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Hooked on the Look

How business and marketing strategies
have shaped the way society views the
iPhone



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Apple was founded in 1976, and has been around in the industry for over 40 years. Apple though always has had a strong brand identity amongst consumers, shown in the first quarter of 2017 when they sold a reported 54 billion U.S dollars' (76.211 billion AUD) worth of revenue due to their product the iPhone. Why is their so much love for the iPhone? There are a multitude of reasons for this, including it being the first creation of its kind, how they advertise, and how they are positioned competitively.

Created in 2007 the iPhone was the first creation of a mobile phone/smartphone that got rid of the keyboard and to go with a touch screen interface. In 2008 Apple created the iPhone 3G which added 3G network and GPS. From here on Apple weren't just planning to revolutionize the market of smartphones anymore, Apple wanted to evolve the iPhone.

Apple created a new market with the iPhone, it's now one of their primary forms of revenue contributing to 60 percent of their total revenue. But how did Apple



create this cult like follow for the iPhone? There are several factors;

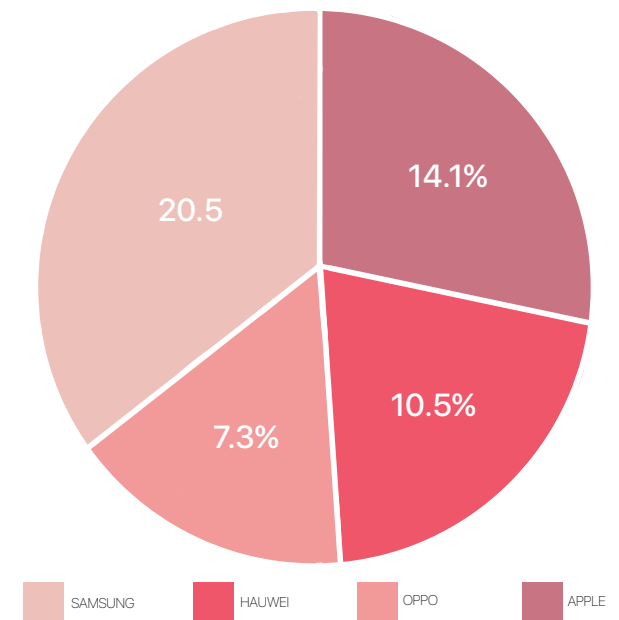
The simple and easy way why so many are devoted towards the iPhone is firstly how they make the consumer feel. "They advertise their products to offer the better life to customers and make the trend of aesthetics and lifestyle appeal important." (Johnson, Li, Phan & Singer, 2012, p. 16)

Apple spends a lot on advertisement, in 2016 alone they **spent more than 78 million dollars on digital advertisements**. Their advertisement typically depicts a variety of different people of all different ages like in their iPhone XS Growth Spurt Apple Video it shows multiple people of all different ages and ethnicities using their product the iPhone, then the end being a black screen with a quote "Everything you love just got bigger". This is also shown in their iPhone X Unleash Apple Video their ending quote for the video is "unleash a more powerful you". Apple targets the person in their advertisements whilst keeping the advert simple, they create a brand identity around the customer and their target audience, "By

focusing on the consumer rather than the product... create something new in the mind of the consumer" (Payne, 2017, p. 55)

Apple competitive positioning is another factor in how the iPhone is so successful still even more than ten years later. They have always been and identified as innovators. The iPhone was the first touch screen smartphone, unlike what had been done before, it created a whole new industry, this made the iPhone a leader in the smartphone industry and built their customers loyalty. The iPhone made their position in the market high up, and this is still shown this year within the first quarter they had 14.1% of the market share compared to Huawei with 10.5% or OPPO with 7.3%, they're ranked essentially second in the world, just coming up under Samsung's 20.5%. The customer knows that Apple has evolved what had first been a touch screen display phone, into what the iPhone is now, it's still the same in its simple design, the similarity and the growth of the product has allowed customers to trust the iPhone.

So, why are we "hooked on the look" when it comes to the iPhone? Well through Apples evolution of the iPhone, it's same sleek similar design it's created a sense of familiarity within us the customer. Through their advertisement and interaction with consumers, it's allowed the consumer to have a self-image and sense of worth in what is the iPhone. And through the companies competitive positioning as innovators, it's allowed people to trust in what is the iPhone. Simply Apple has evolved the iPhone, into a household name for many built on the levels of trust, worth and familiarity.

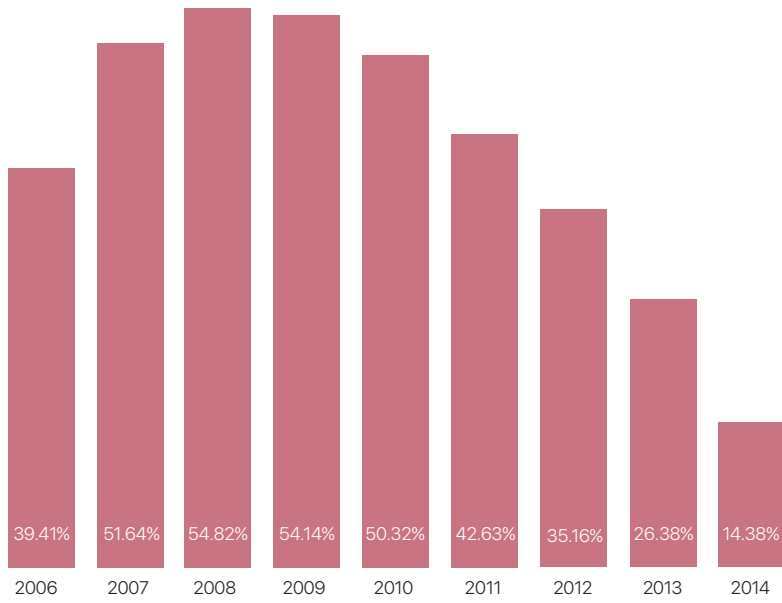


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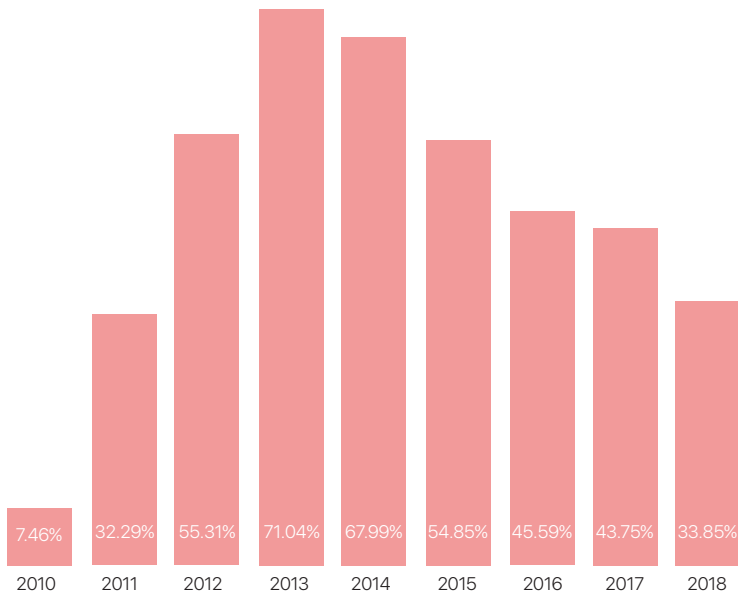
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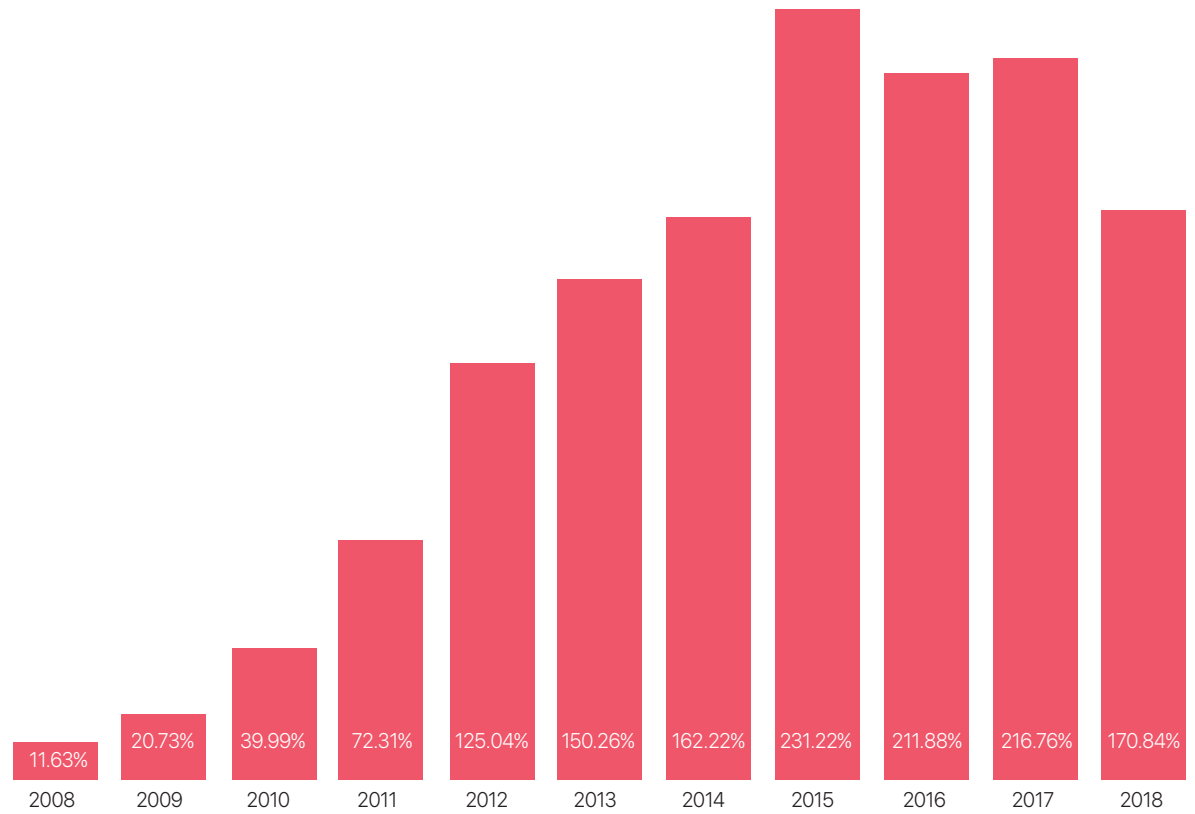
How **iPhone** sales compare to other Apple products (million units)



iPOD



iPAD



iPHONE

"Unleash a more powerful you"



PERCENTAGE OF SMARTPHONE SALES THAT ARE IPHONES

