



**INTERNATIONAL JOURNAL OF BUSINESS, MANAGEMENT  
AND ALLIED SCIENCES (IJBMAS)**  
A Peer Reviewed International Research Journal

**CONSUMER PREFERENCE TO SMART PHONE WITH SPECIAL REFERENCE TO APPLE  
AND SAMSUNG**

**BHUPINDER KAUR**

Assistant professor  
S.D.College (Lahore), Ambala Cantt



**BHUPINDER KAUR**

Article Info:

Article Received on:20/02/2015  
Article Revised on:27/02/2015  
Article Accepted on:02/03/2015

**ABSTRACT**

Coming off the heels of yet another successful apple launch debut, it's increasingly clear that apple is on top of their game in a way like no other. Digital mobility and connectivity grow more important every day. We know consumers keep their mobile devices nearby. With the widespread innovations in the communication to find out about the benefits of branding.

This research is intended to describe consumer preference between apple and Samsung brands of smartphone.

The main objective of this study is to analyse the importance of using marketing strategies of branding in apple incorporation. The study will help affected maker of android smart phones.

Consumer preference compare between apple and Samsung smartphone on the basis of their brand components and how different components of brand equity and identity influence consumers in choosing a particular brand of smartphone.

Therefore since the competition in the technology industry is increasing. Strategy of branding in apple will help the company in staying at the top of consumer's mind, to cope with the changes, to gain competitive edge, to attain goals set by the company, to make improvements for the future related to products.

©KY Publications

**INTRODUCTION**

**Technology industry**

Technology is the purposeful application of information in the design, production, and utilization of goods and services, and in the organizations of human activities.

**Smart phone**

Smartphone is a mobile phone that is able to perform many functions of a computer, typically having a relatively large screen and an operating system capable of running general applications. A smart phone is a

mobile phone which has got advance capabilities beyond short messaging service and making calls, displaying photos, playing videos, checking and sending e-mails, and surfing the web are some of the functionalities of a smart phone.

Though used by businessmen, smartphones have become a common choice. Advancements in technology have made modern smart phones cheaper, slimmer and smaller than earlier devices. Also, user can now choose from wider range of smart phones than before. While Blackberry, Apple and Nokia controlled the smart phone market for several years, other manufacturers like HTC, Sony, lenovo, LG and Samsung, etc. are also present in the market with a large variety of smart phone options.

#### **APPLE BECOMES FIRST COMPANY WORTH OVER \$ 700 BILLION**

Apple became the first company to reach a market value of \$700 billion on February 2015, as shares vaulted amid upbeat news on the US tech giants gains in the smart phone market and soon-to-arrive smart watch.

Brian White, analyst at Cantor Fitzgerald, said the leading company has even more room to grow. The upshot of the report is that Samsung is losing ground in its fight with apple for smart phone dominance.

Consumer preference is a marketing term which means a consumer likes one thing over another. Consumer preferences are defined as the subjective tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Preferences are independent of income and prices. Ability to purchase goods does not determine a consumer likes and dislikes. Consumer preference has swung back in the direction of apple ios, away from android and RIM' blackberry, according to survey. Change wave said it surveyed 4163 U.S. consumers and found that consumers, when asked which mobile OS they prefer in the next smart phone they planned to purchase, favoured apples iOS by a significant amount. About 48% of those surveyed said they plan to buy an apple iphone. The firm also showed that those that purchased an iOS device were the happiest with their purchase. The majority of the change wave survey dealt with which mobile OS consumer would prefer. But the firm also released a few data points indicating which smart phone consumers actually said they would buy an iPhone, customers also expressed a strong preference for the iOS operating system in general over android.

#### **Introduction to Apple Incorporation**

Apple incorporation is an American multinational company that creates and sells consumer electronics, computer software, online services, and personal computers. Its best-known hardware products are the Mac line of computers, the iPod media player, the iPad tablet computer and the iPhone smartphone. The company was first founded by Steve Jobs, Steve Wozniak, and Ronald Wayne on April 1, 1976, to develop and sell personal computers. It was incorporated as apple computer, inc. on January 3, 1977 and was renamed as apple inc. on January 9, 2007, to reflect its shifted focus towards consumer electronics.

#### **Consumer trends for smart phone**

People are now shifting from basic mobile phone technology which has the capability to carry out functions similar to personal computer.

The companies belonging to this industry serve as developers and manufacturers of the product which increase efficiency and production of cell phones, computer, televisions and other communication and information systems. It is a huge industry with high growth potential, but it is sometimes go through volatile cycle studies show support this relevance. Studies show that user's information needs, innovative features and applications continuously being added to mobile phone to make them perform many more new functions. Consequently, mobile phone which is essentially a communication device has undergone numerous transformations, making its functionalities transcend the traditional voice communication between two individuals. Observations show that there is a variation in the importance given by different age and gender groups to select factors while buying mobile handsets. It was found that users aged between 18 and 30 years are less price-sensitive than consumers of other age groups, rather they consider 'physical appearance', 'brand', 'value-added features', and 'core-technical features' more important than others. The mature consumers on the other hand, are more price-sensitive; also; they have less knowledge about new technological developments. Gender difference also emerged in 'value-added features' and 'physical appearance'. The female consumer has more orientation towards the 'physical appearance' of handset and do not find 'brand' as much important as men do.

Studies have shown that consumers while buying a smart phone not only focus on the hardware features but also on the operating system that runs the smart phone.

As people become more reliant on their smart phone, developers can no longer consider the user experience without considering apps in addition to the web. More than 60 percent of smart phone users download apps, and they expect a seamless experience across all channels. Not long after facebook announced that slingshot, its new photo messaging app, was available for U.S.iOS and android users. Consumer who own or plan to purchase a smart phone state that embedded features such as size, quality of operating system, camera, keyboard, style and price, influence their buying decision.

Apple has revealed its latest iPhones, the iPhone 6 and 6 plus. Considering apple reputation as an innovator and market leader, media and general public have recently focused apples ability to maintain category leadership and ongoing innovation.

### **The product and target market**

The iPhone could be described as a combination of apples popular iPod music player and a smart phone to surf the web. Its highly-touted feature is a 3.5-inch, touch-sensitive screen that consumers use to make calls, navigate their music collection, and write message on a virtual on screen keyboard. Apple parlayed the strong reputation of the apple brand and the iPods success to enter a lucrative cell phone market, a step that may ward off a potential threat to apple as other companies introduces devices that have strong music storing and playback capabilities. All of these benefits and features of the iPhone come for a price though.

### **Consumer preference for iPhone**

You don't buy tissues, you buy Kleenex.

You don't buy MP3 players, you buy an iPod.

You don't buy a smart phone, you buy an iPhone.

Apple is not content with being a leader in sales alone, they want to own the market itself, which explains why they have engineered iTunes as the major music provider that it is ,and why the ipad ,having the luxury of being the first, has now set the trend for future tablet devices.

From here on out, everything will be compared to the iPad, iPhone, iPad, and iTunes.the iPhone was not the first phone, but they engineered it to be so unique that you couldn't help but think it was. The iMac is not the first all in one, but it became the only one that mattered.

### **Brand preference**

It reflects a desire to use a particular company's products even when there are equally-priced and equally-available alternatives. In fact, more often than not, brand preference indicates a desire to seek out a specific product even when it requires paying more or expending more efforts to obtain it. Brand preference is important to companies because it provides an indicator of their customer loyalty, the success of their marketing tactics, and the strength of their respective brands.

### **Brand**

Kapfere (2004) defines brand as a name that influences buyers. He further notes that brand command peoples attention because they have element of saliency, differentiability, intensity and trust. Successful brand conveys a consistent message and create an emotional bond with consumers.

Strong brand increases company's sales volume, it create great awareness and introduces the product or the service that the company is offering, in addition to that it builds a long lasting customer relationship and loyalty, and in some cases it give the chance for the company to offer their products and services with a premium pricing.

**Branding**-the most distinctive skill of professional marketers is their ability to create, maintain, protect, and enhance brands. Marketers say that "branding is the art and cornerstone of marketing." the American marketing association defines as follows:

A BRAND is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of seller and to differentiate them from those of competitors.

### **Brand Equity**

Brand equity is among the few strategic assets available to the companies that provides a long lasting competitive advantage to the company. Brand equity constitutes the assets and the liabilities that is link to a

particular brand, like name, or logo. It comprises of brand loyalty, brand awareness, brand association, brand assets, and perceived quality. Creating a strong, favourable and unique brand association is a real challenge for markets but it is essential in building strong brand. The main asset is grouped in the followings:

- Brand name awareness
- Brand loyalty
- Perceived quality
- Brand associations

### **Brand loyalty**

Brand loyalty is often described to a behavioural sense through the number of repeat purchases, it entails consumer sticking with the brand and rejects the overture of competitors. It is attributed to brand image and brand equity.

### **Apple beats competitors in smartphone brand loyalty**

iphone users are more loyal to apple than users of any other samrtphone brand are according to data from Morgan Stanleys Alpha tracker, which complies sell through data using web search analysis, 90% of iphone users stick with the brand when purchasing another phone. Samsung, apple largest competitors, managed to improve its brand retention rate significantly over the past years.

### **Smartphone brand awareness**

Apple is one of the brands that have strong awareness; nearly 90% of consumers are aware of it. Which gives the opportunity for apple to present consumers with different products with an effective position, which increases apple market shares because many consumers will choose apple products over a similar product of different company because of the company awareness. According to fee logo services one of apple awareness tools is the logo the smart and simple design of the logo, made this logo the most recognized brand symbol all over the world, it has demonstrated that is effective and easy to remember.

### **Apples branding strategy**

Apple incorporation uses the apple brand to compete across several highly competitive markets. Apples brand has evolved as it has expanded its products and services. Apples brand position evolved, but today's brand is still consistent with these early promises.

Branding strategy of apple involved developing state of the art services and products aligned with a strategy of digital hub. in present days apple provides a synchronised, harmonised as well as integrated consumer experience all over the company's main devices (Mac,iPhone and iPad) utilizing iCloud as the digital hub. Company's controlled setting through presenting deep integration with social media network such as twitter and Facebook on iPhone.

Apples core capability is providing one of a kind experience through user interfaces. The company's products strategy is based around this, with the iPhone (with its touch screen "gestures" that are re-used on the iPad) the distinctive feature of each of apple pay and apple watch remains their ease of use and elegantly simple design. Branding strategy of apple focuses not only on their products but the need of every people.

### **The apple brand personality**

Apple has a branding strategy that focuses on the emotions. The starting point is how an apple product experience makes you feel. The apple brand personality is about lifestyles, imagination, liberty, regained, innovation, passion, hopes, dreams and aspirations, and power-to-the-people through technology. The apple brand personality is all about simplicity and the removal of complexity from people's lives, people-driven product design, and about being a really humanistic company with a heartfelt connection with its customers.

Apple is:

A design firm

A media platform

A publishing company powerhouse

A software builder

A movement

Break down each of these bullets individually and find a company at the top of their respective industry, but combine them into a single entity and got the recipe for building one of the most influential businesses of all the time.

### **The apple customer experience**

The huge promise of the apple brand, of course present apple with an enormous challenge to live up to. The innovative, beautifully-designed, highly ergonomic, and technology-leading products which apple delivers are not only designed to match the brand promise, but are fundamental to keeping it.

Apple fully understands that all aspects of the customer experience are important and that all brand touch-points must reinforce the apple brand.

### **Distribution control**

Apple has expanded and improved its distribution control capabilities by opening hundreds of its own retail stores in key cities around the world, usually in up-market, quality shopping venues.

As it has developed the iPhone business, apple has hugely increased its retail reach through the retail outlets of the Telco companies. Apple has also increased the accessibility of iPads and iPods through various resellers that do not normally sell computers, and has increased the reach of its online stores.

The very successful apple retail stores give prospective customers direct experience of apple brand values. apple retail visitors experience a stimulating, no pressure environment where they can discover more about the apple family, try out the company's products ,and get training AND practical help on apple products at the shops guru bars. Apple retail staffs are helpful, informative and let their enthusiasm show without being brash or pushy.

The overall feeling is one of inclusiveness by a community that really understands what good technology should look and feel like and how it should fit into people's lives.

### **Apple brand architecture**

From a brand architecture view point, the company maintains a "monolithic" or master brand identity, everything being associated with the apple name, even when investing strongly in the apple iPhone, iPad, iPod and apple iTunes products.

Apples current lineup of product families includes not just these devices, but also iMac, iBook, iLife, iWork, iPhone, iPad and now iCloud. However, even though marketing investments around iPad are substantial, apple has not established an "I" prefix is used only for consumer products.

The 2014 move to establish the apple pay and apple watch brands has in fact drawn its newest business areas to be even more closely associated with apple name. There is no iWatch brand, and the brand identity of apple logo combined with the word pay or watch. Interestingly, the brand names of apple pay and apple watch are consistent with apple TV-one of apples long term projects that has the potential to transform user experiences in yet another aspect of people's daily lives.

Apple has shifted from a product driven brand to an idea driven brand. The real reason people buy apple is the BIG IDEA that "they make technology so simple, everyone can be part of the future". With apple, it has become less about how we think about the product and more how we feel about the brand. While Samsung has a better product than they do a brand, apple now has a better brand than they do a product. Samsung can't get past talking features instead of benefits, offering almost zero emotional connection beyond the product. Apple has created such an intensely tight bond with their consumers; they are more powerful than Samsung average monopoly. Apple uses that power who loves them, against competitors who try to imitate them and through every type of media or potential key influencer in the market.

### **Apple watch: the master brand and brand promise**

The use of apple pay and apple watch brands reflect just how strong the apple brand name has become over last 10 years. The apple pay and apple watch names are descriptive and they leverage the full strength of the apple brand in each of the new categories which apple is entering.

### **CONCLUSION**

The second decade of the current century sees a sharp rise in the total number of mobile users in the country. This increase is the result of a new category of mobile phones namely Smartphones which had arrived in the market. This research study explores brand equity and brand identity by comparing Apple and Samsung

---

Smartphone brand. Each of the brand equity and identity dimensions of Apple Smartphone when compared to Samsung brand equity and identity dimensions reveals that Apple has relatively high strong brand equity and brand identity than Samsung. The brand loyalty is high among Apple users; hence Apple has a strong brand preference over Samsung. Because Apple has built it various brand component resulting in a strong brand equity. When each of the brand component of Apple brand equity were compared with Samsung brand component (brand association, brand loyalty, brand awareness, perceived quality) and brand identity for each of this dimension Apple score consistently higher than Samsung.

#### REFERENCES

- [1]. Huber, G. P. (1990). A theory of the effects of advanced information technologies on organizational design, intelligence, and decision making. *Academy of management review*, 15(1), 47-71.
  - [2]. Miles, R. E., Snow, C. C., Meyer, A. D., & Coleman, H. J. (1978). Organizational strategy, structure, and process. *Academy of management review*, 3(3), 546-562.
  - [3]. McCune, J. M., Perrig, A., & Reiter, M. K. (2005, May). Seeing-is-believing: Using camera phones for human-verifiable authentication. In *Security and privacy, 2005 IEEE symposium on* (pp. 110-124). IEEE.
  - [4]. Anderson, P., & Blackwood, A. (2004). Mobile and PDA technologies and their future use in education. *JISC Technology and Standards Watch*, 4(3), 3-33.
  - [5]. Hitt, M., Ireland, R. D., & Hoskisson, R. (2012). *Strategic management cases: competitiveness and globalization*. Cengage Learning.
  - [6]. Gereffi, G. (2001). Shifting governance structures in global commodity chains, with special reference to the internet. *American Behavioral Scientist*, 44(10), 1616-1637.
  - [7]. West, J., & Mace, M. (2010). Browsing as the killer app: Explaining the rapid success of Apple's iPhone. *Telecommunications Policy*, 34(5), 270-286.
  - [8]. Gerpott, T. J., Thomas, S., & Weichert, M. (2013). Characteristics and mobile Internet use intensity of consumers with different types of advanced handsets: An exploratory empirical study of iPhone, Android and other web-enabled mobile users in Germany. *Telecommunications Policy*, 37(4), 357-371.
  - [9]. Oliver, R. L. (1999). Whence consumer loyalty?. *the Journal of Marketing*, 33-44
  - [10]. Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American customer satisfaction index: nature, purpose, and findings. *The Journal of Marketing*, 7-18.
  - [11]. Brand equity constitutes the assets and the liabilities that is link to a particular brand, like name, or logo.
  - [12]. Ezeh, M. A. N., & Al-Azzawi, M. (2012). Students Brand Preferences between Apple and Samsung Smartphone.
  - [13]. Keller, K. L., Parameswaran, M. G., & Jacob, I. (2011). *Strategic brand management: Building, measuring, and managing brand equity*. Pearson Education India.
  - [14]. Kotler, P., & Pfoertsch, W. (2006). *B2B brand management*. Springer Science & Business Media.
  - [15]. Varma, R. T. R. (2012). Customer Experience. *Journal of Indian Management*, 71.
  - [16]. Rath, T. (2006). *Vital friends: The people you can't afford to live without*. Gallup Press.
  - [17]. Merholz, P., Wilkens, T., Schauer, B., & Verba, D. (2008). *Subject To Change: Creating Great Products & Services for an Uncertain World: Adaptive Path on Design*. " O'Reilly Media, Inc."
-