# Tactics and Marketing Strategies of Tech Companies to Attract Consumers

#### DISSERTATION

Submitted in partial fulfilment of requirement of Bachelor of Commerce (Hons.)

In

Marketing

By

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# APPROVAL SHEET

This dissertation/entitledTactics and Marketing Strategies of Tech Companies to Attract Consumersby Ayaaz Jaorawala is recommended for the degree of Bachelor of Commerce (Hons).

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I AYAAZ JAORAWALA hereby declare that this written submission represents my ideas in my own words and where others' ideas or views have been included, I have adequately cited and referenced the original sources. I also declare that I have adhered to all principles of academic honesty and integrity and have not misrepresented or fabricated or falsified any idea/data/fact source in my submission. I understand that any violation of the above will be cause for disciplinary action by the PANDIT DEENDAYAL ENERGY UNIVERSITY and can also evoke penal action from the sources which have thus not been properly cited or from whom proper permission has not been taken when needed.

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#### UNDERTAKING

I submit that the edifice of this dissertation research report on: "Tactics And Marketing Strategies of Tech Companies to Attract Consumers."

A comparative analysis is built and further developed on the framework of extensive and critically focused literature survey with sources listed in the bibliography. In addition, the recourse has also been made to large number of references based on critical analysis of experts, special reports in journals, articles and research papers of journals and magazines, internet, newspapers, reports of government agencies, conceptual anchoring attributable to standard works including books and the vast treasure of secondary information. They have been indexed at the end of this dissertation research report. I certify that I have not copied any material without citation from any published sources. I also certify that I have checked plagiarism of this dissertation thesis and it is under the prescribed limit defined by the UGC i.e. University Grants Commission (UGC), Government of India. I certify and declare that I have not been awarded or conferred any degree, diploma or distinction of any kind, either by Pandit Deendayal Petroleum University or any other University for the work presented in this dissertation research report.

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# TABLE OF CONTENTS

Abstract	376
Chapter 1: Introduction	377
Chapter 2: Literature Review	378
Chapter 3: Objective of Research	379
Chapter 4: Research Methodology	380-381
Chapter 5: Key Marketing Strategies of Tech Companies.  5.1 Original Video Content 5.2 Influencer Marketing 5.3 High Value Content 5.4 Live Event Integration 5.5 Existing Consumer Re-Marketing	382-386
Chapter 6: Tactics of Tech Companies to Attract Consumers	387-395
Chapter 7: Conclusion	396
References:	397

#### **ABSTRACT**

This study is about the marketing strategies used by tech companies these days to get attention of us the consumers and attract us to buy their products. These marketing strategies makes them huge profits. The paper is based on secondary data. We are living in a world where technology changes every few months. Every month there is something new in the market weather it is smartphone, laptop, computer, processors, or even earphones. Every brand has their own specific thing to attract consumers, some have performance aspect, some have price aspect, some have design aspect, and some focuses on all the aspects. But it is a fact that tech market is the fastest growing market in today's world. We see every person having a smartphone in his pocket nowadays. And we see people changing smartphone every year or even in six months because new one is in the market. The tech companies know how to create a need of their products in the consumer's mind. They use excellent presentations and promo videos to grab our attention and attract us.

# **CHAPTER 1**

# INTRODUCTION

Marketing by tech companies have evolved only 10-15 years ago. Before that people were not so much enthusiastic about tech. Also, there was no big revolution in tech 15-20 years ago. But now as tech companies have huge platforms like social media, they can reach all over the world to present their product to the consumers. The online platforms have become so powerful that we are seeing product launches even in the time of this global pandemic. Reaching more audience has become relatively easy now for the companies, thanks to the platforms like YouTube. The goal of the companies is to reach as many people as possible so that people know that the company exists. Every company have a target audience for their product, and they design their marketing strategy based on the interests of their target audience. Sometimes companies target people with different interests at the same time with clever combination of features and designing of the product. Companies also create more variants of their products so that there is something for every consumer, based on their needs.

Due to increase in demand of tech gadgets, new companies have stepped into the market and thus, competition has increased. The end consumer gets more options and a better overall product because of this. There was a time when new tech gadgets were launched in one or two years, but now new products are launched twice or even thrice a year. What's the reason behind it? How does a product that was launched just few months ago gets old so quickly? Are companies making consumers feel that their gadget has become old? I will try to answer all these questions in this research.

Today technology has reached almost every person in this world. Everyone owns some kind of tech in his house, which is the result of the technological revolution, and this gave birth to social media and all kinds of other online advertising platforms. And by these advertising platforms, it has become so easy to reach people around the globe, with just a touch of a button companies can be on the screens of every person in the world. 'So, by acquiring large sales, tech companies can now put a gadget in the hands of every person in the world which then they use to advertise their future products which lead to even larger sales.'

In this study we are going to see a lot of real-life scenarios and examples to better understand the theoretical terms. We will study companies like Apple, Samsung, Oneplus, Xiaomi, Google, Huawei, and many other big tech companies.

# **CHAPTER 2**

# LITERATURE REVIEW

- Marketing Strategy Apple VS. Samsung: "The positioning of Apple once formed by Jobs, still reaps its fruits today. The company cultivates the secret and maintains the loyalty of its followers, always more numerous to queue up in front of the Apple Store. Long leader in the smartphone market since the iPhone, Apple has been dethroned by Samsung. The release of the Galaxy S3 marked this gap and the American brand had to reduce the production of the iPhone 5."
- "In comparison, Samsung's marketing strategy is tough and powerful. Global advertising, the use of extreme and terribly expensive posters or high impact audio-visual campaigns; the brand wants to be *seen* to become a leader. In 2013, nearly \$ 14 billion was spent on marketing and advertising, enough to put your eyes on it."
- "Samsung is banking on marketing when Apple plays all its cards on the design of its products."
- **Whitney Mitchell) Marketing Strategies for Technology Companies:** "Think of your company as a flower. As a flower, do you want to attract a house fly? No. Do you want to attract a butterfly? Possibly, but not ideally. You want a bumble bee."
- "Anybody can visit your website, but you don't want just anybody, and not everybody wants you. The use of inbound marketing will help your ideal customers find you when they're looking for you. Your ideal customer is researching how to solve a problem they're experiencing, and when they discover a piece of content you wrote addressing this specific need, they will evolve from a stranger to a visitor."
- Examples of content that will help attract strangers:
- Blogging
- Frequent and relevant social media posts
- Utilizing the keywords your key demographic use in search engines
- Developing webpages and landing pages that address your target audience's problems

# **CHAPTER 3**

# **OBJECTIVE OF STUDY**

- The motive of this topic of research is to study how marketing strategies and tactics of tech companies have affected the buying behaviour of the consumers and how it boosted their sales.
- We will see what happens inside these companies and how cleverly they execute their tactics and marketing strategies.
- We will see the impressive efforts they put in to plan these things.
- What kind of tactics the companies use to trap consumers to buy only their products.
- To study how evolution in tech has helped tech companies to reach more consumers.
- To study what kind of marketing strategies tech companies use.
- To understand how tech market has grown so much in 10-15 years.
- To understand how more competition in tech world benefits the end consumer.

# **CHAPTER 4**

# RESEARCH METHODOLOGY

- This study is based on secondary data which has been collected from various sources.
- And the secondary data has been explained in detail with the help of my knowledge and enthusiasm for tech.

#### A. TECH BEFORE THE YEAR 2000

- Before 2000 the tech market was very slow moving and not much people were carrying mobile phones or laptops with them. The innovation was limited and there were very few companies in tech market. At that time the use of internet was very limited and people did not used the internet for entertainment purposes like we do today. The tech was also expensive at that time so very few people purchased it. Things like YouTube, Netflix, Facebook, Instagram were not developed at that time so the usage of internet was only for work.
- At that time there were no smartphones and apps, the mobile phones were simple and had limited features and usability. The laptops were so expensive that only rich people had them. The Apple laptop named PowerBook 100 was priced \$2500 at the time of launch. There were no new product launches in every 6-12 months like today cause there were no significant upgrades in tech hardware every 6 months. It also took time to make new developments that were significant enough to launch a new product in the market.
- At that time the new generation of a product was launched after 3-4 years. Due to this the tech maintained its value for long time and it was not outdated so quickly. Because of this people got significant upgrades and not just small improvements.

#### B. TECH AFTER THE YEAR 2000

- After 2000 it was a golden period for tech. Many innovative tech was launched in this year which changed the tech world forever. The market was developing so fast after this because there were new products and new companies popping every year, that gave the major push to the tech industry. The developments made after 2000 was the foundation for the tech we are using today.
- In the year 2000 Google launched AdWords which had a huge impact on online advertising. Tech companies were able to create an ad in a form of video or picture and get it published online. Google AdWords revenue by 2017 was \$100 Billion.
- In 2001 Apple released its first iPod. It became a huge success among music lovers. It came with a unique and attractive design, something that people never saw in a music player. Before iPod there were many MP3 players but no one had the capacity that the iPod had. Music lovers could carry their entire music collection in their pocket. It became a huge success for Apple and iPods were considered the best mobile music player.
- In 2003 Android was founded. It was developed to build an operating system for digital cameras. It was so close to closing down because it was doing loss. And now we are seeing every phone except the iPhones running on the Android operating system. It is the most successful operating system till date.
- In 2004 Facebook was founded. Facebook was the most used social media website for a long time and it was a platform for companies to reach more people easily. It gave birth to other social media applications like Instagram. Now Facebook also owns Instagram and WhatsApp which are the top social media platforms.
- In 2005 YouTube was founded. The huge platform for creating content and streaming media for both people and businesses. YouTube is owned by Google so it used YouTube to generate ad revenue by its AdWords. YouTube also became a big platform for advertising so many tech companies advertise their products on YouTube. This is the reason we see an ad before any video we play on youtube.
- In 2006 another big social media platform came into existence which was named Twitter. Basically Twitter was a micro blogging platform in which a person can write something in 140 characters. It was

- a new way to reach huge number of people instantly. Twitter has now become one of the top social media applications.
- In 2007 Apple launched iPhone which changed the tech market forever. The launch of the first iPhone had a huge impact on the tech world. It was a phone with a completely new formfactor and people never saw such a thing. The phone had a big screen which was operated with touch and it had only one button. At that time it was so futuristic and amazing for people. After a year of its launch Apple introduced the App Store on the iPhone. It was a place for users to get additional features on their iPhone with the help of apps. It was an open place for developers to develop apps with their ideas and release it on the app store. It was a feature with unlimited possibilities because it gave power to the people to develop new software which used the iPhone's hardware to give a person a new feature. A great example of this is Flashlight application which used the camera flash on the back of the phone to use it as a torch. iPhone combined with App Store is the most innovative piece of tech which completely changed the shape of smartphone market.

# **CHAPTER 5**

# KEY MARKETING STRATEGIES OF TECH COMPANIES

In the face of increased competition for attention on digital channels, tech companies in thecan struggle to reach the right decision makers on the right channels to increase their sales funnel. The ability to connect with these decision makers about an important issue, goal or challenge to their business can have a dramatic impact on the success of most any enterprise technology organization.

So tech companies follow some key marketing strategies which we are going to discuss now. These marketing strategies helps companies achieve their goal and maximize their sales.

# A. Original Video Content

- Video content is a very effective way to introduce a product to the consumer. It's also a very common and easy way to get a consumer see the product and give them a brief information about the product. Almost every tech company uses video content because it can be uploaded to a social platform and everyone can see it, so the people who cannot see the product physically can have a look at the product and get a feeling of physically using the product.
- The video content is usually 2 minutes long or sometimes maybe 3-4 minutes. But the goal is to give the consumer a small but effective introduction to the product in that time span. It should contain a good footage of the actual product from different angles with the description of the features of the product simultaneously. Some companies show an actual person using the product in the video and giving his first reaction to the product, it is called a hands-on video. Hands-on video can give the consumer a feeling of using the product. This method of marketing is so common that almost every tech company use it.

#### > Examples:-

- O A good example of video content marketing is Apple. Every year whenever a new launch event happens Apple upload a 1-2 minutes video on youtube, it summarize the whole 1 hour event in just 2 minutes, it shows all the products that are launched in the event with their features. So the person who don't have time to watch the whole event can just watch the video and get all the information.
- O Another example of video content marketing is Samsung. Whenever a new smartphone is launched by Samsung it upload a hands-on video on youtube, showing the product in the hands of a person, and describing the features and feel of the product. This gives the consumer an idea of holding the product in hands and using it.

# B. Influencer Marketing

- Companies use influencers to review their products and that helps companies to get consumer's trust. Tech influencers are people with knowledge of tech and these are the people who are constantly in touch with latest tech that comes in the market. They have large number of people who trust their opinions and reviews. This marketing strategy came into existence just 10 years ago. Because before that people were not using video streaming platforms like youtube that much.
- Companies send their products to the top tech influencers before the launch of the product so they can use and test the product and create a first impression video. After the product is launched publicly all the influencers release their first impression video of the product on youtube. These videos are watched by people and they get a first look the actual product and the first reaction of the influencer. This makes the consumer excited for that product.
- Some companies have a contract with the influencers which is called embargo period, basically it is a restriction for the influencers that they cannot review the product until the specified date in the contract. After the embargo period is ended they can release the review video of the product on the social media.

- By getting the influencers in the embargo contract the companies gets attention multiple times. The company gets its first attention when the product is launched and the first impressions video is released by the influencers and they get in the headlines, till this time there are no reviews of the product because of the embargo contract. After the embargo period ends which is usually a week after the product is launched, the influencers release their review video and the newspapers then publish articles based on the reviews of the influencers which gets the company to be in the headlines again.
- Influencer marketing have a huge impact on the sales of a product. If the influencer gives negative review of the product people would not purchase that product and if the review is good people will get assurance of an expert person that the product is good so they will buy it. And by getting in the headlines multiple times, people think that there must be something special about the product which is getting them into headlines again.

# Examples:-

- O Apple, Samsung, Oneplus, Google, Huawei are all examples of influencer marketing. They send their latest products to the top tech influencers on youtube like MKBHD, Unbox Therapy, Linus Tech Tips, iJustine, etc and get their reviews which increases the company sales and popularity. These tech influencers have millions of people watching them and their reviews make a huge impact on people. You can go on youtube and search their channels and you will find videos of almost every tech company. This shows how effective this marketing technique is cause so many companies adopt it.
- o In the graph below we can see how smartphone sales has increased drastically after 2010. Youtube came into existence in 2005 but there were no tech influencers on youtube till 2010. After 2010 the community of tech influencers grown on youtube and companies thought of it as an opportunity to advertise their products for free. Tech influencers got views and companies got free advertising, it was a win-win situation for both.
- While we cannot say that all the increase in sales of smartphones was because of tech influencers but it did make a significant impact as we can see in the graph below.

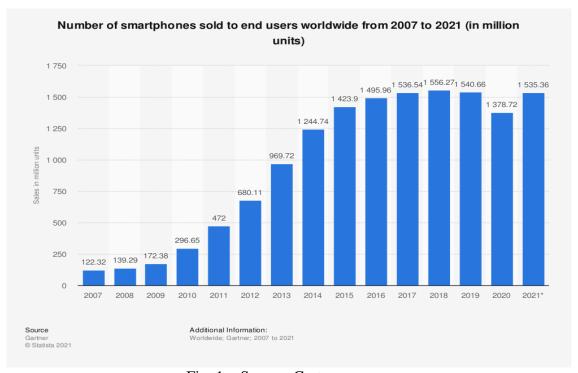


Fig. 1: Source: Gartner

#### C. High Value Content

- Creating high value content is very important in today's world. Digital content is the future that tech companies believe in, they need to create high quality content to represent what they have achieved with tech. Companies need to show consumers how their product will benefit consumer's daily life. High value content can be in the form of video, blog, article, etc. Every video, post or article tells a story to the consumers of the goals of the company. The content must be unique so that the consumers are interested to see it.
- To create high quality content company needs to get a team of skilled and qualified persons, people who have unique ideas in mind to showcase the product in the way company wants and which is easy for consumers to understand. No matter how good the product is developed by the company, if the company is not able to showcase it in a proper way the product can fail. A great example of poor product content showcasing is Sony. Sony builds some great smartphones but it has poor showcasing of the product. It puts a lot of effort in creating the product but fails to show consumers its usability and how it can affect their lives. It is very important to make people understand the functionality of the product and the usage otherwise they won't purchase it. Sony failed to do it hence it affected its smartphone sales.
- To create high value content the content creation team needs to collect all the information of the product, its features and implementation. After collecting these information the team plans how to present each feature to the consumers the way in which it creates a meaningful impact on their mind.
- This marketing strategy is not very easy and not all companies gets success in this. Hence there are very few companies which are able to implement it successfully cause it is time consuming and expensive. It requires a team of specialized and skilled people to implement.

# Examples:-

- O Apple is the king in this method of marketing. The quality of their content is so good that just the presentation of the features of the product makes people want their product. In 2020 and 2021 we saw their virtual launch event because of the global pandemic. The whole event was so high quality and impressive that it felt like a 1 hour movie. It not just a normal event, each little thing that goes inside from the transitions to the product showcasing and the production of the whole event, everything was just so precise. It is the best example of an excellent virtual event.
- The best example of product showcasing is also by Apple. When Apple announced the first iPhone it was a completely new way to use a phone. Before that there were no touch screen phones, people could not imagine how a phone without buttons can be used. Apple presented the iPhone as the most futuristic phone ever and showed people the convenience and joy of using a touchscreen phone and it showcased the use of every feature in it on stage. It became a huge success and brought a revolutionary change in the tech industry, and now all the phones we see till date are touch screen.

## D. Live Event Integration

- While digital marketing techniques are growing so fast and they are the future, it is still important to interact with your consumers in real world. Live event is the way customers can interact with the people who are running the company. This helps people understand the vision of the company and their future plans. If a company is new the main goal is to get noticed by the people. The best way of doing so is to organize a live event and invite people there, and tell them the journey of the company and what they want to achieve in future.
- Interaction with consumer is equally important for the company which is in its maturity stage. Live events in certain time gap helps company to refresh their presence in peoples mind. Many companies have fixed their month of organizing live event every year, for example:- Samsung organize its live event in the month of August every year, Apple have fixed the month of October, and Google have the month of September fixed for the live event.

- In live events consumers meet the people working behind the development of a productand talk to them, understand them and their ideas. Also, the company can listen to their consumers, what they want and what expectations they have from the company and what complains they have with the products. This helps the company to develop the future products, solving the issues existed in the previous products, and adding the features that the consumers want, and people get an overall better product than before.
- This method seems easy to implement but yet some companies fails to do so. It is very important to create hype among the people for the event, otherwise it will not be noticed by the people and it will not create much of an impact. If it fails people can't interact with the company, they don't get what they want, their complains are not heard, and that eventually results in less sales.

# Examples:-

- A good example for poor interaction with the consumers is Sony. Sony organizes live events but they are not much effective or interactive. People don't even know that they are having a live event because their reachability is very poor. They don't advertise their live event properly to create hype among the people so their event is unnoticed and it fails.
- A good example of live event integration is Oneplus. In 2013 Oneplus was a new company and at that time there were competitors like Apple and Samsung which were the king of the smartphone market. So One plus invited some people who were interested in the company to interact with them. The company took opinions of the people to develop the phone which people want. At that time smartphone companies were launching smartphones with high price and features which were not much useful. Oneplus took a different strategy, it listened to the consumers and heard their problems and developed a product which had high performance and low price. It contained features which people actually wanted and which were actually useful to the consumers and not gimmicky. This move of Oneplus resulted in a huge success for the company. Today Oneplus have become a leading smartphone brand in the market and competing with Apple and Samsung.

# E. Existing Consumer Re-Marketing

- Making new consumers is very important for companies but what many companies don't focuses on much is preserving existing consumers so that they don't shift to another company's product. If the company don't focuses on re-marketing existing consumers, they may shift to the competitors and that results in low sales.
- The most effective way to do re-marketing are e-mails and social media. Companies send e-mail to the consumer of latest product launch and live events organized by them. This way the consumer knows that there is a new product coming in the market. And most of the people now a days uses social media so company use it to post promo videos of a new product or an upcoming live event or teasers that creates curiosity in a consumer's mind and he/she may watch the live event and end up buying the product.
- The second method to do re-marketing for the existing consumers is by creating a space in the device where consumers can go and get latest information of the company like new product launches, new software updates, new developments of the company and the achievements of the company. This helps the company to be in contact with their existing consumers. Some companies uses this technique to remarket their consumers while some companies don't prefer this method because they think that consumers may not like receiving notifications about the new products and about the company.
- Another method that many companies use is arranging webinars, live events and customer success workshops for their existing consumers. This gives company a chance to engage with the existing consumers and get their thoughts and ideas and what do they think of the company. The existing consumers helps the company because they are using its products and they can give company some ideas on what that they want in the future products. Consumers know what are the problems in the product and what things are missing in the product so they can help improve the future products by giving their suggestions and ideas. Companies can also show what they have developed for future products and ask for the opinions of the consumers and what do they think about it.

• Another strategy companies use is creating customer forums and communities to keep consumers engaged in with the company. Community forums is a place where consumers can interact with other consumers and exchange their thoughts, people can also interact with the company CEO and founders at any time. The benefit of community forums is consumers don't have to wait for the live event to interact with the company's managers and founders. Consumers can be up to date with all product launches and new upgrades to the current products. This is a very easy and low cost method to implement. Hence many new companies are adopting this method nowadays to know their consumers.

#### > Examples:-

- O Big companies like Apple, Samsung, Google, etc. do re-marketing their existing consumers by e-mails and social media. They send an e-mail to their consumers whenever there is a live event or product launch so that they can get attention of the existing consumers. They also make a poster of the event and upload it on social media so that the people who are following them get the information of the event. This is also the most effective method to do re-marketing the existing consumers as shown in the graph below.
- New companies like Oneplus, Xiaomi, Realme use community forums and consumer workshops to do re-marketing their existing consmers. Oneplus was new company in 2013 and without customer support it would not be able to survive, so oneplus took a new approach to re-market their consumers, it arranged workshops for consumers and asked them what they want in the future product, and developed the and product according to the requirements of the consumers. This idea became a huge success for oneplus and helped it to grow much faster. Oneplus also used social media to re-market its consumers. Oneplus did not go for expensive marketing methods to advertise its products, rather it saved those expenses to make the end product cheaper. Oneplus chose its consumers to do their advertising. It made a product so good that the people who bought it reffered their family and friends to buy oneplus product.

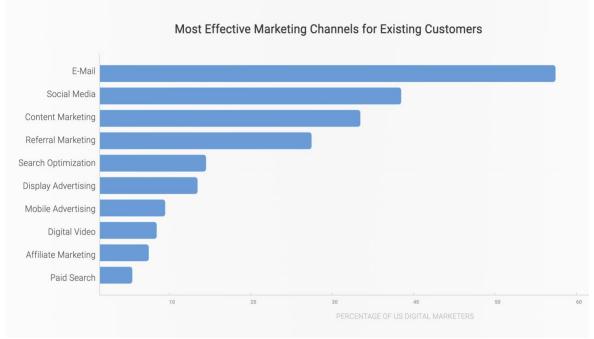


Fig. 2: Source:- Gigaom

# **CHAPTER 6**

# TACTICS OF TECH COMPANIES TO ATTRACT CONSUMERS

- Now that we have understood the Marketing Strategies of tech companies lets understand the Tacticsthey use to increase sales. These Tactics are very interesting and are as important as marketing. It is more difficult for companies to design tactics compared to marketing strategies because it is not same for all the companies and it doesn't have concepts like marketing does. Every company design their own tactics and implement it in their own way. Some companies design tactics based on the product and some companies design a tactic and follow it in all of their product categories. Companies don't change their tactics very often cause it can affect sales if they change it very often.
- Tactics help tech companies to increase sales from their existing consumers. With the help of tactics companies can make their existing consumers purchase their other products also. Consumers sometimes find these tactics shady and unethical but companies know very well how to defend themselves. Most of the consumers don't even know the tactics companies are using to make them buy their products.
- Now we will see tactics of different companies to better understand the way these companies design it.

#### A. Apple

• Apple have become a huge company. It has a market capital of \$2.08 Trillion which makes it the biggest tech company of the world. Since it became such a huge company the tactics it is using must be very effective. So let's take a look at them.

## a) Ecosystem:-

This is the most effective tactic that Apple has designed and it took them a lot of effort and time to implement it, but those efforts paid off when it got successful. An ecosystem is the community or group interacting with each other in a specific environment. Apple created the whole ecosystem with their products by which all of their product interact with each other so seamlessly and effortlessly. Apple have developed features in its software to make all products interactive with each other.

This ecosystem started with the iPhone which is the most famous product of Apple till date and because of which Apple have been able to create other productline-ups. iPhone have become the device which people carry with them every day and by which they capture photos and videos, share documents, make phone calls, etc. After launching the iPhone apple launched iPad, Mac Laptops, Apple Watch, Apple TV, Airpods, Air Tags, etc and all of them are so well integrated together.

Apple have its own operating system by which it can restrict other companies from making products which can work with the iPhone. For example smartwatches from other companies like Samsung and Motorola cannot work with iPhone because they run on android and iPhone runs on iOS. If a person who have an iPhone want to have a smartwatch, Apple watch is the only option he have. A person who have an Apple Watch and an iPhone he can receive notifications on his watch, he can also attend phone calls from the watch. If the person uses the Apple Watch as a fitness tracker all of his workouts gets tracked and automatically shown on the iPhone. The person can also use his Apple watch as a camera shutter for the iPhone. All of this is possible because of Apple's operating system across all of its devices.

Because of one operating system on all devices Apple can do things that is very difficult for other companies to do. Everyone using an iPhone have an iCloud account and when a user purchase another product like Apple Watch and login with his Apple ID all of its data like photos and videos, calendar reminders, notes, etc gets synchronized into the new device seamlessly and it saves time of the user in setting up the device.

Even in laptops, if a person have an iPhone and he wants to buy a laptop Apple Macs are the best option for him. The user can have all of his data in his Mac with minimum effort. There is also a feature in Apple devices called Airdrop by which a person can send a file to other person who have an iPhone or to his own another device he can just turn on Airdrop and send it wirelessly with ultra-fast transfer speeds. Apple doesn't allow other companies to use Airdrop or iCloud and so they don't have the magic of Apple's software.

Even if Apple allows other companies to make products which are compatible with the Apple products, still companies could not make them as seamlessly interactive as Apple can. For example, Apple have their option for wireless earphones called Airpods and there are other companies with their wireless earphones. Other company's wireless earphones can be used with the iPhone but they can't take advantage of the features Apple made for the Airpods like smart pairing and spatial audio. With smart pairing Airpods can connect with the iPhone by just opening the lid of the Airpods case and with spatial audio people can listen to 3D audio, features like this makes the Airpods more integrated and convenient to use with the iPhone. And because of the convenience and effortless interaction of Airpods people prefer it over other company's products even if they are more cheaper.

The reason it is so difficult for other companies to create an Ecosystem like Apple have is because, Apple makes its own processors for all the products it has and also the operating system on which the products run. It is very expensive for most of the tech companies to manufacture the processors in-house, therefore most of the companies don't make their own processors and rather purchase it from companies like Qualcomm and Intel. Because of this Apple can design more efficient and powerful processors cause they are made for specific devices and to perform specific tasks. Apple also put chips inside their Airpods to perform tasks like smart pairing, the iPhone detects the chip inside the Airpods and pairs with it. As Apple doesn't allow other companies to use these chips they can't have those features and so most people end up buying Apple products.

So this is the Ecosystem that Apple has designed. It is a very important tactic for Apple as it gets them huge sales. There are so many companies trying hard to make an Ecosystem like Apple but they can't do it because they are dependent on other companies who makes small components for their products. Other products such as smartphones other than iPhone are based on Android OS which is by Google and they use the processor from Qualcomm or MediaTek and laptops other than Macs uses Microsoft Windows as the operating system and Intel Processors. Processor manufacturers like Qualcomm and Intel have to make a chip that is supported to all the devices from different companies, they have to think of all the companies when they develop a new processor, so their chips cannot perform tasks which Apple's chips can. Similarly Windows and Android are open for all the computer manufacturers, they cannot design a new version of their OS for one specific device or company, they need to make sure that their new OS version is supported in all company's products.

#### b) Create A Problem Sell The Solution:-

This is a very clever tactic by Apple by which they have made a lot of money recently. In this tactic the company creates a problem for the user by removing some feature which they are used to and then providing the solution to them but at a higher cost. People doesn't like this tactic very much and find it shady or unethical but Apple knows really well how to convince the consumers.

Apple first used this tactic in 2016 when the iPhone 7 was launched. Apple removed the headphone jack from the iPhone 7 for the first time. So because of the removal of the headphone jack people couldn't plug their earphone directly to the phone as they could before. So this was the problem Apple created for the consumers by removing a port. After this they provide a temporary solution by providing an adapter with the phone. But what if the consumer wanted to use headphones while charging the phone, so they provided the ultimate solution by releasing the Airpods, the fully wireless earphones with beautiful design, Apple's magical features, and a heavy price tag. Apple did not

provide the Airpods with the phone, they sold it separately. And they convinced people for the removal of headphone jack by telling them that wireless is the future, and the phone is now water resistant because of the removal of headphone jack, and removing one port means more space inside the phone for things like bigger battery. Later on they also removed the headphoneadapter came inside the box and sold the adapter separately. This strategy worked so well for Apple and they made a lot of money out of it.

We can see in the graph below that the revenue of just the Airpods alone is \$12 Billion which is huge for just one product. Its revenue is higher than the total revenue of the whole company. It's just a little bit below the revenue of Uber and higher than the total revenue of Adobe, Spotify, Nvidia, etc.

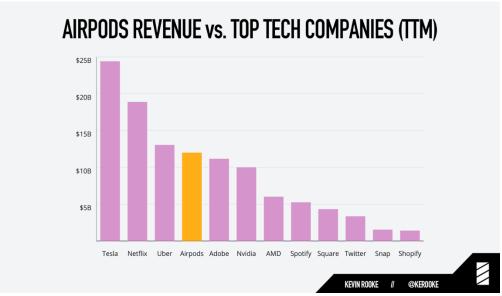


Fig. 3: Source:- Kevin Rooke

After this Apple again used this Tactic recently when the iPhone 12 was launched. This time they removed charging adapter and wired earphones from the box. Removing the headphone jack was still acceptable by people because they could buy the adapter at cheap rate from the market but removing the charging adapter from the box was very unusual for people. No company ever shipped a product without the charger inside. But as Apple knows very well how to convince consumers, it successfully implemented this. As Apple have become a big company it started focusing on the environment since few years and in every launch event Apple shows its consumers about how much eco-friendly the company have become. And Apple also got successful in becoming much eco-friendly than other companies. Apple have a plan to become 100% carbon neutral company and to make all of their products carbon neutral by 2030.

So this time they used environment to convince the consumers for the removal of charging adapter. Apple said that by removing the charging adapter and earphones they can reduce the size of packaging box by 70% and can ship more devices with less materials, which would reduce the shipping related carbon emissions. The second reason Apple gave was that most of the people who are buying the iPhone 12 have the charger and earphones lying in their home and some even have multiple ones so they can use those adapters to charge the phone. This way they can reduce the plastic waste that is on our planet.

Some people argue that the charging cable that Apple ships with the iPhone 12 is USB type-C to lightning cable while people who have the the old charging adapter which came with the old iPhone are USB type-A to lightning, so people still have to buy a USB type-C charging adapter to use the cable which came with the iPhone 12. People also argue that on one side Apple want to reduce the

plastic waste and on the other hand Apple is still selling the charging adapter which the consumer have to buy if he wants to use the cable that came with the iPhone.

Whatever may be the case, Apple saved a lot of money by removing the charging adapter from the box. Apple approximately saved \$4.2 on every iPhone 12 box that was shipped which is not very much compared to the cost of the phone but, Apple shipped around 63 Million units in the year 2020. So going by this calculation Apple saved around \$264 Million dollars.

# c) Little Upgrades Are Better Than One Big Upgrade

This Tactic is also a very clever one that helps Apple make good sales. Apple is not the first compnay to implement this tactic, many companies use this tactic and is very common. But Apple is the one that implemented it in the best way possible. This tactic is based on how much forward the vision of a company is and what developments and innovation they have planned for the future. If the company doesn't have enough developments and innovation for their future products they cannot implement this method.

This tactic is basically a planning of the future developments and innovations of the company and when to pull them off to make maximum sales every year. Company like Apple think of future all the time and they spend a lot of money on reasearch and development by which they make so many innovations for their future products. So they have many innovations already made which they want to put in their future products. The Tactic comes in work when the time comes to put the developments and innovation inside the new product. Apple can put all the upgrades and developments in one product and launch a very futuristic product or put small upgrades and developments every year when they launch a new variant of the product. If they put all their developments in one product and launch it, people will be amazed and excited, and Apple may also get huge sales that year but then next year they won't have something significant enough to upgrade in that product to launch a new version. And also the competion may copy them and make the innovations even better by making improvements in it and launch an overall better product than Apple, and this way it can affect their sales.

So Apple developed this Tactic to stay ahead of the competion. We can take previous iPhones as an example to understand this tactic. First of all these developments and innovations contains design changes, performance improvements, camera upgrades, new features, display ugrades, operating system redesigns and upgrades, etc.

Now lets take a look at iPhone 5 which was launched in 2012, it had a similar design as iPhone 4, all the improvements were mainly from the inside which was new processor and a few camera improvements. Then after 6 months Apple launched the iPhone 5s in which they launched a completely new feature, the fingerprint scanner, by which people can unlock their phones with their fingerprint, a much secure way than the password. And the other improvement they made was the redesign of the operating system. Than they launched the iPhone 6 which came with a completely new design with bigger display and a plus model which was even bigger than the iPhone 6. And other small improvements were made in camera and performance area.

After that in iPhone 7 the design was mostly similar, the focus of the iPhone 7 was camera hardware. The iPhone 7 plus came with dual rear cameras which was the first time in an iPhone. People were excited to see 2 cameras on a phone and the iPhone 7 series was a success. Then next year Apple did something unusual, it launched the iPhone 8 series and also the iPhone 10. Two series launched at the same time. The iPhone 10 was the most futuristic iPhone at that time, the desing was totally new, the whole form factor of the phone was new, and all the things like camera and display was totally new. People got so excited about the phone and Apple sold a lot of units of the iPhone 10.

So here what Apple did when they launched the iPhone 5 the design was similar to the iPhone 4, they just changed the phone internally like upgraded the camera and software, then later on with the iPhone 6 they changed the design completely but OS design was same as before and not much was changed internally. So imagine if Apple released the iPhone 6 at the time of the iPhone 5 launch and named it iPhone 5, then people would be crazy about the phone cause it would have so many new features and new design and new hardware. Every thing would be new for the people cause they got all the latest upgrades and developments together. All the things from the new bigger size of the phone, the bigger display, the fingerprint scanner, the new cameras, the new processor, 3D touch, etc would be new for the people. It would have become the most futuristic phone of that time and Apple would have also got many attention and it would be all over the headlines, it would also have gotten the highest sales figure that year. But Apple would not have had any future developments to put in their next year's iPhone. And because of that it would not be able to launch any product next year and the competition would have copied Apple's innovations and made it better and would have launched a better product, and people would buy the competition's product which would have affected the iPhone sales.

Similarly if Apple launched the iPhone 10 at the time of iPhone 7 launch it would get a huge sales figure that year because of all the new hardware and software but Apple would not have had anything to launch next year cause they launched everything in one product. And people always consider buying what is new and latest so they would shift to the other companies. And the competitors would have copied the Apple's innovations easily cause copying and making it better takes less time than innovating from scratch.

Apple is a big company and they have everything planned for their future products. So they put one new feature every year when they launch a new iPhone and make that feature the highlight point of that product. The new feature could be anything like a complete redesign of the product, new cameras, new display, redesign of the operating system, etc. Releasing one new feature every year let Apple create hype around that one feature every year and get good sales every year. When Apple release one feature every year and create hype around it, they creates a need in consumers mind to buy the new version of the product.

For example, there is a person with the iPhone 5 and next year Apple launches the iPhone 6 with a completely new design and bigger size, this makes the person feel that his current phone have become old because the design is now changed so he endup buying the iPhone 6. Similarly if a person have an iPhone 6 and after one year Apple launches the iPhone 7 with new dual camera system, new display, new camera sensor, new dual speakers and water resistance. This time the design is same but internally the phone is new, this lets Apple create hype around the new features internally and makes that person's iPhone 6 feel old and this way he endup buying the iPhone 7. This way Apple have a highlight point every year to make people want the new iPhone. We can watch the iPhone lineup and see this tactic in work. In the iPhone 7 the highlight feature was camera, in the iPhone 10 it was new design and form factor, in iPhone 11 it was camera and performance, and in the iPhone 12 it was new design and cameras.

# d) Slower Old Phones = More Sales

This tactic of Apple is very controversial and had got Apple in big trouble once. Whenever a new iPhone was launched Apple released a new software update with it, which had new features to improve the user experience. The new software is released on previous iPhone models also so that the users with old iPhones can also get new features and security updates. This is a good thing of a company to think of its old consumers and provide them regular software updates.

This gone wrong after a reddit post when a person addressed an issue with the iPhone 6 and 6s which were shutting down spontaneously, even if the battery was sufficient. Turned out this problem

was faced by many iPhone 6 and 6s users. People had to plug the phone to the charger to turn it on again and it was a big issue for Apple. Later on people came to know the reason behind it was the new software update by which the phones were shutting down. Apple acknowledged the bug and fixed it by releasing new software update iOS 10.2.1 and the issue was fixed. But people reported that the phones are no longer shutting down but they have become slow.

A person on reddit reported that the problem for the phones slowing down is because of old battery. John Poole, founder of Primate Labs and Geekbench Developer did some research and analysis, and revealed that the processors of the iPhone 6 and 6s did slow down after the update (iOS 10.2.1) meant to fix the shutdown problem.

People speculated that the reason Apple slowed down the iPhone was to fix the shutting down problem and to not overload the old batteries. While some people got angry and thought that Apple was slowing down phones so that they can get the consumer feel that the phone have become slower and he need a new phone. This way Apple would get more sales on new iPhones. Whatever may be the reason Apple confirmed that they were slowing down older iPhones so that the old batteries don't overload and the users get overall best experience of both performance and battery life.

This controversy became known as "batterygate" and Apple had to face many consumer fraud lawsuits by over 30 states and Apple agreed to settle the case for \$113 Million Dollars.

While it cannot be confirmed that Apple did it to increase sales but Apple still does it with their older iPhones but now they inform the consumers with a warning when they download the software update in the phone, that their phones can slowdown after the update. Apple still says it have to do it to make sure the old batteries don't overload and they can deliver best user experience.

#### B. OnePlus

OnePlus a chinese smartphone company which was founded in the year 2013 have now become one of the top premium smartphone brand competing with Apple and Samsung. As OnePlus was a new company and it was really difficult for a new company at that time to even get recognised by people it took a different approach than the top smartphones brand. OnePlus developed its products based on the needs of the consumers, they removed features which were not that important to people and improved the features which were actually important to people.

The tactics OnePlus uses are very different and unique than what Samsung and Apple uses. Lets take a look at them in detail.

# a) Value For Money

OnePlus from the very beginning had a goal, to make a smartphone which had value for money. So it made its first smartphone which was OnePlus 1 and launched it in the market. At that time smartphones were becoming very expensive and cheaper smartphones were very slow and had poor specifications. So Oneplus with the Oneplus 1 brought a powerful processor which were used by Samsung and other premium smartphone brands, a good and big display, a premium design, at a very reasonable price point. The Oneplus 1 created so much hype among the youngsters that it the first batch of production was out of stock and company had to take a break for few months to get it back in stock.

Then after two years Oneplus launched the Oneplus 3 which again had really good value for money. It had an all metal unibody, a top snapdragon processor, fastest charging in the market, a better camera, and a better screen, all of this at a reasonalbe price. Oneplus was offering similar features sometimes even better than what Samsung and Apple was offering but at a much lower price. OnePlus

kept the cost of the phone low by avoding heavy advertising and by selling their phones online, and by not having a physical store OnePlus saved the expenses of building store and managing it.

This way OnePlus became very popular because of its value for money products and in 2018 it had 33% market share in Indian Premium Smartphone Market. The market share of OnePlus was even higher than Apple's market share which was 23% as we can see in the graph below.

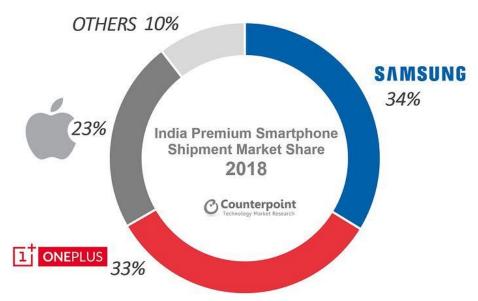


Fig. 4: Source:- Counter Point

#### b) Creating Hype with Exclusivity

OnePlus when it first launched OnePlus 1 came up with a new tactic that was completely unique, it created a system called invite system by which a person who want to buy OnePlus 1 he have to apply for the invitation to OnePlus and then OnePlus will send that person an invitation to buy OnePlus 1 and that invitation will have a code which the person has to use to buy the phone. With this OnePlus created exclusivity for their brand cause not everyone can go to the website and purchase the phone, only the people who have the invitation can buy the phone. A person can also get invitation code from their family or friends who have already purchased the OnePlus phone, cause OnePlus provided invitation to the people who purchased the phone so that their family or friends could also buy the phone using the invitation code.

OnePlus continued this system till OnePlus 2 and then with the launch of the OnePlus 3 they stopped using this system cause the company got a lot of popularity by that time that they could not send invitation to every person and they achieved what they wanted to achieve with this system and so it was time for them to stop using this system. So they stopped the invite system and partnered with Amazon to sell their phone there. And OnePlus 3 became the best-selling smartphone of OnePlus at that time.

This exclusivity gave OnePlus a lot of popularity cause the invite system got people thinking that it is some kind of unique and exclusive stuff, so people were curious to buy the phone, and the phone was already good so people got attached to the OnePlus brand. And in future also they purchased the OnePlus product.

# c) Influencer Marketing

OnePlus is the company who don't spend a lot of money on heavy advertising of their products so they find other ways to advertise their products so that they can get to more people. So OnePlus used influencers on social media to promote their phones and draw attention of the people to their products.

OnePlus sent its latest phones to popular celebrities and actors and they posted a picture or video with the phone talking about it and the people who followed those celebrities saw the post on social media and this way OnePlus got engagements.

OnePlus did this so well that whenever a new phone is launched there are photos of celebrities with the phone all over the social media, some people may find it a bit too much but this tactic really gets attention of a lot of people. It may not work in countries outside India but it did work here and it also did not cost a lot of money to OnePlus. In fact this tactic of OnePlus is so successful that many big companies like Samsung are also following this now.

#### C. Oppo & Vivo

Oppo and Vivo are both Chinese companies which have become a lot popular in Indian market from last couple of years. These both companies are basically the same company, they are the subsidiary companies of the parent company BBK Electronics. The tactics these both companies use are also very similar so we are going to study them together.

Let's take a look at the tactics of Oppo and Vivo.

# a) Budget Phones:-

Both the companies Oppo and Vivo started their company in India with very affordable phones with a decent quality. At that time there were very few options in India of good affordable phones. These both companies offered pretty good quality phones at low price. These were the phones that most of the people could afford and were pretty good looking too. At that time there were brands like Samsung who was making mid-range phones but they were still much expensive for people. Oppo and Vivo made similar quality phones with similar performance and built quality but at much lower price than Samsung.

So both of them became pretty famous among middle class people who could not afford ₹60,000-70,000 phones offered by Samsung and Apple but still want a good phone which had decent camera, screen and look. Both the companies grew very fast and today majority of middle class people are using Oppo and Vivo phones.

# b) Stores At Every Corner:-

If you are living in India there is no way you haven't seen Oppo and Vivo stores at every corner, you can find them anywhere you go. While OnePlus did not make any physical stores until it became a big company, Oppo and Vivo did the opposite of it, they made a physical store everywhere, even in small villages you can find Oppo and Vivo stores. Oppo and Vivo did not built official company stores, rather they targeted small mobile shops in villages and cities, and offered them high commission on selling Oppo or Vivo phones. So all the mobile shops started offering Oppo and Vivo phones in their stores and company also provided them big banners and stickers of promotions to place in their stores.

Both the companies also knew that people in villages don't use online shopping and don't have much knowledge that which phone is better, people in village just go to the local mobile shops and ask the shop owner that which phone is best to buy. So they focused on physical presence and got their products available to local mobile shops, and naturally due to high commission the shop owner suggested the customers to buy Oppo and Vivo phones, this way people got Oppo and Vivo phones.

Both the companies also give a target to these small mobile shops, and if they achieve the target the company provided them free 3-4 days foreign tours with hotel and flight tickets. This way the shop owners are even more motivated to achieve the target so that they can get free tours from the company.

# c) Something For Everyone:-

Oppo and Vivo makes so many smartphones models that there is something for everyone. They both offer products with different price ranges and different features. There are phones with big screens, with big battery, with good camera, good speakers, etc. so that people can buy according to their needs. Now both companies have also started offering their premium smartphones which have top end processors and features for the people who want a flagship level phone.

Benefit of offering so many phone models is that no matter which consumer comes to buy a phone he will surely find something according to his needs and wants. For example if a consumer is switching from a Samsung flagship phone he can have the flagship phone that Oppo or Vivo makes with same processor and features.

They offer the flagship phones at a lower price than what Samsung or Google offers which makes people think that they are paying more just for the Samsung or Google name cause the processor is the same and other features are also similar and that makes them switch to Oppo or Vivo.

Both the companies also make the cheapest phones which also are bang for the buck. They offer phones at a price of ₹7000 also which makes them available for people living in small villages who don't earn much money. Even at this price people get a good display, decent camera, decent performance, and average built quality. They offer the specifications at a price which competition can't offer even if they try.

# **CHAPTER 7**

# **CONCLUSION**

- As we have seen the Marketing Strategies and the Tactics of these Tech companies we can conclude that tech has changed a lot in past 20 years. The advancements in tech have benefited the tech industry itself by which it has reached new heights. It have given smartphones and smart gadgets in the hands of every person. We have seen how companies have emerged in the tech market and some are even competing now with the top players. These new companies got big because of their new ways of looking at the market and developing new techniques to attract consumers.
- The Tactics and Marketing Strategies a company choose makes a huge difference in how their products will perform in the market. Some companies like Apple have become experts in this thing that they can convince their consumers to accept the change and adapt accordingly. Companies can make huge profit out of creating a problem and providing the solution. We can also say that the change in tech market have also changed the tactics and marketing strategies. Tech companies don't have to spend much on advertising to get maximum sales, they can reach to people all over the world with less time and expenses and can generate sales which can compete with much bigger companies.
- We can say that by advancement in tech over the years have benefited the Tech Companies to make more sales than ever. Their advancements have helped themselves to reach more people by effective solutions which have made them even bigger.

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