

**Marketing Mix and Recommendations for Apple Inc.**



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# Introduction

The Marketing Mix is considered as the prime foundation concept in the world of marketing. The Marketing Mix is a pure combination of a number of marketing tools that are effectively used by the firm to attain the company’s objectives in an earliest possible manner. It is considered as the tactical or merely an operational part of the marketing plan. When a new service or product is launched in the market, the executives keep in mind that the product or service is launched in the right target market, at a right place and even at a right price. These tools are generally considered as the controllable elements of the marketing plan and are easily influenced by the external and internal factors of the company.

Apple Inc. is a leading multinational firm that offers products and services related to computers, electronics and software. The company has been consistently engaged in performing well and accomplishes all its corporate goals and objectives on time. The company launches its products once in a year in order to become more attached to the apple users and retain them for a longer duration. The company has not only focused on the specifications and designs of the products, but has also kept in mind that how these new products would be delivered to the new and potential markets (Kasi, 2011).

This report is precisely written to explore all the crucial eight elements of the marketing mix of Apple Inc. The report highlights the actual benefits of promoting a product to remote users as well as for the ones that are eagerly waiting to switch over to the iOS platform. There would be a discussion of the marketing mix followed by the recommendations that could be readily adopted to improve the current practices of the market dealing of the firm (B.DeMaso, 2015).

# Marketing Mix

A single word for Apple as a brand is “Innovation”. The company launches few products but all of them are able to capture huge markets as they are different from all the other already present in the markets. Apple is considered as the world’s largest company in terms of capitalization. The company has maintained its own legacy, since it has entered the computer manufacturing world in 1970- 1980s (Apple Inc., 2014).

The Marketing mix is very crucial business tool which is used by the marketers to evaluate the markets before launching the product. The elaborated form of the Product Marketing Mix is the Service Marketing Mix, also known as the 7 P’s of the Marketing Mix and comprises of the 8 variables (Smith, 2015)

The Product that would be precisely discussed here is the iPhone 6. The target markets for this product are the customers with handsome earnings, teenagers and the business people. Like all the other products of this brand, for iPhone 6 as well, people lined up 24 hours before the phone went on sale. The prime strategy followed by this firm for all its products is the “concentration segmentation”. In this strategy the products are produced in a limited number and at a high price, but the reliability factor, being quite strong, captures and retain a good number of customers. There are very less customers who switch from Apple to some other platforms (Mickalowski, 2013).

The Marketing Mix of Apple iPhone 6 is as follows:

**1. Product:** This is the most important factor in the marketing mix as all the other variables highly depend on the type and quality of the product. This product is exclusive like all the other products of Apple. The base price of the phone is $900, hence could not be afforded by the people with lower incomes. This trending product has the newest available technology. Most of the Businessmen and women tend to buy this phone due to its versatility and a number of new features like the Health app, Podcast app, iCloud, etc. The iCloud allows the people related to business to synchronize all the devices get together in one place and communicate with one another in an easy manner. The Keynote feature of this phone allows the customers to combine all the data and documents from all the Apple devices in one place (Apple Inc., 2014)

**2. Productivity and Quality:** The Company believes to produce limited products only, but maintains a high quality of the product. The target markets of the brand are quite precise and hence few products could meet their demands. The high quality of the product has compensated with the premium price strategy of the company. The employees are effectively trained to deal with the flaws in the products and the company even takes all the responsibility of the ongoing technical issues with the products. For instance, the company has launched a replacement program for all the defected batteries of the iPhone 6s models due to which the phones are suddenly getting switched off (Kimlee, 2012).

**3. Place:** Headquarter of the firm is located at 1 Infinite Loop, Cupertino, California. The Consulting Network of the firm consists of a number of independent service providers and the Technology Consulting firms. The Service Providers of this brand are highly trained to exclusively deal with the genuine Apple parts and technology and offer Repair Services to the customers. These technicians are located in Asia, Africa, Middle East and Latin America (Y Sopheairth, 2014). The iPhone is available across 200 retail stores across the globe including UK, USA and Canada. The firm distributes its products through exclusive Apple Stores, Trade Partners, Retail Stores, Online Platforms, etc. Ingram micro is one of the exclusive trade partners of Apple as it takes care of distribution of the products across many countries. The brand has maintained a close relationship with a few trade partners only so as to avoid the hassle on distribution (Team, 2013).

**4. Process:** Apple is greatly known for its operations and process. There are a number of factories across the world for this brand and all these units follow a systematic process for all its products and services. The processes are quite simple, but highly sophisticated. The reflection of the sophistication level could be easily seen in the website architecture of the brands and even in the GUI of the products (Lamido, 2017). The Processes and Operations are strictly handled by the experienced and skilled employees and are even periodically evaluated for flaws and improvements. To enhance the operations, the company regularly collects feedbacks over the Change Implementation Plans and implements them whenever required.

The firm gains new customers and secures their loyalty by emphasizing on the customer services. The company is able to retain its target markets by maintaining bold public relations with all its customers.

**5. Promotion:** Apple uses smart and elegant promotional strategies. The prime goals and strategies of the company entirely focus on the products and differentiate them from the similar ones in the markets. The advertisements of Apple clearly depict how their products are different from others in the market. Apple has a habit of making its promotional ad quite simple and to the point. The color choice of the print ads is also quite elegant with simple background (Hernandez, 2011). The promotional ads are consistently shown to the customers for a long time in order to maintain a strong communication with the customers. The ads do not disappear after some days of the launch, but continues to communicate the actual qualities of the products to all the current and potential customers. The company does not follow and Price-based offers because it is the Premium price of the product only that builds and retains the trust of most of the customers towards the brand.

The iPhone 6 ad is an amalgamation of fun activities and happy vibes. The music attached to the ad helps the viewers to create an adventurous and grand landscape for the phone. The ad mainly targets the holiday makers and families by including a number of interesting and informative elements. The ad does not focus more on the complicated specifications rather it conveys the actual changes and improvements that have been made in this model compared to the previous ones and even the ways that these specifications could be implemented in the day to day lifestyle (Brown, 2015).

**6. People:** At present, Timothy Donald “Tim” Cook is the current and the seventh Chief Executive Officer of Apple Inc. He previously served as the Chief Operating Officer of the firm under its founder Steve Jobs. The firm has a number of Non Executive Board Directors and a Key Senior Management Team. The certified Apple service providers offer a high level of Repair services to the customers alongwith services like data transfer, data recovery and a number of upgrade services. The firm also has a Professional Video Technical Support team that eagerly helps the customers via AppleCare and resolve their issues though phone calls and even emails.

The employees at the Apple Inc. are highly trained with the exclusive technological elements used at the company. These people are also trained to deal with the customers in a best possible manner so as to retain them for a longer duration. The executives also keep in mind the popularity of the brand in the markets and hence work effectively to maintain it and deliver the best services to the customers (Pandey & Mittal, 2016).

**7. Price:** Apple is a premium-price brand that does not compete with the competitors in the market. The company uses a Premium and Skimming Pricing Strategy for its products. All the products are launched at a premium price and eventually with time it gets reduced and affordable to all. The price of all the Apple products is highly affected by the Product Life cycle. The generation of new product every year makes the previous products less popular and hence their price falls rapidly. Phones running on other Operating Systems often follow a Penetration Pricing Strategy in which the products first are launched at a low price and gradually increase with time and demand.

Pricing of a Product highly depends on Internal as well as External Factors. The former one includes the Marketing, Advertising and Distribution Costs. The latter one comprises the factors related to Government Policies, the Laws and Regulations of a Country and the availability of the Raw materials.

**8. Physical Environment:** This variable is the physical tangible experience which the customers have with the brand. It comprises of the packaging and even the website in case of online shopping. The physical evidences allow the firm to capture the minds of the customers and make them a repeated buyer of the company. The Apple logo has evolved from its original depiction of Sir Isaac Newton under a tree to the memorable rainbow apple to the present Blue Apple with a bite taken out. The Company’s main website is located at the http:// www.apple.com.

The company’s website has separately explained the specifications of all its products and has also kept a separate column for the ongoing updates in its products (Hernandez, 2011). All the news related to the products and services could be exclusively read over the website. The company has also tried to keep the ambience of the website as simple as possible so that all the users could easily find solutions to their issues. There is also an availability of an online Customer Care service for those consumers who cannot visit stores on a regular basis.

# Recommendations

The company has a Premium Pricing Strategy, which makes it less popular among the moderately earning people. Some of the customers switch to older models of the iPhone over 2-3 years of the launch when its prices are reduced. This decreases the markets for the newly launched products. In order to expand its consumer base, the company could introduce few moderately priced products for the low and moderate earning people too.

The company could also find a number of ways to differentiate its products because some of the countries are creating a cheap replica of the iPhone. This has made difficult for the company to maintain its brand image in the current and new markets. The company could introduce better colors for the customers so as to target the ones who are greatly fond of vibrant colors in the phone. The company has although experimented with the colors while launching the iPhone 5c, but this experiment was not so successful due to some inevitable flaws in the model.

The firm could also keep in mind the prevailing social forces in the market and hence align all its products and services according to the ongoing trends. The economic crisis, decreased income, rising prices, etc, are the crucial factors that can influence the popularity of a particular product in a market. The firm could target old age people as they are free and hence can devote a lot of time for reading newspapers and watching television. For this, the ads have to be devoted to the elders depicting those specifications of the phone that are majorly for the old aged customers.

To retain the customers, the company could offer some free services to the customers so that a reliable relationship is built by the brand. This will also help the firm improve its brand image in front of the other potential customers.

The company could expand its business to Asian markets as there are a number of potential buyers in this continent. The company could also expand its manufacturing units to these continents due to presence of a number of skilled and youth personnel.

The firm could recruit a number of young employees in its creative team so as to introduce a number of innovative ideas and technology in the market. The customer needs keep on changing with time and these creative minds could easily analyze these changes.

As more and more people are turning towards internet these days, hence the firm could improve its website and its associated elements. Apple Inc could also invest a lot in dealing with the customers through online platforms. This will both improve the customer base and even the brand image of the company.

The productivity of the firm is moderate at present but the demands in the markets are increasing at a rapid pace. To meet these requirements, the company could increase its productivity by reaching out for remote markets also and even diversifying its products to target other market segments also.

The Process being carried out at all the offices and business units are quite similar. The company needs to change its operations and processes according to the culture and working strategies of the country in which it is operating. This will help the firm to resolve the issues arising through working in abroad.

# Conclusion

It is observed that through this effective marketing mix, the company has been able to maintain great sales and has captured a huge customer base. The consistency of the adopted marketing strategies has allowed the brand to retain a number of loyal customers. Although there are a number of technical limitations, yet with the help of the strategic partners and intensive advertising, the company has been able to maintain great sales. The innovative ideas of the company have allowed it to give a great competition for all the other potential competitors in the market. The company has used a number of elegant ways to promote its products and reach out to the remote customers. To improve its services, the firm could spend more of its resources on website advertising. This will not only reduce the costs, but will also allow the firm to target more and more customers at a single time. The company’s marketing mix is aligned with its premium product development strategy. To increase the customer base, the Pricing Strategy could be modified a bit to cater the needs of moderate and lower earning people also.

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