



RESEARCH PROJECT

ON

APPLE COMPANY [i PHONE]

[Submitted in partial fulfillment for the award of degree of BBA (2018-21)]

As a part of the Curriculum of

BACHELOR OF BUSINESS ADMINISTRATION [BBA]

From

GLAGOTIAS UNIVERSITY, GREATER NOIDA

SUBMITTED BY:

Rambilash
Rajput 18GSOB1010415

SUBMITTED TO:

DR. SARITA
CHAUDHARY

➤ **OBJECTIVE**

- ✓ To measure the brand awareness, and level of satisfaction of the respondent in purchasing of Apple product.
- ✓ To study the factors influencing the purchase of Apple product
- ✓ To enhance the image of Apple Company
- ✓ The study the significance of Apple co-operative in USA

➤ **DECLARATION BY THE CANDIDATE**

I hereby declare that the work, which is being present in this project, entitled as "CONSUMER PERCEPTION TOWARDS THE APPLE COMPANY" is an authentic record of my own work carried out by me under the supervision and guidance of Dr. Sarita Chaudhary, Galgotias University

This project was undertaken as a partial fulfillment of the major project report in 6th semester of BBA

Name: Rambilash

E.no.18021011149

BBA: 6thSEM

➤ **CERTIFICATE BY PROJECT GUIDE**

This is to certify that the project report titled "**THE TECHNOLOGY APPLE INC. COMPANY**" submitted in partial fulfillment of the degree of BBA at **Galgotias university** is a project carried out by Rambilash (E.No - **18021011149**) under my supervision and guidance. His Performance was satisfactory during his research process for the above said major project.

Dr. Sarita Chaudhary

(PROJECT GUIDE)

➤ **ACKNOWLEDGEMENT**

The project entitled **“THE TECHNOLOGY APPLE INC.”** *was* a challenging assignment for me and required an improved environment, extensive endeavor and all necessary guidance and support. I take this opportunity to express my gratitude to Dr. Sarita Chaudhary, project guide for his able guidance, cooperation and out of the box thinking without which this project would not have been possible at all.

RAMBILASH, 18GSOB1010415

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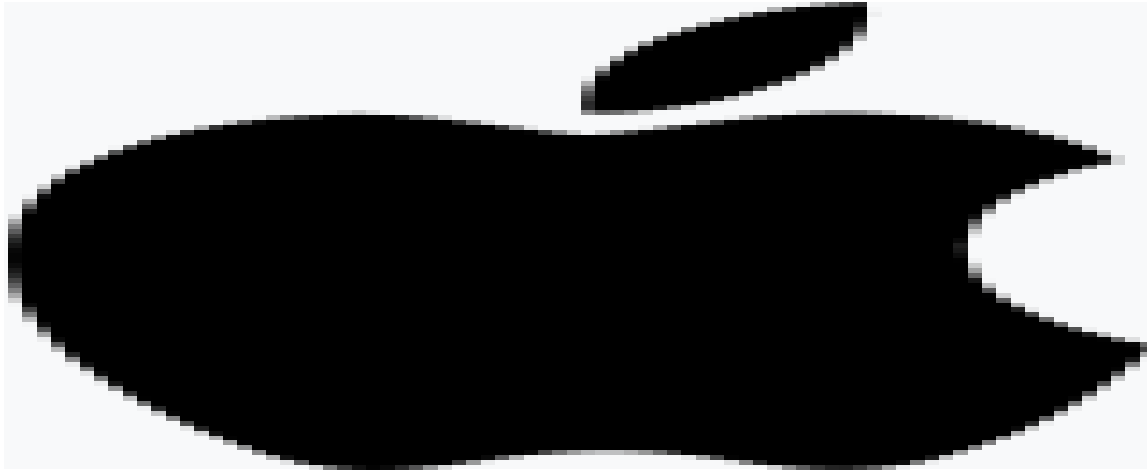
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➤ Introduction

- **Apple Inc** established in April 1976, Apple is one of the top-rated Multinational Technology Company popular as one of the top four big companies around the world. The business model of Apple is based on designing, developing, manufacturing and selling of computer software, consumer electronics, and online services.
- Company is headquartered in Cupertino, California, and it is functional all around the world. In this post, we will be diving deep into the world of Apple and understand how it has become a trillion-dollar company. So, without any further ado, let us get started right away.
- With operating income of US\$70.898 billion and revenue of US\$265.595 billion, Apple is for sure having a business model which is profit-oriented, global, powerful, and equally sustainable.
- Apple's software includes iOS, iPadOS, macOS, watchOS, and tvOS operating systems, the iTunes media player, the Safari web browser, the Shazam music identifier, and the iLife and iWork creativity and productivity suites, as well as professional applications like Final Cut Pro X, Logic Pro, and Xcode. Its online services include the iTunes Store, the iOS App Store, Mac App Store, Apple Arcade, Apple Music, Apple TV+, Apple Fitness+, iMessage, and iCloud. Other services include Apple Store, Genius Bar, AppleCare, Apple Pay, Apple Pay Cash, and Apple Card.
- Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne in April 1976 to develop and sell Wozniak's Apple I personal computer, though Wayne sold his share back to Jobs and Wozniak within 12 days. It was incorporated as **Apple Computer, Inc.**, in

January 1977, and sales of its computers, including the Apple II, grew quickly.



➤ The iPhone Model

1. Placing Products Above Anything Else

When it comes to the Apple Company, we all know that there is pretty serious cash flow. So, there is no doubt that it starts with the R&D labs for sure.

- The management that the company has is completely motivated with the coming up of amazing products and not to just make the profits for the company.
- The executives present in the Apple Company won't really miss a chance in order to focus on the point. However, there are quite a few people outside who might think that this is not the right solution for sure.

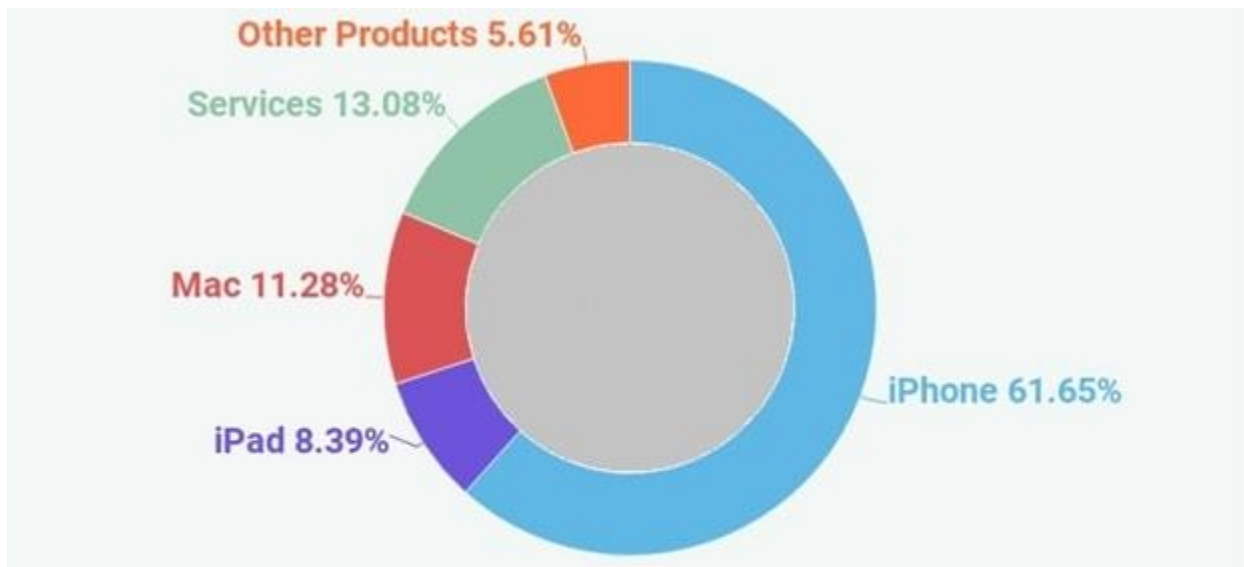
However, when it comes to the financial performance of the Apple Company, it certainly backs up all the quality statements that are being made by the company. So, we can say this that the claims which are made by the company will be true in the most certain way for sure.

#2. Staying Focused Always to Optimize Global Presence of the Company

- The value of the Apple Company starts with the focus that they have.
- They expand the network of the company by using company-owned retail stores across the world. So, there is no doubt about the fact that they have been pretty much focused on their goals for sure.
- The money that the company is spending on Apple products is certainly one of the main reasons that it is so popular amongst the people. Company is also focused on building different platforms that can be used for the apps and content distribution on the Apple devices.

#3. Incorporating a Vertically Integrated Business Model for better User Experience

- The business model of Apple incorporates a vertically integrated business model that helps the company in offering the best user experience to its users. Apple is involved in designing and manufacturing its own OS, application software, hardware, and services.
- Hence, the company integrates all this, so users can get easy to use products in a seamless manner. All the innovations and technical breakthroughs get their processing via Apple only and not on any other partner.



HARDWARE PRODUCT AND SOFTWARE PRODUCT

Apple Hardware Products

- iPhone smartphone
- iPad tablet computer
- Mac personal computer
- iPod portable media player
- Apple Watch smartwatch
- Apple TV digital media player
- AirPods wireless earbuds
- HomePod smart speaker

Apple Software Products

- macOS
- iOS
- iPadOS
- watchOS
- tvOS operating systems
- iTunes media player
- Safari web browser
- Shazam acoustic fingerprint utility
- iLife and iWork creativity and productivity suites
- Professional applications like Final Cut Pro, Xcode, Logic Pro

Marketing Strategy

How Apple Makes Money?

Apple makes money via three key resources-

#1. Product Sales

Apple makes money by selling some of the top-notch products across the globe.

- iPhone
- Mac
- iPod
- Apple Watch
- Apple TV

#2. Subscription fees associated with iTunes Store, iCloud, Apple Music, etc.

When users subscribe for different apps and software, they pay a fee to the Apple that helps the company generate a good amount of money. When content owners and developers sell their digital content and applications via different Apple resources, they pay fees to the company.

- Apple application software like iLife, iWork, etc
- iCloud
- AppleCare
- Apple Pay
- Apple Music
- iTunes Store
- App Store
- Mac App Store
- iBooks Store
- Apple TV App Store

#3. Extended Warranty fees for its products

Apple also makes money when its users pay fees for extending the warranty for their respective products.



By using retail and online stores along with direct sales force, Apple sells its products and services in the major markets across the globe. Plus, Apple is also involved in selling a variety of third party products that are compatible with Apple, such as different apps and accessories.

Also, Apple offers indirect distribution channels such as third party Cellular Network Carriers, Value-Added Resellers, and Retailers.

1. Rethink the Need for Advertising

It's tempting to drop lots of cash on PPC ads with Google or Facebook when you want to increase your sales revenue. But, Apple knows that's not always necessary.

In fact, Apple relies most on two completely different strategies: product placement (especially with celebrities and in popular shows) and the buzz created by positive reviews in the media.

3. Keep Your Marketing and Your Products Simple

More isn't always better.

- Apple understands that technology consumers often get overwhelmed. That's true of other niches and industries, as well. Overwhelm can create a confusion in a marketing mix.
- Apple helps reduce that consumer confusion by simplifying their web and sales copy. They completely eschew jargon or industry terms. Instead, they use simple, direct words and they continually stress the benefits that consumers absolutely need and will be thrilled by. This is part of their brilliance in content marketing; high tech without high tech terms.
- This approach doesn't confuse their customers with too much information. As Leonardo da Vinci said,

4. Know Your Audience and Talk to Them in Their Language

- It's not that Apple doesn't mention product specifications and technical details at all. In fact, every product page on the Apple website does mention those things.

But, they put it below-the-fold. Visitors to Apple's website first have to scroll past beautiful product images and large-font simple copy telling them about the product's benefits.

Initially, Apple customers won't find words like megabytes or gigahertz. They find words they know and understand:

- "edge to edge glass"
- "retina display"
- "LED backlighting"

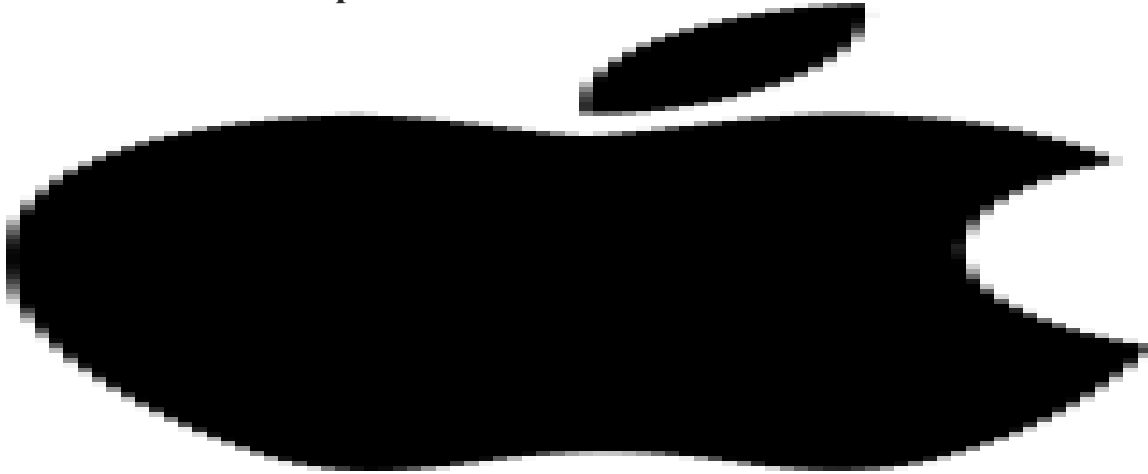
Apple knows its customers very well and has developed loyalty in their market share. And, they know how to speak to them in the language that makes them feel comfortable, not overwhelmed and confused.

5. Design a Better Customer Experience

Did you know Apple fans often create videos of themselves unwrapping their new Apple products and upload the video to YouTube?

It's true. It's called **unboxing**. Do a search on YouTube and you'll find hundreds of Apple unboxings, each from different users across the globe.

6. Aim at Your Prospects' Emotions



- Think back to the first ads for the iPad, after its buzzy launch in 2010 and how simple their content marketing was.
- Remember those images of people relaxing in the living room with the strange new gadget? They looked happy and comfortable.

They weren't talking about display dimensions or processing power. They were just enjoying their iPads.

➤ PRODUCT MIX

Apple's Products (Product Mix)

- This marketing mix element determines the outputs of the business organization. In this case, Apple's product mix includes goods and services that are classified as, or involves information technology. However, the company continues to expand its product mix, creating the possibility of adding non-IT-related products in this 4P element. Apple Inc.'s main product lines are as follows:

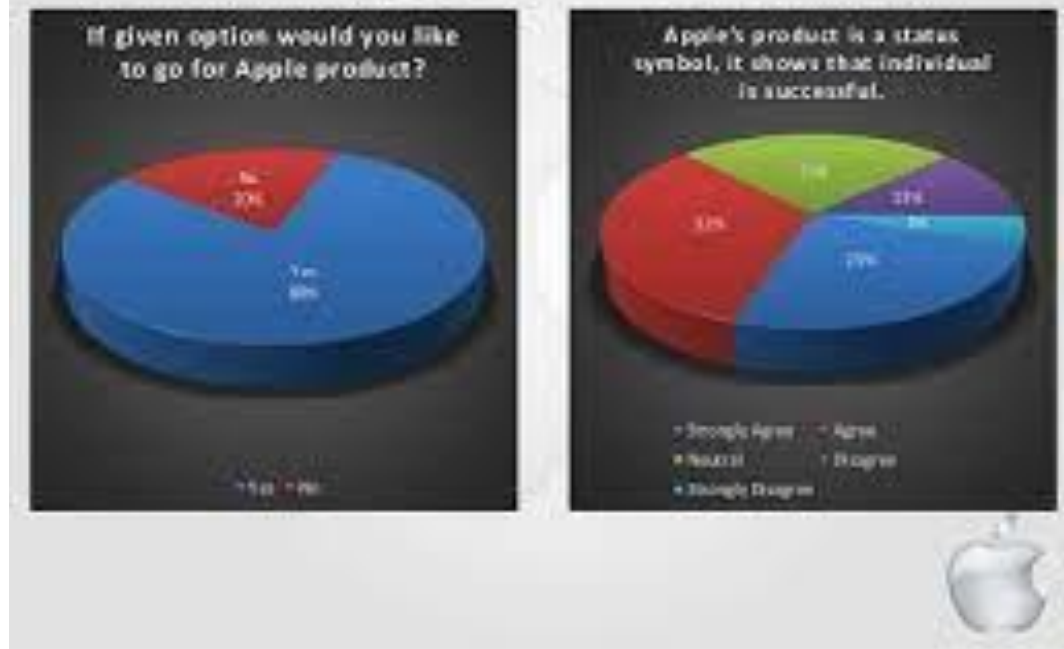
1. Mac
2. iPhone
3. iPad
4. iPod
5. Apple Watch
6. Apple TV
7. Digital content
8. Software
9. Accessories
10. Cloud services



➤ DATA ANALYSIS

- The company has a heavy presence in the consumer electronics products industry and has done its best to remain the top brand in this industry. Over the years, one of the branding strategies that this company has used has been the creation of innovative products. This has kept the company ahead of its competitors and has helped it cut a niche for itself in the competitive global business environment.
- Companies globally are increasingly becoming aware of the importance of corporate branding to any business enterprise. Branding basically involves distinguishing a company's goods and services from the rest in the market through the creation of exceptional identity and position of these products in the competitive business environment. Apple Inc. is one of the corporations that have identified the value of branding of its products and uses it to create a distinction between its products and those of its competitors in the market.
- This paper shall look into the branding strategies of Apple Inc. as well as the advantages and disadvantages of these strategies. An analysis of this company using secondary data shall then be provided and recommendations given.

Data Analysis



➤ Methodology

- The information in this paper has been gathered from secondary sources. These include books and articles by other writers based on prior research. Only information about branding strategies of Apple Inc. and the advantages and disadvantages of these strategies has been used. A SWOT analysis of this company has been done using these secondary sources.

A Store Just for Apple

- As a strategy for branding, Apple Inc. opened stores that only deal with its products only (Apple's Competitive Strategy, 2011). This has helped this company to set its unique products apart from the rest that are in the same business environment. The stores are customer friendly and customers have the opportunity to explore some of the technology that Apple Inc. offers. This move has helped the company create loyal customers.

Offering complete solutions

- Apple Inc. products come in packages that complement one another. Moreover, the products complete one another (Kahney, 2002). This means that most of the programs that Apple Inc. products need are also produced by the same company. The customer does not have to struggle looking for these programs elsewhere. Solutions for most of their needs when dealing with Apple Inc. products are also provided by the same company.

Advertising strategies

- While promoting its products, Apple Inc. tries as much as possible to identify with everything that is young, smart and trendy (Dairymple, 2008). For example, the company ran a campaign dubbed 'I'm a mac', which depicted 'a mac guy' as one who is young and bold. This attracts many people because everyone would like to identify with whatever is young, smart and trendy.

Manufacture of varied products

- Due to the high cost of buying some Apple Inc. products, such as Apple computers, the company has diversified its products to come up with products that are not as costly as the computers.

➤ **SWOT analysis of Apple Inc**

Strengths

- This is a very successful company that has high sales of electronics such as iPod, iPhone and the Macintosh computers. It is also one of the established brands in the manufacture of electronics (A2Z Everything, 2010).
- Most of its customers are loyal. Apple Inc. is also able to attract new customers and retain them. This means that the company is able to sell the existing products to these customers easily, as well as introduced new products to them without much struggle.

Weaknesses

- Some of the products were reported to be faulty (Linzmayr, 1999). For example, the Apple iPod Nano was reported to have faulty screen, something which could cause customer dissatisfaction. In addition, some of the iPod produced previously had faulty batteries and the company had to give its customers other batteries.



Opportunities

- There is an opportunity for Apple Inc. to develop the iTunes that they currently offer into another more convenient format such as the

mobile phone. This would increase its sales, as well as meeting the needs of many users of the Apple products.

Threats

- The greatest threat to leading IT producers such as Apple Inc is the stiff competition that exists in this industry. Being a leader in this industry, Apple Inc has attracted a lot of competitors. This means that the company has to remain vigilant always and be innovative in order to stay ahead of its competitors.
- The high product substitution that is on the rise with new inventions is also a threat to this company. In the recent past, the CDs and Vinyl were some of the leaders in the music industry. However, the MP3 and iPods are the ones reigning currently. With these changing trends, one is never sure what to expect in the IT industry.



RESULT ANALYSIS

Revenue up 11 percent and EPS up 18 percent to new June quarter records

- Cupertino, California — July 30, 2020 — Apple today announced financial results for its fiscal 2020 third quarter ended June 27, 2020. The Company posted quarterly revenue of \$59.7 billion, an increase of 11 percent from the year-ago quarter, and quarterly earnings per diluted share of \$2.58, up 18 percent. International sales accounted for 60 percent of the quarter’s revenue.
- “Apple’s record June quarter was driven by double-digit growth in both Products and Services and growth in each of our geographic segments,” said Tim Cook, Apple’s CEO. “In uncertain times, this performance is a testament to the important role our products play in our customers’ lives and to Apple’s relentless innovation. This is a challenging moment for our communities, and, from Apple’s new \$100 million Racial Equity and Justice Initiative to a new commitment to be carbon neutral by 2030, we’re living the principle that what we make and do should create opportunity and leave the world better than we found it.”
- “Our June quarter performance was strong evidence of Apple’s ability to innovate and execute during challenging times,” said Luca Maestri, Apple’s CFO. “The record business results drove our active installed base of devices to an all-time high in all of our geographic segments and all major product categories. We grew EPS by 18 percent and generated operating cash flow of \$16.3 billion during the quarter, a June quarter record for both metrics.”
- This press release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include without limitation those about the Company’s expectations regarding the impact of the COVID-19 pandemic; anticipated revenue, gross margin, operating expenses, other income/(expense), and tax rate; plans for return of capital; the four-for-one stock split; and the commitment to be carbon neutral by 2030. These statements involve risks and

uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements.

- Risks and uncertainties include without limitation: the effect of the COVID-19 pandemic on the Company's business, results of operations, financial condition, and stock price; the effect of global and regional economic conditions on the Company's business, including effects on purchasing decisions by consumers and businesses; the ability of the Company to compete in markets that are highly competitive and subject to rapid technological change; the ability of the Company to manage frequent introductions and transitions of products and services, including delivering to the marketplace, and stimulating customer demand for, new products, services, and technological innovations on a timely basis; the effect that shifts in the mix of products and services and in the geographic, currency, or channel mix, component cost increases, increases in the cost of acquiring and delivering content for the Company's services, price competition, or the introduction of new products or services, including new products or services with higher cost structures, could have on the Company's gross margin; the dependency of the Company on the performance of distributors of the Company's products, including cellular network carriers and other resellers; the risk of write-downs on the value of inventory and other assets and purchase commitment cancellation risk; the continued availability on acceptable terms, or at all, of certain components, services, and new technologies essential to the Company's business, including components and technologies that may only be available from single or limited sources;
- The dependency of the Company on manufacturing and logistics services provided by third parties, many of which are located outside of the US and which may affect the quality, quantity, or cost of products manufactured or services rendered to the Company; the effect of product and services design and manufacturing defects on the Company's financial performance and reputation; the dependency of the Company on third-party intellectual property and

digital content, which may not be available to the Company on commercially reasonable terms or at all; the dependency of the Company on support from third-party software developers to develop and maintain software applications and services for the Company's products; the impact of unfavourable legal proceedings, such as a potential finding that the Company has infringed on the intellectual property rights of others; the impact of complex and changing laws and regulations worldwide, which expose the Company to potential liabilities, increased costs, and other adverse effects on the Company's business; the ability of the Company to manage risks associated with the Company's retail stores; the ability of the Company to manage risks associated with the Company's investments in new business strategies and acquisitions; the impact on the Company's business and reputation from information technology system failures, network disruptions, or losses or unauthorised access to, or release of, confidential information; the ability of the Company to comply with laws and regulations regarding data protection; the continued service and availability of key executives and employees; political events, international trade disputes, war, terrorism, natural disasters, public health issues, and other business interruptions that could disrupt supply or delivery of, or demand for, the Company's products; financial risks, including risks relating to currency fluctuations, credit risks, and fluctuations in the market value of the Company's investment portfolio; and changes in tax rates and exposure to additional tax liabilities.

- More information on these risks and other potential factors that could affect the Company's business and financial results is included in the Company's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

➤ COMPANY REVENUE

- Cupertino, California — January 28, 2020 — Apple today announced financial results for its fiscal 2020 first quarter ended December 28, 2019. The Company posted quarterly revenue of \$91.8 billion, an increase of 9 percent from the year-ago quarter and an all-time record, and quarterly earnings per diluted share of \$4.99, up 19 percent, also an all-time record. International sales accounted for 61 percent of the quarter's revenue.
- “We are thrilled to report Apple’s highest quarterly revenue ever, fuelled by strong demand for our iPhone 11 and iPhone 11 Pro models, and all-time records for Services and Wearables,” said Tim Cook, Apple’s CEO. “During the holiday quarter our active installed base of devices grew in each of our geographic segments and has now reached over 1.5 billion. We see this as a powerful testament to the satisfaction, engagement and loyalty of our customers — and a great driver of our growth across the board.”
- ✓ “Our very strong business performance drove an all-time net income record of \$22.2 billion and generated operating cash flow of \$30.5 billion,” said Luca Maestri, Apple’s CFO. “We also returned nearly \$25 billion to shareholders during the quarter, including \$20 billion in share repurchases and \$3.5 billion in dividends and equivalents, as we maintain our target of reaching a net cash neutral position over time.”

Apple is providing the following guidance for its fiscal 2020 second quarter:

- revenue between \$63.0 billion and \$67.0 billion
- gross margin between 38.0 percent and 39.0 percent
- operating expenses between \$9.6 billion and \$9.7 billion
- other income/(expense) of \$250 million
- tax rate of approximately 16.5 percent



➤ Conclusion

- Apple Inc. is one of the leading producers of IT products. It has managed to create a niche for itself in the global business environment through branding. However, this has come with advantages and disadvantages that the company has to cope with. A SWOT analysis of the company reveals some of the major strengths, weaknesses, opportunities and threats that the company faces.

➤ **Recommendations**

- Apple Inc. should consider co-branding, as a way of reducing on the costs incurred in branding. Co-branding involves a joint venture of branding that is done by several companies. In addition to reducing the costs for branding, co-branding allows easier market penetration.
 - However, if Apple Inc. is to adopt this method, it should be ready to share the credit with the rest of the companies because co-branding usually has a dilutive effect. Moreover, a negative brand image of one of the companies involved in co-branding is likely to affect the brand image of the other companies involved in the joint venture.
 - Apple Inc. should try as much as possible not to have a single person who is associated with the brand. This would help minimize any negative brand image that may arise if any person leaves that company.
 - This is also important in protecting the brand image, in case one of the people in the company is surrounded by negative events, which may ruin the reputation of the brand when the brand is associated with such a person (King, 2011).
- Extensive monitoring should also be done to ensure that the brand image is not tarnished by outsiders, who may try to use the brand name for their own selfish gains.

➤ **BIBLIOGRAPHY**

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THANKS

THANKS

