



VAASAN AMMATTIKORKEAKOULU  
VASA YRKESHÖGSKOLA  
UNIVERSITY OF APPLIED SCIENCES

Yu Sun

A SMARTPHONE COMPANY'S INNO-  
VATIVE MARKETING STRATEGY IN  
THE CHINESE MARKET

A case study of iPhone

Business Economics and Tourism

2014



## TIIVISTELMÄ

Tekijä	Yu Sun
Opinnäytetyön nimi	Matkapuhelinyrityksen innovatiivinen markkinointistrategia Kiina markkinoilla. Tapaustutkimus iPhone.
Vuosi	2014
Kieli	Englanti
Sivumäärä	46 + 1 liitettä
Ohjaaja	Satu Lautamäki

---

Langattoman internetin ja matkaviestintälaitteiden käytön kehittymisen myötä älypuhelimet ovat viime vuosien aikana saaneet korvaamattoman roolin elämässämme, ja ne ovat vähitellen muuttaneet elintapojamme ja viestintäämme.

Tässä opinnäytetyössä tutkitaan iPhone-brändiä matkapuhelinalan esimerkkinä ja sen markkinointia Kiinassa, joka on lupaavin älypuhelinmarkkina maailmassa. Tavoitteena on selvittää, miten iPhone toteuttaa markkinointistrategiaansa ja miten kuluttajat arvioivat markkinoinnin menetelmiä, joita iPhone soveltaa markkinoille.

Tiedonkeruu toteutettiin verkkokyselyn avulla, ja otos oli 100 kuluttajaa Kiinasta. 15 % heistä ovat Apple-faneja, ja suurin osa vastaajista tuntee iPhoneen suhteellisen hyvin. Mielenkiintoista on, että kukaan vastaajista ei ole tietämätön iPhoneesta. Ei ole myöskään yllättävää, että 48 % vastaajista on iPhone käyttäjiä, ja Samsung on toisella sijalla 23 % osuudella. iPhonea aina käyttävät ovat sellaisten ystävien ympäröimiä, jotka myös ovat saman brändin käyttäjiä ja päinvastoin.

Kyselyssä selvitettiin kuluttajien asenteita iPhone-mainontaa kohtaan. Suurin osa vastaajista oli saanut tietoa verkkomedian kautta ja suusanallisesti ystäviltä. Enemmistöllä vastaajista oli neutraali asenne niitä tekijöitä kohtaan, jotka edistävät kuluttajien ostopäätöksiä. Vastaajat, jotka olivat ehdottomasti halukkaita ostamaan, kertoivat iPhone-markkinoinnin vaikuttavan heihin vahvasti, ja ostopäätökseen eniten vaikuttava tekijä oli korkeampi vastine rahalle. Tuotekokemus Applen myymälässä oli toinen vaikuttava tekijä. Tulosten mukaan kuluttajat nauttivat tuotekokemuksista Applen myymälässä, riippumatta siitä, ostavatko he iPhonea vai ei. Kerättyyn tietoon perustuen tutkimus antaa myös ehdotuksia kotimaisille ja ulkomaisille matkapuhelinvalmistajille.

---

Avainsanat	Markkinointistrategia, iPhone, Kiinan markkinat, kuluttajakäyttäytyminen
------------	--

## ABSTRACT

Author	Yu Sun
Title	Smartphone Company's Innovative Marketing Strategy in the Chinese Market. A Case Study of iPhone.
Year	2014
Language	English
Pages	46 + 1 Appendix
Name of Supervisor	Satu Lautamäki

---

In the recent years, with the development of mobile Internet and the usage of mobile device, smartphones have begun playing an indispensable role in our lives and are gradually changing our ways of life and communication.

This thesis benchmarks iPhone as a brand in the smartphone market and its marketing methods in the Chinese market, which is the most promising smartphone market in the world. The aim of this thesis is to find out how iPhone implements its marketing strategy and how consumers respond to its marketing methods.

The empirical data is collected through an online survey, with a sample of 100 respondents. 15 % of them are Apple fans, while the majority is relatively familiar with iPhone. There is an interesting finding that no respondent is ignorant about iPhone. Not surprisingly, 48 % of the respondents are iPhone users and Samsung occupies the second place with the share of 23 %. Respondents who always use an iPhone are surrounded by friends that are also equipped with the same brand rather than others and vice versa.

When asking their attitudes towards iPhone's advertisements, most respondents had got information through online media and the word of mouth from friends. Most of the respondents held neutral attitudes to all factors stimulating consumers buying decision. The respondents who were definitely willing to buy were strongly affected by iPhone's marketing strategies, in which the higher value for money was the most influential factors. Product experience in Apple retail stores is another influential factor for consumer buying decision and the data shows that consumers enjoy the product experience in Apple retail store, no matter they buy an iPhone or not. Based on the data collected, suggestions for major domestic and foreign mobile phone manufacturers are also given.

---

Keywords     Marketing Strategy, iPhone, Chinese Market, Consumer Behavior



# CONTENTS

TIIVISTELMÄ

ABSTRACT

1	INTRODUCTION .....	8
1.1	Background of Study .....	8
1.2	Rsearch Objectives and Research Questions .....	9
1.3	Structure of the Study .....	10
2	THEORETICAL ANALYSIS .....	12
2.1	Concept of Marketing Mix.....	12
2.1.1	Product .....	14
2.1.2	Price.....	14
2.1.3	Promotion.....	15
2.1.4	Place .....	15
2.1.5	7Ps Framework .....	16
2.1.6	4Ps to 4Cs Marketing Theory .....	18
2.2	Marketing Process.....	21
2.2.1	Marketing Targeting.....	21
2.2.2	Market Positioning.....	21
2.3	Consumer Buying Behavior Analysis.....	22
2.3.1	Consumer Needs, Wants and Demands .....	22
2.3.2	Consumer Decision-Making Process .....	23
2.3.3	What Influences Consumer Behavior?.....	24
3	EMPIRICAL ANALYSIS BY CASE STUDY .....	26
3.1	Research Methodology .....	26
3.1.1	Research Objectives .....	26
3.1.2	Research Methods .....	26
3.1.3	Data Collection and Analysis.....	27
3.1.4	Research Validity and Reliability .....	28
3.2	Case Study .....	28
3.2.1	Overview of iPhone.....	28
3.2.2	The Consumer’s Response to the Newest iPhone.....	29
3.2.3	Results of Research and Analysis .....	32

	5
4 CONCLUSION.....	43
4.1 Summary of the Main Empirical Findings.....	43
4.2 Limitations .....	45
REFERENCES.....	47
APPENDIX	

## LIST OF FIGURES

<b>Figure 1.</b> Thesis Structure	p. 11
<b>Figure 2.</b> 4Ps Marketing Mix	p. 13
<b>Figure 3.</b> Elements of promotional mix	p. 15
<b>Figure 4.</b> 7Ps marketing mix.	p. 17
<b>Figure 5.</b> 4Cs marketing mix	p. 19
<b>Figure 6.</b> Target marketing process	p. 21
<b>Figure 7.</b> Maslow's Hierarchy of Needs	p. 23
<b>Figure 8.</b> Five-stage model of the consumer buying process	p. 23
<b>Figure 9.</b> Model of consumer behaviour	p. 24
<b>Figure 10.</b> Data collection & analysis process	p. 27
<b>Figure 11.</b> Top ten operators worldwide	p. 29
<b>Figure 12.</b> Tendency of market share for new iPhone devices on the market	p. 30
<b>Figure 13.</b> Consumers' attitudes of the retail price of the new iPhone 5c	p. 30
<b>Figure 14.</b> Consumers' attitude of buying iPhone 5s & iPhone 5c	p. 31
<b>Figure 15.</b> Analysis of gender	p. 32
<b>Figure 16.</b> Analysis of age group	p. 33
<b>Figure 17.</b> Analysis of profession	p. 33
<b>Figure 18.</b> Consumer's familiarity level of iPhone	p. 34
<b>Figure 19.</b> Brand of smartphone owned by respondent	p. 34
<b>Figure 20.</b> Consumers' attitudes to iPhone's scarcity marketing method	p. 37
<b>Figure 21.</b> Consumer's attitude when the iPhone is out of stock	p. 37
<b>Figure 22.</b> Influence of WWDC	p. 38
<b>Figure 23.</b> Consumer's attitude facing the lower priced iPhone 5c	p. 39

**LIST OF TABLES**

<b>Table 1.</b> Strengths and weakness of the 4Ps and 7Ps	p. 18
<b>Table 2.</b> Analysis of the influence of people around consumer	p. 35
<b>Table 3.</b> Analysis of reasons why Chinese consumers choose iPhone	p. 35
<b>Table 4.</b> Analysis of consumer's attitude towards iPhone's ad	p. 36
<b>Table 5.</b> Analysis of colour marketing of iPhone	p. 40
<b>Table 6.</b> Factors influencing consumer buying decision	p. 41

# 1 INTRODUCTION

As the top product in the smartphone market, the implemented strategies of iPhone have been verified and analyzed by various research institutes all over the world. As a consumer group have also been repeatedly studied in the fastest growing consumer country, in their consumer behavior and consumer psychology of Chinese consumers have also been repeatedly studied.

However, there is a lack of study in investigating what adjustments iPhone was made to cater to the Chinese consumer market. By studying the Chinese consumer's response to the marketing strategies of iPhone, realistic significances will be recommended to major domestic and foreign mobile phone manufacturers at the end of the study.

## 1.1 Background of Study

With the increasing economical growth in China, mobile phone products began to slowly enter into Chinese people's sight approximately 27 years ago. Mobile phones were once a symbol of elites but today almost everyone has one. In 2011, global smartphones and 3G markets enter the stage in high increasing numbers (iiMedia 2012). Last year, China quietly passed the United States as the largest smartphone market, reaching 986.25 million users, and making the dynamics of global phone shifted (Pfanner 2012).

With the great growth of Chinese capita discretionary income, the penetration of mobile phone will certainly get a further enhance. During the past ten years, the changing Chinese market witnessed the top moments of Motorola to Nokia and also how the smartphone brands spring up, for example Samsung and HTC.

As the international smartphone manufacturer, iPhone entered the Chinese market in 2007 and gradually occupied a favorable market situation with the development and growth in the recent years. China has the most development-potential consumer markets become one the most pivotal market for iPhone's development plan.

Since iPhone entered into the Chinese market, it has been a smartphone leader in both product design and marketing methods. As the most well-known smartphone brand, how iPhone has been formed their positive attraction is a question for other smartphone suppliers to consider seriously.

From the management point of view, the key point in doing business is getting to understand your target customers. Therefore, the thesis is going to do a relevant analysis related to how iPhone has improved their marketing strategies in China by analysing the local consumer characteristics of the Chinese market.

## **1.2 Research Objectives and Research Questions**

In the background of world economic depression, the explosive development of global a smartphone brand draws a worldwide attention. As almost the biggest share in the global smartphone marketing, Chinese market has been getting more and more interest from smartphone suppliers all over the world. In the intense market competition, however, iPhone's marketing strategies are considered as the industry benchmark, which always are imitated but never been exceeded. That is what makes the topic worth studying the different types of marketing methods and how does the company grasp consumer preference, by analysing the characteristics of Chinese consumers. Last but not least, realistic reference points and suggestions will be given to major domestic and foreign mobile phone manufacturers.

The aim and research problem of this study is to investigate how iPhone, as the industry benchmark, develops its marketing strategies. Based on this aim, the following three research questions will be asked:

- 1) What is the typical marketing method applied by iPhone in the Chinese market?
- 2) What are the consumers' responses to iPhone's marketing methods?
- 3) How has iPhone developed its marketing strategies in the recent years since entering into the Chinese market?

The research method applied in information collection phase of this study is quantitative research method and a single case study in the empirical study, since the research requires widely collected data and the research questions are supposed to be explained by a detailed data analysis. An online questionnaire is used as the major data collection method because of its convenience of acquiring certain information from the target groups and getting more methodical results. The survey will be conducted mainly through the Internet by sending online questionnaires. The empirical study is conducted to research how Chinese consumers respond to iPhone's marketing methods such as holding a product conference, especially in China this year, and the iPhone's new line up, which includes both the iPhone 5S which will be offered in gold for the first time and a new lower-priced device called the iPhone 5C.

These new changes give us a potential business signal that Apple is constantly adjusting its strategies and increasing its emphasis on Chinese market and the Chinese consumers' characteristics.

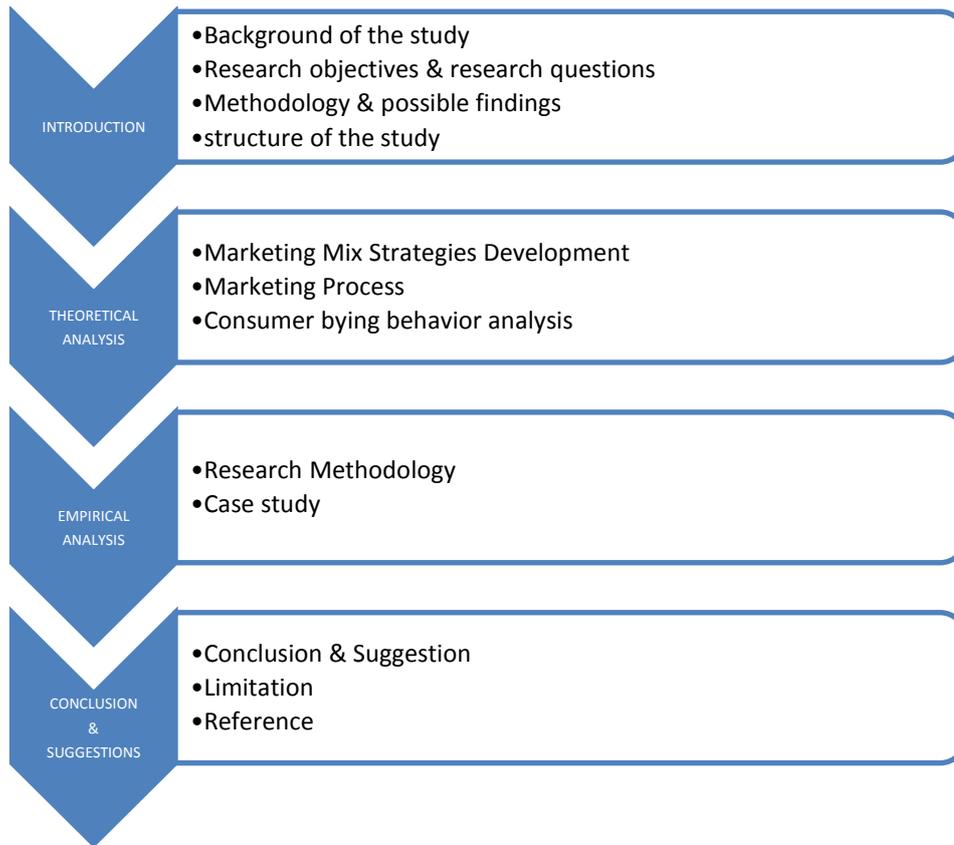
### **1.3 Structure of the Study**

A major part of the thesis is related to how iPhone as the benchmarking brand implements its marketing strategy to achieve market goals, how reasonable it is and what we can learn from it.

This thesis contains a detailed theoretical analysis with a discussion of the most successful marketing factors of the case company study, in the various marketing methods and consumer purchasing behaviour are mainly involved.

The practical study aims to comprehend and analyse how Chinese consumers consider these marketing strategies, are they attractive or not and in which way they stimulate them into making purchasing decisions?

The thesis consists of four sections, described in Figure 1.



**Figure 1.** Thesis structure.

These four parts are combined in order to analyse iPhone's marketing strategy and its points of success.

## 2 THEORETICAL ANALYSIS

This chapter describes the development of marketing mix theories.

### 2.1 Concept of Marketing Mix

First of all, what is marketing? Philip Kotler (2006) gave a definition that marketing is a social process by which individuals and groups obtain what they want and need through creating, offering and freely exchanging products and services of value with others and at the same time build strong customer relationships in order to capture value from customers in return. All in all, marketing is all about satisfying the customer needs.

Then, marketing mix is a practical tool company can use to achieve this goal. One traditional definition of marketing activities is the marketing mix, which originally was defined as the set of marketing tools a company uses to pursue its marketing objectives (Borden, 1964).

Marketing mix is a fundamental concept in marketing academic field, when it is described as a series of measurable marketing tools that companies can use to make accurate responses in the market competition. Marketing mix is normally referred as the 4Ps, which are product, price, place of distribution and the promotion.

The concept of marketing mix appeared in the 1960s, and Borden (1964) is considered to be the first to use the term marketing mix, whereas, some studies indicated that McCarthy (1960) was first to classify marketing tools into the 4Ps which as the primary components of marketing strategy and a tool of translating marketing planning into specific operational processes.

Since 1960s to current years, different definitions of marketing mix have been given: McCarthy (1964) described marketing mix as a combination of all of the factors at the command of a marketing manager to satisfy the target market. Perreault & McCarthy (1987) considered that marketing mix means the controllable variables that an organization can co-ordinate to satisfy its target market. Kotler &

Armstrong (1989) presented that marketing mix is a set of controllable marketing variables that the firm blends to produce the response it wants in the target market. Kotler and Keller (2006) have also defined the marketing mix as the activities that aimed at creating communicative and deliverable value to target consumers. Goi (2009) has pointed out that the main point of marketing mix is to make marketing activities easier to handle and the components of the marketing mix can optimize a company's competitive situation.

The ultimate goal of marketing mix is to help marketing manager's job to weigh the benefits and competitive strengths of the marketing mix for a better decision-making.

The marketers who implement 4Ps for the market research and analysis should be equipped with enough knowledge and deep understanding about the issues and possible variables involved in the marketing elements and be aware of the way how the elements of mix should be combine for the practical marketing plan.

Marketing Mix as a combination of four elements is called the 4Ps (Product, Price, Promotion and Place of distribution). Every company has an opportunity to modify 4Ps in order to create a desired marketing strategy (see Figure 2).



**Figure 2.** 4Ps marketing mix (SmartDraw 2014,333).

### **2.1.1 Product**

As Kotler and Armstrong (2006) defined, product is anything that be offered to a market for attention, acquisition, use or consumption that might satisfy some want or need. Product is more than tangible objects but in broader definition, products are associated with services, events, persons, places, organizations, ideas or mixes of these. Hutchision, Macy and Allen (2009) also mentioned that products are designed for satisfying customer's needs.

“A product is not just about physical object; it is a bundle of benefits or values that satisfies the needs of consumers. The needs may be purely functional, or they may include social and psychological benefits.”(Belch & Kerr 2008)

All the operating activities in profit-seeking companies are aiming to satisfy customer needs, which includes existing demand and potential demand.

Product and service is the certain means companies adopted through which to satisfy consumer needs and make profits as the ultimate goal. The importance of product is already self-evident.

### **2.1.2 Price**

“Price is one of the most important cues in marketplace. The economics and consumers elements can be used to interpret the view about price. Price is represented as constraint to be trade-off products for each unit with maximum utility from economics perspective” (Lim, Chew and Lee 2012). Ehmke (2005) considered that price refers to how much company charge for their product or service based on specific pricing strategies. According to Armstrong and Cunningham (2002), price is the amount of money customers must pay to obtain the product or service. Nakhleh (2012) suggested that “price is what customers have given up to get a product or service, which means how much consumers are willing to pay due to their different needs. ” The pricing approach that companies have formulated should reflect the appropriate positioning of the product when compared with their competitors and the price set should also reflect the unit cost and include the profit

margin, in which the proper pricing strategy for specific circumstances of company is inconsiderable.

Maximizing profits is the significant for all profit-oriented companies. How to pursue the highest profit through the right pricing strategy is a common topic for all the companies to take into consideration.

### 2.1.3 Promotion

Promotion is a series of activities to deliver certain product or service information to target customers and promote their desire to stimulate buying motives. As Kotler (2003) mentioned, “companies must also communicate with present and potential stakeholders, and the general public, every company is inevitably cast into the role of communicator and promoter”. Figure 3 shows the various elements of promotional mix.



**Figure 3.** Elements of promotional mix (Harrell 2008,333).

Promotional tools are implemented to inform consumers about the products, prices and the places where the products are available.

The promotional mix variable helps to achieve these promotional objectives, and all variables should work together to achieve an integrated marketing communications plan.

### 2.1.4 Place

“Place is the process of making a product or service accessible for use or consumption by a consumer or business user, using direct means, or using indirect

means with intermediaries”. As Armstrong and Kotler (2006) explained, “marketing channel is a set of interdependent organizations that caters to the process of making a product available to the consumers.”

“In the marketing mix model, the place issue is equal with handling a distribution channel that brings the given product to its potential users, and the main task is to link an existing supply with an existing demand” (Håkansson & Waluszewski, 2005).

When the buying decision has been made, through marketing channels, the information related such as where and how to buy is accessible to customers.

### **2.1.5 7Ps Framework**

The marketing mix framework (4Ps marketing theory) was particularly useful in early days of production concept when physical products represented a larger proportion of economy. Today, as marketing is more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing three more elements (People, Physical environment, Process) to build a 7Ps framework. However, the marketing mix most commonly remains based on the basic 4P's.

Pervaiz and Rafiq (1995) proposed the need for modification of the 4Ps mix that industrial marketers have long claimed that industrial marketing has features that make it unique and different to consumer marketing. The most important of these features are product complexity and buying process complexity that leads to a high degree of interdependence between buyers and sellers. Booms and Bitner (1981) recognised the special nature of the service as the output, they made the exhaustive study and combined physical evidence, participants and the process as the additional factors of 4Ps marketing mix. Figure 4 describes 7Ps marketing mix demands.



**Figure 4.** 7Ps marketing mix (SmartDraw 2014,333).

As Reis and Trout (1981) stated, success in the markets is strongly determined by how customers see and think of your product. In which they pointed out the 7Ps emphasis more on broader perspective.

The process perspective in 7Ps refers to systems and processes used by an organization to execute a service. As defined by Muala and Qurneh (2012), Process means acts and functions by which the value for products can be increased by giving benefits for customers. Akroush (2011) also defines the process as the extent to which an organization has set a customer oriented and systematic procedures for a successful service delivery process. Vahid (2012) asserted process management ensures continuous availability of efficient services.

People refers to employees who deliver the service, using their skills and manners. As Gabriel (2005) has mentioned, “due to the importance of service sender related to the customer satisfaction, person delivering the service product and the product itself cannot be separated.” Muala and Qurneh (2012) suggest that the people fac-

tor is mostly related to service employees delivering services and products to customers.

“Physical evidence as a 7Ps element means those issues which show a service was given, “such as the delivery packaging for the item delivered by a delivery service, or a scar left by a surgeon. This reminds or reassures the consumer that the service took place, positively or negatively.” As Gabriel (2005) suggested physical evidence refers to customer service in general on a physical resource needed for delivering the service.

**Table 1.** Strengths and weaknesses of the 4Ps and 7Ps (Pervaiz & Rafiq 1995, 333).

	7Ps	4Ps
Strengths	<ul style="list-style-type: none"> <li>More comprehensive</li> <li>More detailed</li> <li>More refined</li> <li>Broader perspective</li> <li>Includes participants/ people and process</li> <li>It is a model</li> <li>Standardisation</li> <li>Signals marketing theory</li> </ul>	<ul style="list-style-type: none"> <li>Simplicity and ease of understanding</li> <li>Easy to memorise</li> <li>Good pedagogic tool, especially for introductory marketing</li> <li>Parsimony</li> <li>Useful conceptual framework</li> <li>Ability to adapt to various problems</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>More complicated</li> <li>Extra elements can be incorporated in 4Ps</li> <li>Controllability of the three new elements</li> </ul>	<ul style="list-style-type: none"> <li>Too simple, not broad enough</li> <li>Lacking people, participants and process</li> <li>Physical evidence</li> <li>Relationship marketing</li> <li>Service</li> <li>Lack of connection/integration between variables</li> <li>Static nature of 4Ps</li> </ul>

The Table1 reflects the strengths and weakness of the 4Ps and 7Ps.

### 2.1.6 4Ps to 4Cs Marketing Theory

The 4Ps marketing theory represents the seller’s view of how to influence buyers in their purchase decision process through marketing tools and each of them is considered as a value transfer. With the rapid operation of market economy, 4Ps marketing theory restricts companies’ ability to match the development with the

increasingly market competition and the faster media communication. Lauterborn (1990) described that the sellers' 4Ps correspond to the customer's 4Cs. These Cs reflect a more customer-oriented marketing version and could be more adaptable to the changing market demands.

Specifically, the transformation from 4Ps to 4Cs is epitomized by transferring from production to consumer, price to cost, place of distribution to convenience and promotion to communication.

4Ps	- →	4Cs
Product	→	Consumer
Price	→	Customer cost
Place	→	Convenience
Promotion	→	Communication



**Figure 5.** 4Cs marketing mix (SmartDraw 2014,333).

McLean (2002) considered that “a company will only sell what the consumer specifically wants to buy. So, marketers should study consumer wants and needs in order to attract them one by one with something he/she wants to purchase”. The Consumer replaces the Product of 4P in the 4C marketing theory that devotes more focus on satisfying consumer needs and emphasizes on understanding the consumer needs more specifically. Therefore, in this renewed marketing theory system, it insists on providing requirement solution to the consumers more than physical items.

Lauterborn (1990) also mentioned that “price is only a part of the total cost to satisfy a want or a need. The total cost will consider for example the cost of time in acquiring a good or a service, a cost of conscience by consuming that or even a cost of guilt "for not treating the kids".

The price is replaced by the cost of 4C that follows the principle of the total cost ownership. The factors which affect the cost of the product or services is not only limited to the customer's cost.

The place is also replaced by the term of convenience in 4P, which not only represents the retailers but the broader circumstances. It intends to provide the customers with convenience of getting the products or services through various possible channels of buying.

Schultz, Tannenbaum and Lauterborn (1993) confirmed that marketers should know how the target market prefers to buy, how to be there and be ubiquitous, in order to guarantee convenience to buy in the information age.

While promotion as Lauterborn (1990) mentioned is "manipulative" and seen from the seller's perspective, communication is "cooperative" and seen from the buyer's perspectives with the aim to create a dialogue with the potential customers based on their needs and lifestyles

Promotion is eventually replaced by the communication, which suggests an extended connotation of promotional activities. Communication involves advertis-

ing, public relations, personal selling, viral advertising, and other forms of communication between the organization and the consumer.

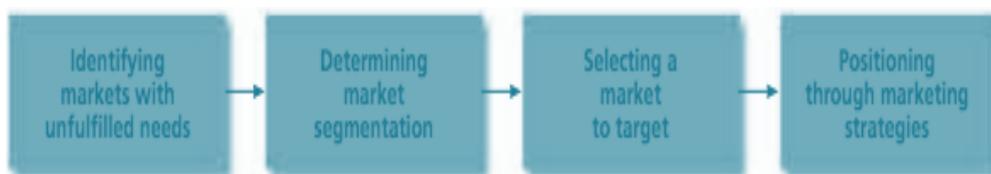
## 2.2 Marketing Process

### 2.2.1 Marketing Targeting

Kotler and Armstrong (2010) mentioned that “market targeting involves evaluating each market segment’s attractiveness and selecting one or more segments as the potential target markets to enter. Marketers identify and profile distinct groups of buyers who might prefer or require varying product and services mixes by examining demographic, psychographic, and behavioural differences among buyers and then decide which segments present the greatest opportunity, which are the target markets to finally enter.” Kurtz (2010) also defined the target market as a group of customers towards which a business has decided to aim its marketing efforts and ultimately its merchandise.

### 2.2.2 Market Positioning

Positioning is defined by Armstrong & Cunningham (2002) as “arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. And the purpose of differentiation is actually to differentiate the market offering to create superior customer value.” Positioning as a process is described in Figure 6.



**Figure 6.** Target marketing process (Clooney & Levy 2008, 333).

It is hard to find a product in a market that can satisfy demands of all customers; therefore, companies constantly create different marketing strategies for diversified and unfulfilled consumer needs. The four steps of target marketing process (shown in Figure 6) present how to position the right target group of consumers.

## **2.3 Consumer Buying Behavior Analysis**

### **2.3.1 Consumer Needs, Wants and Demands**

A company must attempt to understand the target market's needs, wants, and demands. As Kotler and Keller (2006) defined, "consumer needs are the basic human requirements, these needs become wants when they are directed to specific objects that might satisfy the need and the demands are the wants for specific products backed by an ability to pay." It is not always simple to understand customer needs and wants. The famous Maslow's hierarchy of needs theory would be rendered as an understandable statement for consumer needs, wants and demands in this part.

Maslow's theory aims to explain how people are driven by human needs, which are arranged in a hierarchy, from the most pressing to the least pressing. As shown in Figure 7, the order of importance is physiological needs, safety needs, social needs, esteem needs and self-actualization needs. Consumers will firstly try to satisfy their most important needs, after which people will then try to satisfy the next-most-important need. Maslow's theory can help marketers better understand how products fit the goals of their consumers.

Duncan (2005) also mentioned that "only when basic, low-level needs are satisfied can people consider wants at higher levels in the hierarchy. Marketers must understand needs and wants because the marketing concept is based on the notion that companies should sell products designed to meet customers' needs and wants, not whatever is easiest for the company to produce."



**Figure 7.** Maslow's Hierarchy of Needs (Maslow 1954, 333).

### 2.3.2 Consumer Decision-Making Process

It is critical for marketer to understand consumer behaviors and the processes in decision-making. As Belch, Belch, Kerr, & Powell (2012) have commented, "A deep understanding of the specific needs that a customer is aiming to meet is key to successful marketing." They described the basic model of consumer decision-making as shown in Figure 8.



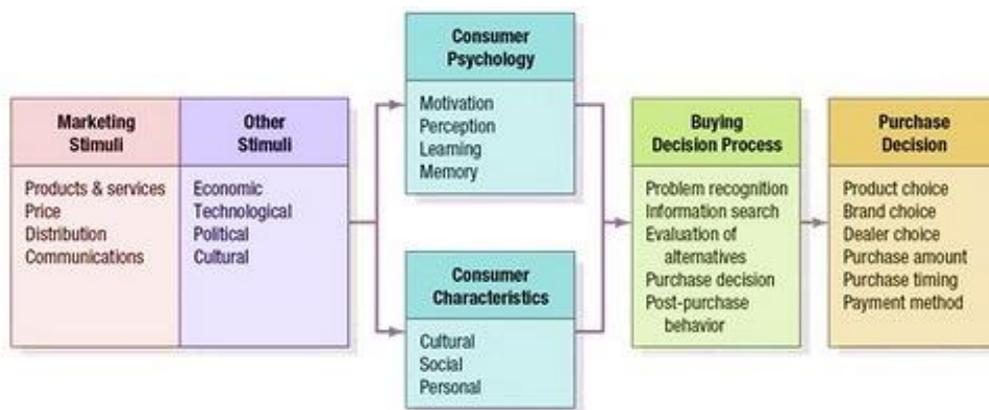
**Figure 8.** Five-stage model of the consumer buying process (Belch et al. 2012).

These basic buying processes play an important role in understanding how consumers actually make the buying decisions in a specific process. Marketers should understand each possible part of consumer behaviour. As a smart company, they should try to fully understand the customers' buying decision process—all their experiences in learning, choosing, using, and even disposing of a product. The model of consumer buying process is divided into five individual stages. A consumer passes through these five stages: problem recognition, information search, and evaluation of alternatives, purchase decision, and post purchase behavior. As Crockett (2000) clearly mentioned, “the buying process starts long before the actual purchase and has consequences long after ward.”

But actually consumers do not always pass through all the certain five stages in every buying process; one or more steps may be skipped or reversed. This model provides a good frame of reference, however, Putsis and Srinivasan (1994) noticed, “Because the model captures the full range of considerations that arise when a consumer faces a highly involving new purchase.”

### 2.3.3 What Influences Consumer Behavior?

The starting point for understanding consumer behaviour is the stimulus-response model showed in Figure 9, in which the five-stage buying decision process is explained.



**Figure 9.** Model of Consumer Behaviour (Kotler & Keller 2006,333).

Marketers should fully understand the reality of consumer behaviour, which is influenced by cultural, social, and personal factors.

As Salomon (2006) defined, “Culture is the sum of a shared purpose among members of society, customs, norms and traditions.” In terms of cultural factors, the culture, subculture, and social class have particularly important influences on consumer buying behaviour. Kotler (2006) described that culture is the fundamental determinant of a person’s wants and behaviour. Schiffman and Lazar (1997) also believed that “the growing child acquires a set of values, perceptions, preferences, and behaviours through family and other key institutions under the background of culture.” As Yau (1994) mentioned in the book on consumer behaviour in China, “the importance of understanding consumer behaviour in a particular cultural setting.”

In addition to cultural factors, consumer behaviour is also influenced by three main categories of social factors: reference groups, family, and statuses. According to Yau (1994), “consumers product choice and preference for a particular product or brand are generally affected by very complex social influences.” Among the three parts of social factors, the most influencing factor for an individual is the family, which forms an environment of socialization in which an individual will evolve, shape his personality, and acquire values. Solanki (2013) thought that family has a direct or indirect influence on the behaviour and attitudes of a buyer.

The consumers buying decision is also significantly affected by personal characteristics, which includes consumer age, stage in the lifecycle; occupation and economic circumstances; personality and self-concept as well as lifestyle and values. Marketers should particularly emphasize the personal factors because of their direct impact on consumer behavior.

### **3 EMPIRICAL ANALYSIS BY CASE STUDY**

This chapter discusses the research methodology applied to explore the empirical data. It includes the research objectives, research methodology, method of data collection, questionnaire design, and data analysis.

#### **3.1 Research Methodology**

##### **3.1.1 Research Objectives**

As Hanson (2006) considered, research objectives define the specific aims of the study and should be clearly stated in the introduction of the research protocol. Research objectives as the first step of marketing research should be guided by the hypothesis based on research questions. “The design of hypothesis will influence the type of research design for the research. With an appropriate hypothesis, the study can then confidently proceed to the development of the research objective (Surg 2010).”

Research objective is the active statement about how the study is going to answer the specific research question. As Hanson (2006) states, research goals are met not only for the research design purposes, but also for calculating the sample size and evaluating the research results.

##### **3.1.2 Research Methods**

The purpose of any research, no matter what methods are to explain phenomena and conduct better decision-making. Generally, there are two main research methods in marketing research: quantitative and qualitative methods.

Quantitative methods are related to statistics. As defined by Given (2008), “quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques.” Even is a better definition is provided by Aliaga and Gunderson (2000), “Quantitative research is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods in particular statistics.”

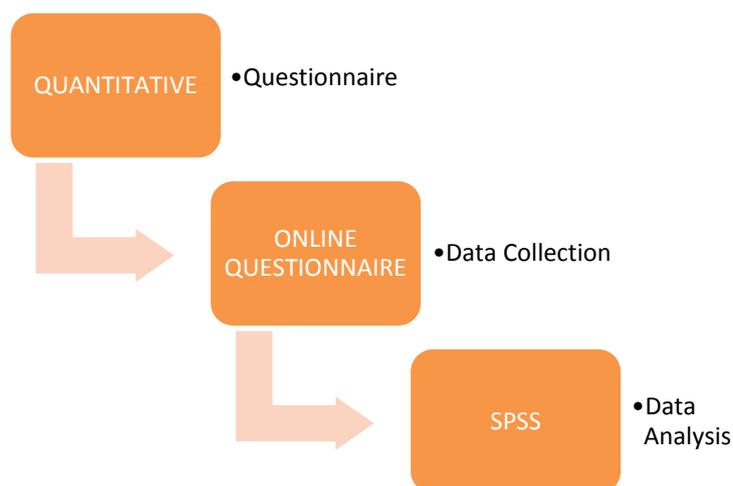
The data collected by quantitative methods are expressed in numbers. In this thesis, quantitative methods are being implemented to study Chinese consumers' responses to iPhone marketing strategies to find out worthy points.

### 3.1.3 Data Collection and Analysis

The main data collection method used in the research is a questionnaire, and conducted through are online questionnaire tool.

First of all, a questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. It is a very common instrument a researcher can use to collect primary data. However, before distributed to the respondents, questionnaires need to be accurately designed and tested.

As mentioned, an online questionnaire will be the main method used in this study, because it is faster and versatile to collect data via the Internet. However, the possible disadvantages should be avoided as much as possible. The data received through online questionnaires will be analyzed by relevant statistics software and with the help of online statistics tools as well. The process of data collection and analysis is shown in the Figure 10.



**Figure 10.** Data Collection & Analysis process.

### **3.1.4 Research Validity and Reliability**

The questionnaire for this study is designed and structured based on the theoretical framework in order to meet the requirement of validity and reliability and try to accurately answer to specific research questions. As Punch (1998) has mentioned, “the validity describes the extent to which a measure accurately represents the concept it claims to measure.” The characters of Chinese consumers are taken into consideration when designing the questions and ensures the information based on the questionnaire and selected from the database is reliable for research inferences.

In any research, researchers should pay particular concern to the validity of procedures, measures and conclusions to ensure the reliability of research.

A lot of attention has been devoted into the validity of research when designing a questionnaire by using the following measures:

1. Designing understandable questions in order to get valid expression of will from respondents.
2. Designing a questionnaire, which reflects the objectives of the research.
3. Designing a logical structure for the questionnaire in order adequate options to answer.
4. Designing tactical analytical tools and cross tabulations to avoid unnecessary deviation.

By using an online questionnaire, a possible threat of guidance experienced in interviews can be avoided.

## **3.2 Case Study**

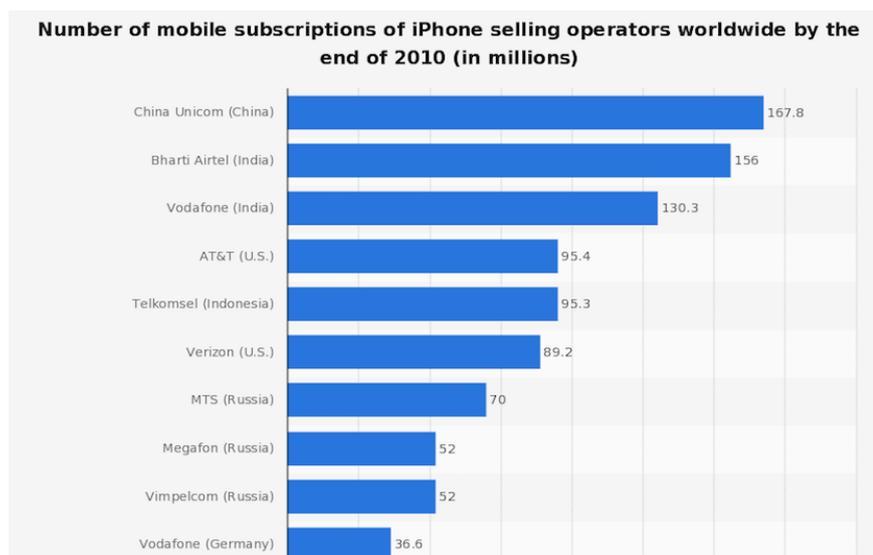
### **3.2.1 Overview of iPhone**

iPhone is a smartphone that enables the usage of Internet, multimedia and software applications, and it has many attributes such as a high-definition camera that enables video recording, at the same time it still has Bluetooth, modem capabilities, and many more features. When it entered the smart phone market, iPhone included a 3.5-inch multi-touch screen rather than a physical keyboard, that could

be manipulated by users by finger touch. When iPhone was initially released, the touch screen feature was not yet widely in use. iPhone runs Apple's IOS mobile operating system, which is a variant of the same system core used in Apple's Mac OS X operating system (Ekebom 2012).

iPhone is a line of smartphones designed and marketed by Apple Inc. (Patel, Nilay, 2010); there are already five generations of iPhone models. The first generation of iPhone was released on June 29, 2007; the most recent iPhone, the seventh-generation iPhone 5C and iPhone 5S, were introduced on September 10, 2013. The data from Mac Rumors (2012) states, “iPhone sold 250 Million Units with \$150 Billion in Revenue in five years.”

Figure 11 shows the top ten mobile subscriptions of iPhone selling operators over the world by the end of 2010. With 167.8 millions mobile subscriptions of iPhone, China won the first place.

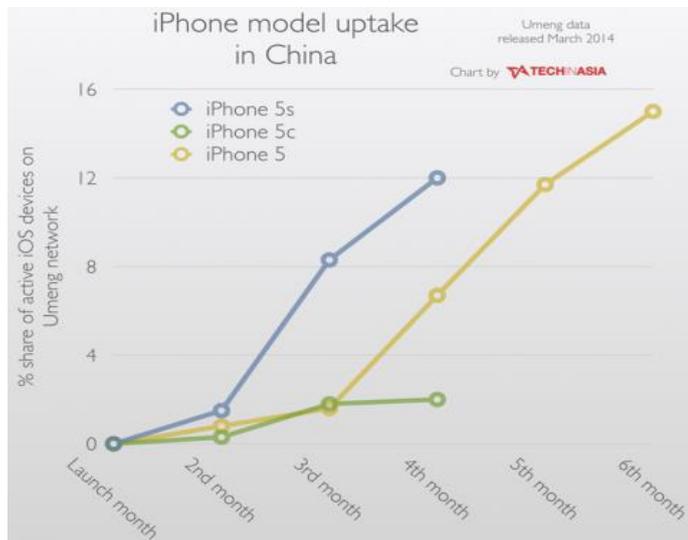


**Figure 11.** Top ten operators worldwide (Credit Suisse Statista 2007,333).

### 3.2.2 The Consumer's Response to the newest iPhone

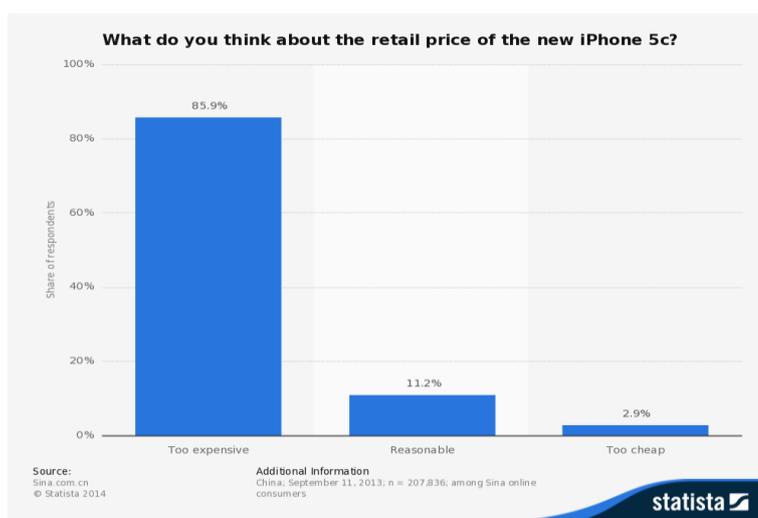
The situation of iPhone 5c in the Chinese market has lagged behind the iPhone 5s since launched in China at the same time and the sales gap seems growing wider. The tendency of market share for new IOS devices can be seen in the Figure 12

that iPhone 5 and iPhone 5s are growing faster since the launch month while the growth trend of iPhone 5c is not significant.



**Figure 12.** Tendency of market share for new iPhone devices on the market (Christian 2014, 333).

The expected enthusiasm for the lower-priced 5C did not appear in the Chinese market, because the price of iPhone 5c is not as low as customers expected. In the Figure 13, the obvious reason for the insignificant growth of iPhone 5c is the high price.



**Figure 13.** Consumers' attitudes to the retail price of the new iPhone 5C (Credit Suisse Statista 2007,333).

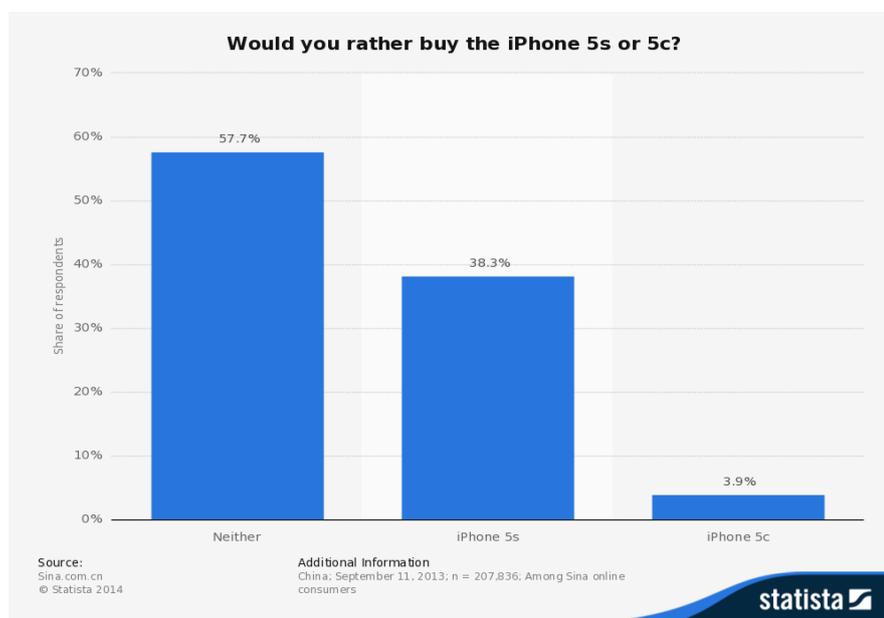
However, compared to the weak sales of iPhone 5c, another new IOS device iPhone 5s has been sold very well in China, especially the golden colored iPhone 5s that was once even sold out on the Chinese market.

There are two interviewees from A Wall Street Journal Roundup, who gave similar feedback about the newest gold iPhone 5s.

In New York, the 29-year-old construction worker said he waited in line for about 20 hours specifically for the golden colored phone. He eventually settled for the "Space Grey" and finally he might exchange it. Mr. Dabbraccio said the fact that they don't have gold ones is very frustrating.

In Beijing, 25-year-old Lian Jiyu said he wanted the 5S over the 5C because the 5S is the first phone to be offered in gold. "I don't care what's inside the device," said Mr. Lian, who works at a local TV station. "Chinese people like gold." The golden style is likely particularly designed for the Chinese customers, and it feels the marketers of iPhone are fully aware of this.

The Figure 14 reflects the different attitudes toward iPhone 5s and iPhone 5c.

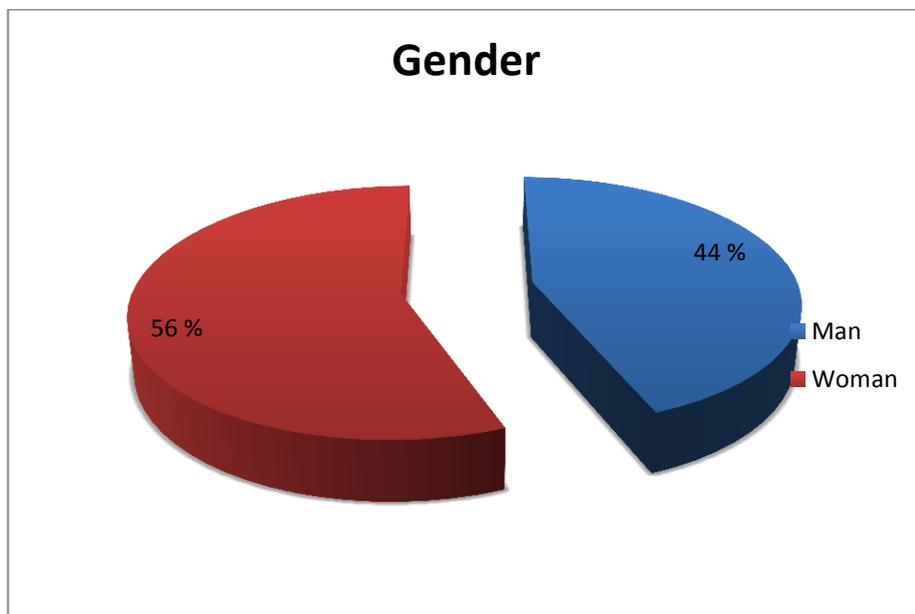


**Figure 14.** Consumers' attitude of buying iPhone5s & 5c(Credit Suisse Statista 2007,333).

### 3.2.3 Results of Research and Analysis

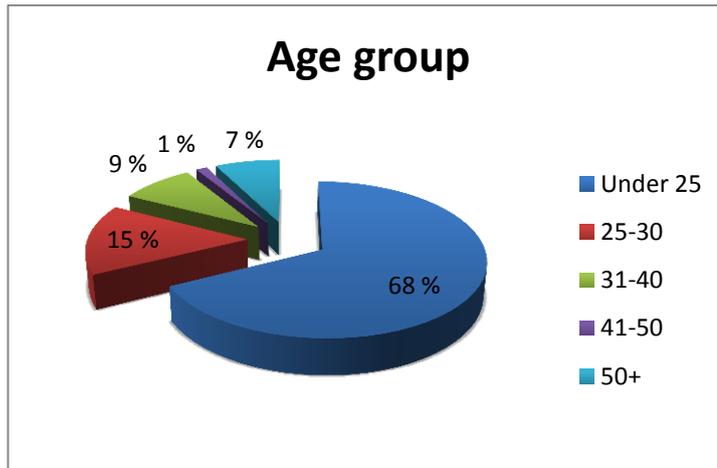
To get the research data, questionnaires have been delivered to more than 100 Chinese consumers. 100 valid responses were utilized for the analysis. The demographic statistics of the respondents will be shown in the following charts.

First of all, the gender of the respondents is shown in Figure 15, 44% of the respondents are male and 56% were female.



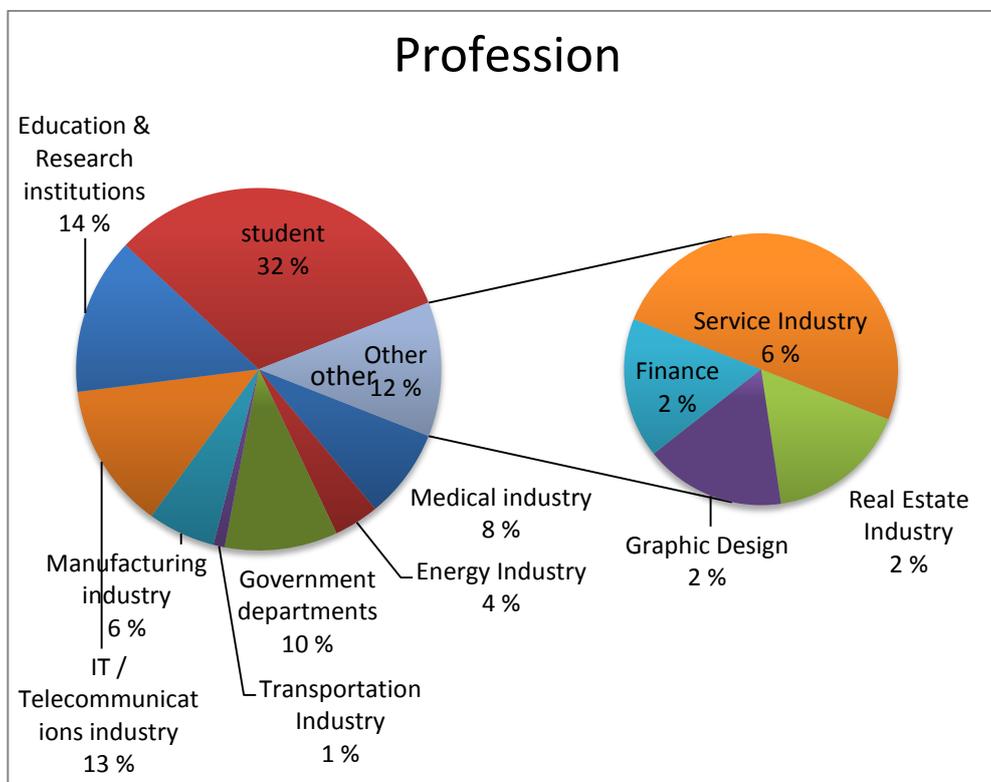
**Figure 15.** Analysis of gender.

As shown in the Figure 16, the majority of respondents are the youth under 25 years of age, in percentages 68%. As a popular channel to collect data, an online questionnaire could have acquired more younger respondents than older ones. In the following age group, 15% of respondents are between 25-30 years of age and 9% are between 31-40 years. It is worth noting that among the people in the age group of 40+, there is only 1% of 41-50 years of age while at least 7% respondents belong to age group 50+.



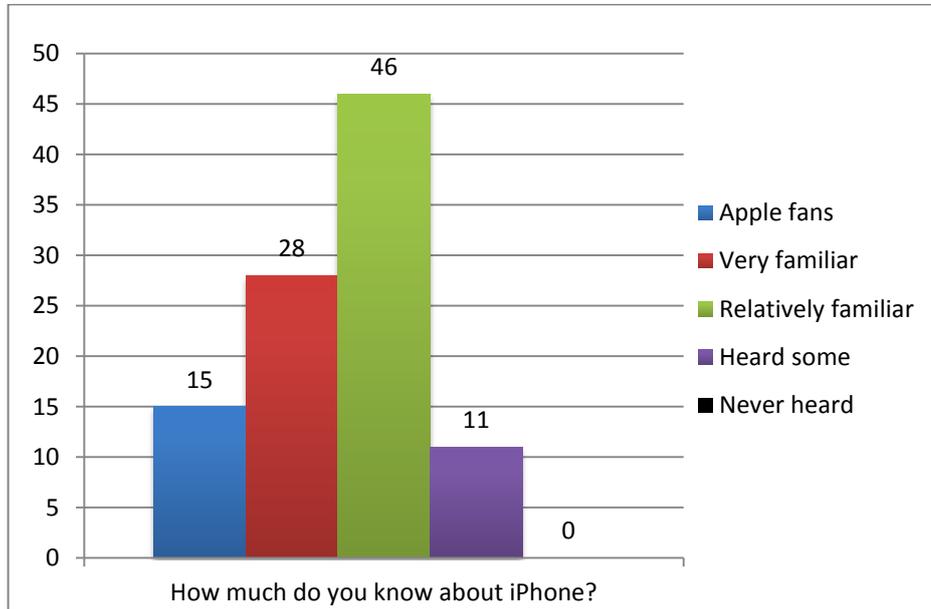
**Figure 16.** Analysis of age group.

As Figure 17 shows 32% of the respondents are students, which is the biggest category. Other professional groups are from many differential areas. In the professional group of “others”, respondents from service industry occupy a half, with a 6% share. The rest respondents from finance, graphic design and real estate industry take 2% respectively.



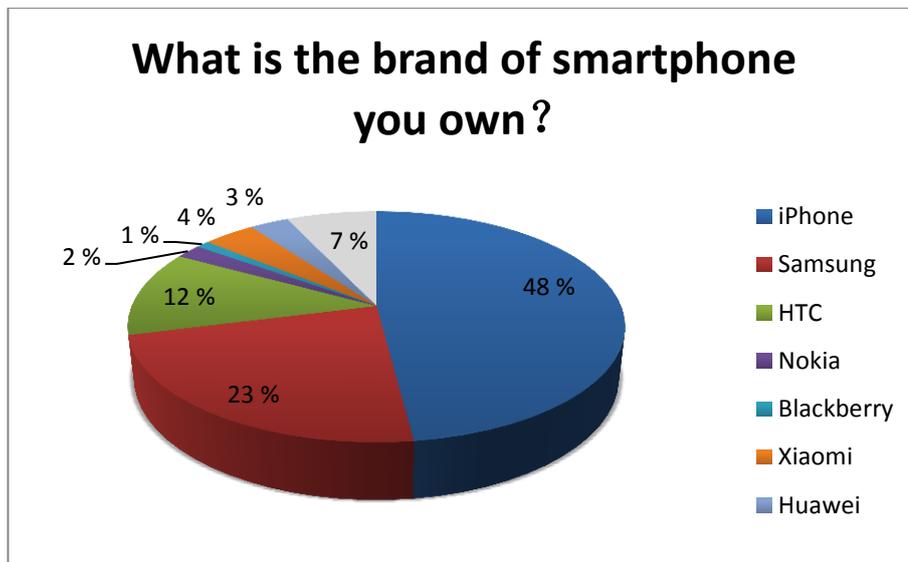
**Figure 17.** Analysis of profession.

An interesting finding shown in Figure 18 is that no respondent is unfamiliar with iPhone: most of the Chinese consumers know a lot about iPhone and the specific data and percentages can be clearly seen in the Figure 18.



**Figure 18.** Consumer's familiarity level of iPhone.

Next, respondents were asked which smartphone brand they own and the results are shown in the Figure 19.



**Figure 19.** Brand of Smartphones owned by respondents.

Based on the data from Figure 19, it is not hard to find that iPhone occupies the highest ownership rate with 48%, which is more than the double of ownership of Samsung, 23%. There is a tendency that the percentage of products from Chinese domestic smartphone suppliers is gradually increasing while Nokia's and Blackberry's shares are only 2% and 1% respectively.

**Table 2.** Analysis of the influence of people around consumer.

How many friends using iPhone? What is your mobile phone brand? 交叉制表

计数 Account

		What is your mobile phone brand?								合计
		iPhone	Samsung	HTC	Nokia	Blackberry	Xiaomi	Huawei	Others	
How many friends using iPhone?	few of them	0	4	1	0	0	1	2	1	9
	many	7	8	6	0	0	1	0	6	28
	a lot	17	8	3	1	1	1	0	0	31
	most of them	24	3	2	1	0	1	1	0	32
合计 Total		48	23	12	2	1	4	3	7	100

Cross-tabs 1 How Chinese consumers influenced by people around them

Meanwhile, in the Table 2, the information from cross-tabulations clearly describes a highly visible phenomenon that the people who do not have an iPhone are surrounded by friends that are also equipped with other smartphone brands rather than iPhones and vice versa. The maximum value in Table 2 shows that 24 consumers own iPhone and most of their friends also use iPhone.

Next, the respondents were asked if they would consider iPhone (see Table 3).

**Table 3.** Analysis of reasons why Chinese consumers could choose iPhone.

To what extent would you consider iPhone when changing mobile phone next time? You will prefer iPhone, because of? 交叉制表 Cross-tabs2

计数 Account

		You will prefer iPhone, because of?							合计	
		Exterior design	operating system	Mobile Application	high hardware configuration	original functions	After sales service	fashion		Others
To what extent would you consider iPhone when changing mobile phone next time	Definitely buy	6	16	4	7	1	1	3	0	38
	probably buy	1	8	4	2	0	0	2	1	18
	Not sure	3	3	4	5	1	1	1	0	18
	Probably not buy	4	2	2	1	1	0	2	2	14
	Definitely not buy	2	1	3	2	0	0	4	0	12
合计 Total		16	30	17	17	3	2	12	3	100

From the data shown in the Table 3, there are three main points to mention. The operating system (IOS system) is the preference of majority of people and more than half of definite buyers (16 out of 38) would make the buying decision for

iPhone's operating system. They could be new users or repeat customers. On the contrary, only one respondent in the research is definitely willing to pay for iPhone's original functions (like Siri). Only two respondents consider iPhone as their next smartphone due to the after sale services of iPhone.

As the next issue to be studied, the respondents were asked how they think about iPhone's advertisements (see Table 4).

**Table 4.** Analysis of consumer's attitude towards iPhone's advertisement.

Through what types of channels do you get to know iPhone? \* What is your opinion about iPhone's advertisement? 交叉制表 Cross-tabs

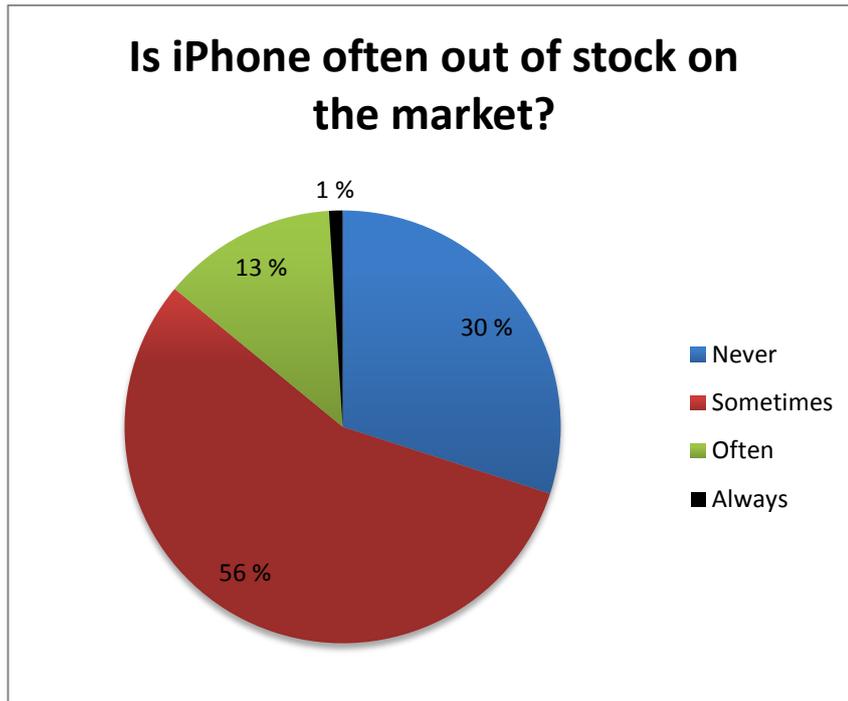
计数 Account

		What is your opinion about iPhone's advertisement?					合计
		Never seen before	Very Good	Good	Fair	Poor	
Through what types of channels do you get to know iPhone?	TV ad	2	1	0	4	0	7
	Online media	14	7	12	14	0	47
	Magazine	0	2	1	0	0	3
	Friends	5	0	8	7	0	20
	Mobile phone store	4	0	6	2	1	13
	Product activities	1	0	2	0	0	3
	Billboard	1	1	2	0	0	4
	Others	0	0	2	1	0	3
合计 Total		27	11	33	28	1	100

Cross-tabs 3 Analysis of consumer attitude towards iPhone's advertisement

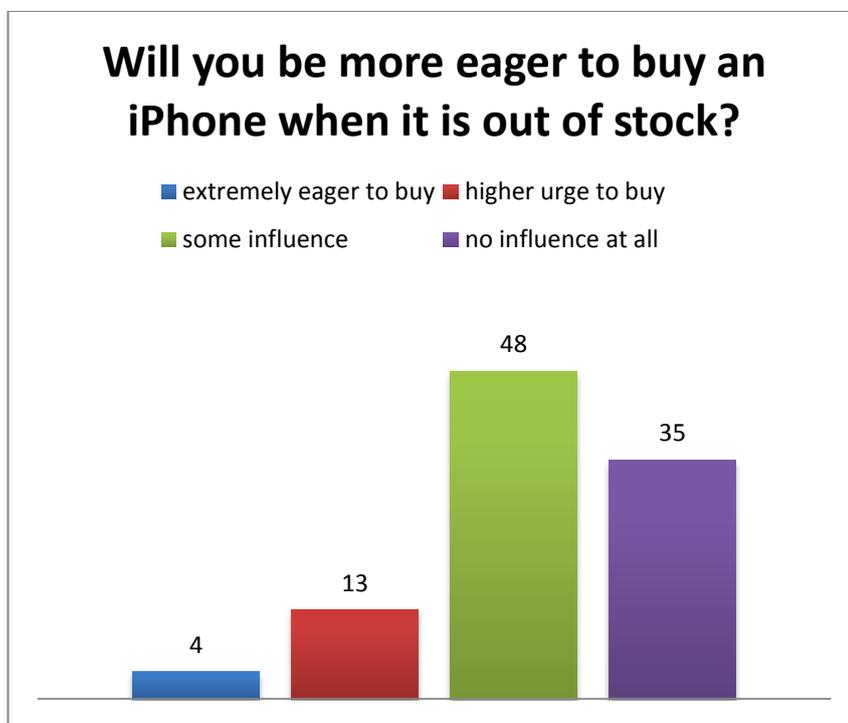
Table 4 reflects consumers' attitude towards iPhone's advertisement. It can be seen that most respondents get information related to iPhone through online media and word of mouth. Only one respondent who considers iPhone advertisements as poor received that impression from mobile phone store. This kind of circumstance can be often associated to fake products in the Chinese market. However, most respondents still have a good impression of iPhone; with at least 44 out of 100 people who are having a positive attitude towards iPhone's advertisements.

The following analysis section is directly connected with iPhone's marketing strategies. Figure 20 shows how often the respondents think iPhone is out of stock.



**Figure 20.** Consumers' attitudes to iPhone's scarcity marketing method.

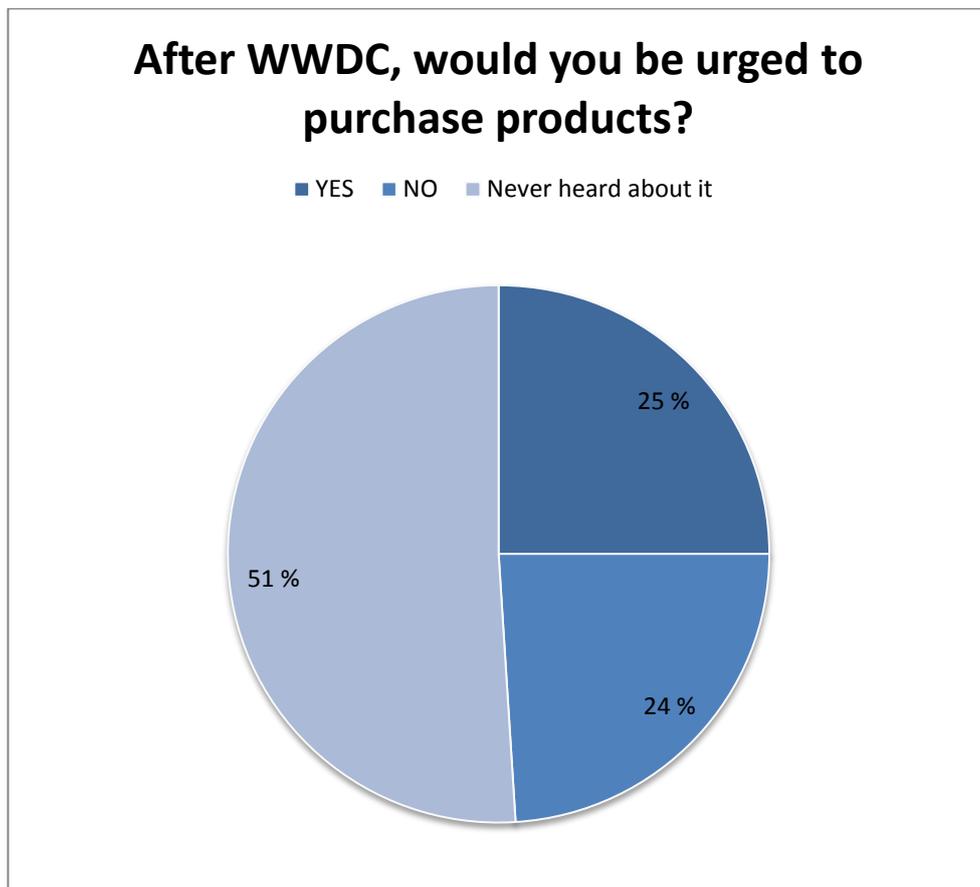
In Figure 21, the pie chart reflects how the circumstance when iPhone is out of stock affects their buying decision.



**Figure 21.** Consumer's attitude when the iPhone is out of stock.

To conclude, the data from Figures 20 and 21 shows that around 70% of the respondents consider there to be shortages of iPhone products, and more than half of all the respondents consider the situation to happen sometimes. 65% of the respondents were influenced in different degrees and are eager to buy an iPhone when it is claimed to be sold out in the market.

The next question focused on iPhone's scarcity marketing strategy (see Figure 22).



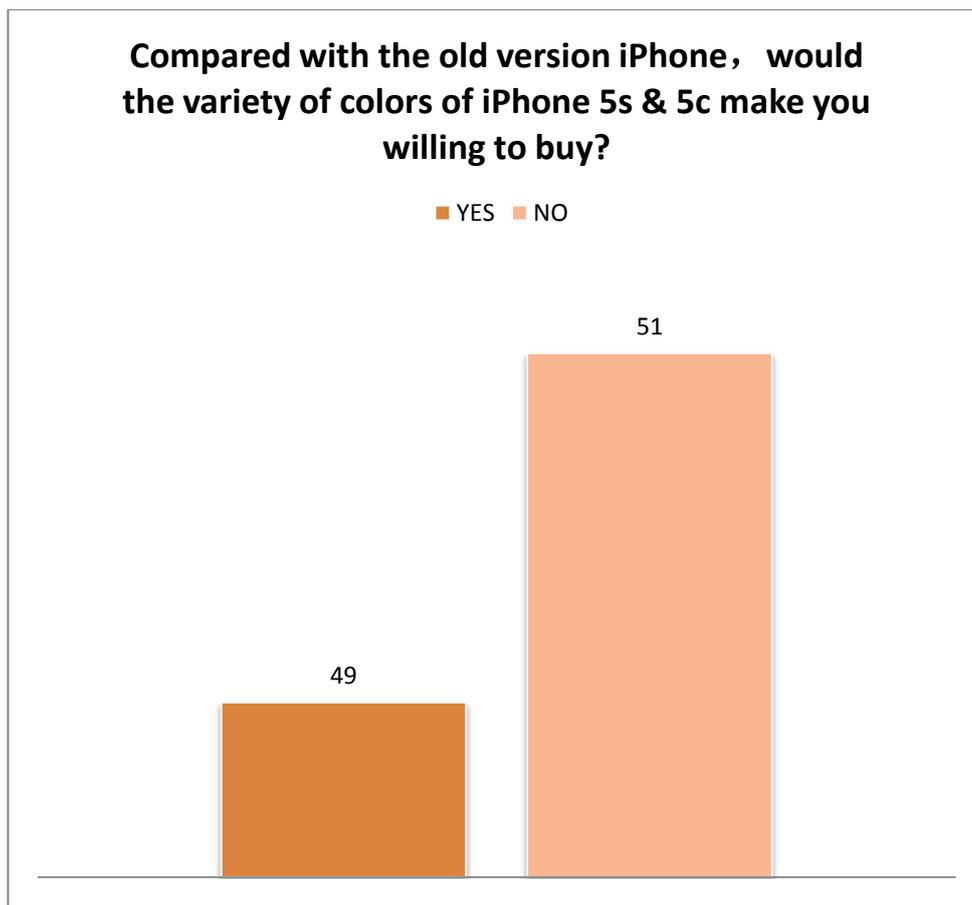
**Figure 22.** Influence of WWDC.

WWDC is the abbreviation of Worldwide Developers Conference from Apple, which is also can be seen as the Apple Worldwide Developers Conference. Every year, in each WWDC, new devices of Apple would be revealed and presented.

WWDC can be considered as a part of iPhone's scarcity marketing strategy, as can be seen from the Figure 22, 51% of the respondents have never heard about

Apple Worldwide Developers Conference. With the first product launches in China last year, more and more consumers are likely to start to follow this conference more closely.

A bit more than half of the respondents, as shown in Figure 23, express that they prefer to buy new a colorful iPhone product when compared with the old version iPhone (51 of 100 respondents).



**Figure 23.** Consumer's attitude facing the lower priced iPhone 5c.

However, the data still cannot explain this tendency because of the insufficient amount of database, but, to some extent, it could show some possibilities that people are relatively willing to pay for a lower priced iPhone.

From the data presented in Table 5, it is worth noting that Chinese consumers who have no desire for new iPhone product are still interested in golden iPhone 5s. The respondents who are willing to buy the new colourful iPhone products have a sim-

ilar interest to all new colours of iPhones, except with a special emphasis on gold-en and grey colored iPhone 5s.

**Table 5.** Analysis of color marketing of iPhone.

what is your favorite color among all iPhone products? \* Compared with the old vision iPhone, if the variety of colors of iPhone 5s & 5c would promote you willing to buy? 交叉制表 Cross-tabs

计数 Account

		Compared with the old vision iPhone, if the variety of colors of iPhone 5s & 5c would promote you willing to buy?		Total
		YES	NO	合计
what is your favorite color among all iPhone products?	black	7	21	28
	white	14	28	42
	gold	8	2	10
	space gray	9	0	9
	red	4	0	4
	yellow	2	0	2
	blue	4	0	4
	green	1	0	1
合计 Total		49	51	100

Table 6 summarizes some conclusions and inferences about which factors stimulate consumers' final buying decision.

**Table 6.** Factors influencing consumer buying decision.

	Definitely Not	Probably Not	Neutral	Probably	Definitely
Sold out phenomena	2(2%)	17(17%)	51(51%)	18(18%)	12(12%)
New color options from new iPhone	2(2%)	7(7%)	40(40%)	33(33%)	18(18%)
Higher value of money Positive attitude to it	0(0%)	2(2%)	22(22%)	38(38%)	38(38%)
Product experience in Apple retail store	5(5%)	8(8%)	44(44%)	30(30%)	13(13%)
Latest products in WWDC	7(7%)	12(12%)	55(55%)	21(21%)	5(5%)
iPhone is the representa- tive of fashion	8(8%)	8(8%)	41(41%)	27(27%)	16(16%)

In the first place, most Chinese respondents held neutral attitudes to all the stimulating factors. Consumers who would definitely make the buying decisions seems to be affected by iPhone's marketing strategies. The higher value of money is the most influential factor: 38% of the respondents claim they would make buying decision due to it. In addition, new colours of iPhone seem to have a big influence on consumers, with the percentage of 18% being definitely affected by it. 16% of the respondents would also be definitely influenced by iPhone because of its representativeness of fashion and trends. However, the respondents who will definitely not invest money to an iPhone consider that a new coloured iPhone is attractive but with a low value for money, which means consumers still believe the lower

priced iPhone 5c is too expensive. Meanwhile, 8% of those consumers evaluate the phone more on the fashionable features.

## 4 CONCLUSION

The main empirical findings are summarized in this chapter, then according to the a gystemetic research, relevant limitations of the thesis will be explained

### 4.1 Summary of the Main Empirical Findings

Based on the analysis of data collected from the empirical survey, some conclusions and inferences can be summarized.

In the empirical research, the questionnaire was mainly divided into three sections, in which the first section was related to the basic, background information. There are similar proportion of male and female respondents, with 44% and 56% respectively, which can be seen to give more objective and reliable results. However, the majority of respondents were in the age group of under 25 years (68 out of 100), so the results of the research can be claimed to represent more young people's opinions than older ones. Additionally, 32% of the respondents are students while the other respondents from other professions are much less.

In the second section, the questions were designed to reflect the attitudes from the Chinese consumers towards iPhone. This part included the understanding level the respondents have about iPhone, analysis about the ownership rate of smartphone brands, the various factors influencing on consumers' buying decision, consumers' opinions on the main reasons they choose an iPhone and the discussion about the Chinese customers' attitudes towards iPhone's advertisement. Among the sample of 100 respondents, 15% of them are Apple fans, while the majority is relatively familiar with iPhone. There is an interesting finding that no respondent is ignorant about iPhone. The phenomenon, in other words, can be considered that as a smartphone brand iPhone has already become a familiar name in the Chinese market. Not surprisingly, 48% of the respondents are iPhone users and Samsung occupies the second place with the share of 23%. A tendency can be seen from the data that the share of Chinese smartphone brands is gradually increasing, while it is a dramatically downward trend of share for Nokia and Blackberry when compared to the market conditions a few years ago. The data clearly shows a highly

visible phenomenon that the respondents who always use an iPhone are surrounded by friends that are also equipped with the same brand rather than others and vice versa. As for the reasons why consumers want to pay more for a iPhone more than on other brands, there are three main points. First, the operating system (IOS system) is the preference of most respondents, representing more than half of the iPhone users. On the contrary, there is only one respondent who would definitely buy an iPhone for original functions and one for after sale services of iPhone. When asking their attitudes towards iPhone's advertisements, most respondents had got information through online media and the word of mouth from friends. Only one respondent, who considered iPhone advertisements as poor, got that impression from a mobile phone store, which can be often associated to fake products in the Chinese market. However, most respondents still hold a good impression of iPhone.

When it comes to the last section, the research questions were all connected with the iPhone's marketing strategies, in order to analyse the respondents' opinions on them. First of all, the analysis of consumer awareness of scarcity marketing methods showed that more than 70% of the respondents had noticed the circumstances of shortage of iPhone product and at least 65% of consumers were influenced when iPhone claimed to be sold out. The next question was associated to the attitude towards WWDC (Worldwide Developers Conference from Apple), which can be considered as a part of iPhone's scarcity marketing methods. Every year, in each WWDC, new devices of Apple are revealed and presented. More than half of the respondents had never heard about WWDC but with the first product launches in China last year, there would be more and more consumers starting to follow the conference closely. The new product always attracts consumers' attention. The data also showed that the respondents preferred to buy new colourful iPhone products when compared with the old version of iPhones (with 51 of 100 respondents). When consumers were talking about their willingness to buy, the data shows that those who had no desire for new iPhone products were still interested in golden colored iPhone 5s. On the other hand, the respondents who were willing to buy the new colourful iPhone products had the similar interest to all of the new

colours of iPhone except for the special emphasis on the gold and space grey iPhone 5s.

At the end of the questionnaire, there was a comprehensive analysis of consumer buying factors. Most of the respondents hold neutral attitudes to all factors stimulating consumers buying decision. The respondents who were definitely willing to buy were greatly affected by iPhone's marketing strategies, in which the higher value for money was the most influential factors: 38% of the respondents would make their buying decision due to it. Product experience in Apple retail stores are another influential factor for consumer buying decision and the data shows that consumers enjoy the product experience in Apple retail store, no matter they buy an iPhone or not. As for other factors, the new coloured iPhone gives a sort of motivation, but only 18% and 16% of respondents would be paying for iPhone's representativeness of fashion and trends while 8% of consumers evaluate more the functional features rather than the other factors. However, the respondents who would definitely not pay money for iPhone consider the new coloured iPhone is attractive but with a low value for money, which means consumers still believe the lower priced iPhone 5c is too expensive when compared with other brand smartphone such as Samsung. Based on all these issues explained above, some typical marketing strategies can be summarized: scarcity marketing strategy, colour marketing strategy, 4Ps of marketing mix (product-oriented) and experimental marketing can be very powerful tools to stimulate the Chinese consumers' buying decisions.

## **4.2 Limitations**

In this section, some limitations and defects that would need to be improved will be listed from the perspectives of thesis framework, research sample and the data collection methods.

From the thesis framework perspective, the thesis is divided into four main parts: the introduction, theoretical analysis, empirical analysis and conclusions. A necessary factor that still should be taken into consideration in the empirical analysis, is the influence from the parent brand — Apple, in which iPhone is only one of the

products in Apple company. It would have been important to pay attention to the parent brand, especially with a high popularity like Apple is enjoying.

From the perspective of research sample, more respondents would be needed to enhance the accuracy and reliability of the data. The data received cannot accurately explain the research questions and on phenomenon because of the limited sample size.

From the perspective of the data collection method, online questionnaire was chosen as the method to collect data. However, the following general disadvantage of online surveys should be recognized. First, there is no interviewer to answer if a respondent feels confused in the process of a questionnaire. In addition, the samples can become small and inaccurate, because it is hard to ensure the appropriate positioning of the target group when using an online questionnaire.

## REFERENCES

- Afridi, F. K. 2009. Extended services marketing mix and emergence of additional marketing Ps, *Journal of Managerial Sciences* 3, 1, 137-143.
- Akroush, M. N. 2011. The 7Ps Classification of the Services Marketing Mix Revisited: An Empirical Assessment of their Generalisability, Applicability and Effect on Performance - Evidence from Jordan's Services Organisations. *Jordan Journal of Business Administration* 7, 1, 116-147.
- Aliaga, M. & Gunderson, B. 2000. Introduction to Quantitative research. Accessed 25.04.2014. [www.sagepub.com/upm-data/9733\\_036046Ch1.pdf](http://www.sagepub.com/upm-data/9733_036046Ch1.pdf)
- Armstrong, J. S. 1991. Prediction of Consumer Behavior by Experts and Novices. *Journal of Consumer Research* 18, 2, 251–256.
- Armstrong, G. & Cunningham M. H. 2002. *Principles of Marketing*. Prentice Hall.
- Armstrong, G. & Kotler, P. 2006. *Marketing: An Introduction* (8th ed.). Prentice Hall.
- A Wall Street Journal Roundup 2013. iPhone sales test Apple strategy, Accessed 25.04.2014. [www.online.wsj.com/news/articles/SB10001424127887324492604579086982824900624A](http://www.online.wsj.com/news/articles/SB10001424127887324492604579086982824900624A)
- Ayalew R. 2011. Consumer behaviour in Apple's App Store. Uppsala University.
- Belch, G. Belch, M. Kerr, G. & Powerll, I. 2012. *Advertising: An Integrated Marketing Communication Perspective*. McGraw-Hill.
- Belch G. E., Belch M. A. & Kerr G. F. 2008. *Advertising and Promotion: An Integrated Marketing Communications Perspective*. McGraw-Hill Australia.
- Bitner, M J. 1990. Evaluating service encounters: the effects of physical surroundings and employee responses. *The Journal of Marketing* 54, 2, 69-82
- Booms, B. H. & Bitner, M. J. 1981. *Marketing Strategies and Organization Structures for Service Firms*. Marketing of Services. American Marketing Association.
- Borden N. H. 1964. The concept of the marketing mix. *Journal of Advertising Research* 4, 2, 2-7.
- Brian, T. 2004. The 7 Ps of Marketing, Accessed 22.04.2014. [www.entrepreneur.com/article/70824](http://www.entrepreneur.com/article/70824)
- Business Link UK 2009. Price your product or service. Accessed 25.04.2014. [www.gov.uk/business](http://www.gov.uk/business)

- Can, J. S. 2010. Research Questions, Hypotheses and Objectives. Canadian Medical Association. Accessed 25.04.2014.  
[www.ncbi.nlm.nih.gov/pmc/articles/PMC2912019/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2912019/)
- Chai, L. A. 2009. Review of Marketing Mix: 4Ps or More? *International Journal of Marketing Studies*. Accessed 22.04.2014.  
[www.ccsenet.org/journal/index.php/ijms/article/viewFile/97/1552?origin=publication\\_detail](http://www.ccsenet.org/journal/index.php/ijms/article/viewFile/97/1552?origin=publication_detail)
- Christian, Z. 2014. 8GB iPhone 5c Only Available in UK, France, Germany. Accessed 26.04.2014. [www.idownloadblog.com/2014/03/18/8gb-iphone-5c-limited-availability/](http://www.idownloadblog.com/2014/03/18/8gb-iphone-5c-limited-availability/)
- Cover, F. & Kotler, P. 2001. *Marketing Management*. Pearson Education Canada.
- Crockett, R. C. 2000. Pillsbury's New Software Will Let the Food Giant Slice and Dice Reams of Data, Changing Everything about How It Caters to Consumers, *BusinessWeek*, p. EB-78.
- DocIn.com Inc. 2010. Eyes on economy hunger marketing. [www.docin.com/p-104989215.html](http://www.docin.com/p-104989215.html)
- Duncan, T. 2005. *Principles of Advertising & IMC*. New York, McGraw Hill.
- Ekebom, E. 2012. Adoption of Smartphones iPhone: Research of Adopting a Mobile Phone Innovation from Private Consumers' Viewpoint. Aalto University School of Economics. Accessed 23.04.2014.  
[www.epub.lib.aalto.fi/fi/ethesis/pdf/12798/hse\\_ethesis\\_12798.pdf](http://www.epub.lib.aalto.fi/fi/ethesis/pdf/12798/hse_ethesis_12798.pdf)
- Egan, J. 1996. *Relationship Marketing: Exploring Relational Strategies in Marketing* Pearson Education. Homewood.
- Ehmke, C. Fulton, J. & Lusk, J. 2005. *Marketing's Four P's: First Steps for New Entrepreneurs*. Purdue University.
- Gabriel, E. O. 2005. Managing the expanded marketing mix - A critical perspective approach. *The African Journal of Finance and Management*.
- Githachuri, B. K. 2013. Marketing Mix in Deepening Financial Inclusion in Kenya and Uganda. Accessed 25.04.2014.  
[www.eRepository.uonbi.ac.ke/bitstream/handle/11295/59552/Marketing%20Mix%20in%20Deepening%20Financial%20Inclusion%20in%20Kenya%20and%20Uganda.pdf?sequence=3](http://www.eRepository.uonbi.ac.ke/bitstream/handle/11295/59552/Marketing%20Mix%20in%20Deepening%20Financial%20Inclusion%20in%20Kenya%20and%20Uganda.pdf?sequence=3)
- Given, L. M. 2008. *The Sage Encyclopedia of Qualitative Research Methods*. Los Angeles, Calif. Sage Publications.
- Goi, C. L. 2009. A review of marketing mix: 4Ps or more? *International Journal of Marketing Studies* 1, 1, 2-15.

Gronroos, C. 1990. Relationship approach to marketing in service contexts: The marketing and organizational behavior interface. *Journal of Business Research* 20, 1, 3-11.

Gummesson, E. 1994. Making relationship marketing operational. *International Journal of Service Industry Management* 5, 5, 5-20.

Sandy Kate Matt Team 2012. Consumer Behavior and the Decision-Making Process. Accessed 24.04.2014. [www.katesandymatt.blogspot.de/2012/09/consumer-behaviour-and-decision-making.html](http://www.katesandymatt.blogspot.de/2012/09/consumer-behaviour-and-decision-making.html)

Hanson, B. P. 2006. Designing, Conducting and Reporting Clinical Research. A Step by Step Approach. *Injury* 37, 7, 583-594.

Gilbert, D. H. 2008. *Marketing: Connecting with Customers*. Chicago Education Press.

Hutchison, T.W. Macy, A. & Allen, P. 2009. *Record label marketing*. Taylor & Francis Ltd.

Håkansson, H. & Waluszewski, A. 2005. Developing a new understanding of markets: Reinterpreting the 4Ps. *Journal of Business & Industrial Marketing* 20, 3, 110 – 117.

Internet Center for Management and Business Administration 2010. The 4P's of Marketing/The marketing mix. Accessed 22.04.2014. [www.netmba.com/marketing/mix/](http://www.netmba.com/marketing/mix/)

Khan, M. T. 2014. The concept of 'marketing mix' and its element (A conceptual review paper). *International Journal of Information, Business and Management* 6, 2, 95-107.

Kim, H. & Park, Y. 2006. Marketing Analysis of Reference and Information Services in Korean Libraries. IFLA General Conference and Council.

Kim, J. O., Forsythe, S. & Gu, Q. 2002. Cross-Cultural Consumer Values, Needs and Purchase Behavior. *Journal of Consumer Marketing* 19,6, 481-502.

Kotler, P. 2003. *Marketing Management*. Upper Saddle River, NJ. Pearson Education Inc.

Kotler, P., Armstrong, G., Brown, L., & Adam, S. 2006. *Marketing, 7th Ed.* Pearson Education Australia. Prentice Hall.

Kotler, P. & Armstrong, G. 2010. *Principles of marketing*. Pearson Education.

Kotler, P. & Keller, K. 2006. *Marketing and Management*, Pearson Prentice Hall.

Kotler, P. & Lane, K. 2006. *Defining Marketing for the 21st Century*. Prentice Hall.

- Kotler, P. & Kevin, L. 2006. Marketing Management. New Jersey: Prentice Hall.
- Kuester, S. 2012. Strategic Marketing & Marketing in Specific Industry Contexts. University of Mannheim.
- Kurtz, D. 2010. Contemporary Marketing Mason. South-Western Cengage Learning.
- Lauterborn, B. 1990. New marketing litany: Four Ps passé: C-words take over. Advertising Age 61, 41, 26.
- Lim, C. T., Chew, J. Q. & Lee, J. H. 2012. Exploring the Factors Affecting Purchase Intention of Smartphone: A Study of Young Adults in Universiti Tunku Abdul Rahman, Perak Campus, Malaysia.
- McCarthy, J. E. 1960. Basic Marketing. A Managerial Approach. Homewood, Richard D. Irwin, Inc.
- McCarthy, J. E. 2008. Basic Marketing: A Managerial Approach, 12th Ed. Homewood.
- McLean, R. 2002. The 4 C's versus the 4 P's of Marketing. Custom Fit Online. Accessed in 22.04.2014. [www.customfitonline.com/news/2012/10/19/4-cs-versus-the-4-ps-of-marketing/](http://www.customfitonline.com/news/2012/10/19/4-cs-versus-the-4-ps-of-marketing/)
- Muala, A. A. & Qurneh. M. A. 2012. Assessing the Relationship Between Marketing Mix and Loyalty Through Tourists Satisfaction in Jordan Curative Tourism, American Academic & Scholarly Research Journal. Accessed 23.04.2014. [www.naturalspublishing.net/files/published/98215j42pp8u4h.pdf](http://www.naturalspublishing.net/files/published/98215j42pp8u4h.pdf)
- Nakhleh, M. A. & Haitham 2012. The Relationship between Customer Relationship Marketing Tactics, Relationship Quality and Customer's Loyalty in Mobile Communicatin Industry, Academic Research International 3, 2, 538-547.
- Needham, D. 1996. Business for Higher Awards. Oxford, England. Heinemann.
- Patel, N. 2010. iPhone OS 4 Renamed iOS 4, Launching June 21 with 1500 new features. Engadget.
- Pervaiz, K. & Rafiq, M. 1995. Using the 7Ps as a generic marketing mix: An exploratory survey of UK and European marketing academics. Marketing Intelligence & Planning 13,9, 4-15
- Punch, K. F. 1998. Introduction to Social Research. London. Sage.
- Putsis, W.P. J. & Narasimhan, S. 1994. Buying or just browsing? The duration of purchase deliberation. Journal of Marketing Research 31,3, 393-402.
- Ries, A. and Trout, J. 1981. Positioning, The Battle for Your Mind. New York. Warner Books - McGraw-Hill Inc.

- Roberts, P., Priest, H. & Traynor, M. 2006. Reliability and validity in research. *Nursing standard* 20,44, 41-45.
- Rose India Technologies PVT LTD 2012. 4 C's of Marketing Mix. Accessed 23.04. 2014. [www.roseindia.net/management/4-C-s-of-marketing-mix.html](http://www.roseindia.net/management/4-C-s-of-marketing-mix.html)
- Salomon, M. 2006. *Consumer Behavior*. Prentice Hall.
- Sager, I. 2012. Before iPhone and Android Came Simon, the First Smartphone. *Bloomberg Businessweek*.
- Schiffman, L. G. & Kanuk, L. L. 1997. *Consumer Behavior*, 6th ed., Prentice Hall.
- Schultz, D. E., Tannenbaum, S. I. & Lauterborn, R. F. 1993. *Integrated Marketing Communications*. NTC Business Books.
- Shapiro B., Rangan, V. K. & Sviokla, J. 1992. Staple yourself to an order. *Harvard Business Review* 70, 4, 113–122.
- SmartDraw, 2014. Seven Ps Marketing Mix Example. Accessed 25.04.2014. [www.smartdraw.com/examples/view/7ps+marketing+mix](http://www.smartdraw.com/examples/view/7ps+marketing+mix)
- Solanki, P. 2013. 4 Factors that Influence Buying Decisions of Consumers. Accessed 25.04.2014. [www.buzzle.com/articles/4factors-that-influence-buying-decisions-of-consumers.html](http://www.buzzle.com/articles/4factors-that-influence-buying-decisions-of-consumers.html)
- Statista 2007. Number of mobile subscriptions of iPhone selling operators worldwide by the end of 2010. Accessed 25.04.2014. [www.statista.com/statistics/203922/mobile-subscriptions-of-iphone-selling-operators-worldwide/#](http://www.statista.com/statistics/203922/mobile-subscriptions-of-iphone-selling-operators-worldwide/#)
- Stockholm Smartphone 2010. History. Accessed 23.04.2014. <http://www.stockholmsmartphone.org/>
- Urban, G.I. 2004. The Emerging era of customer advocacy. *MIT Sloan Management Review* 45, 2, 77-82.
- Waterschoot, W. & Van den Bulte, C. 1992. The 4P classification of the marketing mix revisited. *Journal of Marketing* 56, 4, 83-93.
- WiseGEEK 2014. What is a Low-Pricing Strategy? Accessed 25.04.2014. <http://www.wisegeek.com/what-is-a-low-pricing-strategy.htm>
- Yasanallah, P., & Vahid, B. 2012. Studying the Status of Marketing Mix (7Ps) in Consumer Cooperatives at Ilam Province from Members' Perspectives. *American Journal of Industrial and Business Management*, 2,4, 194-199.
- Yau, O.H.M. 1994. *Consumer Behavior in China: Customer Satisfaction and Cultural Values*. New York. Routledge.



## APPENDIX

Questionnaire designed for the Chinese consumers (Chinese version)

品牌调查 —— iPhone 在中国的营销

非常感谢您百忙之中抽出时间填写这份问卷, 为了解 iPhone 这种电子产品的品牌推广情况, 现就此进行调查, 谢谢您的合作!

本问卷采用匿名方式, 信息仅用作学术研究, 不对外公开, 请放心填写。

( Ps. 带有星号的问题为必填的问题 )

---

1. 您的性别 [单选题] [必答题]

- 男       女

2. 您的年龄 [单选题] [必答题]

- 25 岁以下  
 25-30 岁  
 31-40 岁  
 41-50 岁  
 50 岁以上

3. 您所在的行业 [单选题] [必答题]

- 医疗                       能源  
 政府                         制造业  
 IT/通信                     学院及科研机构  
 其他

4. 月可支配收入 [单选题] [必答题]

- 1500 元以下
- 1500-3000 元
- 3000-5000 元
- 5000 元以上

5. 您对 iPhone 的了解程度 [单选题] [必答题]

- 果粉
- 很熟悉
- 有一定了解
- 仅仅听过
- 从未耳闻（如选择此选项可停止作答以下问题）

(请跳至第问卷末尾，提交答卷)

---

6. 您周围朋友中有使用 iPhone 的吗 [单选题] [必答题]

- 没有
- 很少
- 比较多
- 很多
- 非常多

7. 您现在使用的是什么手机 [多选题] [必答题]

- iPhone
- Samsung
- HTC
- Nokia
- BlackBerry

- Xiaomi
- Huawei
- 其他

8. 您在下次更换手机时，会多大程度上考虑首选 iPhone [单选题] [必答题]

- 一定不会
- 应该不会
- 可能会
- 应该会
- 一定会

9. 您通过什么渠道了解 iPhone [多选题] [必答题]

- 电视广告
- 网络媒体
- 报刊杂志
- 朋友介绍
- 手机卖场
- 产品活动
- 路牌广告
- 其他

10. 您对 iPhone 广告看法如何 [单选题] [必答题]

- 没有看过
- 很差
- 一般
- 很好
- 非常好

11. 如果您有意愿购买 iPhone，是因为 [单选题] [必答题]

- 操作系统
- 手机应用
- 高硬件配置
- 独创功能（SIRI 等）
- 售后服务好
- 赶时髦
- 其他

12. 您是否觉得 iPhone 产品在市场上经常出现脱销的情况 [单选题] [必答题]

- 从来没有
- 偶尔
- 经常
- 一直

13. 当 iPhone 产品在市场上脱销，您是否会更加急切地想要购买

[单选题] [必答题]

- 很急切
- 更想要购买
- 感觉不大
- 没有影响

14. 相对旧款 iPhone，5s 和 5c 的多种可选择颜色是否会让您更加想要购买

[单选题] [必答题]

- 是
- 否

15. 您最喜欢的一款 iPhone 是什么颜色 [单选题] [必答题]

- 黑
- 白
- 金
- 银
- 红
- 黄
- 蓝
- 绿

16. 您是否会尤其想要购买最热的土豪金色的 5s [单选题] [必答题]

- 是
- 否

17. 面对定价更低的 iPhone5c, 您是否会想要有冲动购买 [单选题] [必答题]

- 一定不会
- 应该不会
- 也许会
- 应该会
- 一定会

18. 在苹果专卖店试用产品时, 您是否会有冲动购买产品 [单选题] [必答题]

- 是, 会的
- 不是, 没有影响

19. 在每年的 WWDC 大会展示最新产品之后, 是否会让您有冲动去购买最新 iPhone 产品

- 是
- 否
- 没有听过 WWDC, 没影响

20. 以上涉及的几点中会让您决定购买 iPhone 产品的是 [矩阵单选题] [必答题]

	很不愿意	不愿意	没影响	愿意	很愿意
脱销现象	<input type="radio"/>				
新款新颜色	<input type="radio"/>				
高性价比	<input type="radio"/>				
苹果店试用	<input type="radio"/>				
WWDC 推新产品	<input type="radio"/>				
时髦的代表	<input type="radio"/>				