BRAND LOYALTY IN THE DIGITAL ERA
APPLE INC. CASE ANALYSIS

Tesi di laurea in
Models of Marketing

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Abstract

The actual society is submerse in a digital culture. Technology is constantly changing our lifestyle and businesses must adequate everyday their strategies in order not only to be up-to-date, but actually to survive in the market. Sharing information in real time across the world is as far as our pocket. Personal opinions became more valid than ever. Brands are being promoted by the customers themselves. Most of the times are the people who look for a brand than the opposite. Our own values blend to those of a brand and supporting it with passion turned into an expression of who we are. The aim of this study was to discuss the loyalty of consumers towards a brand in a period of constant innovation technology, to analyse the motivations of a loyal consumer and to discover what takes to a brand achieve this loyalty. The method on which this work was produced was a set of theoretic approaches of marketing and sociology applied to a real case analysis. This study was produced with the intention to emphasise the importance of brand loyalty in the actual digital era and to understand how to develop it.

Keywords: brand loyalty, digital marketing, Apple Inc., communication.
Introduction

Facing a significantly vast range of options when it comes to promotional channels, brands are struggling to decide where and mainly how to invest their marketing budget. With new digital naming concepts, fresh new social networks arising, reaching many users, development of apps, new devices being released in the market and so on, marketers might be in a bit of confusion.

We are definitely in a period of constant transition, life moves faster and so technology. The digital awareness is indispensable not only for a marketing professional, but for everyone. Technology affects everything, our personal and professional life. It influences all ages and all kinds of industries. Keeping ourselves up-to-date with technology innovation is a way of following the next steps of society in general.

Through the point of view of marketing, digital technologies dramatically evolved the way of doing promotion. In a digital era where we can send a direct message to the prime minister on Twitter or get a personal suggestion from a Youtuber on the other side of the world, brands live a fantastic moment that allows an intimate but not intrusive contact with the audience. There are more opportunities to communicate than ever in the digital scenario and the need of comprehension of that is the reason why this study was produced.

Starting from the line of thought of what could be the most stunning outcome from a marketing campaign we realise that the top result a brand can expect from its promotion is actually not having the need of promoting itself at all. In this best scenario the brand would have achieved incredibly high levels of awareness among all types of customers and would be easily differentiated and positioned in the mind of consumers that would lead the industry. The intrinsic values of the brand would be so deeply related to its products that people would purchase them to express their own personality. It would lead to a close affinity towards the brand, being able to be developed throughout the time into a cult and even passion. Lastly, an organic and transparent promotion made by the consumers themselves would be generated. The word of mouth would be the key factor to a successful promotion. Moreover, consumers would be happy to promote the brand they trust and love. In other words, loyal, engaged customers would be the best consequence of a marketing campaign.

Certainly this is an idealised scenario, no brand can really reach the top of its awareness and preference among others to the point that no promotion would be any longer needed. Even to those who possess a strong leading presence in the market in
reality must always keep a communication with its audience in order to maintain its position. However, there are indeed some brands that considerably cut costs with communication marketing once they are having their own customers 'spreading the word' for them. Taking into consideration one of the leader brands in technology and in brand loyalty, we could not but analyse the case of Apple Inc.

The motivation to understand how the creation process of brand loyalty develops in our actual digital era, gave rise to this work.

The objectives of the study are: to clarify all modern marketing facets, including digital platforms and its specific tactics; to stress the need of a deepen sociological perspective when dealing with the audience; to fully understand brand loyalty, its characteristics, variables, incentives and outcomes; and finally, to be able to individuate winning marketing strategies in a real existing brand.

The work was thought to be produced as a manual for the writer herself, making use of visual schematic concept representations and by quoting important scholars of the field, for easy comprehension of a quality content.

The work is structured in three main chapters and the final conclusion, which will be here briefly introduced.

In the first chapter, which is further divided into four sub-chapters, will be explained some basic marketing concepts. We will attempt to give a single definition of marketing. Moreover, the differences between the several areas of marketing will be clarified emphasising the integration among all of them during the entire process of a campaign. The attention will be then driven to the promotional area of marketing, the communication marketing. Focusing on promotion, the ultimate aim of the communication will be explored, leading the reader to the critical aspect of this work, the brand loyalty.

The second chapter is the most considerable of this work. It begins with interpretations of brand loyalty, continuing the explanation through three sub-chapters. The first one is fully dedicated to a sociological point of view, analysing what motivates consumers to become loyal towards a brand. From the examination of the audience the reader is then taken to the second sub-chapter where the 'marketing secrets' of how to build a strong brand loyalty are explored. The strategies are given in a way they can be coherently applied to any business, as long as consistently adapted to the specific case. Examples of real brands are given in order to allow the reader to assimilate the guidance. Finally, in the third sub-chapter the sociological and marketing theories are taken to the actual scenario of digital platforms, discovering the many adaptations needed according to
each digital media. Some major forms of promotions are explained in detail, providing an up-to-date manual for brand loyalty.

In the third and last chapter the guide is put in practice by the analysis of a real case of success, the brand Apple Inc. The chapter is again driven to a marketing and sociological perspective, which compose the two different sub-chapters. In the first one, we go through the unique key marketing elements of success that only Apple possess and how together they create a full brand experience for the consumer. The second sub-chapters, instead, consists of the analysis of the official Apple community, bringing out evidences of the loyalty of real consumers and their relation with the brand.

Finally, in the conclusion we can find the closure of the work, a summary of the topics the reader passed by, a final interpretation of the whole brand loyalty scenario in the actual digital era and some suggestions of more detailed studies, including insights not treated in this work for future research.
Conclusion

The fierce competition in the business world increased by the digital arena symbolises a more difficult scenario for a company to survive, but also offers great possibilities to really engage its audience. Brands have the need to catch and keep customers and technology can play a significant role on that, offering countless opportunities for any industry. The population increases but the world gets smaller with people around the world being all connected online. Marketers can easily reach their public and create a bond with them by participating of their daily life through social media platforms. It is a fantastic moment to develop brand loyalty as it has never existed before.

Moreover, brand loyalty is also interesting in terms of rational needs, such as cost reduction. In fact, the loyalty of the customers can dramatically affect the marketing budget, decreasing the investments in the promotion by earning more customers who would be gladly willing to promote one’s brand.

In the first chapter we have seen the importance of the consumer in a marketing process by showing that a winning marketing strategy puts the customer in the centre of the attention with the customer-driven model. Then, we noticed that the marketing process phase presents the most direct connection with the customer is the step of communication. Being promotion/communication the crucial point when the consumer can really enter in contact with the marketing campaign through advertising, for instance, it was more than reasonable to focus the attention on this field of marketing. Next, we explored the technical and sociological aspects of communication and have seen that the final objective of the promotion is the action of purchase in short-term and in the long-term the repetition of it followed by a strong relation/connection between the consumer and the brand, called brand loyalty. In order to analyse the most effective outcome not only in a short period of time but a long lasting result, we defined brand loyalty as the ultimate aim of promotion.

The second chapter goes deep into the concept of brand loyalty and unpacks it into two major views, a sociological perspective and a marketing technical knowledge.

In a sociological point of view we have seen that people buy a brand in continuation over time, showing brand loyalty, for two main reasons: (1) the need of belonging and being accepted by others leads to a display of goods that allow others to easily ‘judge’ personality by our possessions, in this case people desire to own trendy and expensive brands to show wealth, sense of fashion and good taste; (2) and second, people may practice repeated purchase demonstrating affection to a particular brand because it might bring an increase of their self-esteem, in this case also expensive goods are included once
they mean the person buys it because he \textit{worths} that amount of money in order to feel happy.

In the marketing analysis we pointed out that to build a strong brand that can develop loyalty among its audience we need to consider two major aspects, the brand culture and the brand mark. The brand culture revealed to be the basis of the brand’s values and identity, determine the type of connection the consumers may develop with it. In order to create a successful brand culture the brand need to stick with the variables of brand equity (in specific mental brand equity) that embraces all the brand characteristics in detail of awareness, meanings, differentiation/positioning, price, attitude, purchase tendency and relationship with the consumers. At the end we conclude that to achieve a prosperous brand culture there is no magic formula, but the adapted application of the given concepts based on each single brand. The brand mark, instead, shows a more rational and schematic notion for brand decisions, such as the choice for the brand logo depending on colour meanings, logotype (monogram, figurative logotype, figurative icon, abstract icon, illustrated icon), packaging, naming, etc. The brand mark demonstrates to be the completion of the brand values previously set in the brand culture, passing to the audience a perfectly integrated brand identity.

Then, with the intention to provide a fully actual analysis, the sociological and marketing perspectives were applied to the current digital scenario. Where we passed through many new platforms the marketing professional have now at his disposal to work with. We have seen the existence of new digital brands as e-commerces, softwares, etc. and how they require different strategies. There were explored some indispensable characteristics of a brand in the digital arena; like the user-experience, again highlighting the consumer in the centre of the attention and the practice of digital marketing including online ads, apps, mobile marketing, social media marketing, use of influencers, search engine optimisation, etc. The chapter was then concluded by emphasising the new approach of a brand 3.0 being in perfect ‘syntony’, harmony with the individual beliefs, putting the emotion in first place over the product.

The third chapter concludes the work by putting in practice the knowledge absorbed. In the analysis of the successful brand Apple we notice that the brand’s consumers reflect exactly the loyalty behaviour previously introduced. The chapter initiates by presenting data that confirms the actual success of the brand and by briefly storytelling its origins. The observation deepens into two sub-chapters. Once more we have a marketing perspective where some key winning elements are brought to life: the figure of the brand founder Steve Jobs, as a personalisation of the brand and symbol of being in the
vanguard of advanced technology; the brand mark, the iconic time lasting bitten apple; the price, meaning quality and wealth destined for few, for an elite; the promotion, few advertising and lots of public relations, both made with utmost care; and finally its loyal customers, the incredible resource of effectual word of mouth and proof that a brand can be loved to the edge.

Then, we have the sociological perspective, done through the analysis of the single official community of Apple. Consumers express their interest, passion and respect for the brand. Proud of ‘working for free’ they show aware of their loyalty and they could not be gladder of that. By the end of the analysis we verify that the brand could even benefit more of its loyal customers, but for some reason (maybe for not demeaning itself as a ‘luxurious’ brand) it does not make much to valorise its fans.

Overall, brand loyalty is considered as the ultimate aim of promotion. It turns to be so appealing for brands because fewer resources need to be invested, the audience grows, and consequently the profit increases alongside the brand reputation and its value. The brand loyalty is a result of a remarkable promotion that had such an efficient outcome that became self-sufficient through the satisfied customers.

As part of this work it is also important to keep in mind that it analyses only specific categories of marketing strategies in order to keep the focus on the promotional field of marketing. Having said that, many others aspects and approaches regarding the subject of brand loyalty can be further developed in future studies. A suggestion for a future research could be the possibility to take all the leads shown in this work and apply them to a new business, building from the very beginning a brand and verifying what marketing strategies worked, which ones did not, and why.

To conclude, the brand loyalty is not a simple marketing concept, and even though it might be difficult to find an exact definition of that, it is evident the role that it can play in the promotion of a brand. The efforts that a brand can put in promoting itself will never be as effective as a close-knit group of loyal customers.
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