

Dakota Hudson

Advertising Different

How does Apple spend less but manage
to outmatch their rivals?



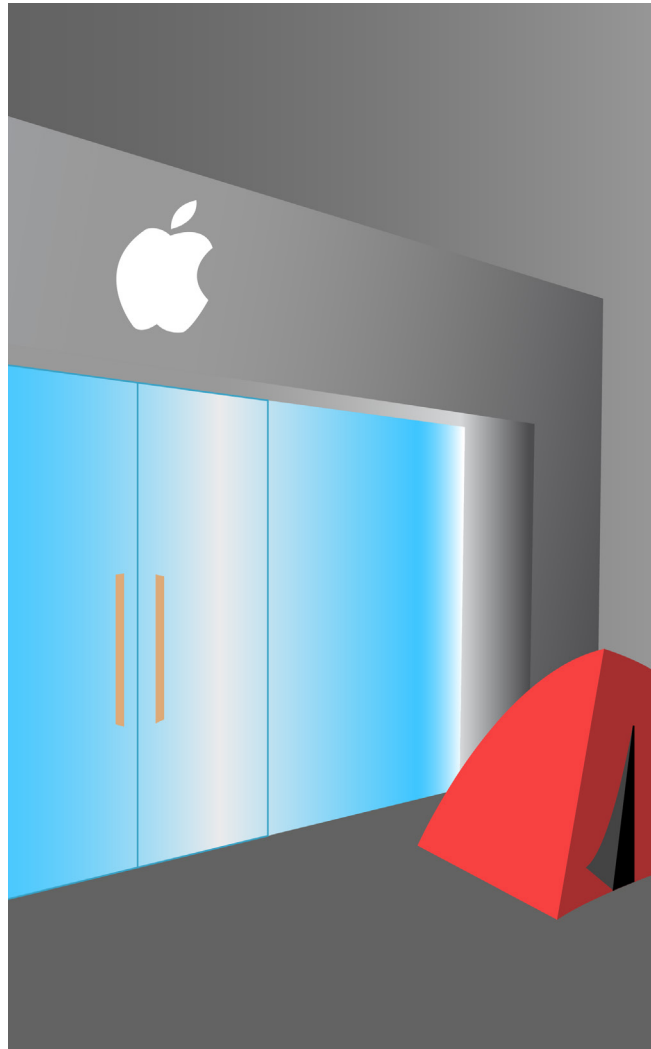
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Since the launch of the Apple iPhone in 2007, the traction of iPhone users only grew as the ball rolled, with the number of units sold smashing the previous years as the new models released. What was the cause for the growth every year? How is Apple's strategy for marketing smarter and superior than other companies?

When the iPhone first released, the first thing that stole people's attention was the unique, simplistic design. Though it didn't make nearly as much sales as it does nowadays. The iPhone wasn't advertised through the traditional means, of television and the Internet and was sold exclusively through limited means.

Apple for the first years of releasing their next versions of the iPhone had sold exclusively through their Apple store, having customers' lined up and camping outside their stores for days to be able to purchase one. This in itself was self-advertisement, as the News and Internet would cover stories about hundreds of customers queuing up for the latest iPhone model. You had probably seen this yourself.



In 2009, Apple decided to place more funding into advertising to keep their momentum going. Despite putting in more money, their spending was still substantially less than their major competitors; Microsoft and a couple years later; Samsung.

From 2010 onwards, Apple had formed a trust with their ever-growing consumers, with the early buzz of their product through media, appealing to their customers with a simplistic and efficient product.

The units of iPhones sold every year were increasing substantially from 2011 onwards. In 2013, iPhones had sold just over double than they had in 2011, which was their first major jump, going from 72.29 million units sold to 150.26 million units. With Apple managing to spend just under \$1 billion in advertising, in comparison to Microsoft and Samsung who at this point were spending over \$2 billion, and it only rising per year. This is proof that Apple's marketing scheme was on another level to the other competing companies.

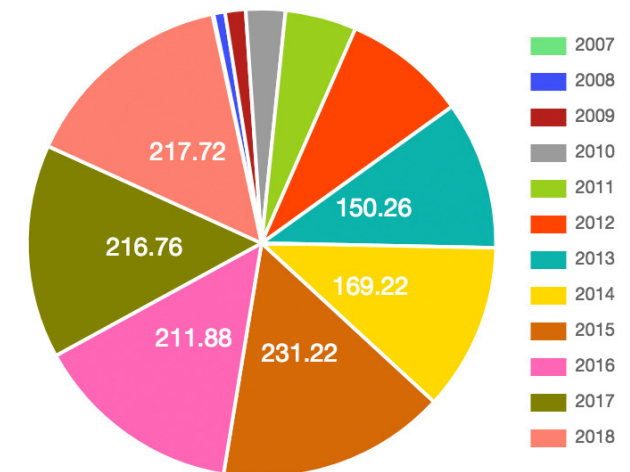
Over the releases of each iPhone generation, Apple had set up limited distribution through providers broadening their cheaper solution of advertising. With limited deals with selected distributors, they were basically paying Apple to sell their phones, leaving the advertisement of the phone up to the distributors, to get consumers buying from them. Ultimately saving Apple more money on advertising, and still getting the bulk of the customers going to their own storefronts. While Apple set up with limited distributors, they only supply the iPhones, while all official Apple accessories for iPhones are sold at their official storefronts.

Now Apple even advertises through product placement of TV shows and films, exposing it to millions of consumers around the globe. You will find Apple insert their products more into television and film more so than actually old school advertisement; showcasing their newest iPhone model in blockbuster films to reality TV like Keeping up with the Kardashians. Simply supplying celebrities making them their

own influencers for advertising their newest iPhones.

2015 marked the highest units sold ever for iPhone history currently, with only major advertisement done through the first showcase of the iPhone 6S and 6S Plus. Despite issues with the durability of the previous iPhone 6, Apple had still managed to increase sales the following year by around 60 million units, and explained in the showcase the development of stronger cases and vastly improved tech.

iPhone units sold per year (in millions)

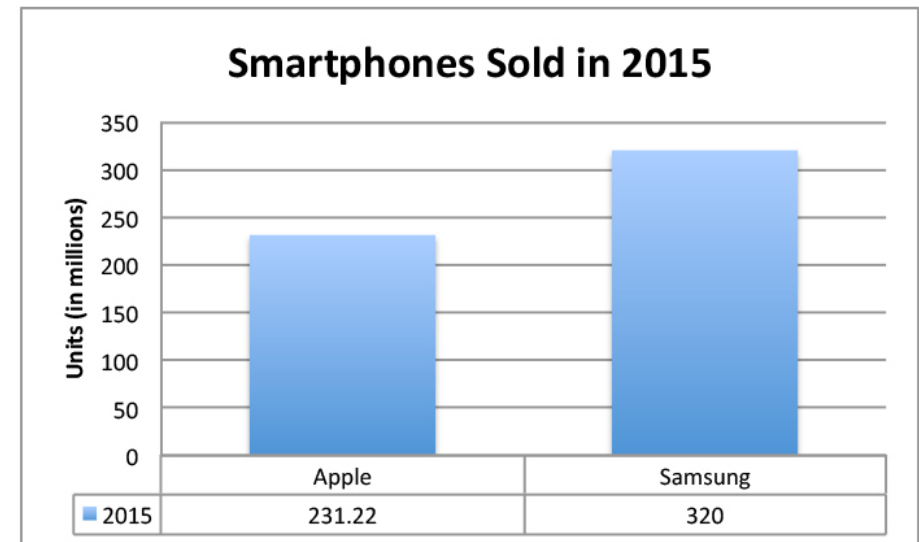
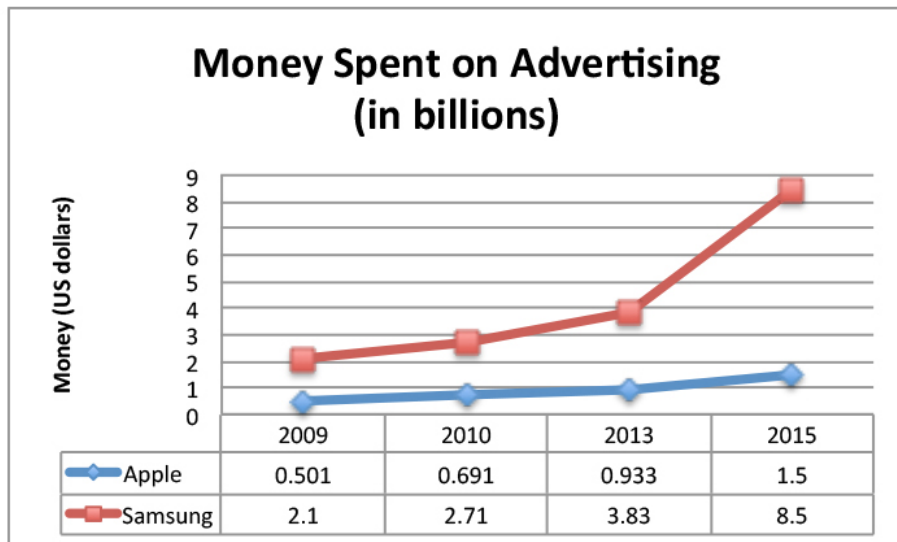


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2015 marked a high point in Smartphone sales, making it the focal point of the collected data.



Spending substantially less, Apple can still keep up with their competitors.