

THE BCG MATRIX AND MARKETING STRATEGIES OF APPLE

Apple is the largest brand in the technology industry in terms of its revenue generated as well as its brand ranking. It is not a surprise to many because Apple has time and time again presented products which were ground breaking and which revolutionised the market.

Apple has given us many delights over the years including the MacBook, the iPod, iPhone, iPad, Iwatch, iTunes and others. And due to its excellent product and differentiation, it is close to the heart of many techie enthusiasts.

The basis of everything for a company that operates in the international market like Apple is the local adaptation. It's actually an international segmentation (like Mc Donald for example via his Mc Arabia or Hallal products). Consumer expectations and Apple's market share vary by country. This is why communication must be differentiated.

As part of Apple, its fame precedes it. Indeed, we do not see an iPhone adapted to the Pakistani market and another adapted to the Chinese market; the strategy will be based on targeted communication based on market segments. What are these segments, or targets? There are three major segments which Apple targets. It generally uses lifestyle segmentation as Apple is the most premium brand out there. The segment is usually the urban population with enough buying power for purchasing Apple products. These are people who are early adopters in life but the brand equity of Apple is such that even laggards have started adopting the products.

In the Marketing strategy of Apple, it has three target groups:

- One is the music lovers who are targeted by the Apple iPod and iTunes;

➤ Another target the professionals or even teenagers who are targeted for Apple Iphone, Tablets, Macbook and other such gadgets which can be used by anyone, irrespective of age;

➤ And third is the crowd which can use their other products and services like Apple TV and Apple Iwatch. They also use Ibooks, Apple pay etc.

In order to maintain a steady pace in the sale and production of its products, Apple has put in place five precepts that we analysed: 1) We do not sell a product. What Apple sells is not a phone; it's all the benefits of using this one! In addition, as Nintendo for Wii, Apple sells ONE product; not many asking for investment benefits. "I buy a single i-Phone and I have access to any Apple." One word: simplicity; 2) Do not be the first to attack an innovative market. Apple expects to isolate high value-added needs in order to focus on it. Remember the first MP3 players or USB stick; the i-Pod only "reads" the music! Similarly, how long will it take after the craziness of the mobile phone before seeing the first Apple phone ... The competitive strategy is that of the challenger, even the leader; concentration on a segment, specialization followed by expertise; 3) Pamper the first users. In the communication cycle, these are called prescribers, and contribute to viral marketing so much loved by Apple; 4) Tell a beautiful story. Mr SETH GODIN, in his book "All marketers are liars: good, because consumers love stories" proves that "Just tell a great story to the consumer but especially make him want to believe". If you are a good observer, you will find that each advertisement systematically uses a story ... A story around the brand, a staging, or whatever else ... So a story will attract and influence the consumer; 5) Go further in the field. What are the levers that will allow Apple to differentiate itself? The addition of more and more varied games on the i-Phone, a huge amount of interactive goodies, ultra-modern packaging and the end of the end, a delivered i-Phone already loaded.

Apple has several competitive advantages in the Marketing strategy:

➤ Superior technology products – Macbook and Iwatch are clearly leaders in their market space because of the OS and the technology used.

➤ Brand equity – Apple has repeatedly taken the top spot for its brand equity and has a cult following since ages.

➤ Revenue over time – Apple has deep pockets due to its high margins.

➤ R&D – A major competitive advantage of Apple is the amount it spends on R&D keeping its eyes on the future rather than on the present.

BCG matrix of Apple

Stars: Ipad and Ibooks	Question Mark: Apple Tv
Cash Cow: Iphone, Macbook, Iwatch and Itunes	Dogs: Ipod

We have just drawn the apple BCG matrix and we see that its product portfolio is divided into four:

➤ The Cash cows are products which are existing since ages and which cannot be challenged in the current market conditions and have a majority market share when the global data is referred – These are Macintosh, Iphone, Iwatch (50% market share in 2015) and Itunes (a solid support service to all Apple products);

➤ The stars are Ipad and Ibooks where there is a lot of competition and Apple has to invest a lot to keep these businesses on top;

➤ The question mark is Apple TV which has low market share in an industry, showing great potential and might grow at a rapid pace in the future;

➤ The dog is Ipod because although it has a high market share, the industry itself is rapidly degrowing because Smartphones have replaced iPods.

The fastest ways to achieve any goal is to model those who've successfully achieved that same goal before. Apple, the app store and their retail shops are a role model for any smart modern brand that wants to create a raving fan base and super-loyal customers who will refer their friends and family members.