Czech University of Life Sciences

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Bachelor Thesis

Impact of Apple's Culture on Consumer Behavior

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Sergio Mauricio Soto Cueto

Economics Policy and Administration
Business Administration

Thesis title

Impact of Apple's Culture on Consumer Behaviour

Objectives of thesis

The main objective is to analyze and understand the effect of Apple's external and internal culture on consumers' behaviour, and how that is reflected on their success as a brand by analyzing their sales.

Methodology

This thesis is presented in two main parts: Theoretical and Practical.

The theoretical part is a summary of current thinking based on a review of current litereature.

The second part is to perform an internal analysis, and analyse campaigns and the brand image that Apple has built throughout the years.

The most appropriate research strategy will be based on both primary and secondary research methods. Data will be obtained by interview of Apple employees in the Czech republic, and surveys of Apple customers.

The main idea is to understand how the preparation, training, and employee well-being affects a brand's success.

The proposed extent of the thesis
40-60 pages

Keywords
Apple,Markeng,Adcampaigns,brand,culture,cult-markeng,Sales

Recommendedinformaonsources
KOTLER,P.–ARMSTRONG,G. *Principlesofmarkeng.* Harlow:Pearson,2012.ISBN978-0-273-75243-1.
KOTLER,P. *Markeng3.0:fromproductstocustomerstothehumanspirit.* ISBN978-0470598825.
StartwithWHY–SimonSinek
Vendelealamente,noalagente–JurgenKlaric

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Declaration

I hereby declare that I have worked and elaborated this final thesis titled "Impact of Apple's Culture on Consumer Behavior" entirely myself, along with the support and recommendations from my supervisor. This study was inspired by cited and referenced sources as well as practical research by my own.

Signature:

Sergio Mauricio Soto Cueto
23.03.2020

Acknowledgements

I would like to thank God first, for giving me the opportunity to experience of studying abroad and enlightening my path towards success. I would like to thank my mother and my grandfather who I admire the most and inspire me to be a better person. I would also like to thank all the people who helped me complete this thesis, particularly my inspiring supervisor Richard Selby Ph.D. for all the recommendations and support developing this thesis.

I believe I have learned great amount of useful information for my professional and entrepreneurial development.

Abstract:

The main purpose of this thesis is to understand what it takes to become influential in the mind of consumers by doing business as unusual. The intention is to understand how marketing strategies have changed during history for companies to stand out from the competition, with the objecting of emphasizing on the importance of creating a company culture.

These will be done by analyzing one of the most influential brands of all times, Apple Inc. In order to understand why Apple has been tremendously influential in the market. The way it is projected to reach the objectives of this thesis is by reviewing important marketing and organizational theories like the "Marketing Mix", "The Golden Circle", and "3i Model". As well as an internal and external research analysis of Apple in order to relate and match what consumers and Apple retails staff believes about the impact of Apple as a brand.

Key words: Marketing, Brand, Culture, Apple, Impact, Influential

Abstrakt:

Hlavním cílem této bakalářské práce je porozumět co je klíčové pro firmu s neobvyklou obchodní strategií, mít značný vliv na konečného spotřebitele. Účelem této práce je poskytnout ucelený přehled historie a vývoje marketingu, který je klíčový k vyčnívání před konkurencí. Zejména pro úspěch a budování kultury uvnitř moderní společnosti, která má za cíl uspět.

Tyto cíle byly dosaženy pomocí hluboké analýzy jedné z nejvlivnějších společností všech dob, Apple Inc. K dosažení cílů stanovené v této práci byla použita analýza klíčových marketingových strategií jako je například, ''Marketing Mix'', ''Teorie Zlatý Kruh'' a '' 3i Model''. K porozumění synergií mezi firmou Apple a její spotřebiteli, byl použit vnitřní a vnější rozbor firmy Apple. V závěru, tato práce poskytuje doporučení, která jsou klíčová pro udržitelný vliv a úspěch na trhu.

Klíčová slova: Marketing, Značka, Kultura, Apple, Dopad, Vliv

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1 Introduction to the thesis:

In such a fast-moving world, companies and brands today must adapt very quickly to changes in the market, which consist of economic, political and social problems. Not to mention many other factors that additionally affect the success of a brand. Many companies have a thorough fight day by day to become an influential brand or company that can cause an impact in the world. However, just few of them take a deep look and start from the inside-out. Most brands focus on other important areas, but they are not yet cracking the code to a loyal customer base and to sky rocketing sales which will give them the freedom to control and innovate in many areas of their industry.

Due today's globalized world it is necessary to recognize that each of us humans are brands, and therefore, we are a business who seeks expansion and growth in terms of influence. Whether we are students, formal or informal workers, professionals, perhaps diplomats or important public figures. The point being is that there is a need for self-expression and belonging. That is why people acquire products or perhaps support a cause, a movement or a team where they will fulfill certain needs, wants and demands. "All of us need to understand the importance of branding. We are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be head marketer for the brand called You"[1]. These and many other factors have changed the way brands market their products which means that this is crucial for a company's success.

With that being said, we need to understand that we are also emotional and social beings, that is the reason for the need to belong in a crew. It was found that there are many patterns in human behavior that trigger decision-making and affect the way consumers perceive influential brands. "The Sense of belonging" can be recognized in many actions in the day by day of our lives, for instance when someone is a fan of a football team, that person wears proudly the t-shirt and the colors of the team. The need to belong is beyond rationality (Sinek, p. 53). The point is that we are emotional beings with needs of social

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[1] Peters, T. (1997, August 31). The Brand Called You. *Fast Company*. Retrieved from https://www.fastcompany.com/90479646/why-every-brand-youve-ever-bought-something-from-is-sending-you-coronavirus-emails

expression. Therefore, that is something that triggers consumer behavior, and thus affect marketing strategies. Consumers naturally seek to belong to some type of movement or cult, there is a natural search for a "tribe".

In a competitive and challenging market, it is quite necessary to understand the concept of "commoditization" in order to stand out from the rest. We are all surrounded by "commodities", a term used un economics to label the basic and mainstream products, or perhaps raw material like water, rice, oil and many more. Back in time the main objective was to put a product available for the public to buy, but times have changed, not even differentiation is enough to secure success. Now, with the evolution of technologies the rate of "commoditization" is much higher than before, which means that many products, services and companies become simply commodities. In other words, they are not market disruptors but just another company that focuses on mass conversion instead of a loyal connection with the consumers, and as a result the brand becomes indispensable as the product or service scales up massively. However, that is not the case of some influential companies who focus on challenging the masses, by showing themselves as anything but a "commodity".

Brands need to realize that the market keeps evolving and consumers become smarter and more informed when buying a product. Most entrepreneurs plan a traditional marketing for their company where they focus on WHAT a company does, or in the best case on HOW they do things differently from others. However, a bright marketing strategy would start with a much more important focus, focusing on WHY they do what they do. In other words, to effectively communicate the mission and vision of a company in order to connect with the audience. Nevertheless, most companies struggle to identify and communicate the main vision and purpose of the organization. Entrepreneurs believe that it is simply matter of developing a product or a service that is available in the market and differs from the competitors in terms of HOW or WHAT the product or company does (Sinek, p.36).

Great electronic companies like Dell, Huawei, Samsung, Motorola not to mention others, deliver great products with many amazing features that differentiate from other brands. In fact, they are even considered technically much better than Apple. It was found through an intense research, patterns that helps understand why people decide to purchase Apple items

over other products. Therefore, the author has come up with a plan in order to reach the objective of mainly understanding the factors that affect a new or an ongoing brand, in order to create awareness of an appropriate marketing strategy of a brand. A deep analysis was conducted in order to find the patterns in consumer behavior when deciding on a brand. It is aimed to understand what every organization, company, or an individual should do in order to create and impact in today's world by focusing on delivering the best reflection of the internal vision, mission, beliefs and values through the products or services they provide.

This thesis emphasizes on understanding the importance of starting every brand and movement with a clear sense of purpose and vision connected with the mission of the organization. The author is looking to crack the code for a successful brand and an appropriate marketing strategy. The goal is to find what is it that makes Apple such a highly demanded brand, and why most of the times it is greatly preferred over other brands in spite of having less technical features and more expensive. Why do people decide to make a greater investment on an Apple device instead of other brands? How does Apple get loyal users? Perhaps, because Apple has successfully targeted their niche market? Or maybe they have a clear sense of the vision, mission, values and beliefs that is communicated through their designs? Would you or your brand like to be as influential as Apple is? Let's crack the code for having a clear path on the road to Brand Success.

2 Objectives and Methodology

2.1 Objectives

The main objective of this study is to address the main issues that brands and companies encounter in today's market on the journey to success. Moreover, understand the trends and patterns between consumers, as well as a deep analysis on how Apple markets its vision, mission and purpose. With the intention of elaborating a solution with a recommendation based on an investigation conducted on a global successful organization called Apple Inc. The author is quite intrigued by Apple's success and loyal customer base;

therefore, he has made a thorough study to gather considerable number of theoretical and practical factors that substantially affect a company's success. The intention to understand consumer behavior and learn from such an influential organization by analyzing the impact that Apple's has on smartphone buyers and discover patterns between Apple users.

This will be done by studying their culture, brand and marketing strategies, as well as their vision and mission statements by matching their marketing actions to theories proposed by Philip Kotler, Simon Sinek, Jurgen Klaric and others. Also, and their internal and external culture, to finally come up with a conclusion on why this brand causes such an impact in today's world.

This study will also look to understand the reasons and the criteria that consumers take into consideration when deciding to purchase or not to purchase a smartphone, more specifically an Apple product.

The author has planned to answer the following questions on the recommendation. These questions were formulated by the author in order to reach the goal set for this study. The main objective of answering these questions is to make easier for the reader to understand the author's purposes and objectives.

- Why are Apple users so loyal to the brand?
- What is the difference between a traditional brand and a culture brand?
- What are the main factors that affect decision making when purchasing or deciding for a brand?

In conclusion, the core of this thesis is to find patterns that make Apple such a unique and demanded brand. An emotional brand. The best example of consumer loyalty. What the author is trying to find is how to effectively communicate an organization's purpose and beliefs through marketing and branding, taking the example of Apple. Once patterns and factors are discovered, the author proposes a recommendation to the readers in order to solve the common problems that companies encounter when creating and managing a brand.

2.2 Methodology

2.2.1 Research methods

To fit the purpose of this study, and to get the most reliable results, the most appropriate research strategy would be using both, primary and secondary research methods.

As a primary method, in order to analyze the consumers' behavior, and the loyalty and rapport that Apple has built over the years with its customer base by successfully communicating their culture through their designs, interface, marketing campaigns and brand image. The author decided to conduct a questionnaire. It was done in two different languages due to the different demographic network of contacts that the author could reach. These questionnaires were conducted in both English and Spanish. However, the questionnaires had identical questions, with the main intention of having the questionnaires done as accurately as possible in order understand the effect of Apple in consumers from different demographics, traditions, cultures, upbringings and mainly different purchasing habits.

The author has also decided to run face-to-face interviews with certified Apple retail staff, as well as a personal analysis on different Apple shops to see how they are set up and displayed in order to discover patterns that match with consumer behavior and decision-making. But mainly to understand how Apple is managed internally in the retail shops in order to understand Apple's culture.

The center of interest of this study will be to discover patterns between Apple users and non-users. Patterns like age range, financial capabilities, career field, profession, utility of a device, peer pressure, and hobbies. Moreover, to understand how these patterns reflect what Apple objective is in term of purchasing habits and decision-making. Mainly, it will showcase the reasons why Apple has been so successful with its users.

Secondary research is a technique, which includes research and investigation of data that has been incorporated and accumulated by essential sources. It will be based on books published by marketing specialists and online scientific journals concerning

Apple, as well as academic papers, magazines and case studies regarding Apple' success.

2.2.2 Data

The author planned and conducted two online questionnaires about consumer behavior. These questionnaires were intended to gather data between Apple users and non-Apple users. These questionnaires were conducted in two different languages, in English and Spanish. The participants were people from all around the world, but mostly in the continents of Europe, South America, North/Central America, Asia, Australia, Africa.

2.2.3 Primary

Primary data is information gathered by the researcher in order to analyze. This is data that can be directly collected or gathered through questionnaires, interviews or even experiments conducted. The term "Primary" is mainly to be complemented and proved by the "Secondary". In this research, the primary data consists of a questionnaire conducted in English and in Spanish, which is directed to Apple and non-Apple smartphone users. It consists mostly on multiple choice questions as well as closed questions to qualify and confirm different factors. Certain questions were open due to the plan of understanding the reasons and patterns previously discussed in a more explicit sense.

2.2.4 Questionnaire, survey, interview

The questionnaire was conducted electronically, and it was spread throughout different social networks like; Facebook, WhatsApp, Instagram and LinkedIn in order to reach a vast amount of responses and participants.

The questionnaire consisted on different styles of questions in order to better understand the audience and get a more accurate understanding on their behavior and habits. It included multiple choice questions, open and closed questions to gather specific reasons and to confirm it respectively.

The questions conducted on the online questionnaire were sent in two different languages, due to the connections and audience that the author has in both languages and in different geographical locations in the world.

The main objective was to gather data about Apple consumers and non-consumers. Patterns like age range that Apple users tend to have and how that influences Apple's Marketing strategy. Since the questionnaire was sent out in different locations, the idea is to discover differences or similarities between Apple users and non-users in different parts of the world, and to see how traditions, cultures and upbringings influence in purchasing habits. Other important factors were also considered, factors like career field, financial capability and utility. Moreover, the interview conducted to Apple retail staff, was one crucial question in order to understand Apple's positioning from the internal perspective.

2.2.5 Secondary

"In secondary data analysis individuals who were not involved in the collection of the data analyze the data. Secondary data analysis may be based on the published data or it may be based on the original data."[2].

Secondary data in this research is to prove what the author has analyzed and discovered on the primary research. Many authors and researchers have focused on the effect of an appropriate marketing strategy and Apple's success on building an essential rapport and loyalty with their customer base.

In this case, the secondary data that the author decided to use was books, published papers, case studies, magazines. Books including the well-known marketing author Philip Kotler, as well as the speaker and author Simon Sinek who has based a great part of his research on personal and organizational development. Not to mention the marketing expert and author Jurgen Klaric who has published many books and articles about marketing and sales relating to human behavior. As well as academic papers relating to Apple's impact and success.

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[2] Church, R. M. (2002). The Effective Use of Secondary Data. *Learning and Motivation*, *33*(1), 32–45. http://doi.org/10.1006/lmot.2001.1098

2.3   Quantitative and Qualitative data

Quantitative data is mainly numerical data that can be analyzed. It can be expressed in a certain amount or range. Usually there are measuring meters per unit like, meters, grams. However, since the main focus in this investigation is to understand human consumer behavior, the quantitative data will come from consumers.

The source for the quantitative data as explained before was taken from the questionnaire conducted by the author. With custom question that will help get a better understanding of the factor that influence brand and marketing success.

Qualitative data is data which is not necessarily numerical and does not focus on quantities or amounts. Qualitative data is better explained as data that helps approximate and characterize data. Quantitative defines whereas qualitative data describes. In this research the quantitative data will help us define the trends and patterns between consumers, which will be better described by the qualitative data.

2.4   Reliability of data and study

The questionnaire and interviews were done completely anonymous, as the author decided that the population sampled would not feel comfortable giving personal information, rather they gave some great answers and characteristics as users to get feedback on the topic analyzed. Their answers were a great contribution to this research since the results helped define fixed trends in the market.

2.5   Data validation

There are numerous scientific papers and theories regarding Apple's success. Therefore, the reason for the secondary method is to validate the reliability of the primary data. As explained before the primary method will help define factors that will be proved and validated by the secondary method.

There were interviews conducted by the researcher. In order to be reliable, the other side of the coin needs to be understood as well. Staff working for apple on their retail stores were approached by the researcher for an interview. They were asked several questions regarding Apple's organizational environment, recruitment, hiring process, and training conducted. In addition to that, the author has approached to the Apple retail stores to analyzer the set up and display to better understand the relationship between Apple's vison and mission and the way they market their products and offices, in other words - the culture.

Part of this interview to Apple's retail store staff covered questions about consumers in order to validate part of the results of the questionnaire sent out only to consumers. As well as questions regarding the training and environment in their offices.

3   Framework of the Thesis.

Since the main purpose of this thesis is to analyze and understand marketing and consumer behavior in order to find a suitable strategy to market a brand, different standpoints and theories will be studied in order to support the research and reach the thesis' objectives.

The thesis is broken down in two sections; first a literature review to build a foundation in which the further research will be based. Then, to support the theories from the literature review, the results of the research conducted will be analyzed and explained in order to understand the concepts and to display how these are reflect Apple's impact on consumer behavior.

The first part reviews Apple's background in order to chronologically understand the company's success and consolidation in the market. This will explain different stages of Apple's development including how Apple was formed and what changes were made during different stages of the success that the company has created.

 It then displays the evolution of marketing strategies during the 20th and 21st century based on theories proposed by Philip Kotler from published books such as "Principles of

Marketing" and "Marketing 3.0". The idea is to review and understand how the market and consumer behavior has changed throughout history. It will describe the impact that Apple has caused and will contrast on how traditional companies market their brands and how "Cult-Brands" market the company by illustrating the results from the research in order to prove what many authors state regarding marketing success.

Part of this section will cover theories from Jerome McCarthy[3] (1960) and Lauterborn[4] (1990) like "The Four Ps of Marketing" and "The Four Cs of marketing". In short, The Four Ps is displayed on the "Marketing Mix"[5] where McCarthy stated that there are four essential pillars of marketing; Product, Positioning, Price and Promotion. On the other hand, Lauterborn proposed a different approach to the four Ps. Lauterborn stated that there is the four Cs of Marketing, where he classified different sections that will enable the company market in a more customer-oriented way. The four Cs consisted of; Consumer wants and needs, Cost, Convenience, Communication. Later, it will focus on another Kotler theory in regards of Brand Success. It will be based on the 3i Analysis on Apple. The author believes this theory will better display how Apple Inc. approaches to communicate their purpose and mission through their designs by enhancing their brand identity, image, and integrity.

It then explains the importance of having a mission vision when starting a company. It focuses on reviewing the benefits of effectively communicating the mission and vision of a movement, organization or company by building a Culture and perhaps become a "Cult-Brand". It displays different examples inspired by the author Jesper Kunde (2000), in order

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[3] Perreault, W. D., McCarthy, E. J., & Cannon, J. P. (2011). *Basic marketing: a global-managerial approach*. Boston: McGraw-Hill.

[4] Hanlon, A. (2015, February 2). The 4Cs Marketing Model. Retrieved from https://www.smartinsights.com/marketing-planning/marketing-models/4cs-

[5] Kotler, P., & Kartajaya, H. (2010). Future Model for Marketing 3.0. In I. Setiawan (Ed.), *Marketing 3.0*(pp. 25–28).

to contrast the results of discovering a company's culture which then is portrayed the concept of "Brand Heaven"[6].

Moreover, it concerns on analyzing how successful organizations, such as Apple, prioritize communicate differently through their design, culture and marketing. This will be explained by the theory of the Golden Circle which was proposed by Simon Sinek (2009). It will describe an alternative point of view on why some individuals and organizations get to create an impact in the world. It reviews the WHAT, HOW, and WHY of an organization, and why that dramatically influences success of a brand.

Later it covers Neuromarketing, a very innovative perspective to human behavior which results in a change in areas like marketing and sales. This theory was proposed by Jurgen Klaric, a Marketing Specialist with thorough investigation on human behavior and consumer habits. This section will focus on explaining the impact of neuroscience and human behavior on decision-making. It will display how different parts of the brain affect the decision to purchase process which results on a factor that affects a brand's success rate. With the idea of understanding how Apple Inc. approaches it's market and why they have been such an influential brand in the market. It then shows what the "Reptile Code" of Apple is in order to understand how apple strategically connects with consumers.

Finally, a research was conducted by the author in order to gather data to support the theories previously mentioned. Questionnaires were prepared in order to understand consumer behavior and the reason why Apple has been so influential during the past years. These questionnaires were both in English and Spanish. The idea is to match, relate and support the marketing and organizational theories proposed by marketing specialists. The main purpose is to develop a conclusion based on Apple I order to prepare a recommendation for companies.

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[6] Kunde, J. (2005). *Corporate religion: building a strong company through personality and corporate soul*. London: FT Prentice Hall.

3.1 Part 1: Apple

The reason the author has chosen Apple Inc. is due to the impact that Apple Inc. has caused in the market, and thus the author finds it intriguing on why Apple Inc. is such a Market Disruptor, successful and unique innovator, a "customer loyalty machine" due to its remarkable ability to gain new users and on top of that maintain a loyal customer base through their interface and software, as well as the way to connect with the target market. Apple strategy to success will be analyzed by theories proposed by Loizos Heracleous in Quantum Strategy, which is part of Organizational dynamics (2013).

3.2 Part 2: Evolution of Marketing Strategies

The market has been affected by many different factors such as wars, epidemies, weather catastrophes and many other uncontrollable factors. But what is amazing is that great organizations like Apple Inc., Facebook, Google, Amazon and many other market disruptors have the ability to have such a deep effect in the market. Not only in a quantitative sense of the word, but mostly in a qualitative way. This part of the thesis will focus on illustrating how marketing strategies have changed during the years in order to understand marketing's current standpoint and market disruptors at the moment based on theories proposed by marketing specialist and authors. This will be done by explaining theories from Philip Kotler due to his influence in marketing throughout time. The author believes that by focusing on Philip Kotler's theories Apple Inc. culture will be clearly understood and thus their approach to the market.

This section will illustrate how important is for a brand to follow theories suggested like "The Four Ps" and "The Four Cs" proposed by the Marketing Mix, which was reviewed by Kotler. The main intention of this part is to discover Apple's Four Ps and Four Cs based on a deep investigation and matching the theories proposed by experts in the field.

This part of the study will also focus on an analysis based on a theory from Philip Kotler on the evolution of Marketing. The 3i theory stated that there were three crucial areas to focus in order to brand a company successfully. The 3i proposed a focus on three important areas of a brand; identity, image, and integrity. These three areas of a brand, according to Kotler, will be essential to build a loyal customer base which will then reward

the brand with a great control of the niche market. These will result in a success in Brand, Positioning, and differentiation of the product or company. Kotler has been influential in the search of Marketing understanding and crucial to marketing research and development. Therefore, this theory will best illustrate how Apple has successfully aligned their 3i and as a result of that achieved such a high acceptance rate in the market.

3.3 Part 3: Culture

This section will explain what the meaning of culture in business terms is. It will also analyze the importance of creating a culture brand through marketing by effectively communicating the company's vision and mission through the designs, service, features, and positioning.

It will then explain how the culture of a brand along with cult-like marketing are essential when creating a loyal customer base and to be seen in a unique perspective in the market, in other words, to lead not to follow. It will cover what "Brand Heaven" is and it will illustrate this through Apple's example.

In order to understand Apple internal culture, interviews with Apple employees will be analyzed with the intention to support the theories regarding the effect of culture in an organization.

3.4 Part 4: The Golden Circle

The Golden Circle is a theory inspired in the Golder Ratio. Simon Sinek proposed the Golden Circle theory to better understand the reasons why some organizations are considerably more influential than others. It will contribute to the search of solutions in order to create a meaningful relationship between customer and brand, based on a culture that has to be understood within in order to be transmitted and communicated through designs, sales process, services provided and the company culture overall.

The reason the author has decided to focus on this theory is due to the fact that Simon Sinek also focuses on Apple's success. Therefore, it is clearly displayed, and it will be

understood effortlessly. The Golden Circle can be applied in an individual as well as in organization. It will break down 3 dimensions of the Golden Circle; WHAT, HOW, WHY in order to understand what is that Apple prioritize when communicating to the audience through designs, releases and branding in general.

3.5 Part 5: Neuromarketing

Neuromarketing is an alternative perspective to Marketing, as well as a different strategy to approach the market. It also facilitates the selling process and customer loyalty. It was discovered through neuroscience that human behavior and brain activity affects decision-making and thus the success and reputation of a brand. This section focuses on theories proposed by Jurgen Klaric, who is a Marketing Author quite concerned on consumer behavior. It will break down how the brain works on decision making, furthermore it will contribute to the objective of understanding the effect of Apple Inc. culture in consumer behavior. The main objective of this part is to understand and create awareness of what a brand ought to do in order to become influential and disruptor on an industry.

It will also cover an analysis on Apple's culture and marketing strategy to better understand what Apple's main focus is when approaching the market. This analysis will eb based on a theory from Klaric where he explains how the reptile brain works and recommends a "reptile code" in order to understand and match it with an organization's characteristics.

3.6 Part 6: Research Findings

The objective of this section is to relate and match the theories proposed by the authors in the literature review in order to better explain the impact of Apple in consumer behavior, with a result of a change in the evolution of marketing strategies.

The research consists of a set of questions aimed to a random population sample, with the objective to gather data about consumers. It included open and closed questions, as well as multiple choice questions.

The main intention is to support theories like "The Four Cs", "3i Model", "The Golden Circle" and also "The Reptile Code". All of these theories and models will be applied to Apple's strategy and supported by the results obtained in order to prove what the authors have stated.

4   Apple Inc. Background

Nowadays, Apple is one of the most popular organizations on the planet. Apple ranked top in the Top 100 as one of the most influential brands worldwide[7] ("BrandZ Top 100" 2012) and at the same time they have been recognized as number one on Forbes' as one of the most impressive brands (Badenhausen 2012). This part focuses on Apple's background and progress which can be broken down into four stages: establishment and early years, Steve Jobs leaves, Steve Jobs returns, and Apple after Jobs' passing.

The first stage focuses between the years 1976 to 1985; starting from the establishment of Apple to the year Steve Jobs left the organization. Macintosh was first founded by Steve Jobs and his school friend Steve Wozniak in Jobs' folks' carport in Silicon Valley (Robertson 2011). In 1979, during a visit to the Xerox Palo Alto Research Center, Jobs had the idea of controlling PC programs by utilizing a mouse. Up to that point it had been important to utilize composed directions. Starting here, Apple concentrated on reevaluating previously existing items and making them easy to use for the individuals who would not like to learn PC programming.

In the end, deals eased back and Apple lost pieces of the overall industry to Microsoft. What happened was that Apple demanded making its own PCs while Microsoft authorized its items to other PC producers. As a result of this, programs were mainly produced for Windows first and maybe after for Mac. Resulting on a decrease on Apple's stock value, and

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[7] Sørensen, L. S. (2013). Retrieved from
https://projekter.aau.dk/projekter/files/76950690/How_to_Grow_an_Apple.pdf

tension between the CEO, John Sculley, and Steve Jobs broke out. Most part of the board agreed with Sculley, resulting on Jobs leaving Apple in 1985 (Robertson 2011).

Stage 2 begins after Jobs leaves Apple and up until 1996, there isn't a many document that represent Apple's improvement. The reasons were that the organization kept on losing pieces of the overall industry to PCs utilizing Windows.

In December 1996 Apple took over NeXT, the organization started by Steve Jobs after he left Apple in 1985. After eight months the CEO, Amelio was removed, and Jobs climbed up and became the boss.

With the arrival of Steve Jobs, stage 3 in Apple's history starts. It was not until January 2000 that Steve Jobs was reported as the new CEO. At that point he had just replaced four of five top administrators with previous NeXT employees, cut the item exhibit down to just a couple of frameworks with center around the buyer showcase, and made the organization productive.

During the 2000s Apple started to become what it is today. It began with the launch of the iPod in 2001, where Steve Jobs shocked the world once again, and "over the following 10 years, its white headphones and thumb-dial control appeared to turn out to be more universal than the wristwatch". In 2007, the iPhone was propelled. It was met with distrust, however by December 2010 Apple was a power in the cell phone industry with 92 million iPhones sold. The iPad came three years after the fact in 2010 (Kane and Fowler 2011).

After Jobs passing, Tim Cook has been doing a good work in control of Apple. Even though Steve Jobs was publicly influential and perhaps the face of Apple, Apple still keeps the authenticity Jobs once planned. Until now Apple keeps being the most influential electronics brand in the market, they dictate the tempo and disrupt the market with new innovations and designs.

4.1 CEO and Leaders

When it comes to the Founders, Leaders and CEOs most if not all of them need to be mentioned. Firstly, Steven G Wozniak, who was born in August 11th of 1950 in San Jose,

California in the United States. He grew up in an environment of engineers, therefore, he grew an interest about electronics and technology. He joined a computer club when he was young. This was a group of young people who were focused on creating software and constructing computers. Wozniak went to the University of California at Berkeley where he met Steve Jobs through friends in common. Later, these two individuals would become partners when created and launched the Apple computer in April 1st of 1976. They distributed the roles in order to be more efficient; Jobs was in charge of the marketing while Wozniak overlooked the invention of the products. However, Wozniak will then leave Apple Inc. in 1985.

Ronald G. Wayne was born on the 17th of May 1934 in Cleveland, Ohio. He is an artist and inventor who graduated from the School of Industrial Arts in New York City in 1953. He worked and developed a career in the electro-mechanical engineering and product development[8]. During the 1970s he met Steve Jobs and developed an interesting friendship with him. This led to Wozniak, Jobs and Wayne with the creation of Apple Computer Inc. In addition, Wayne is also an illustrator, writer, researcher. He now enjoys a semi-retirement in Nevada. Wayne was in charge of overseeing the administration and documentation of the company.

Steven Paul Jobs was born on February 24, 1955 in San Francisco, California. Abdulfattah Jandali and Joanne Schieble his biological parents gave him up for adoption to Clara and Paul Jobs. Due the South of Bay Area becoming Silicon Valley in the early 1950s, Jobs grew up in this environment of engineers and his interest in technology would only keep growing[9]. At 14, Jobs met Steve Wozniak. When it was time for Jobs to head to college, he decided to go to Reeds College in Oregon. However, things didn't turn out as planned. He was there for only 1 semester. At the time Steve was more interested in philosophy, fruitarian diets and LSD. He moved to a hippie community cultivating Apple's. Later, he

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[8] Bellis, M. (2019, July 3). Biography of Steve Jobs, Co-Founder of Apple Computers. Retrieved March 23, 2020, from https://www.thoughtco.com/steve-jobs-biography-1991928

[9] Bellis, M. (2019, July 3). Biography of Steve Jobs, Co-Founder of Apple Computers. Retrieved March 23, 2020, from https://www.thoughtco.com/steve-jobs-biography-1991928

returned to California where he got a job at a video game maker Atari. Jobs started taking interest in Wozniak ideas and interests for electronics. Apple Computer was born on April 1st, 1976. At first, they sold their computers to independent computer dealers in the area. However, for their next product Apple II, Wozniak and Jobs knew it had big potential and could be worth a lot of money. Therefore, Jobs started to long for venture capital which was later granted by Mike Markkula former Intel executive who invested $250,000, January 1977.

Apple II was a success and made the founders of Apple millionaires. Sales increased with the introduction of VisiCalc. On January 24th, 1984 after a failed project on 'Lisa' Jobs decided to introduce his new prototype called 'Macintosh' sales skyrocketed but only lasted for a short period of time. Jobs behavior towards this created tension between him and his then CEO John Sculley. Sculley reorganized the company with permission of the board of directors and left Steve out. In 1986 Jobs bought a small group of computer scientists and called it Pixar. The founders of Pixar, Ed Catmull and Alvy Ray Smith had a vision of making films using computer animation only[10]. In 1991, Disney signed with Pixar for making a full-feature computer-animated movie. He created Toy Story and he planned on making Pixar go public the week following the release of the movie. In 1998, Jobs introduced his first great product for Apple called the 'iMac'. January 2000, he became CEO of the company, also, announced Mac OS X would be used derived from the next step. October 2001, he introduced the 'iPod' which was another hit. During this he realized that Apple could benefited more if there was a legal way to download the music, he went to record labels to create deals that would be the start of iTunes Music Store in 2003. In 2007, the 'iPhone' was introduced. Jobs resigned as CEO in 2011 due to health conditions. August 24th, 2011 Jobs died.

 Tim Donald Cook was born in Mobile, Alabama, November 1st, 1960. He went to Alabama's Auburn University in 1982 and got a degree in industrial engineering. After graduating Cook got a job at IBM's personal computer system during this time, Cook got a

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[10] Bellis, M. (2019, July 3). Biography of Steve Jobs, Co-Founder of Apple Computers. Retrieved March 23, 2020, from https://www.thoughtco.com/steve-jobs-biography-1991928

master's degree in business administration from Duke University in 1988. In 1998, Steve Jobs asked Cook to join Apple as a Senior Vice President for worldwide operations. After Jobs resigned due to health conditions Tim Cook was named the new CEO, a role in which he continues till this day.

4.2 "Quantum Strategy at Apple Inc"

Apple has been able to achieve a 'Quantum Strategy' by being able to balance its intense efficiency in operations yet with outstanding serial innovation and addictive product design. "Quantum Strategies include aiming for strategic alignment, focus, simplicity, synergies, difference, and systemic, mutually reinforcing interconnections"[11].

According to what Loizos Heracleous said in Organizational Dynamics, Apple has aimed to strategically align within the company's products and designs, in order to connect with what the niche market not only wants and needs, but also what represents them and where they want to belong, what type of cult they want to follow.

Furthermore, one of Apple's main characteristics is the narrow focus which they apply in terms of diversity of products and designs. Apple focuses mainly in few products; these products have also narrow focus in terms of features and performance. They focus on few things in order to excel in those.

"We are the most focused company that I know of or have read of or have any knowledge of. We say no to good ideas every day. We say no to great ideas in order to keep the amount of things we focus on very small in number so that we can put enormous energy behind the ones we do choose. The table each of you are sitting at today, you could probably put every product on it that Apple makes, yet Apple's revenue last year was $40 billion"[12].

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[11] Heracleous, L. (2013). Quantum Strategy at Apple Inc. *Organizational Dynamics*, *42*(2), 92–99. http://doi.org/10.1016/j.orgdyn.2013.03.002

[12] Frommer, D. (2010, February 23). Apple COO Tim Cook: 'We Have No Interest In Being In The TV Market'. Retrieved March 23, 2020, from https://www.businessinsider.com/live-apple-coo-tim-cook-at-the-goldman-tech-conference-2010-2

Also, the simplicity of its products and design support the fact that Apple focuses on few characteristics when designing and producing their items. Additionally, Apple has a minimalistic style of designing their physical stores and offices, which agrees with what Loizos Heracleous proposed.

Moreover, according to Heracleous[13], Apple's success is also a result of their ability to differentiate from the competition. Apple's intention to differ from the competition has led to new levels of branding standards. As previously mentioned, characteristics like strategic alignment, focus, simplicity, difference and synergies, make Apple different and unique, it can be said that Apple is not competing with the other brands, while other brands are constantly competing to see who is more innovative and technically better. Apple has the uniqueness of interconnecting an ecosystem between Apple products and as a result of that create a sense of "Apple Lifestyle". It is definitely possible to connect between electronic goods from other brands, but it is not the same as it doesn't deliver the same benefits.

Apple has become one of the most valuable companies in the world. With great profit margins, for example in 2012 they had a net margin of 26.7 percent. Apple's revenues have even gone up to the trillion dollars until now. The "Quantum Strategy" explains the strategy that Apple used to approach the market.

4.2.1 Exceptional innovation & design

"Differentiation is what makes the product or service different, some features" (Kotler 2010). It is known that Apple has a different interface, software, and many different features than other brands out there in the market. In fact, that is also what makes it unique. Imagine having the chance to synchronize your iWatch with your iPhone and your MacBook at the same time, not to mention the Airpods to listen to music. Apple is known as a market disruptor, the have completely changed the game. The have won several innovation & design awards.

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[13] Heracleous, L. (2013). Quantum Strategy at Apple Inc. *Organizational Dynamics*, *42*(2), 92–99. http://doi.org/10.1016/j.orgdyn.2013.03.002

It was also found that Apple has gained a huge Ability to command premium prices and achieve exceptional profit margins and revenue growth. Even when some of the other products may have better features than Apple products[14]. But Apple has developed a very loyal relationship with the user, they are not just customers, they are users.

4.2.2 Apple Differentiation

It is widely known that the branding-image of Apple is thanks to the maverick creativity of its founders and leaders. Apple is also used to invest in Apple stores, the author found out that every Apple certified store had to be strategically located. It was found that they need to be in high profile locations and highly crowded but secured places. It is also known about Steve Jobs. He was a perfectionist and a very demanding leader. (Loizos Heracleous, Organizational Dynamics (2013) 93)

Apple is also different because of the brands approach to people. They have their own people strategy where they have a little more space to think outside of the box. It is enough to say that they focus on hiring the best people and inspiring them in order to reach a full potential. Apple is known for being a cult-brand, where mainly Apple users work, people that connect with the brand already because they are already users.

"Apple is different because it is not just another company, it is more like a social movement"[15].

Based on many studies and interviews out online, the researcher found out that Apple's environment is very collaborative. The author found out that this company focuses on investing on innovation and have a very open-minded approach.

Apple has definitely gained market presence through clever marketing (Heracleous 2013), unique branding, supported by completely new and different products, which they used to

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[14] Heracleous, L. (2013). Quantum Strategy at Apple Inc. *Organizational Dynamics*, *42*(2), 92–99. http://doi.org/10.1016/j.orgdyn.2013.03.002

[15] Sinek, S. Start with Why, but know How. In *Start with Why*(pp. 133–153).

develop a cult-brand. The author has found that Apple has so much healthy control on the customer experience, and more importantly Apple has the power to create barriers for competitors by building such an important rapport with Apple users. Additionally, Apple has built barriers to exit for customers through developing a whole interface which only works between Apple products.

Not to mention AppleCare. AppleCare has built intense rapport between the brand, Apple users and even challenged the new user to dare and try any Apple product without being afraid to permanently damaging it. AppleCare consists on a protection for your Apple products. Similar to an insurance, the user pays a premium and if anything happens to the device, you can get it easily fixed or a new one. It all depends on the type of plan that you decide to pay for the premium. For example, "For the new iPhone XS and XS Max, AppleCare with theft and loss protection is $299 for two years of coverage, $100 more than the company's standard extended warranty plan that protects phones from accidental damage and defects "[16].

Moreover, the author found out on the "Quantum Strategy", that another important factor of Apple's success is the efficiency of their devices. "Tim Cook rationalized the houses for finished products, the reduced the numbers of suppliers from 100 to only 24, and to these he asked them to set up near Apple's facilities this way they components could be delivered just in time and would reduce the transport/manufacturing time." In other words, what Tim Cook intended was to standardize the manufacturing process, try to minimize the margin of error between products by reducing the amounts of suppliers.

Another main characteristic from this great company is that they mostly focused on one thing at the time, one product at the time. As Jobs said (1997), "These projects had to have the POTENTIAL to deliver ground-breaking products." Apple only had 1 type of phone in which they keep developing and innovating. With the goal of it coming out with newer

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[16] Tyko, K. (2018, September 24). Apple offering AppleCare monthly plans for new iPhones along with theft and loss option. Retrieved March 23, 2020, from https://www.usatoday.com/story/tech/2018/09/17/apple-offering-monthly-applecare-iphone-theft-and-loss-protection/1285279002/

versions of this same model to differ from Samsung, Nokia, who had many models and options of the same phone and none of them could be updated into new versions.

It was found that what makes Apple products so unique is also the simplicity of its designs and features on their interface, and additionally the software that come with the products. Most of the products are released on a limited quantity, and they are also streamlined on a limited basis. Apple's main objective is to control the supply and therefore the demand of such a brand. Not only the number of items is limited, the apps and software updates that Apple uses is also limited. There are many options that only Apple users can enjoy.

"In most people's vocabularies, design means veneer. It's interior decorating. It's the fabric of the curtains and the sofa. But to me, nothing could be further from the meaning of design. Design is the fundamental soul of a man-made creation that ends up expressing itself in successive outer layers of the product or service."[17] - (Jobs 2000)

Apple is aligned with their customer base needs and wants. People understand what Apple communicates and therefore they ought to join the Apple culture. This rapport has developed flexibility to also adapt by innovating. Yet, at the same time decreasing its cost with the simplicity of its design.

Apple's own organization design is flat, and bureaucracy is eschewed. (Heracleous) Apple focuses on retaining control of the functions that really matter for the quality (design & innovation), while they decide to outsource a large percentage of the functions that can be provided by others more efficiently (manufacturing).

Quantum strategy has enabled Apple to achieve super-normal profits in hyper-competitive industries with thin margins. (Heracleous 2013) It has given Apple the freedom to control many aspects of a brand, and at the same time they are free to innovate.

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[17] Shedd, C. (2008, May 5). Design is the fundamental soul of a man-made creation. Retrieved March 23, 2020, from http://www.inspireux.com/2008/05/05/design-is-the-fundamental-soul-of-a-human-made-creation/

5 Evolution of Marketing Strategies

As years passed by, marketing has developed in many different perspectives and areas in order to adapt to changes in world's evolution. As Kotler explained in the different publications he made like: Marketing 1.0, Marketing 2.0 and then Marketing 3.0. It was found that most companies nowadays execute Marketing 1.0 or perhaps Marketing 2.0. Only few successful companies practice the next stage of marketing which is Marketing 3.0 according to Philip Kotler (2010, 3).

Kotler proposes that back in the industrial age, when innovations were focused on industrial machinery – Marketing was about selling the company's outputs as products available in the market to whoever it would need them. [18]According to Kotler products were fairly similar with basic features, with the objective of satisfying a mass market. The main intention of companies back then was to standardize the product in order to expand enough to lower costs of production and administration, with the objective of price the products in a lower price. This was done thinking on being competitive in terms of price, since the products were fairly basic.

Moreover, market kept changing, which meant that consumer became choosier in terms of the output consumers will get from the good or service. Eventually, Kotler stated that today's consumers are more knowledgeable of the market. Kotler insisted that this was due to the information age, where the core was information technology. It was found that Philip Kotler's solution to this was that marketers needed to focus more on producing a high-quality product with superior features that will differ them from the competition. Kotler said, "Consumers are better off when needs and wants are well addressed" (2010). The main objective of Marketing 2.0 according to P. Kotler was that the product or service gets to the mind and heart of the consumer.

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[18] Kotler, P. (2010). *Marketing 3.0: from products to customers to the human*. New York: Wiley.

Finally, the era of value-driven marketing started developing according to Kotler[19]. According to this theory, companies ought to treat people as whole human beings instead of just clients who purchase from you. Instead, Kotler proposed that marketers and brands should approach to people's spirit and soul, along with the heart and mind. Since customers are looking for solutions to their pain-points and demands, companies should better understand them in order to connect and build a deeper relationship with the clientele.
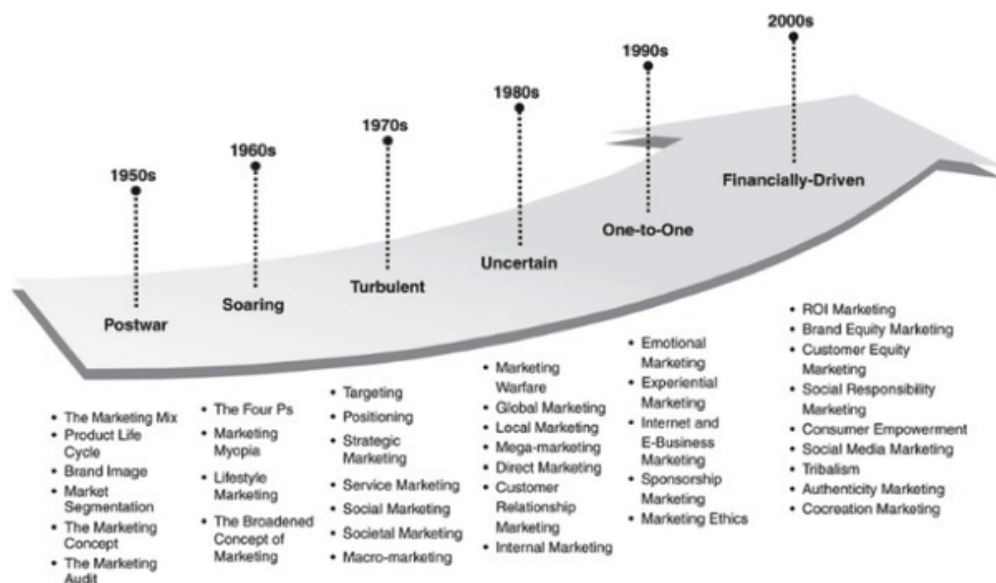

Figure 1

Source: Kotler (2010, p. 28)

As seen on figure above there were many factors that drove the market in different directions. For instance, Marketing 1.0 and 2.0 would mainly focus on The Four Ps. However, it was also found that Apple is far ahead on this scale of development that Kotler proposed to illustrate marketing evolution. And has successfully contributed towards market research and findings.

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[19] Kotler, P. (2010). *Marketing 3.0: from products to customers to the human*. New York: Wiley.

5.1 Marketing mix

Kotler examined the comprehensive showcasing idea in which joined all partners identified with marketing. They separate all-encompassing marketing into four sub-issues: Internal communication of the values and visions, socially dependable marketing, relationship showcasing and incorporated marketing[20].

These sub-issues are installed in the marketing data framework (MIS) where the spotlight isn't just on correspondence from organization to client, yet in addition on the correspondence stream from the client to the organization, and inside the organization[21]. The MIS is comprised of individuals, instruments and procedures with the target to sort out and circulate the data stream for marketing choices in an organization.

Internal communication is tied in with guaranteeing that everybody in the organization, especially senior executives, support and work as indicated by the important marketing standards and mainly the culture and values of the organization. Internal communication is reflected on sales, this shows the significance of the coordinated effort between the two capacities with one another yet additionally with different offices (Kotler and Keller 2006, 20). It is crucial to understand the significance of the board's mentality towards supporting the connection among marketing and sales.

Socially mindful marketing fuses social and moral contemplations in the comprehensive marketing idea it was found that this can be clearly reflected in Apple's example. When someone pictures an Apple user, it is most of the times young, with some creative interests and more of a free soul. Another piece of the all-encompassing showcasing idea is relationship marketing, which is characterized as "having rich, multi-faceted organizations with clients, channel individuals and other marketing accomplices" (Kotler et al. 2007, 24). While prior errands of offers were characterized as basically to sell an item, the directional change today is towards relationship showcasing as one of the key components inside the

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[20] Kotler, P., Keller, K. L., & Scott, W. G. (2007). *Marketing management*. New Jersey: Prentice-Hall International.

[21] Academy of Marketing Science. (1973). *Journal of the Academy of Marketing Science*, *2*(4), 553–566. http://doi.org/10.1177/009207037300100201

business work so as to produce sales. (Kotler et al. 2007, 794). At long last, incorporated showcasing as a major aspect of the comprehensive marketing idea centers around marketing apparatuses and exercises with the goal to guarantee that all instruments and exercises are adjusted and carry ideal leader to the client.

Apple has shown an amazing ability to building a relationship or better call the rapport with their users. When the internal communication is clear, it can also be showcased or broadcasted to the public, so people that feel aligned with the set of beliefs the organization has, then they will definitely join. One customary portrayal of marketing exercises in an incorporated marketing idea is as far as the showcasing blend, which has been characterized as the solution of marketing devices or components the firm uses to seek after its showcasing destinations.

5.2 The Four Ps

McCarthy (1960) has suggested that marketing of a product should contain four important elements, which he called the 4Ps of showcasing: product, price, place, promotion. This is called "marketing mix", which is a tactical strategy that consists on connecting crucial elements of marketing[22].

- Product: focuses on the device or product itself which means a focus on its attributes like pack size, design, software, technical features, quality and so forth.

- Price: focuses on the actual monetary price and it is resolved together with the evaluating procedure covering manufacturing costs, administrative costs and so on.

- Place: focuses on the circulation of the item (Kotler 2007, 25). How it is going to be offered, the store or location where consumers can buy the product or service. This is a reflection of Marketing 1.0 and 2.0 according to Kotler.

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[22] Perreault, W. D., McCarthy, E. J., & Cannon, J. P. (2011). *Basic marketing: a global-managerial approach*. Boston: McGraw-Hill.

- Promotion: focuses on the communication of the product to the audience. It is based on how it will be marketed or promoted to the audience. It can be done by just putting it on a shelf on a supermarket, or perhaps creating a very interesting marketing campaign through sales funnels.

As indicated by Kotler (2007, 20) selling is only one piece of marketing exercises[23]. To have the option to utilize the promotion instruments adequately it is essential to interpret the organization's general methodology into a marketing system; the marketing devices ought not exclusively be utilized present moment on an operational level, yet additionally on a long-haul premise. The way to tending to these issues is having great channels of correspondence and data identified with changes in the conduct of shoppers and contenders (Borden 1984, 11). This is the place showcasing and sales coordinated effort may have a major impact.

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[23] Kotler, P., Keller, K. L., & Scott, W. G. (2007). *Marketing management*. New Jersey: Prentice-Hall International.

Figure 2

Source: Kotler (2008, 7)

5.3 The Four Cs

However, a customer centered strategy focuses more on understanding the consumer, in order to connect and build a relationship with them. The main intention is to connect and not just to sell. The focus is not only to convert but also to maintain.

The Four Cs is broken down in similar sections as The Four Ps, with certain essential differences. It focuses on; Cost to customer, Communication, Customer needs and wants,

and Convenience. According to Lauterborn (1990), this is a more consumer-oriented strategy that attempts to optimize the mass marketing or niche marketing strategy.[24]

- <u>Cost to consumer</u> represents what is the real cost to the consumer. When a customer purchases an item, it does not only represent a monetary cost, it also represents energy spent by the consumer, as well as what is the total benefit of purchasing such item. Ideally, the product or service should be beneficial in the long run as well as deliver extrinsic and intrinsic reward by investing in that purchase.

- <u>Communication</u> focuses on the promotion of a product or a service. It focuses on how a marketer should approach the niche, per se; marketing campaigns, advertisement, launches. Apple has had many iconic launches starting by the ones led by Steve Jobs. The main objective of Apple Inc. is to communicate the premium quality that their products have, in addition to the Apple lifestyle they have created with their interface and their designs. Apple does not communicate through social media like small businesses, there are standards in which a "Premium Company" should stand by. For instance, Ferrari or Rolls Royce don't interact much through social media. Apple would be the "Rolls Royce" of electronics.

- <u>Customer needs and wants:</u> As consumers became more informed about products available in the market and new innovations, they become more demanding. Therefore, companies have the necessity to connect more personally with the niche in order to fully understand their needs and wants. Now, we are witnessing a different way to market a brand. Instead of approaching just as simple customers, companies should see them as whole human beings.[25] (Kotler 2010)

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[24] Hanlon, A. (2015, February 2). The 4Cs Marketing Model. Retrieved from https://www.smartinsights.com/marketing-planning/marketing-models/4cs-

[25] Kartajaya, H., Setiawan, I., & Kotler, P. (2010). *Marketing 3.0: From Products to Customers to the Human Spirit*. Wiley.

- ▪ <u>Convenience:</u> Convenience comes into place to replace the location or "place" element of the Four Ps. Convenience is better explained as the simplicity on the purchase process. For instance, if a product is very good but the process of physically getting it is not very well thought, then the total value decreases. Therefore, companies should think on the convenience when marketing their products[26].

In conclusion, The Four Cs is a more innovative perspective to the four Ps of marketing according to McCarthy (1990). As previously mentioned, it is a more consumer-based strategy, focusing on what the consumer needs and requires. The objective is to minimize the efforts for the consumer to buy the product, with the intention of increasing the benefit over the cost.

5.4 The 3i Model

According to Stephen Covey (1989)[27], a whole human has four basic components: a physical body, a mind capable of independent thought and analysis, a heart that can feel emotions, and a spirit, which is your spiritual center. (Future model of marketing).

Kotler explains that it all started with the book Positioning. It argues ideas about products must be positioned meaningfully in the target market's head (Al Ries and Trouts)[28]. However, market has changed and the way to approach has evolved. Brands then started to realize the importance of the emotional part of the human being, the consumer. Many books have described the idea of emotional marketing. "Apple's creative imagination is the emotional marketing put in practice." (Kotler).

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[26] Hanlon, A. (2015, February 2). The 4Cs Marketing Model. Retrieved from https://www.smartinsights.com/marketing-planning/marketing-models/4cs-

[27] Kartajaya, H., Setiawan, I., & Kotler, P. (2010). *Marketing 3.0: From Products to Customers to the Human Spirit*. Wiley.

[28] Kartajaya, H., Setiawan, I., & Kotler, P. (2010). *Marketing 3.0: From Products to Customers to the Human Spirit*. Wiley.

Kotler insists that the brand needs to approach even deeper, to the spirit of consumers. "Companies should target consumers as whole human beings" (Kotler). In the book Marketing 3.0 by Kotler, he explains that a company should be perceived through a triangle with three different areas; positioning, brand, differentiation. This triangle should be complemented by the 3i; Brand identity, Brand integrity, and Brand image.

According to Kotler (2010, 35), Marketing should be redefined as a combined triangle consisting on brand, positioning, and differentiation. Complemented by the 3i model: brand identity, brand integrity, and brand image. The triangle can be better understood on the figure below, which is from Philip Kotler's book Marketing 3.0 (2010).

Figure 3

Source: Kotler (2010, p. 36)

5.4.1 Brand identity

A brand might build fame and have a clear identity in consumer's mind (Kotler), but many brands don deliver to their expectations. Identity is strategically positioning the brand in the market as a unique and different company. Consumers should recognize the brand with just a simple glimpse. The main intention of brand identity is to stand out in a competitive market. To dominate the space, not compete in it.

Therefore, a successful brand identity according to Kotler, should be a combination of a great positioning of; products services, and experiences. In addition, a structured brand which will correspond to the quality of products they deliver[29].

5.4.2 Brand integrity

The integrity of a brand is something of substantial importance, due to the fact that if a company is not integer, the rest of the 3i components would not have any effect. For instance, if a brand positions as a different brand but does not deliver then it is all ruined.

Integrity is based on two crucial components; Positioning and Differentiation. (Kotler, 2010 36) If a company positions themselves as different from the rest and actually deliver then the integrity of the brand will grow, which leads to a better identity and much better image.

5.4.3 Brand image

Brand image is quite necessary if the intention is to succeed in a competitive market as todays. Image is the first catch for new customers. If the image of a brand is quite unique and positions the company as a market disruptor, then the other two components of the 3i will follow through with the process.

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[29] Kartajaya, H., Setiawan, I., & Kotler, P. (2010). *Marketing 3.0: From Products to Customers to the Human Spirit*. Wiley.

6 Culture

Apple has been able to become a market disruptor by the way they have communicated their intentions through their product design, interface, environment on their offices, and many other reasons that broadcast and shout out to the public Apple's vision of their brand. Apple has been able to create a quite strong culture.

Culture comes from the word "Cult", which means to follow or worship someone or something. It is believed that people who follow cults have low personality levels, and due to that they try to feel fulfilled and feel the sense of belonging within that cult. It may or may not be true, nevertheless, it is definitely part of consumer behavior which affects the success of a brand as well as customer loyalty. Many people follow a religion or a belief as a cult. Putting the example of religion, the preacher would be commanding the church. In Apple's example Steve Jobs would be Apple's preacher[30].

"Apple has disrupted the market by removing all the buttons and putting a touch screen. That is a nice feature, but others can copy those things and it wouldn't redefine the category. There is something else that Apple did that is vastly more significant." [31] (Simon Sinek 2009)

Apple has been able to disrupt the market due to their capacity to create a culture between Apple users. Additionally, they were able to maintain that culture by having many unique benefits through delivering unique products with identity, integrity and a great image. Benefits like the connectivity between Apple products and the fact that Apple's interface and iOS software is unique and not compatible with other software like Android or Google Play. As Simon Sinek stated, "True innovators change the way we conduct business" (Sinek 2009, p.26)

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[30] Schneiders, S. (2011). *Apples secret of success: traditional marketing vs. cult marketing.* Hamburg: Diplomica Verlag. Retrieved from https://books.google.cz/books/about/The_Secret_of_Apple_s_Success.html?id=NU1fAQA AQBAJ&redir_esc=y

[31] Sinek, S. (2009). Carrots and Sticks. In *Start with Why*(pp. 16–34).

6.1 Cult-marketing

Most companies focus on the wrong things when marketing their products. First, we need to understand the difference between marketing and sales. Sales is the actual process of selling something, more of the transaction. On the other hand, marketing for instance is an automation of the sale process. (Tai Lopez). Therefore, if you have a great marketing strategy the sales process will just flow and feel more tender.

It was found that the most common mistake between companies is that these focus on differentiating. As Kotler stated on Marketing 2.0, the main objective was to differentiate from other products or brands. How do you differ from others? You add more features or perhaps different ones. But in today's world, marketing is different.

The main objective now is to attack the emotional part of the human being. In marketing 3.0 (Kotler) it is explained that marketers see consumers as whole human beings, with heart, mind, soul and spirit. Meaning that it does not matter if the product or service has amazing and innovative features, or if it is as simple as it can get. It means that if the consumer feels identified with the brand will purchase that item or service.

By understanding how and why people follow cults, it is less complicated for brands to connect and form a culture with the customer base. If both terms are analyzed; marketing and culture, we can come up with the widely known word Cult-Marketing. Cult-marketing represents an identity or symbolization of a brand. The idea is that Marketers guide people on what they want and need.

Developing a company cult through branding increases the probabilities for success and mainly customer loyalty. Apple has had the ability to maintain an incredibly loyal customer base. "There is a big difference between repeat business and loyalty." (Sinek 2009) According to Simon Sinek on his book: Start with Why, Loyal customers do not even bother on researching the competition, they would rather stick to what they feel identified with.

6.2 Mission and Vision

Most companies and people believe that the mission statement is just to express what your company does. However, since market keep evolving and changed during history, it is now required to perceive the mission as a reflection of the company's basic purpose for existence. The company's mission is the base of a company from the start, thus can't be changed.

Based on what Kotler stated, the mission is embedded in the company from the start. While vision portrays what the company will be in the future by picturing it through their produce. "A company needs to create a mental picture of the future based on the corporate mission"[32]

However, according to Sinek (2009, p.142), "The vison is the public statement of the founder's intent, WHY the company exists". On the other hand, the mission is a description of the patch in order to reach the future visualized. (Sinek 2009, p.142).

6.3 Brand Heaven

Jesper Kunde (2000) states that organizations with a corporate religion have a superior possibility of getting into what he alludes to as "brand heaven." Brand heaven is where the item itself has by one way or another lost its material significance, and its qualities have become the core interest.

For instance, McDonald's has come to speak to the cheap food industry, not simply burgers. Obviously, some could contend that this qualification is really brand heck, as the idea cheap food has negative undertones for a few, yet most would concur that McDonald's has every one of the markings of a genuinely effective brand. Kunde keeps up that Harley-Davidson is a definitive tenant in brand paradise. This is an item that presumably has the most steadfast clients on earth. Some tattoo the organization logo on different pieces of their bodies; they

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[32] Kartajaya, H., Setiawan, I., & Kotler, P. (2010). *Marketing 3.0: From Products to Customers to the Human Spirit*. Wiley.

remained with the firm when the item itself was apparently the most exceedingly terrible cruiser out and about (at one point there were more Harleys in the mechanics shop than out and about); and they were instrumental in sparing the firm from breakdown. What it comes down to, says Kunde, isn't simply the item, however the faith in the organization.

The item's attributes become subordinate to the organization. Individuals ride Harleys due to their faith in the estimations of the organization, not just on the grounds that they trust it is an unrivaled item. It is the idea of the organization as epitomized in the Harley-Davidson cruiser that overwhelms the buy choice. Kunde proposes that to arrive at brand heaven, organizations need an idea that ties them and their image together into a solitary predictable unit. As item qualities become less significant, the idea turns out to be increasingly significant. What Kunde alludes to as idea seems to be, in my psyche, the corporate brand, i.e., what the whole organization depend on.

If Apple is analyzed based in the theory that Kunde proposed about brand heaven, it is notorious that apple does not sell electronic products. Apple focuses on selling much more than that. Apple is very successful on communicating their vision and mission. The author has found that what Kunde was stating definitely applies to Apple. Apple sells lifestyle, quality. Apple does not sell technical features many other brands focus on differentiation. Instead, Apple approaches the market by selling a social status. The author confirmed that Apple is on a brand heaven because a common pattern discovered was that people did not feel bad when spending more money for an Apple product rather than any other brand, which may have had more and better features.
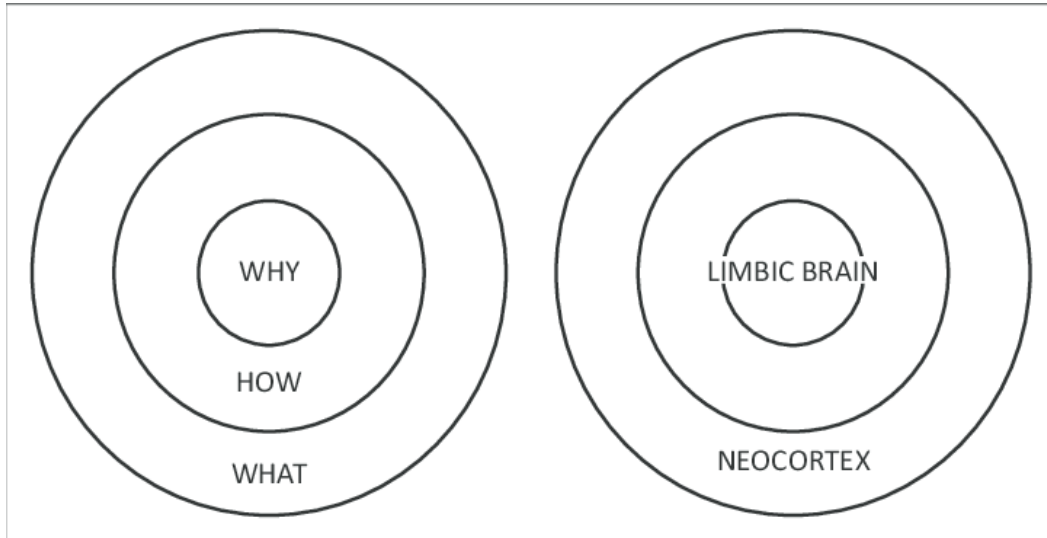
7   The Golden Circle analysis on Apple

Figure 4

Source: Start with Why (2009, 56)

"The Golden Circle is a naturally occurring pattern." as Simon Sinek likes to call it (2009, p.37). Simon Sinek was inspired by the Golden Ratio, a mathematical theory that had many important people interested in it. Influential. People like Leonardo Da Vinci, Pythagoras. The golden circle looks to find and explain the predictability on human nature which of course gets reflected on consumer behavior.

The author of this Thesis found it interesting because it can help us understand how a company or just an individual can achieve much more just by taking a deeper look inside, and start from the inside out, start with the purpose. "The golden circle is an alternative perspective to existing assumptions about why some leaders and organizations have achieved such a disproportionate degree of influence." (Simon Sinek). It shows how a brand, or an individual can actually become so influential to an audience or a market.

Harley Davidson was found as an example, where people all around the world wears Harley Davidson clothes and even getting the badge tatted. The author of this thesis found this topic very interesting as it can be reflected in big corporations as well as in an individual putting out himself on the job market.

It was discovered that if a deeper look is taken, and a reverse engineering is performed on a company's marketing strategy, it is possible to understand the true identity of such venture in order to focus on a niche that connects with the brand. The objective is to target specific audience in order to get better and long-lasting results. "It offers a clear insight as to how Apple is able to innovate in so many diverse industries." (Simon Sinek). This phrase from a great thinker and marketer Sion Sinek explains that with a great understanding of one's identity as a brand, person, company, will contribute on attracting almost like a magnet to that target audience. This audience will become followers, for the simple reason of the brand, or company understanding their set of values, purpose, the WHY; taking the example of Apple, Apple is able to innovate however they want, they are market disruptors. They were able to communicate their WHY effectively and therefore, people who see themselves identified, part of the group or the tribe, will give up many things in order to be part of this cult. "It explains loyalty and how to create momentum to turn an idea into a social movement."[33]

7.1 WHAT:

Every dingle brand, business, or company know WHAT they do. Meaning what is their product, or service. If we recall many years ago, the main goal of merchants and stores was to have products available to be sold. Products which only filled some of the consumer needs. "(Kotler Marketing 1.0) long ago, during industrial age it was based on selling the company's outputs to whoever would buy them." Main goal was to expand the stock and to make it as simple as possible. When selling a product, the products can be easily described in what it does, or what is it. Or if it is a service what kind of service it is. In electronics for example. Apple sells phone, laptops, watches, etc. WHATs are quite easy to figure out.

7.2 HOW:

"Some companies know HOW they do what they do. Weather you call them differentiating. HOW often explains how something is different or better from another." (Simon Sinek, p. 39) This is what most companies, brands and even individuals mainly

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[33] Sinek, S. Start with Why, but know How. In *Start with Why*(pp. 133–153).

focus on developing and communicating. HOW a company does things refers to the features and characteristic that differentiate from the competition.

7.3 WHY:

According to Simon Sinek (2009, p. 36), very few companies focus on WHY they do what they do. Therefore, it is hard for the brand to communicate and articulate why the company exists through their products, services, and image. It is the purpose or the cause a brand represents that cause customer loyalty. If the WHY is clearly articulated through marketing ads, products, services, and style then it is easier to connect with people that feel identified. (Sinek, p.49) The reason the product exists and why the buyer wants it must match. According to Sinek (2009, p. 48) the ability to understand the company's WHY is the only formula for long-term success and customer loyalty.

8 Neuromarketing *

Market has changed dramatically, many years ago the main goal of commerce was to put out an available product that satisfy certain needs. The main objective was to put it out to the public for whoever needs that product approaches and purchases it. Just like you can imagine a fruit market. Then, as the impact of innovations such as machinery and technology increased, consumer behavior is a very interesting topic to analyze and discuss. It has been scientifically discovered and proved how the way we perceive things, our likes and dislikes, our beliefs, and values which we learnt throughout our nurture.

Jurgen Klaric found out something very interesting about how the brain works in situations of decision making in the purchasing cycle. Klaric agrees with "The Theory of the Three Brains" formulated by the neuroscientist (Paul D. Mc Lean 1952)[34] This neuroscientist shocked the world of neuroscience with such amazing discoveries. For instance, in 1952 he proposed that the brain had a different structure, Mc Lean stated that we do not only come from monkeys as many people think and of course studied. He said that there is a possibility that we also come from reptiles. His supported his comment by explaining that under the evolution process, millions of years ago, we at some point were

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[34] Klaric, J. (2015). *Véndele a la mente, no a la gente.*

reptiles and then we shifted to primitive mammals, which then lead to us becoming Humans.

Although many people think this theory is not true and it is definitely hard to prove, what we can take out of this idea is a better understanding of our behavior. It can be something that can help us articulate the reasons of many things in our lives. Following the terms that Mc Lean proposed, our brain is divided into three different structures. The most primitive part, according to him (Mc Lean), is the Reptile Brain. The reptile brain is in charge of keeping us unconsciously under control. It is a basic foundation of our survival. This part of the brain does not think or feel, just intuitively acts. The reptile brain tends to create a resistance to new experience, to change. That is what tells us that we are safe and okay where we are right now. The Complex-R like Mc Lean used to call it, is in charge of unconscious acts like breathing, heartrate, defending yourself, to reproduce, to eat, and to protect.

Having understood this part of the brain, if companies or brands understand the principles of how the Reptile Brain works, they will be focusing on selling to the mind, the unconscious mind. Don you think that is what apple is doing in order to get such a massive and loyal following, instead of repeat customers only?

If we come back again to our review of the evolution process of the brain, the following part of this amazing thing called "brain". The author found out that the "Limbic Brain" made its appearance after the reptile brain existed. The limbic brain is the part of the brain which is absolutely emotional. Us mammals have a particular similarity, the ability to feel emotions. The limbic brain is in charge of control our feelings and emotions, those gut feeling that people feel when something just feel right.

However, this part of the brain has no ability when communicating those feelings or emotions. That is why it has always been quite hard for brands and companies to actually get a product, service, or advertisement that attacks the emotional and intuitive part of the brain which builds emotions and the feeling that it is just right. It supports the sales process by building something called rapport.

Emotional decisions tend to be faster. If you recall when you buy something slightly more expensive than what you are used to spend, something like a phone, perhaps and iPhone. It is more of an emotional purchase because you don't really think about what can go wrong with this phone. You trust the quality, there is rapport built already. And about the money spent, a buyer prefers to think on the use and how they will look using this new device.

Coming back to the evolution of the brain and the impact on customer behavior. We then need to understand the newest parts of the brain; the cortex and the neocortex. These parts of the brain are in charge of controlling the rationality of decisions. When buying for example, the neo cortex and cortex make sure that the items purchased are correctly priced, make sure that the item is legitimate for example. These new parts of the brain make us feel conscious of ourselves and our actions. It definitely separates the Emotions from decisions. They control what is good or bad, personal beliefs, and social norms.

So, to understand Paul Mc Lean's theory in 1952, we can clearly see the reflection on Apple's approach to the market as a company and as a whole brand. Apple focuses on targeting the most primitive parts of the brains that consumers possess; the Reptile Brain and the Limbic Brain. Apple do this by showcasing and broadcasting their set of values through their product design, their innovative software and interface, their way of marketing their products and of course by communicating the idea that the Apple user is different from ALL other brands. If we look back to Steve Jobs (2005) presentation he clearly explains the values, vision and mission of the company. The author of this thesis invites you to think and compare other brands. What makes them different or better. Perhaps just a better-quality camera. Or maybe bigger screen. But none of them have a look like Apple products, none of those brands have their own interface.

For example, if a person meets someone from the same nationality in a foreign country which share similar customs, upbringings, traditions and culture; These two individuals will develop a relationship quite easy, and the reason is because they are unconsciously part of the same "tribe".

If we put this example in today's world. When socializing, people tend to spend more time with people who share a similar taste. Perhaps in music, food, style, or even career goals.

However, the interesting part is if we dig deeper into understanding human behavior. For example, it is proved that emotions control the purchasing cycle. The brain is said to be divided into different sections that control behavior. Humans also tend to prefer things that look familiar. Therefore, if a brand understands what the company really stand for and successfully communicate it to a targeted audience, very impressive things can happen.

Tribes are a certain group of people that follow a certain set of beliefs and share common values and views, a "cult". Cult coming from culture. "A cult can deliver their follower an unknown power" (Killian 2009[35]). What Killian intended to explain is that followers of a "cult" will feel empowered by something belonging to it. Therefore, if a brand or a company has a cult-like following, users will feel a similar way. Empowered by such thing, they will feel part of the tribe, a sense of belonging. Therefore, don't you think this is the type of customer loyalty that successful organizations like Apple have achieved? Would a successful company prefer to gain loyal followers or only repeat customers? Since we are brands, we look to belong to a "tribe", does that affect customer behavior?

But what if these same two people, who share same traditions and cultures don't have similar taste in music, food and style for instance, they will still be there for each other because it is a much stronger and deeper bond. A sense of belonging to the same "tribe". What the author looks to emphasize on is that a brand should build such a strong relationship that it becomes a cult, where people that connect with this brand will feel in a "tribe". Apple is a great example of this idea put in practice, and moreover in this thesis the author explains in detail why and how Apple achieves this.

Even when making a decision, we tend to prefer something that we already know. Thus, our brain tends to be afraid of new experiences and changes. That is why most humans, brands, companies stay in the so called "Comfort Zone". These can be understood if a deeper look is taken. Hundreds of thousands of years ago, our ancestors needed to be careful. They needed to be aware of everything they did and where they were. Our

[35] Schneiders, S. (2011). *Apples secret of success: traditional marketing vs. cult marketing.* Hamburg: Diplomica Verlag. Retrieved from https://books.google.cz/books/about/The_Secret_of_Apple_s_Success.html?id=NU1fAQA AQBAJ&redir_esc=y

ancestors only trusted people in their tribes. Therefore, our brain is used to go for the most familiar, place, thing or way to do things.

This idea of the "Comfort Zone" can explain different things; it can definitely explain customer retention rate being quite high for such and influential brand like Apple. Most Apple users, as a result of the interface and the "lifestyle marketing", end up purchasing many different Apple products in order to connect them between each other. It has been found that most Apple users don't feel comfortable enough to change to another brand. It can also explain something completely different but with a similar goal. For instance, for the potential new Apple buyers, it can be a trigger to be different. It can invite them to dare to change the brand. This can also be reflected in the research study made by the author.
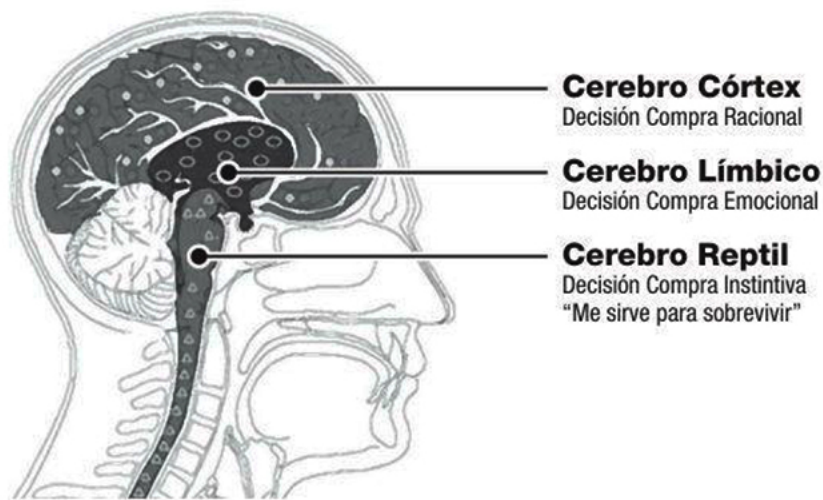

Figure 5

(Source: Jurgen Klaric, 2014 p. 85)

The figure above illustrates what Klaric intended to say regarding the three brains. As seen, the external layer of the brain is composed of the Cortex and the Neocortex. Those are the most recent developments in human brain, these control the rational part of decision making. The neo cortex controls language and facts, which made the human being more cautious and less emotional.

Moreover, the inner part of the brain consists of the Limbic brain. This part controls emotions and feelings but cannot control language. It is also responsible for human behavior and decision making (Sinek, p. 56). When something feels right there is a gut

feeling, the limbic brain releases hormones in order to create emotions when something connects.

However, Klaric proposed that there is an even deeper part of the brain, the reptile brain. As seen on the figure above, the stem of the brain would be were the most primitive brain is. Intuition predominates and according to Klaric it will matter more when deciding to purchase something. Therefore, if a brand attacks the reptile brain will be more intuitive more than emotional or rational. Resulting on the purchase cycle broken down in intuition, feelings, emotions, and rationality.

8.1 Commoditization and the Reptile Code

According to what Jurgen Klaric said, every product or service should have a "reptile code"[36]. Which means what is the feelings the user has when using a product. For instance, the reptile code of smoking is rebellion. When someone smokes, starts building a profile of being a rebel, a sense of rebellion is built in the inner self. Klaric states that the reptile code is directed to the reptile brain, meaning that it focuses on the basic instincts of human nature.

The reptile code emphasizes on basic principles of human behavior, like instincts and intuition. Therefore, the reptile codes Klaric mentions are; anarchy, happiness, control, dominance, pleasure, security, protection, transcendence, belonging, challenge, family, exploration, and mobility.

Therefore, Klaric suggests that every company looking to become influential in the market should identify the reptile codes that represent the company and communicates the vision and mission of the company.

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[36] Klaric, J. (2015). *Véndele a la mente, no a la gente*.

# 9 Research Findings

9.1 General Patterns

The author decided that it was essential to find general patterns between Apple users, in order to not only understand the nice with the intention to discover who benefits from Apple products, as well as to understand the age patterns of people who follow the Apple culture and what they look for when purchasing a smart device. The figure below illustrates the age ranges of people that participated on the research. As seen, most participants in both languages tend to be between 16- and 24-years old accounting a similar portion, 51.2 % of the English speakers and 57.5% for the Spanish speakers.

How old are you?
41 responses

36.6%
9.8%
51.2%

- 16 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64+
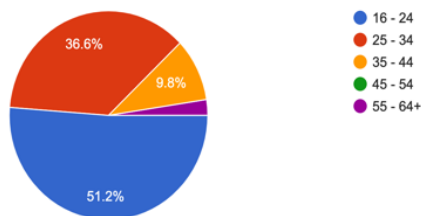
¿Cuántos años tienes?
134 responses

14.2%
9%
17.2%
57.5%

- 16 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64+
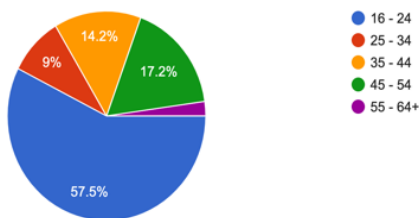
Figure 6   Figure 7

Moreover, it is important to understand consumer behavior in many aspects. Thankfully, internet connection nowadays enables us to spread the word around the globe and get as many diverse samples as we can, with the objective to be as reliable and accurate as possible with the results. As the figure below shows, the vast majority of the sample for English speakers was located in Europe, consisting of 92.7%. The Spanish speakers where distributed among South America with a 76.9% of the sample, as well as Europe with 11.9% and North/Central America with 8.2% of the sample.

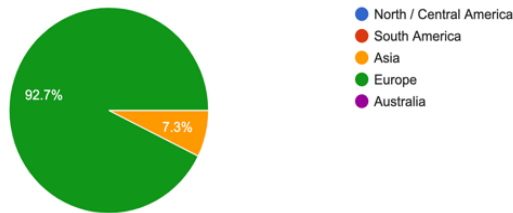Where are you located?
41 responses

- North / Central America
- South America
- Asia
- Europe
- Australia

92.7%

7.3%

Figure 8

¿Dónde te encuentras?
134 responses

- Norte / Centro America
- Sudamerica
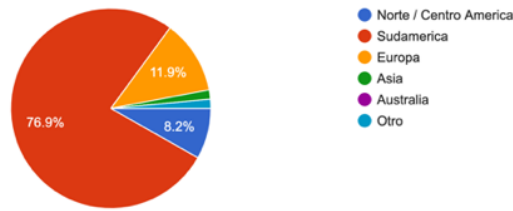- Europa
- Asia
- Australia
- Otro

11.9%

76.9%

8.2%

Figure 9

On the other hand, the survey conducted for Spanish speakers is a little more spread throughout the western part of the globe with a 76.9% belonging to South America and 8.2% from North and Central America. However, it still includes a considerable portion in Europe with 11.9% of the people surveyed.

This will illustrate more accurately the effect that Apple has on consumer behavior throughout the globe. The effect may vary depending on the location due to the different cultures, traditions, customs, politics, buying habits, and other influential factors. Therefore, it is important to expand the research with the objective of gathering different perspectives and standpoints about Apple's impact

Furthermore, it was found that most part of the sample study and work, due to the connections the author has on academic and professional background. It was also important to include entrepreneurs, professionals and freelancers in order to better understand the different consumer's demands when purchasing a smart device, in this case an Apple product.

Occupation is another crucial factor when deciding to purchase a smartphone or any mobile electronic device. As the figures below illustrate, there is an interesting patter in the survey conducted for English-speakers, it demonstrates that most part of the population work and study. Which can explain the target market of Apple where mostly students and people who are socially active are more likely to purchase an Apple product.
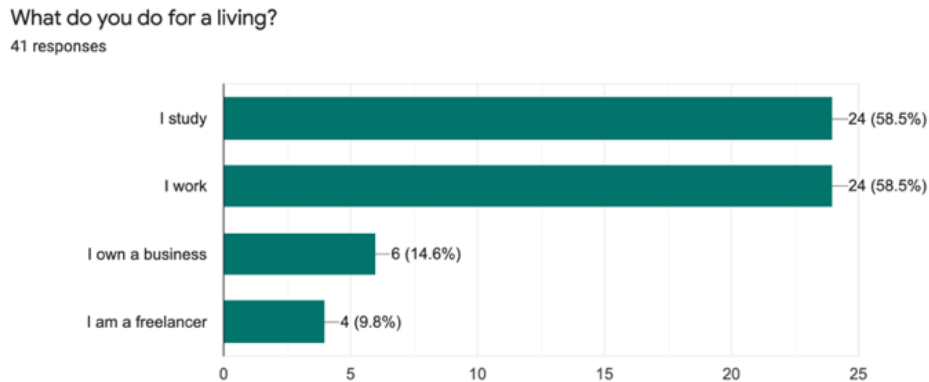
What do you do for a living?
41 responses

Category	Value
I study	24 (58.5%)
I work	24 (58.5%)
I own a business	6 (14.6%)
I am a freelancer	4 (9.8%)

Figure 10

¿A qué te dedicas?
134 responses

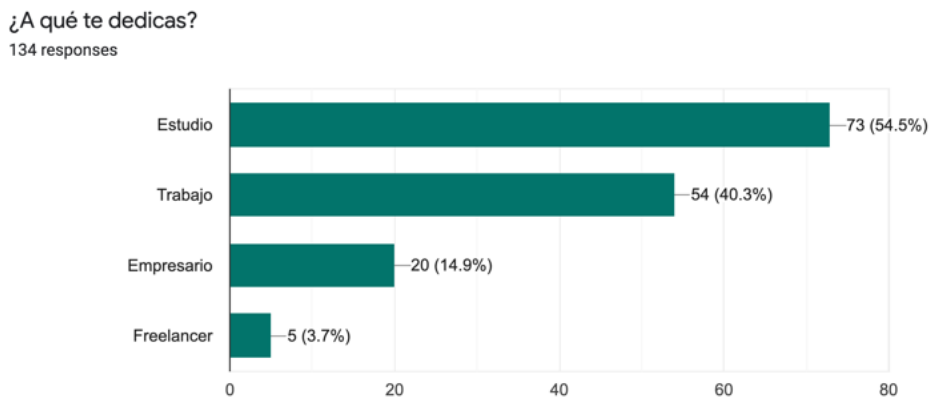| Category	Value
Estudio	73 (54.5%)
Trabajo	54 (40.3%)
Empresario	20 (14.9%)
Freelancer	5 (3.7%)

Figure 11

When deciding to purchase an item, specially an electronic mobile or a laptop it is crucial to take into consideration certain features and factors that make the device and the brand different from the competitors and deliver a unique experience to the user. Factors like cost, quality, brand credibility, performance, camera and technical features. The sample has responded in both languages previously mentioned. The results have many similar patterns, but it also has important differences that better explain what consumers are

looking for when purchasing a mobile device, and also, the way Apple has approached to the market according.

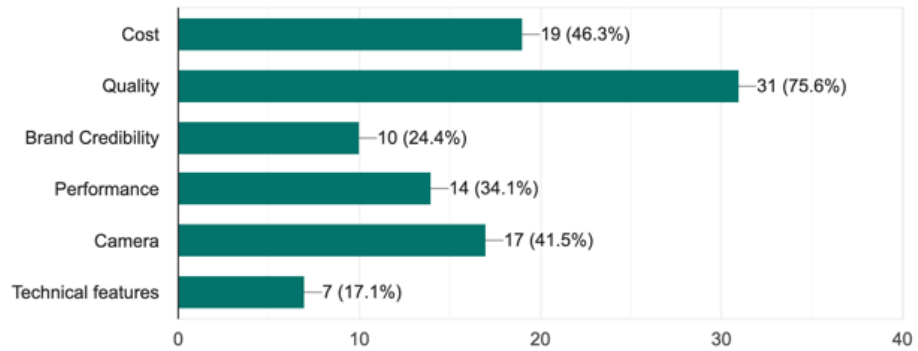When purchasing a new phone, what do you look for? Choose 2
41 responses

Category	Value
Cost	19 (46.3%)
Quality	31 (75.6%)
Brand Credibility	10 (24.4%)
Performance	14 (34.1%)
Camera	17 (41.5%)
Technical features	7 (17.1%)

Figure 12

Al comprar un teléfono nuevo, ¿qué buscas? Elija 2.
134 responses

Category	Value
Costo	45 (33.6%)
Calidad	88 (65.7%)
Credibilidad de la Marca	33 (24.6%)
Rendimiento	64 (47.8%)
Camara	28 (20.9%)
Características técnicas	29 (21.6%)
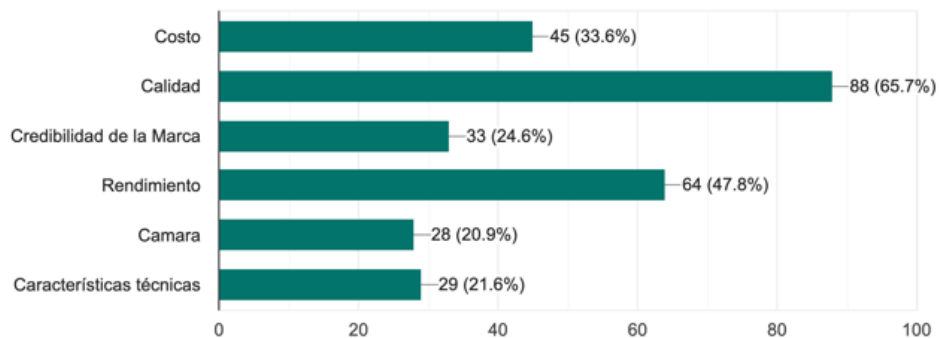
Figure 13

The illustrations in the figures above shows that there are similarities between the English-speaking and Spanish-speaking sample. It was found that cost is mildly important with a 46.5% for the English-speaking audience. While the Spanish-speaking audience has gathered a slightly lower portion with a 33.6%. This explains the effect that Apple has in the western world, where mostly Spanish-speaking audience don't focus on the cost of the item. It was found that this is also a result of Apple's ability to deliver a successful marketing strategy through a different design and interface that represents luxury in terms of smartphones. It was found that the colors affect the perception of the item. The very well-known phrase saying: "not everything that shines is gold", meaning that most people

think that what is shines is precious. Apple has had the audacity to even successfully launched a Gold version of the iPhone.

It was also found that the majority of both demographics have chosen that Quality of a smartphone is the most important factor that affects the decision-making on the purchasing cycle. English-speaking sample consisted of a 75.6% of people who has chosen "Quality over other features. Quality is referred to as the quality of the brand, the reputation Apple for example has built over the years with outstanding long-lasting products. Additionally, people tend to define as a quality product for the design, it was found that Apple's iPhone design reflects uniqueness, luxury and quality.

Lastly, the samples were required to rate the top 4 electronic brands in order to see which of them were preferred over the rest. It was found that Apple has received the best ratings overall. In both samples, English and Spanish speakers, the results were fairly similar. Apple was ranked as first and Samsung as second, following by Huawei and Nokia.

Please rate these smartphone Brands: 1 Best - 4 Worst
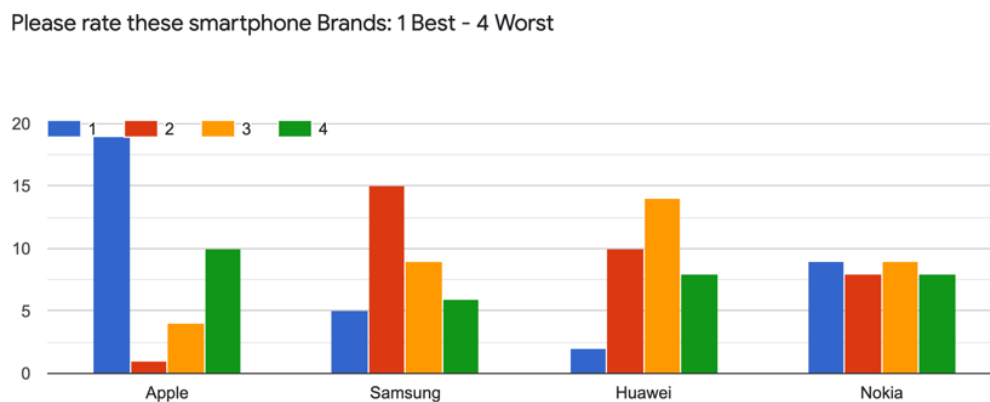

Figure 14

Por favor, calificar estas marcas de teléfonos inteligentes; 1 Mejor - 4 Peor
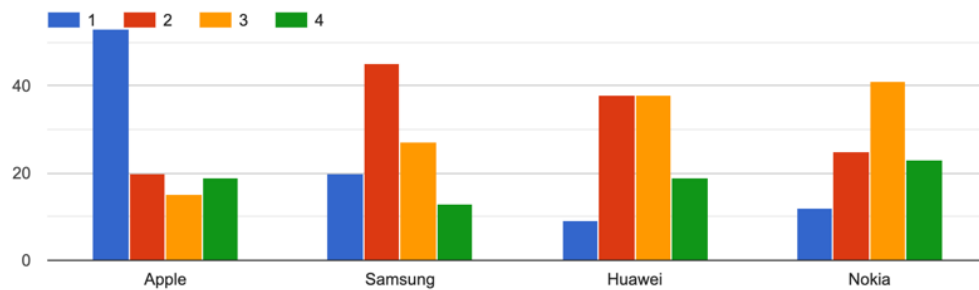

Figure 15

9.2 The 4 Cs of Apple

As the market progressively evolved, and consumers became more aware of the products they bought and the money they invested on it, marketers and companies had to reinvent their strategies. As previously mentioned on the marketing mix by Kotler, The Four Ps focused on a product-based marketing strategy which focused on delivering an available and different product that might solve some problems and fulfill some needs of people who might want it. It just a simple tool for marketers for a fair strategy on a brand.

The Four Cs are broken down in similar sections as The Four Ps, with certain essential differences. It focuses on; Cost to customer, Communication, Customer needs and wants, and Convenience.

It was found that Apple has a very effective approach through all these characteristics of a marketing strategy. Apple has had the ability to discover their identity which led to successfully apply these strategies. Below it is an analysis of Apple' Four Cs of Marketing based on the results of a survey conducted for research purposes.

9.2.1 Cost to consumer:

The cost to consumer represents what is the real cost to the consumer. When a customer purchases an item, it does not only represent a monetary cost, it also represents energy spent by the consumer, as well as what is the total benefit of purchasing such item. Ideally, the product or service should be beneficial in the long run as well as deliver extrinsic and intrinsic reward by investing in that purchase.

According to the figure below, the Perceived Value by a customer is a combination of the 'total customer benefit' and 'total customer cost'. Meaning that total customer perceived benefit comes from a variety of factors; Product, Services, Personal, and Image. On the other hand, the total consumer cost is based on a combination of Monetary costs, Time, Energy, and Psychological cost.
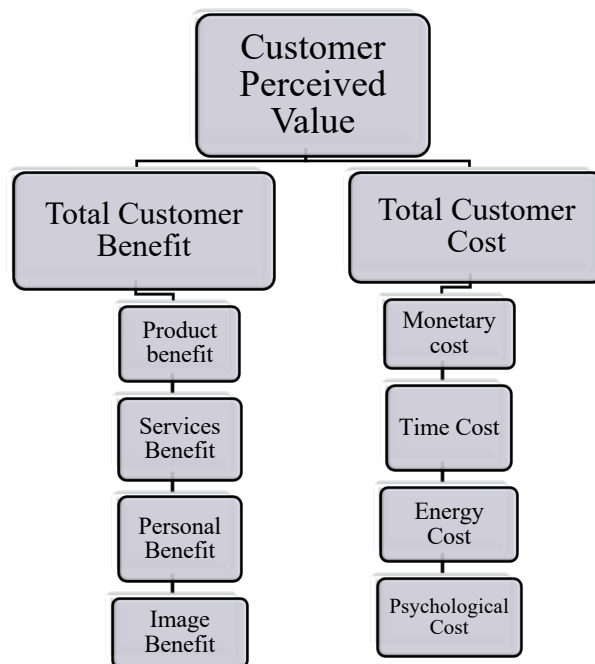

Figure 16

Source: Pearson Education, Inc. (2012)

What Apple offers as a Product Benefit is; innovative interface and unique software which interconnects effectively as an ecosystem between Apple products. Furthermore, another benefit is the simplicity of the iOS software.

Services are crucial for a brand to successfully connect with the market and build a long-lasting relationship with the consumer. Apple has one of the most game changing services which include AppleCare, an innovative way of maintaining a loyal customer base. AppleCare is an e=insurance purchased by users in order to protect their devices from accidental damages. Additionally, AppleCare has the option which includes theft and loss, called AppleCare+. (Jason Cross, MacWorld 2019).

As previously mentioned, Apple's main objective when communicating their vision is to empower the user. Therefore, a 'Personal Benefit' an Apple product can bring to users is empowerment and innovation. The objective is to make the user feel different from the masses. This also reflects an 'image benefit' that Apple delivers to consumers.

Now when it comes to 'Customer Cost' it includes monetary costs, which obviously reflects a transaction. The current costs of Apple products vary between $700 and $2,000, which is quite a high price for an electronic device.

According to the questionnaires conducted on the samples, most people spend between $300 and $700 on a mobile phone, which accounts for 63.4% and 54.5% for English and Spanish speakers respectively. However, it was also found something interesting; that a great part of the sample spends a higher amount, between $800 and $1,200 which is a considerable amount of money. The figures below also demonstrate that there is a small percentage of people who spend more than $1,200 on a mobile phone.
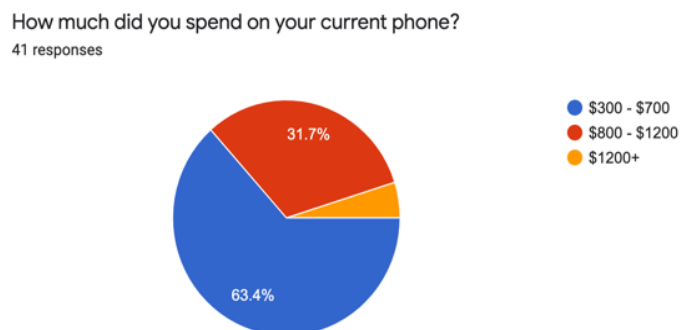

Figure 17

¿Cuánto gastaste en tu teléfono actual?
134 responses
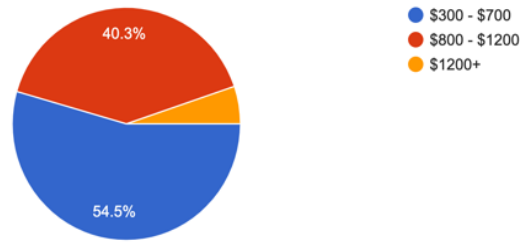
$300 - $700
$800 - $1200
$1200+

40.3%

54.5%

Figure 18

The main intention of Apple products is to deliver higher benefit that will cover the high cost of the products. Another important factor when considering the Customer Cost is the Time it takes to buy a product. Apple has the ability to open a certified store in every premium agglomerated location of almost every country around the globe. This helps explaining the Energy Cost to the customer, since there are many available stores worldwide, it's matter of just going to a shopping mall or just ordering it online. Online stores have been a huge contribution to Apple's objective, not only through Apples main website, but also certified stores and e-commerce platforms like Amazon or eBay.

And lastly, the Psychological Cost of purchasing an Apple product is quite interesting. Since the price is quite higher than other brands, it is a considerable investment. Therefore, the feeling the buyer receives when purchasing a premium quality item is quite satisfying.

In conclusion Apple's Total Benefit ends up being higher than the Customer Total Cost, and that is why most people even though they acknowledge Apple is overpriced, end up purchasing an Apple product.

On the figures below there is an illustration of people's feedback regarding Apple's cost. The samples were asked about their thoughts on Apple's Cost.
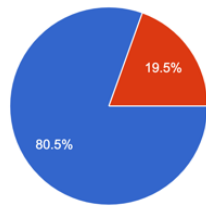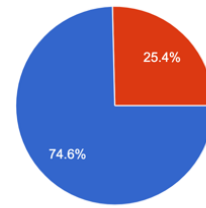
Figure 19

Figure20

As seen on Figure above, most of the people surveyed believes that Apple is overpriced, with a similar total in both languages consisting of 80.5% for English speakers and 74.6% for Spanish Speakers. While the other 19.5%, and 25.4% stated that Apple was not overpriced. Currently the prices orbit around $1,000 depending on the product type, range, and memory capacity.
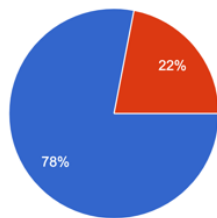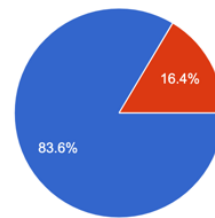
Figure 21

Figure 22

Nevertheless, the same sample responded whether or not they would purchase an Apple product as seen of figure above. English speakers gathered a 78% of the sample which responded positively on buying an Apple product, and a higher portion for Spanish speakers with 83.6%, which means that the majority of the consumers sampled don't mind spending more on Apple products even though they still believe they are overpriced. The deal with Apple products is that it showcases a premium electronic device, which also empowers the user by setting a status of quality.

9.2.2 Communication:

This part of the strategy focuses on the promotion of a product or a service. It focuses on how a marketer should approach the niche, per se; marketing campaigns, advertisement, launches. Apple has had many iconic launches starting by the ones led by Steve Jobs. The main objective of Apple Inc. is to communicate the premium quality that their products have, in addition to the Apple lifestyle they have created with their interface and their designs. Apple does not communicate through social media like small businesses, there are standards in which a "Premium Company" should stand by. For instance, Ferrari or Rolls Royce don't interact much through social media. Apple would be the "Rolls Royce" of electronics.

Moreover, what Apple centers most of their energy is on communicating through their design and style in order to make the user feel empowered by acquiring the premium product. It was found that most of the sample surveyed believe that Apple represents social and economic status. Recalling the idea of people being brands, electronic devices being working tools, therefore people try to show off the best quality of working tools available – Apple.

Apple has had many successful commercial campaigns throughout their history with the objective to communicate their visions and values. It started with a commercial named "Two Kinds of People" (1983) where they presented the Apple Lisa computer, which was not as successful as the MacIntosh according to Luke Filipowicz in his review posted on iMore (2020). This ad released in 1983 would set the patch for Apple's marketing strategy through narrated lines that said things like "Soon there will be two kinds of people, those who use computers, and those who use Apples." Which clearly reflects what Apple users should feel when acquiring the Apple Lisa. What Apple intends to communicate is to be unique, their objective is to challenge the masses and stand out.

It is impossible not to mention the greatly successful ad released on the 1984 Superbowl, one of the most iconic and classical Apple Ads, which was directed by the acclaimed director Ridley Scott. Apple once again positions as a company that challenges the status quo and shouts authenticity. The commercial narrated intense lines like "On January 24th

Apple Computer will introduce the Macintosh. And you'll see why 1984 won't be like "1984"." Apples intention was clear, it was to code the audience's mind in order to expect something revolutionary.
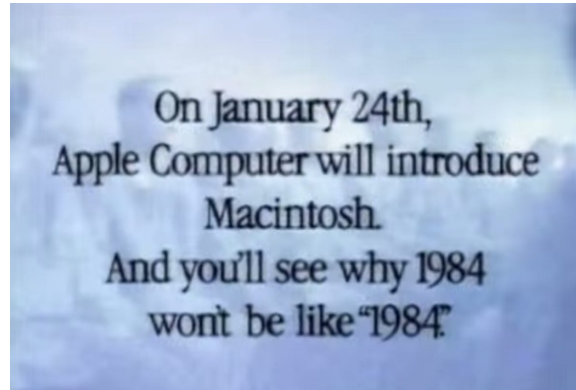

Figure 23

(Source: Business Insider, Paige Leskin, 2014)

Much later in 1997 Apple launched a quite inspiring commercial ad, named "Think Different". Steve Jobs narrates the lines on the video with an inspiring script and the intention to show the most influential people throughout history. People like Albert Einstein, Martin Luther King Jr, Richard Branson, John Lennon, Muhammad Ali, Mahatma Gandhi, and many others. The point was to showcase Apple as those iconic figures in humanity, people who change things, the misfits, the rebels, and the ones who see things differently. Additionally, the objective was to inspire the audience to feel the way Apple wants them to feel in order to build a successful rapport with their users. The main purpose was to connect with the audience and let them know that Apple is a different brand, where people that feel connected might join the Apple lifestyle.

> "Here's to the crazy ones, the misfits, the rebels, the troublemakers, the round pegs and the square wholes, the ones who see things differently. They're not fond of rules and they have not respect for the status quo. You can quote them, disagree with them, glorify or vilify them. But the only thing you can't do is ignore them, because they change things, they push the human race forward. While some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world are the ones who do."
>
> -   Steve Jobs (1997)

Figure 24

And lastly, the last set of iconic and inspiring commercials that Apple released was between 2006 and 2009. The "Get a Mac" campaign consisted of 66 spots where only two individuals appeared in a white background, Justin Long and John Hodgman. The idea of these commercials was to portray and illustrate the differences between normal PCs and Macs, along with traditional electronic products and Apple products.

It consisted of casual conversations between these two individuals where each of them was representing either PC or Mac, it portrayed the real differences and represented Apple as a more charming, loose and creative young individual played by Justin Long. The "Mac" in this case Justin Long was always dressed casually. Comfortable and modern. While the way the "PC" was illustrated was by an older person, not so charming, and always dressed on a suit.

It mentioned differences like the simplicity of Mac's set up when new, and on top of that how efficient and secure was iOS software against viruses and spyware. The conversation between these two individuals had the purpose to inform the audience through a comic and casual conversation between a PC and a Mac. It was amazingly effective as it positioned Apple again as a market disruptor.

I'm a PC   I'm a Mac

Figure 25

It was found that Apple has had the ability to effectively communicate what the brand represents. Based on the commercials analyzed, Apple's intention is to position the brand as innovative quality products that differ from the rest. Therefore, as Jobs narrated in 1997 describing influential people with the objective of reflecting Apple's purpose and mission, "They have no respect for the status quo."

The result of the survey conducted proved that Apple users see the brand just as Apple's strategy expects. It better describes Apple's positioning from the consumer's perspective. The figures below show the feedback on what consumers think Apple represents. They were asked to describe Apple with the options available.
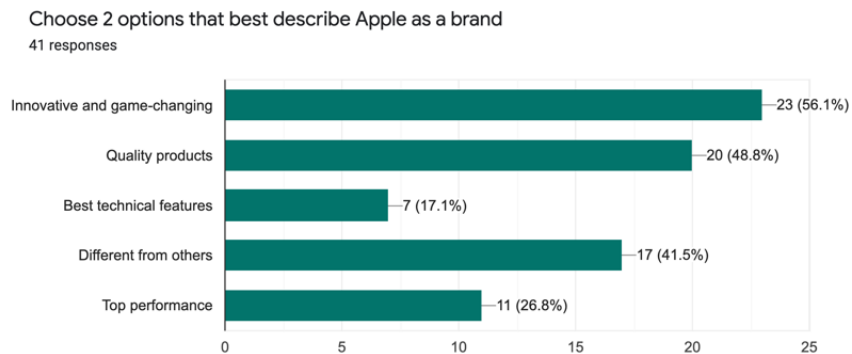

Figure 26

Elija 2 opciones que mejor describen a Apple como "marca"
134 responses

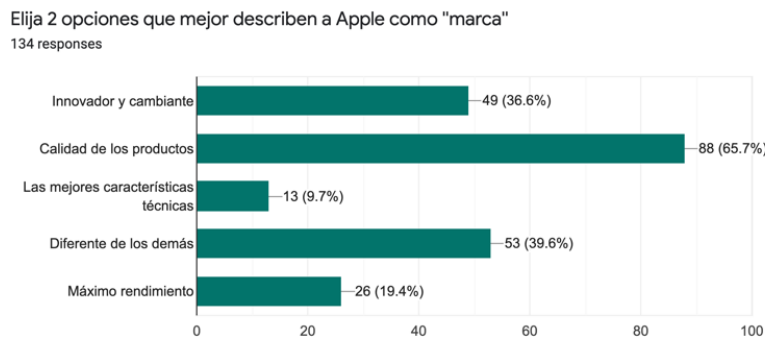|	
Innovador y cambiante	49 (36.6%)
Calidad de los productos	88 (65.7%)
Las mejores características técnicas	13 (9.7%)
Diferente de los demás	53 (39.6%)
Máximo rendimiento	26 (19.4%)

Figure 27

Source: Own research

As the figures above show, the majority (50%) of the English-speaking sample describes Apple as innovative and game changing, as well as delivering quality products. Additionally, there is a great amount of people that also believe that Apple represents a difference from the mass, they think Apple is different from others. Which proves the hypothesis that Apple has suggested when marketing their products through commercials since 1983.

9.2.3 Customer needs and wants:

As consumers became more informed about products available in the market and new innovations, they become more demanding. Therefore, companies have the necessity to connect more personally with the niche in order to fully understand their needs and wants. Now, we are witnessing a different way to market a brand. Instead of approaching just as simple customers, companies should see them as whole human beings. (Kotler 2010)

According to P. Kotler (2010 Marketing 3.0), Marketers should treat consumers as humans with emotions, feelings and rationality. Therefore, a company should understand that consumers are constantly looking for solutions to their problems and fears. For example, the iPhone is a solution if you are a person who struggles with technology and perhaps you are interested in standing out from the crowd. Or a Mac is a solution when you are an innovative person who is editing videos and managing different websites and social media accounts, it solves many problems by offering you the best in the industry. Consumers

search for companies that address their vision and mission through products and marketing which will deliver not only emotional fulfillment but also spiritual fulfillment. (Kotler 2010)

It is quite necessary to analyze the factors that affect decision-making when deciding on a product like a smartphone or a laptop, in order to understand the needs and wants of consumers. Smart devices nowadays are vital for our survival. Many people use their smartphones and laptops to work, and most of the jobs if not all include communication either through a phone line or through an internet connection. Professionals use LinkedIn, businesses use social networks like Facebook and Instagram. If you are an employee, entrepreneur, politician or doctor you will always need a phone.

Is your career a decision-making factor when buying a new phone or a laptop?
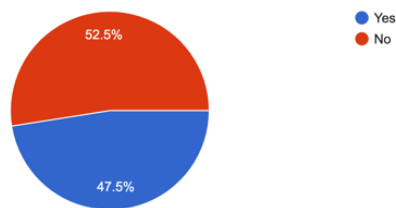40 responses

- Yes
- No

52.5%

47.5%

Figure 28

¿Es su carrera un factor para tomar decisiones al comprar un teléfono nuevo o una computadora?
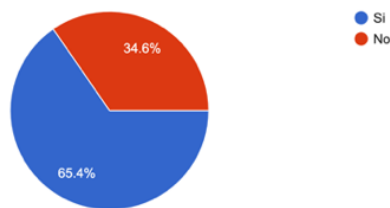130 responses

- Si
- No

34.6%

65.4%

Figure 29

The figures above illustrates an interesting difference on smartphone consumers. For instance, the majority of English-speaking consumers with a 52.5% have answered that career is NOT a decision-making factor when purchasing a smartphone. However, the other 47.5% have answered that career is a crucial factor when deciding to buy a phone. Whereas the majority of Spanish-speaking consumers, which accounts for 65.4% believe that career is an influential factor of decision-making.

These results can reflect two different but yet interesting concepts; firstly, it can describe that one portion of the population does not care about the utility of a smartphone in their career. Which can explain that most these consumers will decide for a brand with factors like design or brand credibility. While the portion of people who believe that career is a deciding factor, will more likely focus on the utility of the phone or perhaps the interface and software.

Figures below illustrate what consumers are looking for when purchasing a new phone. These results are based on the questionnaire conducted on the sample. As portrayed in the graph, there are many similarities between English and Spanish speakers, the majority looks for quality first. Apple has been positioned in the market as the most premium quality electronics since 1980s, therefore it is understandable their huge impact in the market.
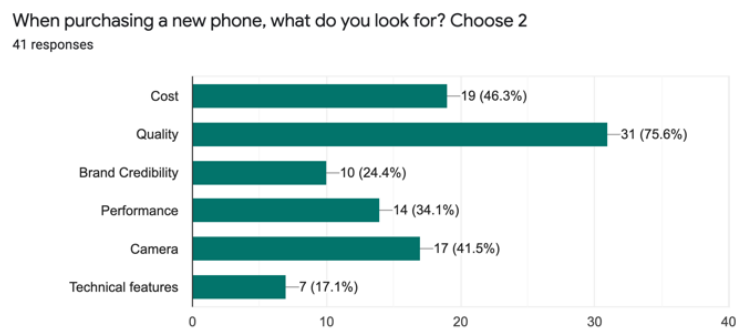
When purchasing a new phone, what do you look for? Choose 2
41 responses

Category	Value
Cost	19 (46.3%)
Quality	31 (75.6%)
Brand Credibility	10 (24.4%)
Performance	14 (34.1%)
Camera	17 (41.5%)
Technical features	7 (17.1%)

Figure 30

Al comprar un teléfono nuevo, ¿qué buscas? Elija 2.
134 responses

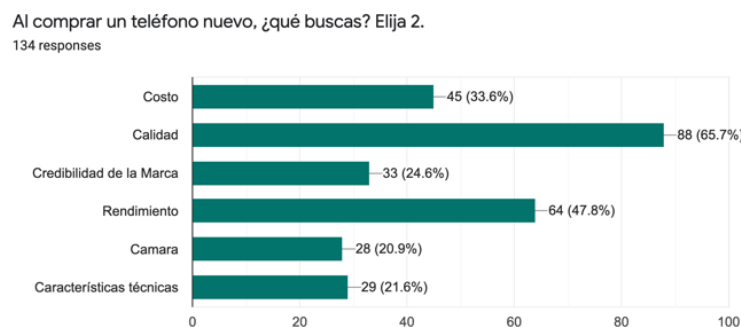| Category	Value
Costo	45 (33.6%)
Calidad	88 (65.7%)
Credibilidad de la Marca	33 (24.6%)
Rendimiento	64 (47.8%)
Camara	28 (20.9%)
Características técnicas	29 (21.6%)

Figure 31

9.2.4 Convenience:

Convenience, according to Lauteborn (1990) is the easiness on getting the product. Before, when McCarthy proposed the Four Ps convenience would be Place. But as the market evolved and consumers became more demanding, it is not just having a place where the products are available. Now it is a thorough competition of who is more convenient, in other words which of the products available will require the less amount of energy to buy. For instance, Apple has developed a great way of maintaining a loyal customer base, by releasing the AppleCare, or the fact that people can pay with their old phone and just pay the rest with money. It was also found during the interviews conducted with the staff, that most Apple stores are located in crowded high-end areas of important cities.

9.3 3i Model on Apple

It was found that Apple positions themselves as a company that produces premium quality products and deliver a premium quality service in term of software and performance. According to what Kotler said, a brand should be different, have strategic positioning, and create a unique image. Apple has been one of the few companies who has successfully identified most of the components of Kotler's 3i Model.

It was found that Apple's integrity is due to an amazing positioning in the market as the outliers or the misfits from the mass. They have been able to successfully deliver through their products and designs. Steve Jobs' objective was to deliver a quality product but yet simple to use, that will connect with the user in order to empower themselves by feeling innovative.

Moreover, the identity that Apple has created for their brand is inspiring. When someone sees a bitten apple automatically believes it is Apple Inc. If there is a slim phone with no buttons except the home button, you expect it to be an iPhone. Or perhaps the iconic apple on a laptop which will definitely be a MacBook.

o Apple's Positioning: Innovative electronic company whose main purpose is to
challenge the status quo and empower the user by delivering premium quality
products with a unique user-friendly interface.

o Apple Differentiation: Apple is different due to the fact that they have their
own software interface with premium designs. Additionally, it is very well
protected from viruses, in contrast to normal electronic companies. Apple delivers
insurance and AppleCare. They have been able to develop iTunes and Apple
Music.

The figures below illustrate the reasons that the sample feels they would purchase an
Apple product. It was found that a vast amount of people believe that quality is the main
feature that Apple offers, with a similar 36.6% for English speakers and 38.8% for Spanish
speakers. However, there is a slight difference on the second place, English speakers
believe that utility is the second most important feature of Apple, whereas software
performance is more important for the Spanish speaking sample.
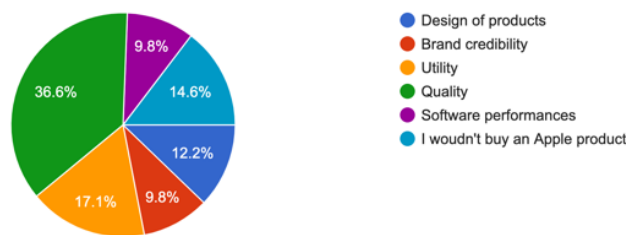
Figure 32

Figure 33

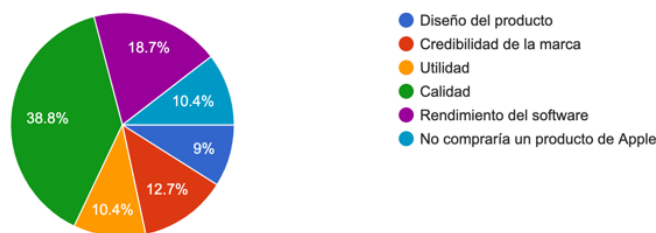In essence, these results prove what Kotler said about the importance of positioning and differentiation. Apple successfully delivers to the expectations they have set on the consumer's mind. Apple's objective was to stand out from the masses by delivering a premium quality product that will connect with the user and empower them by being different.
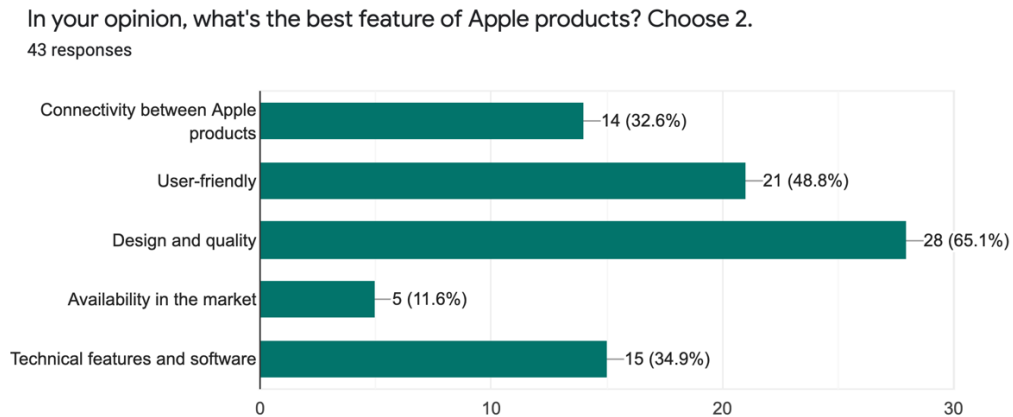
In your opinion, what's the best feature of Apple products? Choose 2.
43 responses

Figure 34

En su opinión,¿Cuál es la mejor característica de los productos de Apple? Elija 2.
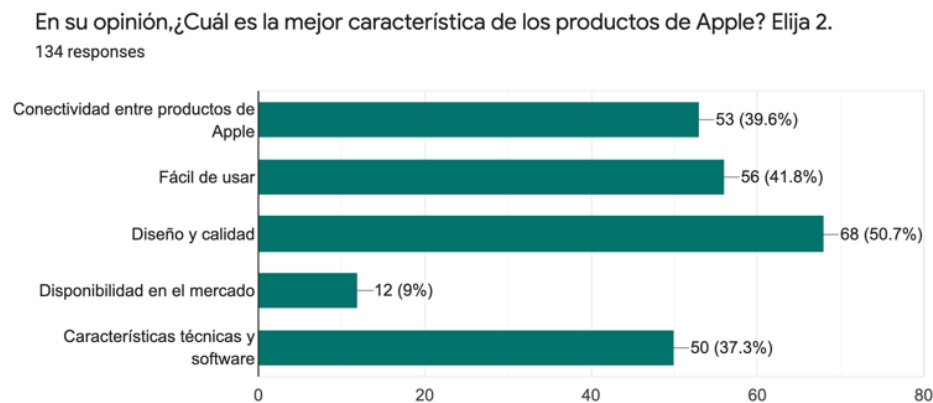134 responses

Figure 35

Based on the results of the questionnaire, it was found that most of the sample believes that the best feature Apple offers is Quality and Design, confirming what Jobs planned by having a different product with an innovative design and premium quality. Furthermore, the second highest choice selected by the sample was that Apple products were user-friendly, which also proves the hypothesis Apple leaders had when designing an easy-to-use interface, that will enable the user to have a narrow focus on the strengths Apple products have. The figures below best describe what the sample response was.

In conclusion, Apple has successfully identified and delivered their Brand integrity, Brand identity, and Brand image. That is because Apple has successfully targeted a niche where to communicate to consumers' heart, mind, soul and spirit. As Kotler proposed, they treated consumers a whole human being.

9.4 Apple's Golden Circle

Apple has been able to develop an alternative strategy to approach the market in order to strategically connect with the potential user. Sinek suggested in the "Golden Circle", the main objective is to identify the complements of it, which are; WHAT, HOW, and WHY of a products or company. These components will help understand the identity, image and integration of the company with the objective to showcase the brand as a different company with a culture and a clear purpose. The point is not to brand the company as just another commodity or a company that only wants to make money. The objective is to have a clear, deep and emotional core purpose which will result on a social movement instead of just a customer base.

The golden circle is broken down similarly as how the brain is structured. For instance, the outer layer of the golden circle would represent rationality and factual information about the company, illustrated by WHAT a company does. The rational and analytical part of decision making in the brain is represented by the outer layer of the brain, the neocortex.

It then focuses on HOW and WHY a company do what they do, which is represented by the limbic brain. The limbic brain is responsible of trust and loyalty (sinek, p56).
HOW focuses on what makes the company different from the rest, the way of doing things, more like the mission. While WHY represents the core purpose of the company, the reason why the company was first started. It is of substantial importance to understand the core values and purposes of an organization in order to connect with people that share those values and purposes.

It was found that Apple communicates differently through their designs, culture, style, and processes. Apple has been one of the few companies that mostly focus on WHY they do

what they do. Many times, Apple has clearly communicated their vision, mission, values and purposes through commercials and marketing campaigns, as well as product launches.

According to Sinek (2009, p.55), when WHY a company exists is successfully communicated it triggers the "gut feeling" that makes people feel just good when taking a decision. Emotions are much stronger than rationality and facts, therefore if a company has a strong sense of WHY they exist, people that believe on the same things and follow the culture is more likely to stay loyal to the brand and spread the word about the product or company. It was found that people feel much better where they are good fits. (Sinek, p.91)

Sinek sets as an example the way business as usual is made and how companies usually market and communicates their vision (Sinek, p. 40). Most companies start communicating WHAT they do, following to HOW they do things, and lastly WHY they do things. However, according to the golden circle it should be the other way around.
Sinek's examples on the conventional strategy and Apple's Golden Citcle strategy:

- o Conventional:
  "We make great computers.
  They are beautifully designed. Want to buy one?"

- o Golden Circle:
  "Everything we do, we believe in challenging the status quo. We believe in thinking differently.
  The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly.
  And we happen to make great computers, want to buy one?"
  (Sinek, p.41)

The difference between the conventional method and the golden circle is that the latter starts from the inside out, which means start by communicating the WHY first which will build a solid foundation to later justify the purpose by HOW they do things, and finally WHAT was achieved. Whereas the conventional focuses on broadcasting WHAT they do first to then justify through HOW they do things and lastly WHY.

9.4.1 WHAT:

Apple characterizes in the market as having innovative designs and a simple interface. The main objective is to deliver a simple yet premium quality device that will stand out from the rest. According to the questionnaire conducted, where the samples were asked to choose what are the best features of Apple. The majority has chosen that Apple delivers quality products which are beautifully designed, as well as user-friendly. These results prove the hypothesis Apple sets when stating WHY they do what they do.

9.4.2 HOW:

Many electronic companies focus on how they do things, meaning the technical features and options that the device offers. However, Apple has the ability to stand out due to their enrooted identity of differentiating from the masses. The was Apple delivers to the expectations is by designing a unique interface which is connected as an ecosystem joined in the cloud. Along with unique quality designs with colors like gold, rose gold, silver, space gray.

9.4.3 WHY:

As Sinek suggested, the limbic brain is in charge of emotions. Therefore, if a company is focus on emotionally driven marketing, it will definitely influence positively on decision making. The main objective of communicating the WHY is to fully open the company's values and beliefs in order to attract people who share them.

Apple's WHY is easily understood, they position themselves as different from the masses, and additionally premium quality designs. Therefore, it is much easier to succeed on HOW to do things when you have a clear purpose within and outside of the company.

"The power of the limbic brain is astounding. It not only controls our gut decisions, but it can influence us to do things that seem illogical or irrational." (Sinek, p. 62)

9.5 Internal Culture

To fully understand the culture of an organization it is necessary to perform some type of internal analysis. The objective is to examine the perspective from inside the company to see what the own employees feel about the brand and consumers.

In the case of Apple, it is necessary to understand what they focus more energy on to be such an influential brand. Therefore, the author has approached to retail shops in order to interview sales staff. The figure below represents the results of the conducted interviews. The sample consisted on 12 anonymous interviewees working at Apple retail shops.

They were asked one single but essential question. The question was to describe what Apple focuses on the most when positioning the brand. And they had to select whether Apple focuses on the culture, technical features, or the quality.

According to the results, half of the staff interviewed believes that Apple focuses mainly on the culture through communicating the values and vision. However, 5 people said that Apple focuses on the quality and long duration of the products. And lastly, only 2 people said that Apple focuses on differentiating through technical features.
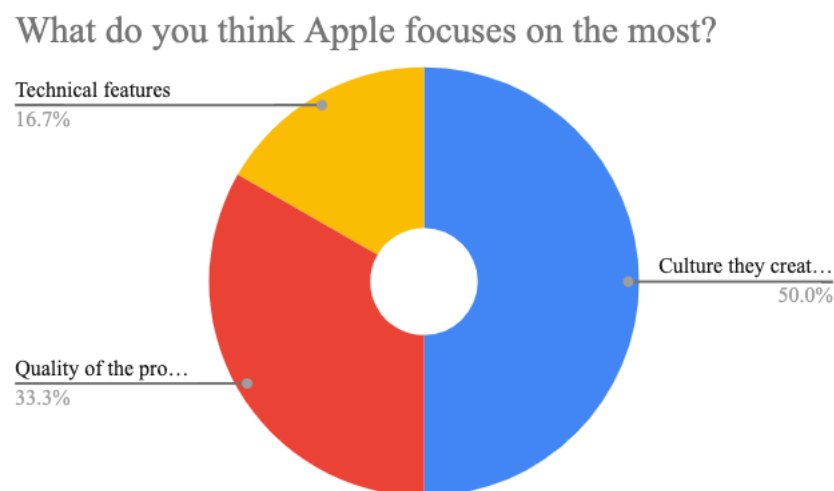

Figure 36

According to Sinek, companies should internally communicate the WHY, HOW, and WHAT they do in order for it to be broadcasted to the audience. Apparently, according to the staff Apple has successfully communicated the WHY through the culture created, as well as the HOWs through technical features. And also, as Steve Jobs proposed in the Superbowl Commercial (1997), quality products that are simple to use and challenge the status quo.

10 Conclusion and Recommendations

During the study it was found that Apple is successfully approaching to the market in terms of branding and marketing. Throughout the thesis many theories were reviewed and matched to Apple's success strategy along with an essential support from the research conducted in order to gather current data to analyze.

It was found that Apple has a solid understanding of the "Four Cs" that represent their company. Additionally, it was discovered how Apple positions and differentiates from the competition by communicating a clear brand identity, through a unique image with integrity. These was done based on the 3i Model suggested by Kotler.

Moreover, the theory suggested by Simon Sinek on the book "Start with WHY", was applied in order to understand those complements on Apple to understand why the brand is such an influential company in today's era. Then, it was reviewed theories from Jurgen Klaric in order to understand the neuroscientific part of marketing and relate the work that Apple has been delivering throughout their history.

In conclusion, the objective of this study was to analyze the impact that Apple has had on consumer behavior. Throughout the research, many people was interviewed and question in order to gather the optima amount of data to understand how Apple has disrupted the market.

IT was found that Apple is one of the few companies that despite of the high prices, keeps being one of the favorite brands to purchase electronic devices. It was discovered that purchasing an Apple product is not only buying an innovative device. Apple has set new standards in branding by developing a deep relationship with the potential buyer. They have been able to empower the user in a way that other brands cannot even compete. The figure below represents the way Apple communicates their brand, and it was proved by the research that Apple has achieved the goal set when it comes to the brand.

WHY:
Challenge status quo and thinking differently.

HOW:
Products beautifully designed and simple to use.

WHAT:
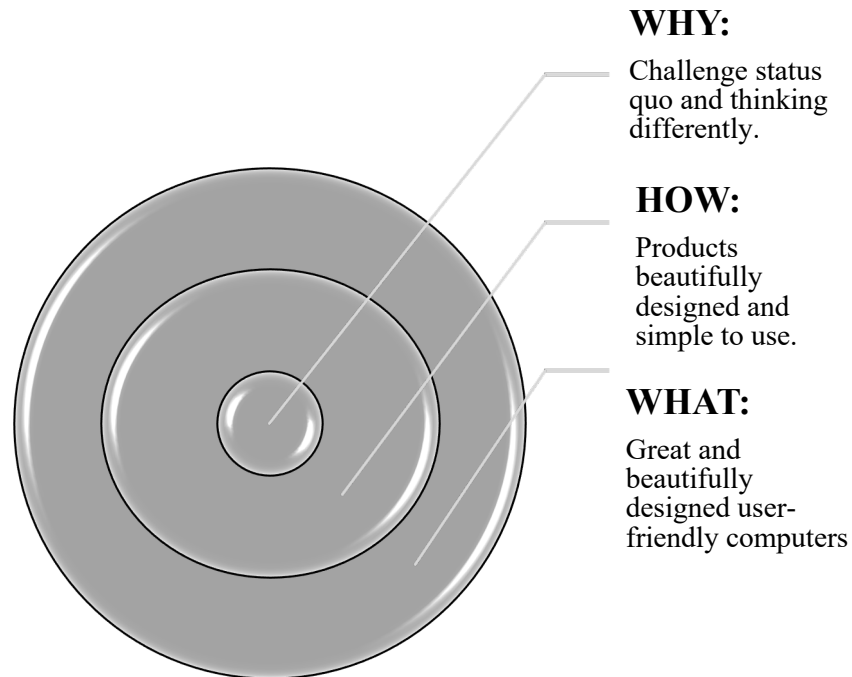Great and beautifully designed user-friendly computers

Figure 37

For most companies it is hard to identify the main purpose of the company and then they fail to identify the suitable way of communicating that purpose through differentiation. As seen above, Apple's main concern is to clearly communicate the WHY of the company, which has set the standard by portraying the company as a brand that challenges the status quo and encourages to think differently. Then, Apple has successfully figured out HOW to communicate their purpose through an innovative interface and software, followed with premium quality products with beautiful designs, and on top of that easy to use. Which resulted on having a solid WHAT, referring to the figure above.

According to the sample of consumers, most of them believe that the reason why Apple has a huge impact in the market is due to their ability to build a strong and loyal customer base, followed by the utility of the products along with the great technical features. This example also proves that Apple has achieved the objective of portraying as a premium quality product that enhances freedom, and yet not complicated to use. The majority of the samples believe that the reason Apple has a huge impact on the market is due to their ability to build a loyal customer base through an innovative system. Additionally, most people questioned believes that the utility of the products is another factor that supports the idea of Apple having an important influence in consumer behavior.
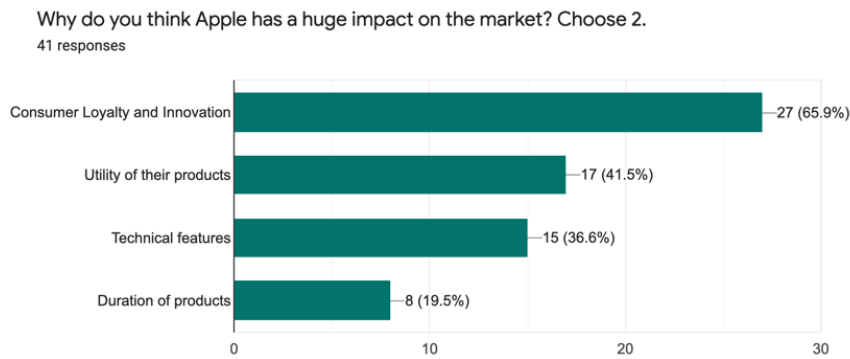
Why do you think Apple has a huge impact on the market? Choose 2.
41 responses

Consumer Loyalty and Innovation	27 (65.9%)
Utility of their products	17 (41.5%)
Technical features	15 (36.6%)
Duration of products	8 (19.5%)

Figure 38

¿Por qué crees que Apple tiene un gran impacto en el mercado? Elija 2.
134 responses

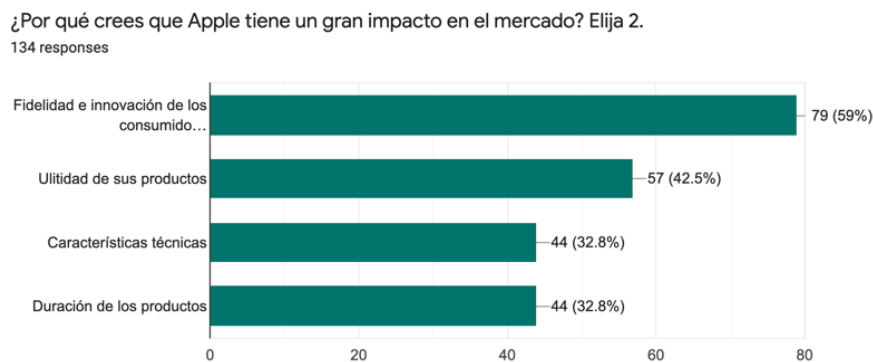|	
Fidelidad e innovación de los consumido…	79 (59%)
Ulitidad de sus productos	57 (42.5%)
Características técnicas	44 (32.8%)
Duración de los productos	44 (32.8%)

Figure 39

Finally, after understanding how consumers perceive Apple and what they think regarding the price, positioning, differentiating factors and many other things that characterizes Apple impact on the market. It is necessary to clarify the reasons Apple is such an admirable brand and why many brands if not all should follow as an example.

The reason why Apple users are incredibly loyal to the brand is due to few important reasons. First, when it comes to the software and interface Apple has an interesting way to keep the users within the network of Apple's ecosystem. Apple was one of the first if not the first to develop the type of connectivity between devices that will make things much simpler for the user. The idea of developing iTunes was just incredible, it set a new standard for new technologies. Furthermore, Apple has successfully developed a cult like following. People who use apple products feel truly identified by the enrooted basic principles that Apple has showcased. According to Sinek (2009, p.164), those inside the company are accused to follow the "cult of Steve", making reference that employees follow the culture Steve Jobs has created.

Another important factor contributing to Apples impact on the market is the way they market the brand. Instead of displaying the brand in a traditional strategy, Apple prefers to approach to the market as a cult brand. This means that the products are not just material things, they have an incredible intrinsic value and empowers the user by delivering that sense of belonging to a crew or group that shares the same values or beliefs, referencing to Apple users. Moreover, it was found that Apple successfully communicates the purpose, vision and mission whish are later satisfied by the way their products are made. It is important to say that any company should create a culture behind the brand, in order to gather an audience that connects with the brand. These will not only lead to a popular brand, but also to loyal customers.

Therefore, the main differences between a traditional brand and a cult brand is that a traditional strategy might succeed on the short run, but on the long run it won't deliver because it will soon become a commodity. On the other hand, having a cult brand means that there is a cult like following among the users and consumers. People don't buy the product just because they like it or because it is better, people buy the product because they trust in what the company believes in terms of the industry. They buy because they connect with the company's purpose and objectives.

Lastly, to understand the decision-making process that consumers experience when purchasing an Apple product, it is necessary to understand how human behavior works. Apple has successfully approached their audience by developing a significant emotional connection which is later backed up by the rational fact of Apple products. In other words, Apple developed a culture which causes important emotions on consumers. These emotions are much stronger than the rationality in Apple products, that is the reason why event tough the products are quite expensive, people still buy them. The sense of belonging to a tribe is a human necessity and consumers by belonging to the Apple culture fulfill those basic needs and wants.

Finally, the recommendations that can be brought up from this study are essential for today's market. It is recommended for a company, nonmatter what industry, to create a culture by setting the core purpose of the company and effectively communicate that inside

internally and externally. Most companies align to customers' needs and wants, while Apple showcases their purpose, vision, values and objectives so people feeling familiar with those things align with the brand. That is what most companies and individuals should do in order to become influential. These can be done by understanding the core elements of a company's vision, mission, values and purpose, through analyzing the identity of the company. There is always space for innovations, especially with the world constantly changing.

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