

Report on Exploring Apple's Consumer Behavior

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Abstract

This report analyzes Apple Inc. from four aspects: market strategy, consumer culture, formation of consumer groups, and management and communication by using principles and theories from psychology, sociology and marketing, to determine how these factors support or affect the development of Apple. The study indicates that sensory marketing strategies and advertisements targeting the disability microculture are considered to be Apple's successful marketing strategies, helping it to shape a good brand image and form a unique consumer culture. Moreover, millennials with strong public self-awareness owns the consumer behavior of displaying their ideal self-image through Apple's brand, making them a typical consumer group for Apple.

Keywords

Sensory Marketing Strategy; Brand Culture; Brand Memory; Customer Loyalty; Microculture; Corporate Social Responsibility (CSR); Ideal self-congruence; Observational Learning Theory; Consumer Management and Communication.

1. Introduction

Apple Inc., is an American multinational corporation with a focus on designing and manufacturing consumer electronics as well as software products, such as iPhone, Mac, iPod, iPad, Apple TV, Apple Watch (Apple Inc., 2020). According to Statista (2020), Apple's total net sales reached \$260.17 billion in 2019, which has quadrupled in the last ten years. It is reflected that Apple tends to success in implementing business strategies and gaining consumer recognition. This paper will explore Apple's market strategy, consumer culture, formation of consumer groups, and management and communication, thereby identifying how these factors support or affect the development of Apple.

2. Discussion

2.1. Market Strategy

There are a growing number of consumers advocate a hedonistic lifestyle, who do not only seek satisfaction from the functional characteristics of products or services, but also seek unique and engaging consumer experience (Triantafillidou & Siomkos, 2014). In order to stimulate consumers' sensory perceptions and satisfy them with a better brand experience, sensory marketing has become one of Apple's main marketing strategies. This section will analyze Apple's sensory marketing strategy and provide suggestions for Apple to improve its marketing results.

Sensory marketing refers to the creation of a specific multi-sensory atmosphere around products or services, thereby stimulating the five senses of the human body to influence their perception, learning and memory behavior (Krishna & Schwarz, 2014). This is of great benefit to help achieve product differentiation and stimulate customers' desire to buy (Raz et al., 2008). For Apple, the most effective example of sensory marketing is the Apple retail store.

According to Hulten (2017), the purpose of Apple Retail Stores is to create an environment that blends with its brand culture, so as to use vision, touch and sound to create the unique sensory qualities for Apple's products and services. In this way, when consumers interact with the product, their multisensory and emotions could be stimulated, thereby establishing emotional connection with the products and brands. For example, in terms of the visual stimulation, the decoration style of Apple retail stores and Apple logo are mostly minimalist white and silver. In a study by Duke University (2008), in a world of chaotic and constant sensory overstimulation, Apple's monochromatic brand identity would be more attractive. Moreover, providing good visual experience is able to create a comfortable experience for consumers, which in turn can convey more positive and lasting brand images (Bagdare & Roy, 2016). Therefore, by creating a unique sensory quality that distinguishes it from other brands, Apple left consumers with a deep sensory impression and enhanced brand memory.

Regarding the outcomes of Apple's sensory marketing, in the research of Coget (2011), because Apple Retail Store is the physical embodiment of the Apple lifestyle, it helped to increase its market share among computer users from a stagnating 2% in 2001 to over 5% 2006. This reflects that sensory marketing is effective for Apple to provide good consumer experience, increase customer loyalty and improve its economic benefits.

However, in the research of Shen (2014), as consumers have increasingly demand for personalized products and services, a single experience scenario is far from being able to meet their diverse and entertaining needs. Consequently, in order to further meet customers' personalized needs, it is recommended that Apple pay more attention to establishing a two-way communication system with customers to collect information about their preferences (Anshari et al., 2019), for example, launching various offline activities. In this way, Apple not only could maintain its original brand sensory image, but also enable the service be more diversified.

2.2. Consumer Culture

Microculture refers to the culture formed by groups with common beliefs or experiences (Solomon, 2012). For example, disability culture is a unique value and concept that belongs to the disabled. This section will explain how disability microculture impacts Apple's advertising process and outcomes.

According to World Health Organization (WHO) (2020), there are more than 1 billion disabled people in the world today who are facing obstacles in daily life. By caring about these vulnerable groups, Apple designed powerful applications for them.

In the 2017 advertising video named *Designed for Everyone* (Apple Inc., 2017), the accessibility features of Apple products have been fully demonstrated. For example, blind users can take pictures for their family members, users who cannot speak can make videos with friends, and users with hearing impairments can perceive the sound of the world.

This advertising video expresses that the disabled also have the right to pursue a digital life. In this way, Apple demonstrated that Apple products have more user-friendly functions. Meanwhile, Apple conveyed their care and assistance to the disabled to the world, which enhanced its corporate social responsibility (CSR). According to Kim, Yin and Lee (2020), CSR activities help increase consumers' positive attitudes and memories of the corporation, thereby increasing consumer satisfaction with its brand. Additionally, consumers who have a negative impression of the brand tend to change their stereotype because of CSR activities (Alhouti, Wright & Baker, 2020). Therefore, by paying attention to the disability microculture and creating value for the disabled, Apple has gained a good reputation and won the appreciation of customers.

2.3. Formation of Customer Groups

According to Gaille (2014), a large proportion of Apple users are highly educated millennial. This section will analyze the behavior of the target customers and explain the formation of this customer group.

In the research of Xu (2008), it shows that young people usually score higher on the public self-consciousness scale and own a strong public self-awareness. This means that they care about their public images and tend to use trendy brands to gain recognition and avoid disapproval. Therefore, they keep up with the trends and look for the latest information on websites, social platforms, and TV to seek the recognition of their product choices from friends and society. For Apple Inc., by promoting its excellent culture and values in various media, Apple brand has been recognized by most people. Forbes (2020) published its annual study on the world's most valuable brands, which shows that Apple topped the brand list for the tenth consecutive year, amassing a compelling brand value of \$241.2 billion. Therefore, millennial consumers obtained this trend information from the media, thereby trying to maintain their educated public image by purchasing Apple products.

Additionally, compared with achievers and experiences, young people are still in the struggle stage with insufficient experience. Consumers are eager to use famous brands to achieve an ideal self (Kumar, Paul & Starčević, 2020). Therefore, according to the observational learning theory, young people tend to imitate successful people in order to give themselves an ideal identity. According to Beattie (2012), Apple owns an international prestige and is usually a brand that represents successful people and high-class status symbol. Therefore, young consumers hope to use Apple products to enhance their identity and achieve their ideal self.

2.4. Management and Communication

This section will introduce the management and communication strategies adopted by Apple for both employees and customers

For employees, in order to attract talented employees, Apple provides competitive benefits, bonuses and promotion mechanisms (Apple Inc., 2020). In this way, the interests of employees are aligned with the company's long-term plan, effectively stimulating employees' interest and creativity. Additionally, Apple attaches great importance to the training of service personnel, for example, the strict guidelines for sales personnel in retail stores (Apple Inc., 2020). This can effectively develop and improve employee skills, thereby promoting their communication with customers and achieving better performance for Apple.

For customers, Apple created a Twitter account dedicated to supporting customers' communication (Brown, 2016). It can provide online responses to customers' questions and help solve problems in a timely manner. It will also publish suggestions, tips, and tutorials on using Apple products in the form of text, images or short videos. According to Agnihotri (2020), this interactive communication method of social media is able to promote customer involvement and enable the company to establish emotional bonds in the relationship with customers. Therefore, Twitter, as a convenient way of communication between companies and customers, not only helps users increase their understanding of Apple's products and services, but also enables people to have a positive relationship experience and enhance customers' satisfaction.

Moreover, Apple provides Apple Support service on the official website, such as expert chat, repair reservation, battery replacement (Apple Inc., 2020). Especially, consumers can call Apple consultants directly to get fast service. Compared with twitter, Apple official website is more formal. Additionally, according to Statistics (2020), the number of users of twitter is 350 million, which does not cover all users. For some customers who may not like to use social media, the support provided by the official website helps to make up for the lack of communication.

3. Conclusion

In conclusion, this report analyzed Apple Inc. from four aspects, including market strategy, consumer culture, formation of consumer groups, and management and communication. The marketing strategy section analyzed Apple's sensory marketing strategy and pointed out that Apple should pay attention to collect consumer information to satisfy personalized needs. In the consumer culture section, it was discussed that advertising targeted at the disability microculture helped increase Apple's social responsibility and improve its reputation. In addition, the formation of consumer groups section analyzed the consumer behavior of the millennial and explained the reasons for the formation of this customer group. Finally, the management and communication section introduced the different management and communication strategies adopted by Apple for employees and customers, which proved its good employee and customer relationship.

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