



**MARKETING RESEARCH ON APPLE INC IN CHINESE
MARKET**



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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
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**MARKETING RESEARCH ON APPLE INC IN CHINESE
MARKET**

Thematic Certificate

To

MING LU

This Independent Study has been approved as a Partial Fulfillment of the Requirement of Independent Master of Business Administration in International Business Management

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Abstract

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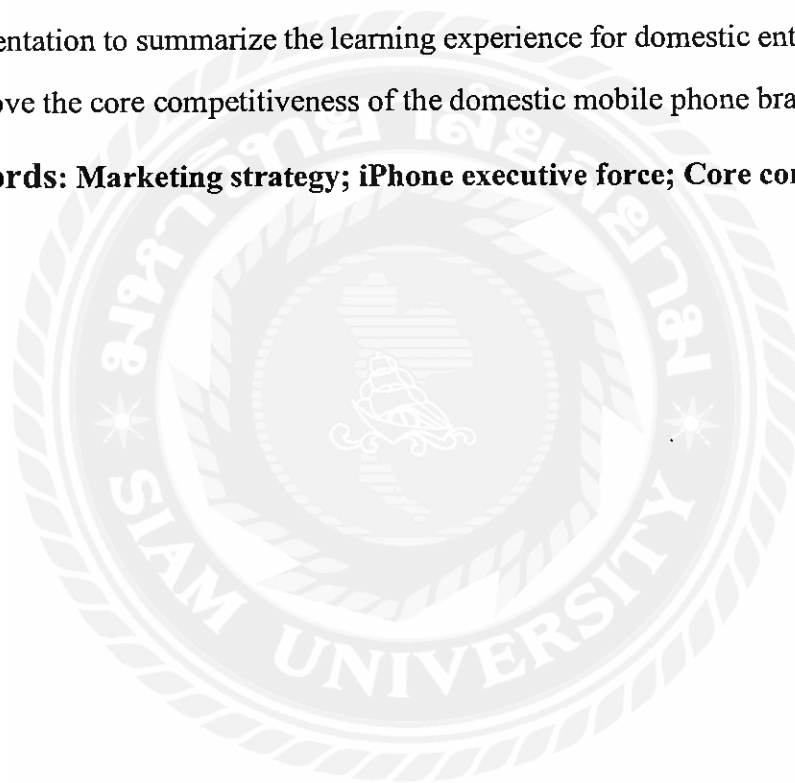
Over the years, with the rapid development of China's economy, people's life quality and level has been largely improved and the mobile phone changes from a simple communication tool to a tool integrating office, social contact, entertainment and life and has new requirements in appearance, function, price and other aspects. Only with time interval of 10 years, the very expensive mobile phone that is only used by high-income families in the past and now has become a "toy" per person. China's mobile phone market has undergone one cycle of rapid upgrading, rapid development and rapid decline.

Because of too many "cheap copy" in China, the competition in China's mobile phone market is extremely fierce. Foreign brands such as "Motorola", "NOKIA" and so on are all hot from the beginning to fade away from the market. But in such a competition pressure, there is still a brand to stand out from the United States to enter China's mobile phone market, and set off a crazy trend with no recession now in China. This is the famous iPhone mobile phone series, from iPhone 1 with small crowd of customers, iPhone4 as everyone knows to iPhone 4S with national panic buying. In recent years, contrary to many mobile phone brands in Chinese mobile phone market, its sales volume has been increasing substantially, occupying 30% of Chinese mobile phone market. This result is closely related with marketing strategy and

implementation of Apple mobile phone in addition to its technology, innovation, appearance and so on.

Based on the basic theory of marketing, this thesis analyzes the development and history of China's mobile phone market and the marketing of iPhone mobile phone through Apple Inc's background, development process, characteristics of iPhone mobile phone, regular marketing strategy and SWOT analysis. Then it analyzes the special marketing strategy of iPhone and summarizes the characteristics of its implementation to summarize the learning experience for domestic enterprises in order to improve the core competitiveness of the domestic mobile phone brand in the world.

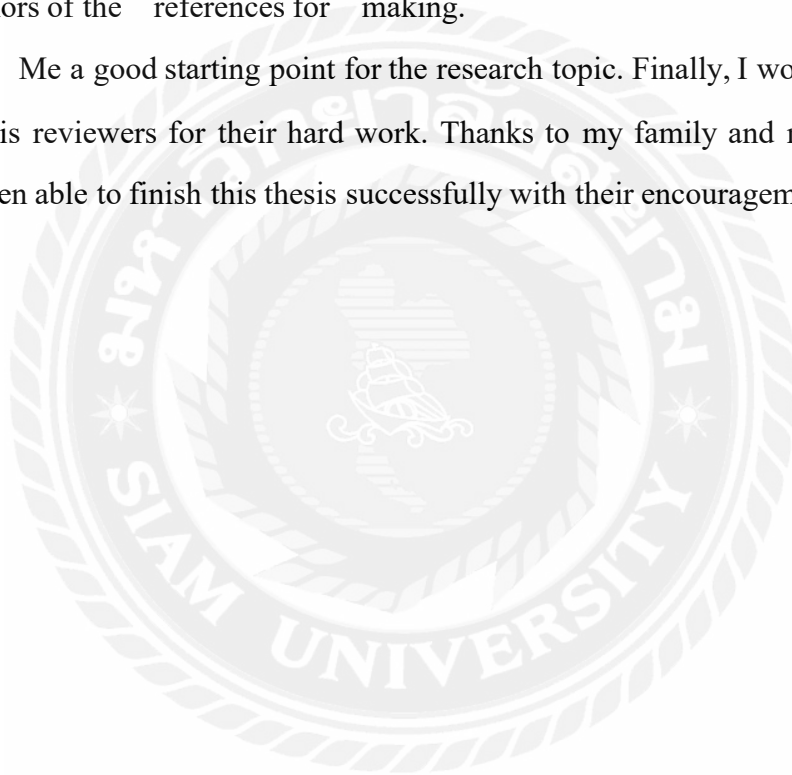
Keywords: Marketing strategy; iPhone executive force; Core competitiveness.



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CHAPTER 1

INTRODUCTION

1.1 Topic selection background

How to do it? How to choose marketing channel? What is the product positioning? What is the main marketing strategy? Throughout China's mobile phone market, the domestic mobile phone brands in these two years just begin to crop up in the domestic market. However, the iPhone mobile phone has developed from the earliest small number of users to a large number of fans today, which makes many enterprises envious. What did the Apple do and what means it used to do.

Because of this series of problems, I choose this topic to make an in-depth research.

1.2 Research purposes and methods

1.2.1 Research purposes

Although the mobile phone manufacturing industry has only developed for more than 20 years in our country, more and more enterprises in China have joined the industry because of high technology's high profit induction. With the advent of 3G mobile phones and the rise of Apple, Samsung, HTC, SONY and other mobile brands, under such a situation, how to learn the secret of success from these enterprises' success is worth researching.

This thesis only makes a research on the marketing of Apple mobile phone, hoping to find the reasons why Apple has a large number of fans today and plays an

important role in the Chinese mobile phone market for such a long time. Success is not accidental. The purposes of the research are as follows:

Based on the basic concept of marketing to make an analysis on the marketing strategy of Apple mobile phone.

The SWOT conditions are carefully analyzed to provide suggestions for the development of mobile phone enterprises in China.

1.2.2 Research methods

The traditional research methods include product research method and institutional research method.

Historical research method to analyze the research process from the development;

Management research method to make a research on the marketing problem from the management perspective, which is a method adopted by most enterprises.

Systematic research method which is a method of applying modern knowledge, theory and method to marketing.

SWOT analysis

1.2.3 Definition

The process of marketing is that of bringing a product to market in which includes these steps: broad market research; market targeting and market segmentation; determining distribution, pricing and promotion strategies; developing a communications strategy; budgeting; and visioning long-term market development goals (SONG, X. M. 1992).

CHAPTER 2

LITERATURE REVIEW

2.1 Research hypothesis

Assume the Apple Inc can achieve today's performance only through online sales.

Nowadays, online shopping has become the allergic consumption mainstream. Let's boldly assume that if Apple Inc initially sold online on official website only, can it have today's brilliant achievements?

2.2 The historical process of marketing

The historical process of marketing theory

The idea of marketing in the modern sense was in the early twentieth Century. Rational marketing activities began in professional market research company established by American A. C. Nielsen in 1823;

In 1905, Croizer taught the course on the topic of “product marketing” at University of Pennsylvania, marking the marketing for the first time into the University classroom;

In 1911, the first official Market Research Department was set up in the Curtis Publishing Company. Since then, market research and the establishment of marketing information system have become an important part of the marketing activities.

Marketing from the traditional economics into the management research marks the beginning of the marketing management era. In 1950s, the marketing environment and market research became a hot spot and the concept of "market segmentation" came to the surface (HUANG, G. L. 2003).

By 1960s, William Levin proposed a more ideal method than market segmentation, that is, compared with the society and stratum, consumer values and attitude towards life can more accurately explain consumer consumption patterns, since then, the market research strengthens the research on consumer attitudes and use to judge consumer lifestyles from attitudes and habits; in 1960, E·Jemme McCanhy put forward the famous 4PS theory;

At the end of the 1970s, with the rise of service industry, service marketing provided the service industry with ideas and tools and also promoted the manufacturing industry to open up a new field of competition (QU, Y. B. 1994).

In 1980s, customer satisfaction became popular, and almost at the same time, "brand equity" has become another popular concept. David A. Aaker also put forward five major elements to build brand equity, namely brand loyalty, brand awareness, perceived brand quality, brand association and other unique assets.

With the globalization process, Theodore Levitt put forward the idea of "global marketing". At the same time, Schulz put forward the concept of integrated marketing.

In 1985, Barbara B.Jackson was the first to emphasize the importance of the relationship marketing; after that, the rapid development of information technology makes the enterprise "one-to-one communication" possible, then the database marketing emerges;

In 1990s, the marketing concept has undergone new changes. Enterprises began to reflect on the traditional marketing activities and realized that marketing is not only to meet the needs of consumers, but also to consider the long-term interests of consumers and society, and the organization goal of the company should not be the

maximization of profits or consumer choice and satisfaction, but should be both consumer satisfaction and long term benefits.

2.3 The concept of marketing market

The word “Yingxiao” is Marketing in English. I think Marketing is derived from the transformation of Market. Therefore, Marketing is often translated into “Shichangyingxiao” in Chinese, most of which are referred to as “Yingxiao”. However, in my opinion, either sides or one of the sides can promote the transaction completion to achieve the purpose of meeting the needs of both sides through certain actions and means.

In fact, marketing is not only in the market. There is nothing but marketing and even everything can be sold.

For example, as a job seeker, I made a resume with my own experience, and then send the resume to a company that is recruiting personnel. This behavior is a kind of marketing, because the behavior of spreading the recruitment information out for the company and sending the resume for me meets the needs of both sides-I want to get a job with my own skills and the company wanted to hire a personnel with a certain skill.

As for marketing, before expounding the concept, we must first understand what the market is. The market is the exchange relationship, exchange condition and exchange process between producers and consumers in the commodity economy in order to realize the value of product or service and meet the demand.

That is to say, the three elements of the market-consumers, producers, and all conditions for the transaction between the two sides (such as legal protection, time, space, information and so on) must exist, so that the market will exist.

Look at the marketing and understand the marketing on this basis. I personally admire the definition of marketing by Philip Kotler.

The social process and management process enables individuals or groups to meet their desires and needs by creating and exchanging products and values.

In 1985, after years of research, AMA indicates that the marketing is the process in which the most appropriate product and service is provided to the most appropriate consumers by enterprises with the most appropriate price and information at a specific time and place. In 2005, AMA perfected the marketing that is also a kind of organization function and is a series of processes that create, communicate and transmit to customer value for the benefit of itself and its related interest community.

This definition is generally accepted and can be summed up as follows:

To meet the requirements of consumers as much as possible;

The key link is the exchange and the exchange of goods and currency is the real marketing.

2.4 Marketing mix theory

2.4.1 The concept of marketing mix theory

Main article: History of marketing Orientations or philosophies that inform marketing practice

Marketing mix refers to the best combination and application of controllable factors of enterprises in the selected target market by considering the environments, capabilities and competition conditions comprehensively so as to achieve the purpose and tasks of enterprises.

During the 1940s, the discipline of marketing was in transition. Interest in the functional school of thought, which was primarily concerned with mapping the functions of marketing was waning while the managerial school of thought, which focussed on the problems and challenges confronting marketers was gaining ground. The concept of marketers as "mixers of ingredients," was first introduced by James Culliton, a Professor at Harvard Business School. At this time theorists began to develop checklists of the elements that made up the marketing mix, however, there was little agreement as to what should be included in the list. Many scholars and practitioners relied on lengthy classifications of factors that needed to be considered to understand consumer responses Neil Borden developed a complicated model in the late 1940s, based upon at least twelve different factors (Writing, D & Darby, D. 2008).

4P's marketing strategy mix. In 1960, Professor E.J.Macarthy, an American marketing expert, on the basis of people's marketing practice, put forward the famous 4P marketing strategy mix theory, namely Product, Price, Place and Promotion. "4Ps" is the abbreviation of the popular classic of marketing strategy mix and it has laid the importance of marketing strategy mix in marketing management.

4V marketing strategy. After the entry of 1980s, with the rapid rise of high-tech industry and the continuous emergence of high-tech enterprises, high-tech products and services, and for marketing concept, on this basis, domestic scholars (Wu Jinming, etc.) comprehensively put forward the 4V marketing philosophy. The so-called "4V" refers to the marketing mix theory of "Variation", "Versatility", "Value" and "Vibration".

4C's marketing strategy mix. At the beginning of 1990s, the world entered a new era of e-commerce. IT industry is developing rapidly and consumers are more concerned about the electronic products. In order to understand the needs and desires of consumers, enterprises urgently need to make a two-way communication with consumers. In 1990, Robert Lauterborn, an American marketing scientist, proposed 4C's theory, namely Customer, Cost, Convenience and Communication.

2.4.2 Personal understanding of marketing

The marketing is to improve the efficiency of “sales” through “management” and is the operation and management of “efficiency”. If we want to get the core of “management” ultimately, I think it is more effective communication.

Is brand and positioning marketing? Yes, but it is one of the means of marketing and is high-end words in marketing. In the specific marketing activities, promotion at 20% off or 15% off, KA market standees design and so on cannot find the answer from brand and positioning, but that is daily “marketing”. We need to consider more is how to make our more target consumers "feel" more information that we want to convey about product features, promotional information, brand personality, even commercial feelings. So when they make a consumer decision, they can think more of our products. The consumer is the starting point and the destination of marketing, and the most popular point of view I've heard about marketing is:

The core of marketing is to solve three problems:

What do you want to promise to consumers?

Do they really care?

Do they really believe it?

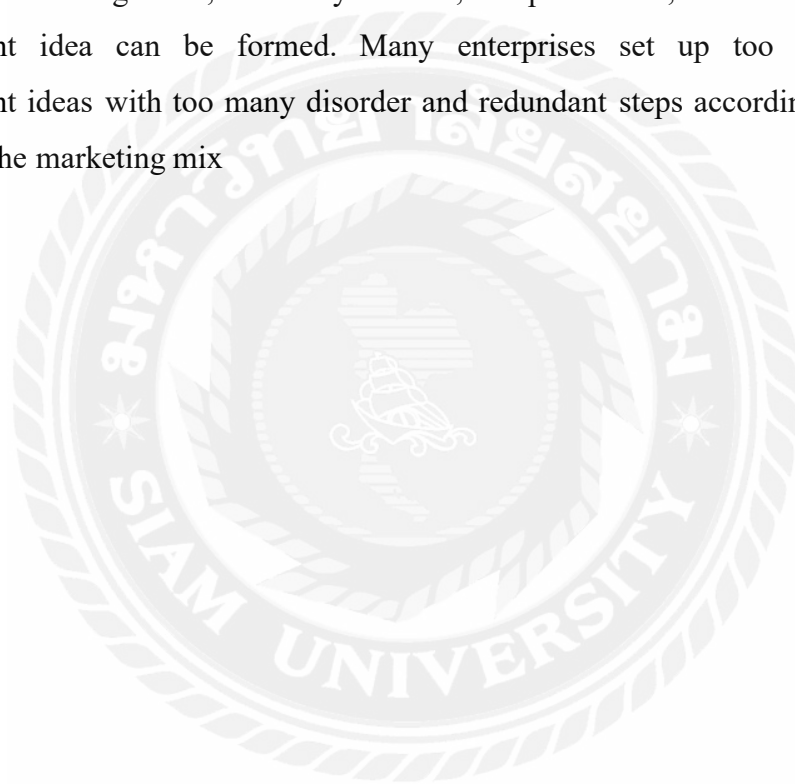
2.5.3 Practical significance of marketing mix

The foundation of the marketing strategy formulation. The marketing strategy is actually the enterprise management and the marketing strategy is actually made up of the enterprise goals and marketing. Because the starting point of developing marketing strategy is to accomplish the tasks and objectives of enterprises, it is of practical significance to aim at the rate of return on investment and market share.

A means against the fierce competitive environment. When using the marketing factors mix, enterprises must know their own strengths and weaknesses very well. First understand yourself, and then participate in the competition

effectively. When using the mix of marketing factors as a means of competition, we should pay special attention to two problems: firstly, the marketing factors that are mainly used in different products of different industries must be different. Secondly, when focusing on a certain marketing factor, enterprises should take account of other factors. It is meaningless to consider a single marketing factor alone. We must consider all aspects to achieve the desired results.

To provide systematic and scientific management ideas for enterprises. In life, we know that if we take the marketing mix as the core to carry out the strategic plan and work arrangement, a more systematic, comprehensive, scientific and concise management idea can be formed. Many enterprises set up too cumbersome management ideas with too many disorder and redundant steps according to various aspects of the marketing mix



CHAPTER 3

RESEARCH METHODS

3.1 Research design

This research mainly adopts the following research methods:

Survey method

Literature analysis method

Case analysis method

3.1.1 Survey the existing problems in Chinese mobile phone market and whether it is suitable for single online sales

The existing problems in Chinese mobile phone market:

The growth of the market is slowing rapidly. IDC data showed that the growth of global smartphone delivery dropped to 44% in 2012 from 62% in 2011, and it is expected to be only 24.5% this year with obvious slowdown trend. And the Chinese market has gone through the "great leap forward" for two years from 2011-2013.

Excess production capacity. Sales did not reach the expected number and the stock is seriously backlogged. Market growth is limited, and the influx of large numbers of enterprises into the mobile phone industry will inevitably result in overcapacity.

The loss is the majority. Data shows that in the first quarter of 2014, Apple and Samsung accounted for more than 96% of the total profit of the mobile phone market, and less than 4% left to the domestic brands including MI, HUAWEI, Meizu and ZTE.

In fact, the net profit of domestic brand mobile phone manufacturers with annual shipment volume of more than 20 million is less than 5%. Lenovo is just

getting rid of losses, and the research and development investment is totally inversely proportional to the profit..

Weak brand. Domestic manufacturers have declared that two years will be the last time for the high-end mobile phone and brand building, and it can be said that there is little time left for Chinese mobile phone. But because of the uncertainty of the market and the expectation, ZTE, MI, Meizu have reduced the budget in the first half of this year.

The shortage of brand investment and lacking of marketing methods have become the real problems of the traditional B2B mobile phone manufacturers, such as ZTE, HUAWEI and MI.

Operator contract phone are now everywhere in the market. The three big operators have already occupied more than 50% of the sales channels through airtime subsidies, but the domestic mobile phone manufacturers are getting into a difficult end.

The channel operations disordered. HUAWEI, Coolpad and other domestic mobile phone manufacturers had invested heavily in social channels in 2012, but are frustrated".

Lack of core technology. Though domestic mobile phone manufacturers claim how many patents they have obtained every year, but from Apple and Samsung's "solo", it can be seen that the traditional basic communication patents are at a disadvantage in the current mobile phone market with lacking of innovation and core technology.

Whether the most advanced chips, cameras, screens, sensors and other core components, or the operation system and other software level, the domestic mobile phone manufacturers have not made a product that is recognized by the world. Compared with international manufacturers such as Apple and Samsung, domestic enterprises that lack core technology are more like a small workshop.

With the rapid expansion of the scale and moving towards the international market, the risk of domestic manufacturers in the supply chain, patent litigation, anti-dumping and other issues is gradually increasing.

The smuggled goods are rampant. More and more flooding market of smuggled goods is becoming the "killer" of the transformation from domestic mobile phones to high-end products.

According to Huaqiang North Commercial Area sources, smuggled goods mobile phone sales accounted for nearly 45% of the domestic sales of Samsung.

The limit of the industrial transition from 3G to 4G is coming. 10 years ago, Media Tek. Inc and other domestic chip enterprises made slow progress in the 3G program, which led to the domestic mobile phone enterprises in a passive position.

In the past two years, the best business in China's mobile phone market is MI mobile phone, and MI has its own complete strategy from pricing, strategy sales channels, event manufacturing and so on. But MI as a small enterprise still cannot compare with foreign large enterprises.

In the low-end market of mobile phones, more and more foreign brands are starting to enter the Chinese mobile phone market. In such a competition, it will not work for domestic mobile phones to win the market with quick returns and small margins. If the low-end market is not improving, it can only compete positively with the international mobile brand in the high-end market. In the face of very strong foreign enterprises, besides the excellent quality, excellent service and after-sale, we must have a complete marketing strategy.

3.1.2 Lack of managers with outstanding ability and scientific management methods

The development time of China's manufacturing industry is not long, and all the enterprises are lack of certain management experience and competent managers. In the enterprise, if there is no scientific and complete management system, no competent managers, it will cause a lot of economic loss and some bad products or product with unstable quality will be produced in technology, so the enterprise and the society are badly in need of talent cultivation and innovation and enhancement in system to achieve effective control on production for enterprises.

3.2 Literature analysis method

3.2.1 Industry status

Extreme product tactics

Apple's products are extreme. iPod put 1000 songs in your pocket. MacBook Air is the thinnest notebook computer and iPad/iPhone has omnipotent mobile terminal.

“Your product can conquer yourself to convince others,” after all, “the consumer will only take 20 minutes to learn to use it.”

The Apple product line is extreme, and a table can put all the Apple products. After all, “do a few things in your life, it's best to be perfect.”

The most important thing for Apple is the product. Products do not give customers too much choice. Styles are very few but are all competitive products (5C is a casual case). Not only the product is well designed with exquisite workmanship, but more importantly, it puts the content service of the product on the whole industrial chain to do the layout. We all know that Apple has changed the music sales industry, and this changed service model makes its terminal better.

In terms of pricing, the absolute high-end is unquestionable. For Apple, the pricing is relatively simple, because its products have this quality, level and appeal.

Market pattern

The new generation of smartphones started in 2007, and in 2014, it had basically replaced the feature phones in the Chinese market. Market capacity of Chinese smartphones

At present, Apple Inc still occupies a leading position in the mobile phone market. iPhone has sold numerous mobile phones with the highest sales volume in human history, perhaps the most profitable mobile phone. The feature of iPhone is that the hardware and software is unique in the world with perfect combination. APP store integrates global APP developers for software development to form a good profit model, while the IOS closed system and the unified standard of iPhone also ensure the quality and unification of the software and almost perfect user experience on the platform, in addition the release of new products of Apple Inc in September of

each year, have become the incomparable competitiveness and brand effect of iPhone. There are few phones that can challenge Apple.

3.3 Case analysis method

We use the current domestic hot MI Company to carry out a case analysis

With OS mode of mobile phone, 500 thousand enthusiastic fans are directly involved in the development and improvement of mobile phone. The relatively plain appearance and powerful configuration of MI basically specify the target market: mobile phone users who love flash, love DIY mobile phone system and appearance, and trend players who pursue higher cost performance will be the main sales group of MI.

Marketing methods 1. To carry out sales only through the official website sales channel by establishing the official portal website. MI's official website displays MI Company's good image, business philosophy, product information and service in many ways through the website and establishes a good corporate image in the minds of customers through interaction with customer service through the official website in first time to lay a good foundation for achieving better social and economic benefits. The advantages of a perfect enterprise website solution are that it will be the most effective way for information release, information collection, information processing and information sharing. MI website takes full consideration of the features of large information flow and high information density in the future to complete the information service in an orderly, real-time and accurate way. At the same time, with the authority of the website and the user experience from all over the country, and then the information flows from the inside to the outside and from the outside to the inside in the form of Internet to form a closed loop information system, which really improves the information service to a level. 2. "Hunger marketing". Soon after the official offer of MI, MI Tech begins to restrict the sale of mobile phone with demand over supply in the market to control the market and makes use of the consumer

psychology of “can't get preference in turmoil” to intend to reduce output and control the market in order to achieve control the supply-demand relationship, make the phenomenon of demand over supply and event of online panic buying, maintain higher commodity prices and product reputation, but also to maintain the brand image and improve added value of products. And because of this approach, about 100000 MI mobile phones sold out for about more than 2 hours online. With this step-by-step product control, MI Tech's promotion strategy is very successful.

3. Micro-blog marketing. Micro-blog marketing is known as the fifth major media in addition to the traditional media such as television, newspapers, magazines and broadcasting. MI team has fully played the advantage of micro-blog marketing. Before the release of MI mobile phone, the planners made many people know about MI mobile phone through interaction with micro-blog users. After the release of the product, it also planned events of sending mobile phones by sending micro-blog, as well as the evaluation essay of MI mobile phone with excellent pictures and so on. Before the release of MI mobile phone, the CEO Lei Jun controls the number of micro-blog in two or three, but before and after the release of MI mobile phone, he not only uses his micro-blog to run high density promotions for MI mobile phone, also often participates in the Sina interview, and the friends of Lei Jun have come forward to campaign for MI mobile phone in micro-blog. As famous celebrities in the IT world, each of them has a large number of fans, and micro-blog's marketing is fully used by the MI team.

4. Make topics of media hype. The rumor that MI mobile phone is stolen appears and no official clarification or denial of this kind of rumors for MI, which caused a war between MI fans and the Meizu supporters, so MI appears in the cyber citizen's sight, but also is covered with a mysterious color.

5. Customer relationship strategy. Release the latest product information and related information for the customers, build customer personal information database, provide integral service, provide personalized service and maintain the attention of the customer for the following products of the company. Maintain contact with customers, respond to customer requests in time and make electronic publications and related videos to be displayed. Maintain a good consumption experience for the customer(Robert, M. K. 2007).

Marketing channels

Online sales. MI mobile phone also mimicked Apple's channel policy in the US and mainly adopted the distribution mode of electronic channel plus logistics company cooperation. First of all, the present sales of MI mobile phone relies on the B2C website of MI website to adopt network direct sales, which avoids the profit segmentation between the entity stores and distributors, network fraud and unnecessary costs, eliminate fake goods and has a sense of fashion to be able to attract young customers interest, but also to strengthen its own brand influence. In stock and logistics, MI technology uses the logistics network of VANCL, its capital company, to deliver goods.

Reach an agreement with the China Unicom to sell the contract phone. In the beginning, MI sells only in the form of e-commerce, while after December 20th, MI Tech and China Unicom reached an agreement to sell the contract phone, which plans to launch the sending mobile phones with deposit telephone charges in advance and network access by buying mobile phones with telephone charges free in two ways. About 300000 orders have been signed now. In this way, new channels have been added to the distribution of MI mobile phone. And the telecommunications version of MI mobile phone has been listed on April 26, 2012. So, MI mobile phone can have more users groups and still be able to maintain a favorable price and convenient service. In 2012, after M1, MI mobile phone launched a new wave of channel sales to launch the activity of “deposit telephone charges in advance” through the cooperation with China Unicom.

E-commerce sales model. Abandoning the traditional sales model, MI sells through network and operators, eliminating the need for intermediate links of the traditional sale, which saves a lot of manpower and financial resources, reduces production cost and improve the product configuration, makes the products more competitive to form a hot atmosphere through network sale and prolongs the life cycle of the product by causing a large area of stock market phenomenon and through the rhythm control of goods delivery. 4. Attracting consumers through the IT website evaluation. Usually when buying a mobile phone product, people often go to the website to inquire about the price configuration parameters and so on, and MI got this.

3.4 Research tools

3.4.1 Concept of SWOT analysis

SWOT analysis method, namely the trend analysis, is to list the various major internal strengths, weaknesses and external opportunities and threats closely related with the research object with matrix permutation, and then use the idea of system analysis to analyze the various matched factors and draw a series of corresponding conclusions that usually have a certain decision.

The so-called SWOT analysis, namely the trend analysis based on the internal and external competitive environment and competitive conditions, is to list the various major internal strengths, weaknesses and external opportunities and threats closely related with the research object with matrix permutation, and then use the idea of system analysis to analyze the various matched factors and draw a series of corresponding conclusions that usually have a certain decision.

Using this method, a comprehensive, systematic and accurate research on the situation of the research objects can be conducted and accordingly formulate corresponding development strategies, plans and countermeasures according to the research results.

denotes strengths, W denotes weaknesses, O denotes opportunities and T denotes threats. According to the complete concept of enterprise competition strategy, strategy should be an organic combination of an enterprise's "can do" (i.e. organization's strengths and weaknesses) and "might do" (Robert, M. K. 2007).

The characteristics of SWOT

SWOT analysis method is subordinate to the internal analysis method of enterprise in a sense, and that is, to analyze according to the established internal conditions of the enterprise itself. SWOT analysis has the basis for its formation. The famous competitive strategy expert Michael Potter puts forward the competition

theory that make a thorough analysis and explanation on “might do” of an enterprise from the industrial structure, and management experts of the ability school are using the value chain to deconstruct the enterprise value creation process, laying emphasis on the analysis of the company's resources and capabilities.(Robert, M. K. 2007).

SWOT analysis is to combine the company's internal analysis (namely the research orientation concerned by management academic authorities in the middle of 1980s with the ability school as the representative) with the external analysis of industry competitive environment (namely the central theme concerned by the early strategy research with Andrews and Michael Porter as the representatives) to form a structured balance system analysis system.

3.4.2 SWOT analysis tools

SWOT analysis is also called the self-diagnostic method:

The tool name SWOT analysis was first proposed by Professor Heinz Weihrich at the University of San Francisco in the early 1980s. Here, S refers to the internal strengths of enterprises, W refers to the internal weaknesses of enterprises, O refers to the opportunities of external environment for enterprises, and T refers to the threats of external environment for enterprises. The strengths and weaknesses of enterprises are relative to competitors, which are generally reflected in the aspects of capital, technology and equipment, staff quality, products, market and management skills. Generally, there are two standards to judge the internal strengths and weaknesses of enterprises: firstly, the single strength and weakness. Opportunities for enterprises external environment refer to the favorable factors for enterprises in the environment, such as government support, the application of high technology, the good relationship between buyers and suppliers, etc.

Tool usage occasion / scope is used to analyze enterprise strengths and assist in decision making

Tool characteristics: the guiding ideology of SWOT analysis is to fully understand the internal strengths and weaknesses and the opportunities and threats of external environment and formulate strategies that are suitable for the future

development of enterprises to give full play to strengths, overcome weaknesses, make use of opportunities and resolve threats. SWOT analysis is an important means of enterprise competitive intelligence analysis. According to the mission and goal of enterprises, the top managers of enterprises analyze the external environment of business operation by SWOT method and identify opportunities and threats; evaluate their own internal conditions and recognize their strengths and weaknesses. On this basis, the enterprise should formulate the strategy to accomplish the mission and achieve the goal, that is, to carry out the strategic choice and implement the strategic plan..

3.4.3 SWOT application

SWOT analysis is often used to develop group development strategies and analyze the conditions of competitors. In strategic analysis, it is one of the most commonly used methods. When SWOT analysis is carried out, the main contents are as follows:

Analysis of environmental factors

The external environmental factors include opportunities and risks, which are the favorable and unfavorable factors of a direct impact of the external environment on the company's development, belonging to objective factors. Internal environmental factors include strengths and weaknesses which are positive and negative factors existing in the development of the company, belonging to subjective factors. When investigating and analyzing these factors.

Formulating a action plan

After the analysis of the environmental factors and the construction of the SWOT matrix, the corresponding action plan can be formulated. The basic idea of formulating the plan is to give full play to the strengths factors, overcome the weaknesses factors, use the opportunities factors and resolve the threats factors. Consider the past, be based on the current, and focus on the future. By using the comprehensive analysis method of systematic analysis, match the various

environmental factors arranged and considered to get a series of alternative strategies for the future development of the company.

3.4.4 SWOT analysis of Apple

For SWOT analysis of Apple Inc. Apple Inc. is a high-tech company in the United States, which is changed from Apple Computer Inc. in 2007 with the core business of electronic technology products and headquartered in Cupertino of California. Apple Inc. was founded by Steve Jobs, Steve Wozniak and Ron Wayn on April 1, 1976 and is known for innovation in the high-tech enterprises. The well-known products are Apple II, Macintosh computer, Macbook notebook computer, iPod music player, iTunes store, iMac all-in-one machine, iPhone and iPad tablet computer and so on. On August 21, 2012, Apple Inc. became the world's first listed company by market value. Firstly, analysis of the factors of competitive environment (Suzanne.T 2009).

The enterprise external environment opportunity factors (O)

The low-cost high copy emulational mobile phone takes the lead in the low end market: the high copy emulational mobile phone can generate certain market space and get high profits because the price is far lower than the genuine mobile phone (Suzanne.T. 2009).

The enterprise internal environment strength factors (S)

High brand popularity and reputation: good product quality, fashion shape, the image of high-end products. From the aspects of product design, process selection, raw material purchase, production assembly and testing, Apple is very strict in its product quality control, even in the small parts. (Michae .R. C. 2007).

Attach great importance to research and innovation: Apple Inc attaches great importance to the development of advanced technology. The design of Apple products is not only the first class, but also tend to make the market have a revolutionary change in a certain aspect. After pushed to the market, Apple products are often imitated by competitors. From the aesthetic aspect, Apple has the best product design: advanced, fashionable, and unique. The characteristics of Apple are:

always pursue excellence, continue to transcend self and keep forging ahead and innovating (Suzanne.T. 2009).

Android system will be a tough rival for Apple ios system.

Poor project management and low productivity: The inefficiency of Apple Inc.'s manufacturing department and high design and management costs are enough to force Apple Inc. to loss its competitiveness in the face of the low profitability of IT industry.

Inadequate supply chain management: The supply of certain key components is insufficient. To be exact, the quick burst of supply ability that is used to cope with the changing market demands is insufficient.

Excessive product types: From computer to MP3 and then to phone, Apple Inc.'s main business is hardware and operating system and application software as well. Apple Inc. manages to make an overextended business front and the products are featured with a good dependency relation, which is very different from Microsoft that has already specialized in certain business. Therefore, Apple Inc. has a good many competitors and more importantly, most of the competitors are the industry's giant.

Lack of game gen: Steve Jobs isn't keen on games. In fact, Apple really doesn't need to make money by virtue of game business. Yet the lack of games does bring about another problem: The birth of iPad. As we all know, iPad is definitely a product that enjoys the best starting in Apple's history.

3.5 Process

Within the overall strategic marketing plan, the stages of the process are listed as thus:

Mission Statement

Corporate Objectives

Marketing Audit

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis

Assumptions arising from the Audit and SWOT analysis

Marketing objectives derived from the assumptions

An estimation of the expected results of the objectives

Identification of alternative plans/mixes

Budgeting for the marketing plan



CHAPTER 4

THE DEVELOPMENT AND OPERATION OF IPHONE

4.1 The development of iPhone

Once upon a time, Apple Inc. is a company on the verge of bankruptcy. As the doyen of the industry now, Apple Inc. is one of the largest IT manufacturing companies in the world.

The words Apple Inc. said on the official website sound reasonable: “ Surprisingly, iPhone is still the gold standard for other phones. Phones, for many of us have become the most important device in our lives, and we do love it.” Philip Schiller, Apple Inc.'s senior vice president of world-wide product marketing, says: “ People start thinking about how does the iPhone make voice and Face Time, and how do we take 4K videos and share photos, how do we listen to mainstream media music, how do we use social media, how do we get directions and discover new places as we play games, and how do we surf the Internet, send and receive e-mails and manage our contacts and calendars , how do we listen to podcasts , how do we watch TV, movies and sports and how do we manage our health. iPhone enjoys so many functions that it can even be an excellent close assistant. We've only just begun, I believe. ”

4.1.1 Historical background of Apple Inc.

Steve Jobs, Steve Wozniak and Ron Wayne founded Apple Computer, Inc. on Apr. 1, 1976. Apple I is designed by Steve Wozniak in the spring of 1975. The computer store of Byte bought 50 Apple I at the price of 666.66 dollars. Woz finished the design of Apple II in 1976.

At the very beginning, Apple Inc. is totally committed to develop and sell personal computer. It focuses on the design, develop and sell of consumer electronics, computer software, online services and personal computers.

4.1.2 The features of iPhone

Advantage

The operating system is unbelievably new, which makes people get new understanding of the phone. Compared with iPhone, other phones are not so desirable.

iPhone's texture and materials are simply too good and too valuable!

Compared with other phones, iPhone enjoys faster running speed of system.

The screen display is commendable! High definition display is really suitable for viewing photos, watching movies and playing games.

WIFI support makes iPhone more appealing; the browser is easy to use; it is almost a laptop! The theme is very beautiful and it is easy to change the icon.

Good battery life! The informative function works well and the storage of call record is quite good.

Good camera effects.

The built-in iPod is easy to operate. The app interface is beautifully designed and wicked fun to use. And the songs are managed in perfect order.

Disadvantage:

The resource management of iPhone is sometimes cumbersome. Many resources that need to be deleted are difficult to delete and there are many traps during operation, which may cause big trouble because of wrong operation.

Bluetooth is too weak to support the mainstream A2DP and pass photos or music with other phones. Bluetooth can only connect with Bluetooth headset, which is really unlikable.

The tone quality of built-in iPod is nothing less than ghastliness! Compared with W950 and SHARP v902sh, it turns out to be disappointing indeed.

Text entry is quite troublesome! I don't know whether it is because my fingers are too large or because of my maladjustment, I just always do not operate smoothly and I even don't know how can it be easier? Type with one hand or two hands! (The former iPhone only has Chinese text via a full keyboard)

4.2 Major competitors of iPhone

Samsung

Samsung is the biggest competitor for Apple Inc. in the respects such as public praise, quality, user experience or sales. It is reported that Samsung sold more than 400 million handsets across the world in 2012. Samsung's innovative ability (such as curved-display) and high business performance do pose a great threat to the status of Apple Inc.

However, Samsung meet its Waterloo in status and public praise due to the battery explosion event.

Nokia and Motorola

Before the market occupation of smart phone, Nokia had been the champion of mobile phone market and had created one industry standard after another. Yet Nokia's dominance is destroyed by the unique style of Apple Inc.

Motorola that is acquired by Google is actually almost the history. After years of effort, Motorola wants to make a comeback by virtue of staff reduction and new Android system. Yet the sale is not satisfying.

Miui

Miui is famous for its high cost-performance. Based on thorough market analysis and appropriate marketing strategy, Miui since launch has been sold like hot cakes in the domestic market. And Miui fans are even stronger as well.

4.3 The positioning analysis of iPhone's marketing strategy

Single price strategy: Apple Inc. adheres to the twice-yearly new product release meeting. Almost all products such as iPhone, iPad and iMac only push out a new product a year, which focuses too much on the high-end brand positioning and ignores the importance of product portfolio. The new product is so expensive that it is only sought out by high-end consumer. In China, low- and middle-end consumer keeps a large proportion in the consumption market, Apple Inc., therefore, has to spare no efforts on the product diversification in order to stay ahead of the competition. Apple Inc. launched iPhone 5c in 2013, yet it turned out to be average at best. The so-called cheap iPhone sells for nearly 4,000 yuan, which obviously fails to open the low end market fewer than 3,000 Yuan. Samsung, however, did this very well. Samsung just leaves other brands in the dust by virtue of its more than one hundred phone models. Not only does Samsung have an advantage in terms of quantity, it also has a quite balanced price distribution, which makes it a piece of cake to meet the needs of consumers at all price points.

Narrow product portfolio: Samsung is the biggest competitor for iPhone. The Samsung high-end models with more than 3,000 Yuan enjoys a very strong market competitiveness and is enough to defense against the pressure from iPhone, which can maintain its share and profits in the high-end market. Meanwhile, Samsung low- and middle-end models is featured with huge quantity and strong strength, which help Samsung easily cope with the rivalry pressure from the home-made mobile phone. Therefore, it is difficult for Apple Inc. to crush the impact of Samsung, unless Apple Inc. takes measures to diversify the product price distribution. Apple Inc.'s Plus series are remarkably resistant to the impact of Samsung's large-display phone and do gain extensive attention of the market.

A production orientation is often proposed as the first of the so-called orientations that dominated business thought. Keith dated the production era from the 1860s to the 1930s, but other theorists argue that evidence of the production orientation can still be found in some companies or industries. Specifically Kotler and Armstrong note that the production philosophy is "one of the oldest philosophies that guides sellers" and "is still useful in some situations" (Dess, G. 1984).

Hunger marketing is anything but a panacea: As we all know, the worth of a thing is best known by the want of it. If the normal items do so, it is inevitable for iPhone that has become a hot pursuit for young people and fashion master friends. The hot selling of iPhone series face a hidden worry however, more and more people now are using iPhones. And iPhones, literally speaking, can be seen almost everywhere, which will undoubtedly weaken iPhone status as a fashion product and luxury product. Many old users may turn to buy more expensive phones with better performance. Therefore, in order to maintain the false appearance of demand over supply, it is necessary to carry out the previous principle of "hungry marketing". However, the "hungry marketing" may be effective if uses once in a while, it will inevitably annoying with much excessive adoption. Consumers, after all, are not idiots to be trapped all the time. Recently, the home-made Miui and Meizu are selling fast, which shows that iPhone is impossible to maintain its monopolistic hegemony in market. Being abandoned by the consumer will become reality for Apple Inc., unless it works hard to improve the performance, quality and service.

The selling orientation is thought to have begun during the Great Depression and continued well into the 1950s although examples of this orientation can still be found today. Kotler et al. note that the selling concept "is typically practised with unsought goods" (Dess, G. 1984).

Stranded cooperation with operator: Since Apple Inc. launched iPhone in 2007, iPhone series has maintained a growing sales so far, which makes many handset operators think highly of iPhone and start to cooperate with Apple Inc. What those operators believe is such cooperation can not only conduce to stabilize the existing users but absorb more users from their competitors. That is why operators make cooperation with Apple Inc. Many operators, however, begin to give up considering the cooperation with Apple Inc. now. At the very beginning, operators are eager to cooperate with Apple Inc., which makes Apple Inc. become so powerful. Furthermore, because iPhone has broken the traditional commerce operation model, operators have to make greater compromise and surrender part of the profits for further cooperation. For example, after the cooperation of China Unicom and Apple Inc., Apple Inc., by virtue of "Apple Inc. package", has managed to absorb the high-end customers of

China Mobile that were as solid as rocks previously and achieved strategic success for several years. However, China Unicom has unspeakable bitter suffering for such success. China Unicom lost the discourse power of marketing and also bore a rather heavy subsidy burden, which made China Unicom fall into a very tight cash flow at a time and also dragged down the development of China Unicom in other businesses. What's more, when establishing cooperation relation with Apple Inc., operators have to promise certain sales volume of iPhone within a certain period. In order to fulfill the agreement, operators carry out many promotion activities such as “Purchase iPhone in 0 Yuan”, “Purchase iPhone with free bills sending” and “Purchase Wideband with iPhone sending” and so on. Operators have been losing money for the cooperation with Apple Inc., and face heavy debt due to the high subsidies for iPhone.

4.3 Analysis of target market segment strategy

Commercial client base: At the age of 30-45, stable income, strong consumption ability and high requirement for the quality and commercial function.

Entertainment client base: At the age of 15-30, the majority of the client base is students and career starters who have the psychology of conformability and like playing games, chatting and watching movies, they have high requirement for the entertainment functions of phone.

Exploitation client base: the minority group; at the age of 20-30; electrical products lover; they have high requirement for the exploitability of phone.

4.4 Analysis of iPhone's marketing mix strategy

What is the appeal of a top product? In addition to its value in use, more importantly, client can obtain the good taste and the elements of elegance, dignity and fashion form the product or the brand, this is what we called “brand personality” of a product.

Under the background of brand winning, it is never enough to stand out among many excellent brands only by virtue of the functional characteristics, unless more human factors are presented from the brand so as to make it more attractive. Apple Inc. has attained \$100 billion more than Microsoft (MSFT) in market value, which amounts to the whole market value of HP. PC industry has completely changed in the last decade. Apple Inc., as a company that is not built up by technology, has basically made right decisions on many development directions, from PC to consumer electronics and to the Internet and then to the mobile Internet. What Jobs relied on is not technology orientation which leads to the dominance of mobile Internet with the technological advantage, but the customer orientation which is based on the understanding of human nature and the mastering of human desires and demands for details, Jobs, therefore, takes the humanize marketing to extremes.

Yes it's messy. There's a third option that I think I like better, but it may not be practical: find a reliable source discussing what is and is not a type of marketing and use that. Otherwise it's just going to be more WP:OR, which already plagues the article to an extreme. This is basically a MOS:SEEALSO which is in the middle of the article for some reason (actually, I'm going to move it now).

Make momentum before marketing

For the coming unknowns, people always can't wait to know the truth. By using of such gawkers and curious ones, companies can make a good publicity at a low cost.

As the management guru Drucker said: The core of marketing is to make sale promotion redundant. It can be regarded as the real marketing, and Apple Inc. did it. Apple fans have been hoping for the launch of iPhone for more than a year, and the online discussions are constantly springing up. Someone even claimed that he has got the design scheme of iPhone. People finally saw what iPhone looks like until the launch day. Almost everyone guessed its name, but they all failed to guess the unbelievable looks and the surprising performance. As we say, the real happiness of love is not the married life but the process of hunting for it. The psychology of worrying about personal gains and losses and the curiosity about the mystery are the most valuable marketing tools in product promotion and brand promotion.

Several scholars have attempted to describe the evolution of marketing thought chronologically and to connect it with broader intellectual and academic trends. Bartels (1965) provided a brief account of marketing's formative periods, and Shah and Gardner (1982) briefly considered the development of the six dominant schools in contemporary marketing. However, these initial attempts have been criticised as overly descriptive. One of the first theorists to consider the stages in the development of marketing thought was Robert Bartels, who in *The History of Marketing Thought*, (1965) used a periodisation approach. He categorised the development of marketing theory decade by decade from the beginning of the 20th century:

1900s: discovery of basic concepts and their exploration.

1910s: conceptualisation, classification and definition of terms.

1920s: integration on the basis of principles.

1930s: development of specialisation and variation in theory.

1940s: reappraisal in the light of new demands and a more scientific approach.

1950s: reconceptualisation in the light of managerialism, social development and quantitative approaches.

1960s: differentiation on bases such as managerialism, holism, environmentalism, systems, and internationalism.

1970s: socialisation; the adaptation of marketing to social change.

Under the background of commercial promotion flood, making momentum is to ensure that the marketing product becomes a hot topic among consumer. Apple Inc. always tries to shape its product into a necessity that is full of time significance and crowd about its advanced technology and innovation, which stimulate consumers' purchasing desires. However, after getting the product, you will find what you bought is simply a cell phone or a "smart" phone.

Marketing in this Wikipedia page mainly mentioned the general information about marketing. It does not give us detailed example of how each selling/marketing orientation are used in the examples indicated. Although the information is well-organized, there needs to be more data, picture, something that will increase the audience understanding. One great article from the New York Times calls: "Airlines use Wireless Network" provide us better information about marketing with an example that is related and enhances our understanding of marketing.

Hunger marketing

The popularity of Apple Inc.'s products mainly stem from its control to the market supply, which namely is trying to make market fall into the status of “over-demand”, thus Apple Inc. can not only maintain the stability of product price but have control over the product upgrading. The sales of iPhone obviously can be regarded as an example for such marketing strategy.

iPhone series have been deeply recognized and admired since launched into market; Apple Inc. however, always adheres to limited supply. Many people may want to buy it simply because they cannot purchase it. Some spend lots of money to obtain what they don't even know and are satisfied with the joy of possession, they sometimes even have no idea what they really want to get. Apple Inc.'s hunger marketing takes advantage of people's desire to go with the fashion.

It seems that Apple Inc. and Steve Jobs pose a condescending attitude all the time. Many consumers queues up overnight to wait the product launch and makes reservation for purchasing the product. Apple Inc. does fully stimulate people's desires but is obviously not eager to satisfy them. The lack of satisfaction usually attracts more attention, which is why the limited edition is of greater appealing than the commonplace. Apple Inc.'s marketing strategy actually is reinforcing its product style: Aggressiveness, loftiness and uniqueness. When a thing is rare it becomes precious. Such marketing style causes people's bittersweet, just like its product.

Experiential marketing

Steve Jobs always considered that what do they think of the new product? Every promotion conference of Apple Inc.'s new product is held in a theater that is

full of mystery and promotes its new product by virtue of action drama so as to stimulate people's curiosity.

How to make the user experience? The first step is demonstration. Neuroscientists have found that our brain is easily bored. Yet Steve Jobs won't give you chance to lose interest. He usually takes 10 minutes to show a new product or function in a very interesting way. When introducing iPhone at Macworld conference, Steve Jobs showed how Google map was used on iPhone. Jobs checked the list of local Starbucks through iPhone and said: Let's have a try. He called the number and talked to someone on the telephone: "I'd like to order 4000 cups of Caf Latt. Oh, no, just a joke." It is just a joke, but everyone in front of the TV wants to buy it for experience.

Meanwhile, Steve Jobs's legendary life and love-hate strategies make what he said have a stronger effect. And that is Steve Jobs's distinctive personality charm. Just image, how Jobs persuaded John Sculley, president of PepsiCo, to join Apple Inc. in 1983: Do you want to sell sweet water all your life? Or change the world?

Cultivate Apple culture and crazy Apple fans. Apple computer has kept a distinctive impression on consumers, that is: Superior performance, unique appearance and perfect design. Apple computer stands for absolutely uniqueness and very cool industrial design and doubtlessly fashion. Mr. Jobs managed to make all products conform to the consumer's understanding of Apple culture, and all Apple products, in fact, didn't let consumer down: Yes! This is what I want, My iPhone! Coke is preferred among many consumer choices in beverage industry and it, therefore, represents American values. Mr. Jobs also made Apple Inc. a unique starting point for Apple Inc. to be the leader in product and culture innovation.

In fact, customers don't want to be flattered. It is useless to try to please them, yet perhaps stimulating their desires can produce the best effect. Modern marketing theory claims: "trying to provide anything customer wants to get." Humanize marketing; however, would control the supply on purpose and make it is uneasy for customers to be satisfied: "Do you want to have it? Sorry for no goods now, please try again next time. " Many Apple Inc.'s products are in short supply before and after its launch. Apple Inc. is really good at using "hunger marketing".

The person who agrees with me will be my consumer. Apple Inc. has been succeed in calling and leading consumers with its brand spirit and value, which has transcended the product level and established the highest level of brand marketing.

Word-of-mouth marketing-turns the phone from communication tool into the modern toy

A successful marketing shall make people feel happy and curious so that they are willing to participate in. With the development of MicroBlog, iPhone has become a fashion tool for the public to get entertainment. The most popular entrepreneurs and celebrities on Weibo are using iPhone to send out all kinds of information, and the information below can also be marked with “iPhone user”, which makes more people who play MicroBlog want to have the mark.

In addition to Apple, there is no phone brand that is touted as a superstar. Apple fans urge to have all Apple's products and doggedly show off to the people and personally demonstrate how to use and show off their individual accessories, and sometimes they even go to everywhere with holding a MacBook. Compared with Apple, Sony, Dell and Nokia, as the well-known brand though, cannot enjoy such strong popularity like Apple fans do.

The extreme of humanize marketing

Why is Apple so enchanting? All so-called star products will suffer an eclipse in the face of Apple Inc. Any new product Apple Inc. released can make the global Apple fans became crazy for it, and Medias are vying to report its new product launch. The new product launch even can make influence on the stock market and the industry; this is Apple Inc.'s marketing strategy: Humanize marketing.

Steve Jobs's motto is “Do right things”, here the right is not technology or design or aesthetic, but “human nature”. In fact, the "right things" in Jobs's eyes was the opposite of traditions. For example, iPhone is equipped with the function of infrared induction. When you're on the phone, the phone can automatically turn off the screen. When you call with your face against the screen, iPhone can automatically turn off the screen for power saving. This is nothing special, yet many companies that claim to be people-oriented failed to find it. Nokia also enjoys distinct brand

characters which are high cost-performance and solid and durable, yet such characters can only be classified as physical properties. Rather than selling products, Apple Inc. actually is selling humanity. It absorbs consumers by products and calls together the “like-minded” people.

4.5 Analysis of iPhone's price strategy

It has been mentioned that Apple Inc. adopts single price strategy and the price of each generation of iPhone is relatively stable, which cannot make consumers feel they lose money for early buying. If there is a new product later, Apple Inc. will reduce the price of the previous generation. Meanwhile, Apple Inc. will also take care of consumers' psychology and hold some activities such as old for new service, and the old users can enjoy certain discounts when buying the new generation of product.

4.5 Analysis of iPhone's marketing channel

Distribution channel structure of general consumer goods

From producer to consumer (Direct channel)

Producer--middleman--consumer

Producer--wholesaler--dealer --consumer

Producer--agent--wholesaler--dealer--consumer

Multiple marketing channel of iPhone

Personal selling: Set up a large number of offices for some huge shopping mall and client with large wholesale quantity, and find opportunities to develop new customers.

Agent: Promote the product to more consumers in the major cities. Apple Inc. focuses on promoting the product to the broadest masses.

Distributor: Promote the product to all regions thoroughly and the distributor enjoys independent distribution right and good profits, which stimulate their enthusiasm for promotion.

Self-shop (direct-sale store): Belongs to Apple retail, directly managed by America.

Online shop: Build Apple's official website around the world and establish online app store.

Overall sales model

Big retailer (DKR) is also known as the direct supplier or direct client. There are 83 big retailers in China that are mainly the electronics retailer or mobile phone retailer such as GOME Electrical Appliances, Su-Ning electronics, D-Phone and the other provincial biggest direct supplier. The retailers have signed a direct-supply agreement with Apple Inc., and can replenish Apple Inc.'s stock without the mobile phone national distributor according to the agreement. And also, compared with other general retailers, the big retailers enjoy price advantage and market support. But Apple Inc. at the same time has higher requirements and management intensity to them. The big retailers are not exclusive to each other and free of channel selection issue.

General retailers (KR) directly purchase products from the above two agents for terminal sales. There are 3,850 general retailers in China. The phone market is relatively mature after years of development. The wholesalers (KW) are included into KR in the paper due to their small wholesale quantity; there are 78 authorized stores in China, which is included into KR as well. The different products have different retail channels and KR customer levels.

All phones actually are selling in the similar channel. Apple Inc. is mainly based on dealers and online selling as a supplement. Dealers consist of sole distributor and retailers. The two kinds of dealers enjoy different sales scale yet can almost cover any country, city, county, town and village.

What's more, Apple Inc. has signed agreements with the three major mobile companies in China to make contract phone which includes the various activities such as “Purchase iPhone in 0 Yuan”.

Apple Inc. has established official website in China. The official website represents the official authority of Apple Inc. Therefore, users can check whether their iPhones are genuine and new according to the website instructions.

4.6 Issues in Marketing Article

There are many, many problems with the current Marketing article. I am adding my thoughts on this. The problems with the existing page are so numerous, that I have tried to tackle this in a step-by-step manner. This discussion is necessarily detailed, but a number of recommendations are made at the end of the article. Editors who are not interested in the lengthy arguments can skip straight to the recommendations.

Lead section: Is not an accurate summary of the article. According to WP guidelines, the lead should be approx 4 paragraphs and should summarise the main themes contained in the article. This lead section introduces themes/concepts that are not discussed anywhere else in the article - namely non-profit organisations, the societal viewpoint (or orientation?), consumer behavior and market analysis. In my view, the lead needs to be a lot more focussed and requires clear links to the content of the main article.

History of Marketing: This section appears to be in two parts - the so-called orientations followed by the so-called "contemporary approaches." There are so many problems with this section, that it is difficult to know where to begin. The suite of problems are complicated so, I will do my best to set them out one by one. (Please do not shoot the messenger! I did not create these problems, I am simply drawing attention to them)

First, the introductory sentence informs us that theorists identify a number of distinct stages, but then the table (which is untitled) that follows specifically uses the term orientation in the column heading. So this inconsistent use of terminology raises an important question, 'Are stages the same as orientations?' The answer, of course, depends on where you look. But for the main part, serious marketers do not conflate these terms. Instead, they make an important distinction in eras or stages and orientations or philosophies. The eminent theorist, Phillip Kotler, for example, never refers to stages but always refers to either "philosophies" (as in his Millenium edition, US, 2000) or "concepts" (as in his Australian edition). It is not necessary, however, to consult each of these works, because several review essays have pointed to the use of terms such as "orientations", "concepts" and "philosophies" to describe the phenomena that appear in the table, which includes a reliable reference to at least one of these review essays. Now, my understanding is that an orientation or philosophy refer to a mindset that shapes a given way of organising the business operations, and therefore is a way of thinking about marketing practice (but not necessarily marketing theory).

Second, there is no consensus within the literature about what philosophies or mindsets actually constitute the "orientations." The following table (Table 1- Marketing Philosophies), from a reliable secondary source, highlights the variety of perspectives identified within the literature. As the table suggests, some authors collapse the production orientation and the product orientation; most refer to the selling orientation and the marketing orientation (as per the table); some refer to the societal marketing orientation (which incidentally does not appear in the table in the Wikipedia article); some include other orientations such as the financial orientation and the erratic orientation which are not mentioned in the Wikipedia tables. Few sources refer to the holistic marketing which is included in the Wikipedia table as a distinct 'era' So, it would appear that the orientations specified in the table consist of a highly eclectic combination of orientations and do not align with any of the major texts in the area, and for which the sources are obscure.

CHAPTER 5

RESULTS AND ANALYSIS

5.1. The conclusion of Apple's success

Apple's success never happens by chance. The research and development, production and marketing strategies are not independent and unrelated. Apple's marketing can be regarded as the example of value marketing and the leader of industry. It is Apple Inc.'s products but not its marketing promotion that have changed the world. The original products of Nokia are good, the marketing and channels are also in place, yet unfortunately Nokia lacks enough power to contend against with Apple Inc. which has reversed the phone market pattern around the world and made a successful reshuffle.

All new products can be sold like hot cakes as long as Apple fans love them. And if the new product has small differences from the last product, fans will don't like it and the sales will drop slightly meanwhile. But it wouldn't produce negative influence on fans loyalty to Apple Inc.; they believe that the next new product conference must be full of innovation and surprises.

5.1.1 Societal marketing concept

Phillip Kotler is often credited with first proposing the societal marketing orientation or concept in an article published in the Harvard Business Review in 1972. However, some marketing historians, notably Wilkie and Moore (WU, X. H. 2002).

With the solid foundation of excellent products, Apple Inc. can take more aggressive marketing approach--- hunger marketing and high pricing. Hunger marketing has boosted Apple's brand so that it becomes easy to sell the products. And the high pricing has not only increased Apple's revenue and profits, but provided the basis for the research and development of next new product. And it also transmits a

signal to consumers in turn--- Apple's product deserves high pricing. The two marketing strategies can be regarded as the successful implementation of previous R&D and production strategy. If there is no good user experience, the product cannot absorb enough consumers and Apple Inc. also has no chance to implement hunger marketing and persuade consumers to spend lots of money for the products.

5.2. The inspiration of Apple's success

What inspirations can Chinese domestic mobile phone manufactures get from Apple's success? The secret is innovation. Apple's way to success is full of innovations. Put customer experience first instead of blindly pursuing hardware upgrading and high configuration during research and development. The marketing strategy here is definitely not the usual practice that is implemented respectively for low-end market and high-end market. Try to build a mysterious atmosphere in advance of products launching and implement the principle of “high pricing and low production” to enhance a good brand image. Apple's success cannot be replicated, because it is innovating everywhere. As we know, innovation cannot be imitated but can be surpassed.

Chinese mobile phone companies shall understand this conception and give up blindly pursuing the fashionable appearance and low price. And more importantly, don't think little of user experience. It is consumer who helps a company develop rapidly. The company must provide good and real product to consumers, only in this way can the company win the trust of consumers and make consumers pay for its

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