera and operating system are all signif-

ificant enhancements to the original iPhone [6]. The iPhone 6 takes on the iPhone's appearance to a new level. From the iPhone 11 to today, the product has merely improved its configuration and its appearance has not changed. Although the iPhone 12 uses a "squircle" curve design in the corners of the exterior, it creates continuous curves to reduce light reflection and produce softer highlights [7]. Apple's designs are exquisitely detailed, but for most ordinary consumers, it is hard to see the value of innovation in these tiny details. If the same look is used each year, like iPhone 12 to iPhone 14, consumers will get tired quickly, which will impact the brand's reputation. The Apple user experience is certainly the ultimate. Therefore, the change in appearance can attract more new consumers and retain the loss of old customers. On the basis of maintaining product stability, Apple needs to actively explore innovative ways to keep pace with The Times and constantly provide consumers with higher quality and more innovative product experiences. This will preserve the value and influence of the Apple brand in consumers' minds while laying the groundwork for the long-term growth of the company. Apple needs to pay more attention to innovation in basic functionality and product design to meet the changing market and user needs.

As Apple's pricing strategy has become characteristic of the company, its high price has also become an opportunity for other similar businesses. These companies, in the context of Apple's high price, have captured most of the low-end consumer market by freeing up low-priced products, posing a threat to Apple. Globally, the market for low-end consumers plays an important role. Targeting this group of consumers could help Apple expand its consumer market. This strategy could increase Apple's market share and net income. However, Apple needs to be aware that releasing low-priced products could negatively impact its brand image. Apple has long been known for premium quality and innovation, and releasing too many cheap products could cast doubt on its brand image and drive away loyal customers. On the one hand, this could undermine the brand's premium image, because it would raise questions about whether the company's product quality has declined. On the other hand, Apple is faced with higher costs for every decision to lower prices, and those costs could have a negative impact on its profitability. A competitive pricing strategy does not always assure maximum sales at low prices [8]. Therefore, Apple should find a balance while maintaining its brand identity, in order to meet the needs of different consumer groups and increase its market share. The quality and price of products have an important impact on consumers' buying decisions. The results show that the quality of the product does not have a significant influence on the repurchase decision, while the price has a significant positive influence on the repurchase decision [9]. This shows that consumers want both high-quality products and reasonable prices when shopping for products. Prices may increase consumer demand for goods. Price, rather than quality, is more likely to encourage consumers to choose another product. Therefore, Apple should seek the right price point to satisfy consumer demand while maintaining its brand identity. Apple may also consider introducing different product lines for different consumer groups to address their needs.

Apple has customers around the world, and to help consumers around the world benefit from Apple's excellent service. The company provides two sales channels. The first is online selling, where consumers can purchase authentic products from the official Apple or Apple App site and have them delivered free of charge. In general, consumer may receive the product during the week. If a product has just been released or is out of stock, Apple will provide sufficient information on the anticipated arrival date for consumers to consider buying. In China, Apple also has official flagship stores on leading e-commerce platforms, which also sell official goods and provide after-sales and advisory services. The benefits of buying online are evident in the convenience of buying, with no time limit and quality support services. Consumer satisfaction with online shopping depends on safety, availability of information, transport, quality, price and time [10]. The prices in the official Apple flagship store are the same as those on the official Apple website, and the products bought in the official flagship store are authentic. However, there will be official flagship stores on the platform as well as

individual sellers. The emergence of single sellers will reduce the price of Apple products to attract consumers. The emergence of a large number of individual sellers has led to an increase in fakes and refurbished machines on the market, making it difficult for consumers to distinguish between the real and the fake. The second selling channel is offline selling, where Apple has its own stores and authorized dealers. Direct stores are spread around the world, and consumers line up frantically whenever a new store opens. However, the sharp increase in the number of customers makes it difficult for the limited service personnel to provide better service for each customer. Although Apple's service itself is not problematic, increased foot traffic can lead to dissatisfied customers.

Apple's campaign is dominated by advertising. They usually use simple scenes and bright plots to show the features and functions of products, such as TV, mobile phones, road signage, and social media. Apple is a company that is very good at marketing and promoting media, and its advertisements may appear in the main mainstream media. Its advertisements are often brief but impressive. It has a unique style of advertising that allows viewers to recognize Apple's advertising early on. Second, Apple's promotion strategy also includes cooperation and promotion with other brands. Apple will cooperate with other brands to introduce co-branded products or conduct joint marketing activities. For example, the sports watch jointly launched by Apple and Nike has become the first choice of sports lovers and its fashionable appearance has also attracted a large number of young people. This combination of technology and sport extends the scope of the brand to a broader audience. Apart from advertising and co-promotion, Apple also focuses on the promotion of offline events. Apple will hold large-scale press conferences when new products are released, inviting media and industry insiders to attend, to attract more attention. Lastly, Apple's promotional strategy also includes using data analytic for a specific promotion. Apple will collect users' behavioral data and preference information, and use data analysis for personalized promotion, so that users can see more relevant and attractive ads, thus increasing conversion rate and sales. While this online personalized promotion (OPA) can provide better results, it can also raise negative consumer perceptions, such as privacy concerns [11]. Therefore, in carrying out personalized promotion, Apple must pay more attention to consumer privacy and data security to ensure that the rights and interests of consumers are not infringed. There is a new question as to whether so much advertising will have a negative impact on the brand. When consumers see too many product brand ads, they will become disgusted and form a product stereotype.

4. Suggestions

To address the issue of product innovation, Apple can do the following. First, Apple can increase the cost of product research and development, and focus on upgrading and innovating in the appearance of Apple, such as using more sustainable materials and more environmentally friendly processes. These innovations are in line with modern consumers' demand for environmental protection and sustainability and in line with the general trend of the social environmental concept, which helps to improve the brand's social image and reputation. Secondly, innovative talents can be introduced to absorb talents from different ages to create different products. Today, young people's aesthetic trends are changing quickly. Apple needs to constantly introduce new ideas and new forces to meet market demands and maintain an edge in the market competition. Optimizing Apple's innovation will provide a better user experience and superior brand value, enabling sales and market share growth.

As for Apple's price recommendations, Apple needs to maintain market share at the high end of the market while taking into account consumers at the low end of the market. In fact, Apple has already taken action, like the iPhone SE, which has been widely acclaimed. To attract more low-end customers, Apple can use a variety of marketing strategies. For example, Apple could offer more promotions, like rebates and gifts, to attract more consumers to buy its products. In addition, Apple can

also cooperate with financial institutions such as banks to launch more purchase offers and services such as credit card installment payments to attract more low-end consumers to its products.

As for Apple's placement suggestions, although Apple is very strict about the location of direct stores, resulting in a small number of direct stores, Apple can still improve placement by increasing the number of direct stores. In this way, consumers can more easily choose the stories they want to go to instead of all cramming into one store. At the same time, increasing the number of stores operated directly can also make clerks more thorough and patient with their customer service. In addition, Apple can also provide an online reservation mechanism, so that consumers can reserve the time to arrive at the store online, which can well solve the problem of peak crowds and provide consumers with more convenient shopping experience

For Apple's promotion strategy, there is a need to strictly understand the amount of advertising. As a top-of-the-range brand, Apple's over-advertising will affect its reputation and the quality experience of its products. Excessive advertising can cause consumers to feel disrupted and harassed, which can lead to negative feelings about the Apple brand and lose some loyal users. Accordingly, Apple needs to make smart choices about the number and frequency of ads it provides to make sure they are targeted and effective.

5. Conclusion

In general, Apple needs to develop a development strategy to address the constant changes in the marketplace and continuously improve its brand image. It can keep its products competitive in the areas it excels in while optimizing in the details. From the analysis results of this paper, Apple can increase research and development costs, and improve product appearance and innovation in core technologies. With respect to price positioning, Apple can cover a wider range of consumer groups to gain a greater market share. Additionally, Apple could add more stores so consumers have more choice while strengthening online oversight and improving the quality of service. At the same time, Apple also needs to strictly control the amount of advertising, in order to avoid damaging its reputation and high-quality product experience by over-advertising. In addition to the marketing strategies mentioned above, Apple can continue to enhance consumer interaction and engagement. Based on the suggestions provided by consumers, Apple could select useful suggestions to improve its brand. Apple also needs to explore the consumption habits and characteristics of different groups, and constantly adjust and optimize its marketing strategy to consolidate the stability of the global market. The research for this paper provides Apple with a clearer development strategy and assists it in planning its future development. However, Apple will need to gain marketing experience over time to determine whether these strategies suit the real situation. This paper does not analyze the improvements Apple needs to make based on the 4p theory in different regions. In future studies, an in-depth study of the differences between different regions provides different marketing strategies according to the local cultural background.

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