

Study On the Development Inspiration of Apple Mobile Phone for Chinese Mobile Phone Enterprises

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Abstract. This paper starts with five parts to study the inspiration for developing the Apple mobile phone to Chinese mobile phone enterprises. The first part mainly introduces the research background and significance of this paper, as well as the innovation and shortcomings of this paper. The second part mainly introduces the marketing theory used in this paper - word-of-mouth marketing and marketing model STEPPS. The third part introduces the basic situation of Apple and its development in the Chinese market. The fourth part firstly analyzes the successful marketing of Apple in the Chinese market from the aspects of product price, appearance, operating system, and innovative technology. Secondly, it analyzes the difficulties Chinese mobile phone enterprises face in the current development, from product positioning, marketing strategy, and mastered technology. The fifth part is based on the STEPPS model, comparing and analyzing the marketing strategy differences between Chinese mobile phone companies and Apple and putting forward improvement ideas for Chinese mobile phone companies from six perspectives.

Keywords: iPhone; Word-of-Mouth; Marketing; Apple; Chinese Smart Phone Market.

1. Introduction

1.1. Research Background

With the development of science and technology, mobile phones have become indispensable in people's lives. With the rapid growth of market demand for mobile phones, the competition in the industry is becoming increasingly fierce. As an important part of the global mobile phone market, China is the most competitive place for major mobile phone manufacturers. This has led to the rapid rise of local mobile phone brands so that local mobile phone brands together occupy a large share of the market. However, as a foreign company, Apple still occupies the highest share of brand sales in the Chinese market.

The reason is that Apple's ability to earn high profits in a highly competitive environment is not only due to its excellent product quality but also its innovative marketing methods. The combination of the two makes Apple products, which were originally sold with high quality, add added value and attract consumers to buy them. Apple Inc. is the leader in the mobile phone industry. The high quality of Apple products is reflected in the excellent production technology, high-end production materials, and scientific and technological innovation. The innovation of Apple's mobile phone often becomes the benchmark of the mobile phone industry, which is used for reference and learning by major companies. Of course, the important thing is that Apple also has a very excellent marketing strategy, which combines a variety of marketing methods, such as hunger marketing, experiential marketing, word-of-mouth marketing, and so on.

Some local brands have caught up with, or even surpassed, Apple in terms of technology, but their phone sales are far less than Apple's. The reason is that local brands do not have a unique marketing strategy like Apple.

Therefore, the study of Apple's marketing strategy has great reference significance for local Chinese and mobile phone brands worldwide. Research on Apple's marketing model and reference to Apple's marketing mode will help domestic mobile phone enterprises improve their marketing plans and promote their innovative marketing strategies.

1.2. Literature Review

Davidson compared the brand to an iceberg. He believed that only about one-sixth of the iceberg is above the water's surface, which is a very small part, and the remaining five-sixth are under the water. The brand is like this iceberg. The small part on the water's surface is that people can see with the naked eye, such as brand names, logos, etc., while the vast majority of the water is invisible to people, such as values, wisdom and, culture, etc. The invisible part of the brand plays a supporting role for the visible part. Word of mouth is an important part of the invisible part.

1.3. Research Innovation and Limitations

Innovation: This paper selects the successful marketing strategy of the world's famous enterprise, Apple, in the Chinese market. Regarding research models, most scholars study Apple's marketing strategies from the 4c principle, 4r principle, 4p principle, or SWOT model, and few scholars use STEPPS models to analyze Apple's marketing strategies. In terms of research methods, most scholars focus on Apple's experiential marketing, brand marketing, hunger marketing, etc., while few scholars focus on word-of-mouth marketing. This paper mainly studies the STEPPS model and word-of-mouth marketing, which has practical significance. While studying Apple's marketing strategy, this paper compares the shortcomings of Chinese mobile phone companies and puts forward some suggestions for improvement to make the article fuller.

Limitations: This paper mainly studies Apple's marketing strategy in the Chinese market and lacks research on the international market, which has limitations. The author has consulted a large number of literature materials. Still, there is a lack of direct contact the relevant industry, and the research on the relevant industry mainly relies on the literature and relevant papers and works. Hence, conducting a thorough analysis of the industry isn't easy.

1.4. Research Steps

The first part of this paper introduces the basic situation of the Chinese mobile phone market and the basic situation of Apple's mobile phone in the Chinese market and analyzes the reference significance of Apple's successful marketing for domestic mobile phone enterprises. The second part explains the definition of relevant terms, the third part analyzes the basic situation of Apple, and the fourth part uses the STEPPS model to study the marketing strategy of Apple, from the social currency, triggers, emotion, public, practical value, story, and other aspects of analysis. The fifth part summarizes the advantages and disadvantages of Apple in marketing and puts forward suggestions for improvement. The sixth part analyzes the significance of Apple's successful marketing to developing domestic mobile phone enterprises.

2. Theoretical Basis

2.1. Word-of-Mouth Marketing

"Word of mouth" comes from communication but is widely used in word-of-mouth marketing. While providing products to consumers, enterprises have developed specific word-of-mouth promotion programs so that consumers can spread positive evaluations of the products and services of enterprises independently or inadvertently. So that people, through word of mouth, understand the products and services, help enterprises establish brand image and strengthen market recognition, and ultimately achieve the purpose of enterprise marketing, which is word-of-mouth marketing. Word-of-mouth marketing, also known as "viral marketing", is characterized by this way of word-of-mouth promotion, just like the spread and spread of viruses, with ultra-high transmission speed and extremely fast feedback efficiency. In the early stage, enterprises mainly rely on consumers' psychology to find the factors that cause consumers' desire to share and formulate appropriate marketing plans. In the later stage, enterprises mainly rely on consumers' spontaneous communication, a sustainable marketing strategy with low cost and high-income advantages. The key

to the success or failure of word-of-mouth marketing is whether to design a program that can cause consumers to publicize products spontaneously.

2.2. STEPPS

STEPPS was introduced by Jonah Berger, a marketing professor at the Wharton School of the University of Pennsylvania, in his book *Contagious*. The book explains why things are popular and how enterprises should conduct successful word-of-mouth marketing from six aspects: social currency, triggers, emotion, public, practical value, and story.

Social currency: People are expected to build their self-image through what they talk about in social situations, and because people are always willing to spread information that enhances their self-worth, this kind of talk is social currency [1].

Trigger: When people talk about something, they think of something else. For example, the American singer Rebecca sang “Friday”, complaining about dissatisfaction with life. Always let people think of this song on Friday and vent the same discontent. Things with a strong correlation can trigger people’s quick association; this is the trigger.

Emotion: As a behavior that can trigger people’s emotional resonance, emotion has the characteristics of strong social communication and high arousal. Information often contains different emotions. Positive emotions, such as joy, surprise, humor, etc., are more likely to trigger people’s desire to share; Negative emotions, such as anger and sadness, are less likely to trigger people’s desire to share.

Public: The more accepted, that is, the more public, the more widely the information will be disseminated. In the information dissemination of the majority, people’s herd mentality is easily stimulated. Conformity subconsciously changes people’s attitudes towards things and drives them to spread the message.

Practical value: People are more willing to share information that has practical value and can benefit themselves.

Story: Use storytelling as a medium for disseminating information and spreading it in people’s small talk. Sharing things or ideas by telling stories is often easier to be accepted and spread by people, and it can achieve unexpected results in people’s word-of-mouth.

3. Case Description

Apple is an American high-tech company founded by Steve Jobs in California in 1976. In the early days of its founding, Apple mainly developed and sold personal computers. With the development of science and technology and the expansion of economic globalization, in order to meet the needs of the company’s strategic layout, Apple began to expand the production line and increase the variety and quantity of products. In 1997, Apple introduced the iMac computer, which attracted many users with its lightweight appearance and novel design. The popularity of the iPod music player, introduced in 2003, gave Apple a boost. The iPhone, launched in 2007, directly redefined the smartphone and was a milestone in developing the entire mobile phone. The iPad, which was introduced in 2010 and combines the portability of a mobile phone with the intelligence of a computer, also made consumers enthusiastic [2]. Apple has always used its excellent innovation ability and marketing strategies to satisfy consumers and make itself profitable. As the world’s largest publicly traded company with a market capitalization of \$3 trillion in the electronic technology industry, Apple Inc. announced its third fiscal quarter of 2023, ending July 1, 2023. The company reported quarterly revenue of \$81.8 billion, down 1% from a year ago, and diluted earnings per share of \$1.26, up 5% from a year ago [3].

Apple was relatively late to the Chinese market, opening its first directly operated store in Beijing in 2008. Although it entered the Chinese market late after that, when the iPhone began to enter the Chinese market, it directly triggered the domestic purchase boom. With the recognition of foreign enterprises and the innovative iPhone, Apple’s popularity and market share soared in the Chinese

market. Until 2023, despite the impact of local brands such as Huawei and Xiaomi, Apple still occupies a huge share of the Chinese mobile phone market. According to market research firm Counterpoint, Apple's share of China's smartphone market reached 14 percent by the first half of 2022.

4. Analysis on the Problem

4.1. Current Situation of Apple's

Apple's products are generally expensive and of good quality. Therefore, most of the people who buy its products are those who have a certain material basis and pursue a quality life. This group of people generally love to socialize and share, laying a good foundation for generating social currency. Apple's products have been leading the fashion trend in the high-tech field, and consumers themselves or under the influence of people around them will buy Apple's products to increase their fashion.

In terms of appearance, Apple's products, whether computers or tablets or mobile phones and headphones have adhered to a design principle from beginning to end - simplicity. The appearance of Apple products is often a single solid color with Apple's logo, which seems ordinary, but it shows a sense of advanced technology and has strong recognition. Unlike other brands, the appearance is gorgeous, but people cannot distinguish the brand. This is why iPhone users are willing to share this simple and advanced product.

From the operating system's perspective, Apple uses its self-developed iOS system to regulate the operation of the software platform while not being bound by the software platform. On the Android system, software developers are free to define their software, which leads to the software on the Android system having its own program, and the operation of the software is varied. On iOS, software developers have to follow Apple's uniform rules before they can release software, and the advantage of this is that most of the software is more unified and not as messy as Android software [4]. Users enjoy the convenience brought by iOS and feel proud compared to those using Android, which encourages them to promote the benefits of Apple's system, which also achieves the purpose of word of mouth.

In terms of technology, before the iPhone was developed, people's impression of mobile phones was basically formed - for making phone calls, this impression is almost difficult to break. At that time, mobile phone manufacturers also focused on beautifying the appearance of mobile phones and improving the fluency of calls. But in 2010, mobile phones were redefined with the release of the iPhone 4. The iPhone 4 combines some functions of a camera, computer, and music player, letting people know that the phone can not only talk but also take photos, listen to music, and surf the Internet. This is a cross-era mobile phone; the emergence of the iPhone 4 triggered a buying boom in the year. Apple's brand became famous on the international stage, but also to the major mobile phone manufacturers to provide new ideas new development routes. It can be said that in 2010, iPhone 4 was undoubtedly the best social currency. Consumers enjoy the most high-tech and front-end mobile phones to show their consumption taste and reflect their power, encouraging them to share the iPhone 4. With the release of the iPhone 5S in 2012, Apple was the first to use fingerprint unlocking technology on a mobile phone. Although Apple was not the first company to use this technology on a mobile phone, it was a major player in promoting the technology. Before the release of the iPhone5S, there were almost no fingerprint-unlocked phones on the market, but almost all phones produced by other manufacturers released after the iPhone5S were equipped with fingerprint-unlocked phones. The same case is the iPhone X released in 2017. Before the product was released, few face-unlocked phones were on the market, but after the release of the iPhone X, face-unlocked phones have also become the standard of mobile phones produced by major manufacturers. It can be said that Apple is always at the forefront of the mobile phone industry, and the products designed by Apple are undoubtedly the vane of other mobile phone manufacturers in the next few years. This gives iPhone users a sense of superiority, making them willing to mention their phones to others.

In terms of quality, Apple mobile phones generally have a longer service life than other brands of mobile phones. At the same time, the Android system generally has a common problem that the longer the use of the system, the more sluggish the system, but the iOS system will not. A good use experience improves Apple's reputation, which is more conducive to its word-of-mouth marketing.

4.2. Problem Identified by Chinese Mobile Phone Marketing Strategies

4.2.1 The brand's market positioning is low

China's domestic mobile phone brands are mainly focused on the middle and low end of the market, and only a few brands, like Huawei, are involved in the high-end market. As a result, the high-end market for Chinese phones is almost exclusively occupied by foreign brands, such as Apple and Samsung. Local mobile phone brands are fierce in the low-end market share but unable to impact the high-end market.

4.2.2 Different marketing strategies

Take mobile phone stores as an example; the marketing strategy of Chinese mobile phone brands focuses on "how to sell products", while Apple focuses on "how to get consumers to buy products". Chinese mobile phone brand stores often put new products in the window for people to see, the wall is pasted with a variety of star spokesperson posters and promotional activities, and the staff always patronize people to sell products. Still, the flow of people is very few. In contrast, Apple's store is very recognizable from its appearance style: silver square box building, the front of the store is a pure glass material, and from the outside, consumer can intuitively see the situation in the store. The store also has a minimalist decoration style, and Apple will put a lot of products on the table for customers to freely experience and use. The staff often will not sell products to consumers but teach consumers to use products. Apple cleverly uses experiential marketing; its stores are often packed [5].

4.2.3 Poor mastery of technology

First, Chinese mobile phone brands do not pay attention to technological innovation and research and development. Chinese mobile phone brands spend a lot of money on advertising, celebrity spokespeople, and sponsorship of TV shows or events to increase public awareness and recognition. As a result, the company has underinvested in research and development for technological innovation, has no exclusive technology, and needs to pay high royalties to produce mobile phones. In such a vicious circle, the technology of mobile phone products will always lag behind those mobile phone brands committed to innovation. The marketing strategy of mobile phones can only rely on investing a lot of money in publicity and constantly lowering the price, so the product can only compete in the low-end market and cannot make profits in the high-end market [6].

Second, even if Chinese mobile phone brands invest in product innovation, they cannot master the core technology. Although China's Huawei has developed 5G technology, it cannot produce phones containing 5G. Huawei's innovation is based on existing chip technology innovation, but the company cannot independently produce chips, just like an engineer who can only build a house but not build a foundation [7].

5. Suggestion for Chinese Mobile Phone Innovative Marketing Strategies

Chinese mobile phone enterprises can learn from the STEPPS model. First of all, in terms of social currency, high-end mobile phones have more potential to become social currency than middle and low-end mobile phones. As a social currency, high-end mobile phones often better reflect the user's social status and taste. Chinese mobile phone companies are mainly committed to the layout of the low-end market, which is compared with the layout of the high-end market of Apple mobile phones, the lack of the possibility of becoming a social currency. Chinese mobile phone companies should comprehensively lay out the mobile phone market, focusing on the layout of the low-end market while considering the high-end market, refreshing the brand image, and completing the brand transformation [8-10].

Second, from the perspective of the trigger, it is very important to let people talk about something that someone can associate with the enterprise's product. In this regard, Huawei is one of the few Chinese mobile phone enterprises to invest a lot of money in scientific and technological innovation. Huawei pioneered the invention of 5G, and most Chinese smartphone users will think of Huawei when talking about traffic, whether it is 4G or 5G. Mobile phone traffic is indispensable for smartphones, which people touch daily, making Huawei's products often mentioned by people. Other Chinese mobile phone companies should bind their products to a certain thing, preferably closely related to the life of the public so that people can often mention it and increase the probability of their association with the product.

Thirdly, in terms of emotions, positive emotions tend to make people more willing to share than negative emotions. And the emotional factor is also a point that many companies ignore. But Apple attaches importance to this on the official website. Apple has a clear provision: Apple products can appear in movies and TV plays, but the villain cannot use Apple products. Only decent characters can use it. A good character usually brings positive emotions to the audience, while a bad character may bring negative emotions to the audience, and the audience will subconsciously want to imitate the good character and reject the bad character. Almost all Chinese mobile phone companies have invested money in movies and TV dramas, adding mobile phone products as mobile phones used by characters in movies. In this process, the screen of the protagonist using the product is increased and close-up, and the screen of the villain using the product of the phone is reduced.

Fourth, from the public perspective, people live in groups, and the herd mentality can be easily stimulated. During the COVID-19 pandemic, many schools have opened online courses for teaching, and many companies have started cloud offices. There has also been the popularity of paperless learning and paperless offices in recent years, which have greatly promoted the adoption rate of tablet computers in China. If a person wants to buy a tablet computer, and everyone around him uses Apple tablets, the people around him are unconsciously promoting Apple products to him. Chinese mobile phone companies should pay attention to the mass base of products, create a popular environment for products, and stimulate people's herd mentality and purchase desire.

Fifth, in terms of practical value, people tend to disseminate information with practical value. For example, at a certain time, students who buy Apple iPad products can get a discount and a gift of 1,000-yuan worth of Apple pencils. Students are generally more social, have a strong desire to share, have relatively weak purchasing power, and are eager to obtain social media worthy of publicity. Therefore, as a high-end product, the iPad easily attracts student groups to publicize and purchase after a big price cut. Chinese mobile phone companies should create practical information for consumers rather than boring advertising.

In terms of stories, enterprises should promote products by telling stories, letting consumers get information by listening to stories, and then letting consumers publicize information as storytellers. People prefer propaganda and interesting and vivid stories to dull, rigid official news. Spreading information in the form of stories is more acceptable than advertising.

At the same time, Chinese mobile phone companies should also increase their investment in mobile phone technology innovation. Only innovative enterprises can be the first to enjoy the market dividend. Apple is relying on the pioneering innovation of the iPhone 4, occupying the market position, and boarded the international market. Currently, Chinese mobile phone companies are more inclined to imitate than to innovate, and they are more inclined to invest in marketing propaganda than a lot of money in research and development. For sustainable development, Chinese mobile phone companies should try their best to complete the transformation from a runner to a leader. In the short term, the effect of investment in R&D may not be as good as that of investment in marketing. Still, in the long run, the research and development of innovative mobile phones is more competitive in the market, and the patents applied for research and development can also become a considerable income. Then, the income from the use of patents can be invested in research and development or marketing to form a virtuous circle, which is conducive to the development of enterprises.

6. Conclusion

Compared with Apple, Chinese mobile phone companies have a big gap in technology and marketing methods. After analyzing the success of Apple's marketing plan in China, this paper also points out the shortcomings of Chinese mobile phone enterprises in the current stage of development. This paper puts forward suggestions for developing Chinese mobile phone enterprises based on the STEPPS model, which has certain commercial value and hopes to inspire the development of Chinese mobile phone enterprises. This paper lacks primary data in the research and mainly uses secondary data. Secondly, the research on the mobile phone market is very ambitious, and this paper only analyzes from the perspective of the STEPPS model with limitations. In future research, the author will obtain prime data through research, investigation, interview, and other ways to make the paper more convincing and analyze the mobile phone market from more angles.

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