

# **How Apple Monopolizes the Technology Market**

## **Abstract**

When you see the logo of an apple with a small bite taken out of it, chances are, you recognize it. Apple is a multinational company from America that has been monopolizing the technology market since it went public in 1980. With footholds in well over a hundred countries along with its high brand asset, Apple dominates the technological industry. Its sleek and sophisticated marketing strategies makes it stand out as a luxury brand that appeals to consumers across the globe. This paper focuses on Apple's international marketing contributions and strategies as well as the specific marketing journey it has experienced over the years.

## **Introduction**

Just two years ago, Apple disclosed that over 900 million iPhones existed with around one billion customers using one and four billion Apple products (Cybart, 2019). This brings up the questions what it has done to accomplish this success as well as how it continues to maintain this success. The objective of this research paper is to answer those questions by looking at how Apple approaches marketing, mainly focusing on its position in the United Kingdom. Recently, Apple featured an article on its newsroom site titled "In a year apart, Apple technology helped educators and learners stay connected" that features stories from both the United States and Scotland about how Apple has helped certain students and teachers navigate through the new digital world the pandemic caused by providing reliable technology for events such as virtual graduation or launching an online musical (Apple, 2021). Across the world, Apple aims to make technology easier for those using it, and based on the number of users and the staggering contrast with its competitors, it's safe to say Apple has been achieving this. Apple has more than double the amount of market share in comparison to competitors like Samsung and Amazon (Statcounter, 2021). With strong competitors like Amazon and Google, Apple has had to cultivate and create to get to the point it is at now. Despite Amazon having higher share prices, Apple remains ahead thanks to the amount of people who have consistently bought shares and products from Apple. When people see the Apple logo, they know exactly which company it represents. Because of its progressive designs, innovative marketing efforts, and brand recognition, Apple is worth diving deeper into.

## **Company Background**

Apple's story is intriguing because two men started from nothing to create an empire. In Founded by Stephen Wozniak and Steve Jobs in 1976 in Los Altos, California, Apple started in a two-car garage attached to Jobs' family's house (Levy, 2021). Wozniak and Jobs had attended the same high school and decided to go into business together to create their own computer that people could love and appreciate as much as they did creating it. The first product they made was a working circuit board which they quickly upgraded to a machine in plastic casing a year later, different from the typical steel boxes of other computer machines (Levy, 2021). It was this model, Apple II, that would appeal to the people, and it did, as it quickly became popular as the only computer function with colored graphics at this time. While the success started off with a bang, the company quickly depleted by the 1990s, especially with Jobs leaving Apple behind in 1985. In order to bounce back, Apple bought the company NeXT Software, Inc., a company created by Jobs, and offered him the position as advisor to CEO that Jobs ended up turning down before being offered a position to lead the company in 1997 (Levy, 2021). Since then,

Apple has catapulted to success with shares remaining steady, despite inflation, over the past couple of decades.

### **Business and Purpose**

As a business, Apple sells technology products such as Mac computers, iPad tablets, iPhones, watches, Apple TV boxes, and Apple Music along with services like iOS, OS, Apple Pay, and iCloud (Apple, 2021). With an extensive list of products and services available, Apple products can be seen all over the world. Apple's values center around environment, socialization, and governance. To elaborate, it hopes to be carbon neutral on all fronts by 2030, put people first by creating easily accessible technology, and monitor all performance and problems with effective decision making (Apple, 2021). This shows a little bit of the brand's vision for the future and fits well with its mission statement. Said mission statement of Apple is "to bring the best user experience to its customers through its innovative computer hardware, computer software, and services" (Gaille, 2020). With the amount of products and services along with the frequent updates for both of these, Apple has been practicing this mission statement since the release of its most successful device, the iPhone. According to Cayla et al, "Although peoples' daily interactions continue to occur at a local level, the flows of information, money, symbols, and images in networks, which form a web of interconnected nodes, become increasingly important elements of social action" (Cayla et al, 2008, p. 91). Apple is very good at inserting itself into everyday life; commercials feature mundane activities that people can relate to, and the symbol of Apple can be found easily whether its on another product or being advertised. The website reflects this idea of interconnected nodes becoming increasingly important because Apple is one of the most expensive brands with an extremely well-known logo as well as its abundant amount of information across its website that explains its devices and the technology behind it. It focuses on the needs of its consumers which in turn, makes the consumers want to be a part of the organization somehow. Apple stresses the importance of helping others through technology advancements, and it can be seen in nearly everything it does. Apple hopes to achieve the title of best technology producer in order to help the most people which can be seen through the aggressive campaigning and creating it has done. All in all, the purpose of Apple is to sell technology people can easily use; however, the way it achieves this is much more complex despite simplistic designing and branding.

### **Brand Extensions**

The company Apple has many different types of brand extensions that have helped cultivate it into the brand it is today along with the recognition associated with it. According to Singh et al, "The results show that successful new brand extensions tend to quickly establish both penetration and repeat purchase levels that are close to established brands of similar size" (Singh et al, 2012, p. 239). This is exactly what Apple has used to make its brand so successful. Apple has come out with many different products and services that work better with other Apple devices which is also a large reason it has so much success with repeat purchases and purchases of other products. With billions of users and an even larger number of products, it is clear that people are buying more than one apple product. Apple's competitor Amazon has only 100 million subscribers for its Prime service which shows just how much Apple monopolizes the market (Cybart, 2019). Some brand extensions from Apple you may be familiar with are the iPhone in cellular markets, the iPad in tablet markets, the watch in lifestyle watch markets, and Mac computers in laptop markets (Apple, 2021). Apple has mastered brand extension and much of its success is thanks to different products it has created overtime.

### **Brand Webpage**

The website for Apple is exactly how the brand is perceived: sleek and sophisticated. When people see the Apple logo, they know they will be receiving a device or service that is easily accessible and reliable. This is reflected all across the webpage as multiple flawless graphics and eloquent typography that explains the features of Apple products. For many products on the Apple website, there is a small title that says 'why...' with the particular product it is selling along with a larger title that says a powerful, brief statement about why one should buy it. For example, for the watch it says 'Why Apple Watch' and is followed by: 'It's the ultimate device for a healthy life' in large bolded lettering (Apple, 2021). This type of marketing draws people in because it is sleek and simplistic yet still a bold statement at the same time. It reflects the company's products well because iPhones and iPads are smooth and simple, yet they function extremely advanced. The webpage also features many photos of the products in a variety of different ways whether its vibrant or dramatic coloring or changing what is on the screens. One thing that remains consistent is that the background is always white or black. Black seems to be used more for advertising and making certain statements pop while white seems to be the general background used for everything else (Apple, 2021). Apple uses this consistent marketing in order to appeal to its target audience. According to Kumar (2014), organizations must focus on many factors to remain successful including new concepts like innovation characteristics, adoption of propensity to adopt those innovations, as well as geographical innovations (Kumar, 2014). Apple does an excellent job at this by coming out with new technology updates frequently yet advertising and marketing for it all the same. When a new iPhone comes out, everyone knows about it whether they see it on TV commercial, the news, or even word of mouth. Apple created this by having a simple advertising and marketing that all consumers could appeal to; it is nice to look at, easy to read, and to the point. Apple connects this idea of simplistic values to emotion as well by appealing to the happiness and enjoyment of customers (Ntloko, 2020). Its advertisements and websites focus on smiles and laughter when featuring people. Because it has technology products, it is also able to capitalize on celebrities and pop culture. Many of the photos on the website show a famous actor or artist on the screen (Apple, 2021). This is beneficial for both Apple and the people they include which is also a smart marketing tactic that helps develop relationships with strong influences.

## **International Expansion and Clientele**

Apple was created in America, yet it can be found in over a hundred countries all over the map. It uses a global marketing strategy via global localization. Based on Apple's mission statement that centers around user experience, maximizing consumer satisfaction is an important element of Apple's marketing. Based on the amount of countries Apple is a part of, it seems geocentric orientation is also a foundation of its marketing; however considering the fact that Apple is the same across all the places it is located in, it's fair to say it considers an ethnocentric orientation as well. According to Wind et al (2016), the five problems companies face is: rapid, breakthrough advances in science and technology, the explosion, redefinition, and proliferation of the media, skeptical and empowered people, our turbulent and hyperconnected world, and the emergence of disruptive and compelling new business and revenue models" (Wind et al, 2016, p.142). Fortunately for Apple, it has to keep up with rapid breakthroughs, plays a large role in what media is featured on, is made up of skeptical and empowered people, plays a role connecting people, and must have disruptive and compelling business models to keep up with the fast paced technology market. According to Ozuem et al, "in computer mediated marketing environments, the commercial and operational facets that internet technologies provide, mean that marketers should enjoy a malleable medium that can be used to deliver content through a variety of means" (Ozuem et al, 2008, p. 1060). This supports the idea that Apple must be able to adapt to the changes constantly popping up, and it seems to do so since it remains ahead of competitors despite the pandemic. It also has a loyal consumer base with majority of consumers

over the age of 25 who are from all kinds of demographics; although, pricing of Apple products does make it harder for lower socioeconomic status consumers to buy its products (Zuckerman, 2020). Consumers range from all ages to all genders to all locations. According to Ozuem et al, "Although a growing customer base might signify a prolonged effort by managers to acquire new customers, it is merely the start of the customer journey, which consists of a multitude of interactions that will essentially shape customer perceptions of relationship health (Barry et al., 2008) and long-term compatibility with their provider" (Ozuem et al, 2016, p. 460). This can be seen quite well with the Apple company as there are very many more products to consumers showing consumers are devoted to Apple and its products.

## **Consistency**

Despite the minor hiccup of Steve Jobs leaving the company and then returning, Apple has remained one of the most consistent companies. The logo can be found and recognized anywhere both on advertisements and the products themselves. While new updates are offered to keep up with the growing technology landscape, the overall software Apple offers has remained the same for over a decade. The success of Apple can be seen from the amount of brand recognition around you; however, it also has an abundant track record of awards to prove its marketing success. For the past ten years, Apple has won the CMO Survey Award for Marketing Excellence (CMOSurvey, 2020). Because this award is determined by survey volunteers, it shows how devoted and fond Apple customers truly are. According to Ozuem et al (2016), external brand image is difficult for many companies because they have a harder time connecting with their target audiences (Ozeuem et al, 2016). Apple has no trouble with this as customers are loyal to the company and its products more so than any other. Apple has managed to create a relationship with its clientele that keeps them coming back and wanting more. It has achieved this by remaining consistent with reliable products that are seamlessly designed. The iPhone has not changed much over the years unless the size of the screen changes or new technology advancements cause new updates. Other products have also only changed in size and ability with the iPad being offered in a 'mini' size and the Apple watch being offered with software similar to single-lead electrocardiogram (Apple, 2021). The consistent software and new updates fall right in line with Apple's mission statement to bring the best, most reliable user experience through innovative technology. You can see this with the constant tweaks Apple adds to devices via updates; because while the software remains the same, its functions are constantly improved and modernized. According to Backhaus et al, "We believe that perceptions of similarity between print advertisements also constitute a holistic and integral process that can be reflected compositionally" (Backhaus et al, 2001, p. 55). Apple has mastered advertising similarly so much so that when one sees an advertisement for Apple, they don't need to see the company name or logo to know it's from Apple.

## **Conclusion**

Overall, the multinational company Apple is extremely successful for a variety of reasons. Because of its innovative approach to creating new products and advertising those products, it has been the leading technology producer for years. Despite competitors constantly growing around them, Apple remains as a monopoly of the tech market. With its simplistic and consistent branding, the company has loyal consumers all across the globe. Global localization is a huge part of why Apple is doing so well because it is mixing practices to reach the most audience. Its consumers are devoted to the brand and make up a plethora of different demographic backgrounds. Apple is a very successful company that will continue to be so if it keeps moving in the direction it's going.

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