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# iPhone: Marketing Strategy

## Introduction

Demand for a product refers to the services or amount of product (goods) which the customers are willing and able to buy at different price levels, over a specific period of time. It can also be defined as the relationship between the quantity of a product consumed and the factors that affects this quantity. Demand for a product depends on a number of factors. The main factor that may affect the demand of a commodity is the price. Any change in the price cause a change in the demand. On the other hand many factors that determine the demand are not associated with the price. One of them is the costumer's condition including the income, tastes and preferences. Also, a change in the price of related goods may affect the demand for a particular product. Advertisement expenditure is made to improve the sales and increase the demand for a product. Consumers' expectations with regard to future prices are also known to have an influence on the demand for a commodity. For example, the demand for a product will increase if its price is expected to increase in the future. The difference between substitute goods and complementary goods, essential goods and non-essential goods is important to determine the demand and how it would be affected.

The demand curve D: has a negative slope, this is the graphical expression of the 'law of demand', which states that consumers buy less at higher prices; In other words, the quantity demanded is inversely proportional to the price of that good.

Zheng and Ni, (2005) define a smartphone as a mobile phone offering a whole new technology and application. Smartphones use a complete operating system software, which open the way for a new era of development and communication. iPhone is a brand of smartphones produced by Apple company based on iOS operating system. The company depends on development strategies that provide renew products and/or new products to ensure that the product will be workable in the markets (Kotler & Armstrong, 2009). Kelby & White, (2009) stated that Apple iPhone for the first time combines the abilities of both mobile phones and laptop computers in one. Many iPhone models have been developed since it was first introduced to the market. The Company's line of smartphones begin with iPhone 2G and 3G and exceeded to iPhone 8, 8 Plus, 7 and 7 Plus. The company reveals three new iPhones, iPhone Xs and Xs Max, in September 2018 Apple's website, (2010).

The iPhone is considered a phenomenal brand in the smartphone industry, and it is has many characteristics and unique style. Apple also improved the iPhone by access their website. The company therefore can save the fees of advertising over 400 million. Kane, (2008) found that the iPhone has some disadvantages, for example, it is not a 3G, 3Gs device and not workable in some countries with promising technological development like Korea and Japan. The price of the iPhone is around £350-550, its price considers quit high.

One of the factors that affect the iPhone's sales is human behavior because many users are willing to buy such a device. Therefore, the company should determine the customer's need in the future (Keegan & Schlegelmilch, 2001). Wright, (2006) has found that consumer awareness increase causing a change in their behavior, so they might seek for the best product at lower

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prices.

As Sharples, Taylor & Vavoula (2005), powerful mobile technology include a mobile phone, camera, music player and portable computer. The mobile applications may lead to more sales as applications can provide more abilities to satisfy customers (Wright, 2006).

Counterpoint research, found that the iPhone keep its lead in UK smartphone market share in Q3, but is just 0.4% ahead of second-placed Samsung. The firm puts Apple's share at 34.4% against Samsung at 34.

Counterpoint recorded that Apple's sales had decreased in Q3, suggesting that sales of the iPhone 8 in the last few days of the quarter had not offset the drop in purchases from those awaiting the iPhone X.

The statistic illustrates the market share of the leading smartphone brands in the United Kingdom (UK) from 2010 to 2018. The mobile phone market was dominated by Apple and Samsung in recent years.

In 2018, Apple recorded a market share of 51.46 percent, while Samsung recorded a market share of 28.86 percent. Other brands like HTC, Nokia, Motorola, and LG had a small part of the total market share

The statistics showed that the market share in Great Britain is dominated by the Apple iPhone (from Q1 of 2011 to the Q1 of 2018). In the Q4 of 2011, the iPhone only had 15 percent penetration in households. By Q1 of 2018, this had increased to 43 percent penetration.

Fonehouse answers the question of which the most favorable brand of smartphones in each city of the UK. Their sales data reveal which UK cities prefer Samsung and which prefer Apple. It was clear that London, Manchester Liverpool, Norwich, and Newcastle (most big cities in the UK) are Apple cities.

Finally, Statista survey 2018 shows that there Samsung and Apple are the most important in the UK market. Apple and its range of iPhones had a 48% UK market, followed by Samsung with 35%. Sony with its Xperia range of phones recorded just 4%, while HTC, Nokia, LG or Motorola make up just 2% of the UK smartphone market each.

## **Conclusion**

Data reveals that the demand for iPhones in the United Kingdom has increased since 2011. Many statistics and surveys were carried out to determine the market share of the iPhone in the UK with regard to other smartphones like Samsung, Huawei, Sony and Nokia. These statistics clearly found that iPhones own the highest percentage of the smartphone market in the UK, followed by Samsung mobiles. The results of the surveys also showed that most of the cities in the UK prefer iPhones as they continuously develop their applications and technology to satisfy their customers.

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