APPLE & GOOGLE: A COMPARATIVE ANALYSIS OF MARKETING APPROACHES AND STRATEGIES

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Abstract

This paper focuses on the marketing strategies of Google and Apple. By comparing literature on both Apple’s and Google’s marketing approaches and strategies, we try to discover what makes these companies different from each other and/or what makes them alike. Besides a great focus on their customers when developing their products, both their key value is product leadership. The paper looks at their most important product/service introductions. For Apple this is the introduction of iPod and iPhone. For Google this is the Google Search engine and Android. We examine how they marketed these new products and if these strategies are in line with their brand management and product focus without losing sight of their customers.

Keywords: marketing strategy, brand management, branding, product leadership, Tracey & Wiersema, marketing mix, Android, Apple

JEL Classifications: D3, M3, O33

Introduction

For many people Apple and Google are two very similar companies: they provide new technologies, are famous and successful, and are both unconventional (Taneska, 2010). When looking up close though, it is a fact that Apple and Google are actually two totally different companies. They provide different - yet some similar – services and products, have different strategies and mindsets. Google, on the one hand, wants everyone to enjoy its services and products. They target a mainstream audience and wide distribution. We can see this for example with Android, which Google makes available to a wide range of handset manufacturers (Popov, 2011). Apple, on the other hand, has taken a more controlled approach to its services and products. They target a higher end of the market with their products at a premium price. The iPhone with the iOS is an example of this. Only Apple offers the iPhone and iOS, no other hardware or software developers (Popov, 2011). According to Taneska (2010) Google and Apple are two players that started their paths in different technological areas where they are heading towards a clash for the domination in various technological and communicational fields. One of the things they have in common is the fact that they have a strong brand and put their customer first. I will go into that deeper later on. Now to compare these two multibillion companies further and look at their marketing strategies, we need to know who and what these companies are. A brief company overview and history is in order. Table 1 presents a brief company overview with some key facts.
Table 1: company overview Apple and Google

<table>
<thead>
<tr>
<th>Company</th>
<th>Google Inc</th>
<th>Apple Inc</th>
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<tbody>
<tr>
<td>Head office</td>
<td>1600 Amphitheatre Parkway, Mountain View California 95014, USA</td>
<td>1 Infinite Loop, Cupertino California 95014, USA</td>
</tr>
<tr>
<td>Revenue/turnover (USD Mn)</td>
<td>59,825.0 (FY2013)</td>
<td>170,910.0 (FY2013)</td>
</tr>
<tr>
<td>Employees</td>
<td>47,756</td>
<td>84,400</td>
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<tr>
<td>NASDAQ Ticker</td>
<td>GOOGL</td>
<td>AAPL</td>
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**Source:** Marketline (2014)

Both Apple and Google were founded by two young friends working on something new and revolutionary. Whereas the Apple founders - Steve Jobs and Steve Wozniak - dropped out of college to build a new computer, Google founders – Sergey Brin and Larry Page – were Ph.D students working on a research project. The thing they had in common, though, was the fact that their companies were founded in their garages and that they had a revolutionary view. On the one hand, Google made an algorithm for search engines, which was ahead of all other search engines (1998). Apple, on the other hand, built a computer intended for everyone, which was unthinkable at that time (1976). Started as they did, Google and Apple have evolved: they entered new markets and industries, created new products, and offer(ed) new services. (Taneska, 2011)

Google initially started as a search engine but rapidly became so much more than that. They developed the advertising program Ad Words - which is the main source of income – and bought (and still buying) other successful businesses online like YouTube. Google also made some new features like product search, news search, scholar search, and book search, which improved the search experience. They also developed the online webmail service Gmail, which offered more online space than any other available at that time. The most popular online products they developed are Google Earth and Google Maps. Alongside their online products and services, they made a web browser as well: Google Chrome. Finally one of their biggest successes is their mobile operating system Android. (Taneska, 2011)

Apple started as a computer company and was manufacturing hardware with their own software. In 2001 they made a big breakthrough in the music industry by introducing their mp3 player iPod. This device was connected with their online music store iTunes. Their second breakthrough was in 2007 in the mobile industry with the introduction of their touchscreen smartphone iPhone. This device was again connected to their own application store, the App Store. Later on they developed Apple TV, a digital media player that can receive digital data from a number of sources and stream it to a TV. Finally, their latest big development is the tablet computer iPad. (Taneska, 2011)

**SWOT analysis**

Before assessing the marketing strategies of Apple and Google, it is interesting to look at a detailed profile of these companies. To evaluate and analyse a business, its resources and its environment, we can use a SWOT analysis. It is a strategic planning tool, which helps to distinguish a company’s competitive strengths, weaknesses, opportunities and threats (Kotler & Armstrong, 2013). In the next sub-chapters there will be a brief overview of the companies’ SWOT analysis and a more elaborate explanation of the most important items.

**Google**
Table 2: SWOT analysis Google

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Global search engine dominance (1)</td>
<td>Excessive dependence on advertising (2)</td>
</tr>
<tr>
<td>Android’s success is a growth driver in the mobile market</td>
<td>Limited success of Google’s social networks</td>
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<table>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
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<tbody>
<tr>
<td>Positive outlook for smartphone and tablet market (3)</td>
<td>Intense competition (4)</td>
</tr>
<tr>
<td>Display and mobile ad spend are growth drivers</td>
<td>PRISM electronic surveillance program issue highlights</td>
</tr>
<tr>
<td>Poised to benefit from growing online video consumption</td>
<td>the data privacy concerns among users</td>
</tr>
<tr>
<td></td>
<td>Intellectual property infringement claims</td>
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</tbody>
</table>

Source: Marketline (2014)

(1) Google’s search engine has leading technology, which enabled it to gain market share. On top of that, Google constantly upgrades and enhances its search algorithms to achieve better results. From the beginning, Google’s results were recognised as being highly accurate. Consequently the search engine became very popular very quickly. Since its release Google made a lot of enhancements and added new features (as mentioned earlier). The company’s competitors have struggled to match Google’s accuracy and popularity. Despite their efforts, Google holds the majority of the share in the global search engine market. When looking at the industry estimates, as of March 2014, Google’s search engine had a market share of more than 71% measured against global website traffic. Google therefore enjoys technology leadership, which enabled it to drive growth and gain market share. (Marketline, 2014)

(2) As said before, Google’s advertising program is the main source of income for the company. This means it primarily depends on advertisements for a majority of its revenues. In 2013 advertising accounted for 84,3% of the total revenues. When knowing that advertisers’ expenditures tend to be cyclical, reflecting overall economic conditions and budgeting, and buying patterns it is clear that changing macroeconomic conditions can have a negative impact on the demand for advertising. Google’s continued dependence on advertisements for a majority of its revenues indicates increased vulnerability to the ad spending patterns. (Marketline, 2014)

(3) Google’s Android platform is the leading smartphone operating system in the world with a (growing) market share of approximately 78,9% in 2013. The same can be said about the tablet market, where Android has a market share of 62% in 2013. Android is estimated to stay the market leader in the medium term for both the smartphone and tablet markets. When looking at the smartphone and tablet market itself, we can see that these markets are expected to grow at a robust pace in the medium term. According to the industry estimates, the smartphone shipments are expected to grow at a compounded annual growth rate of 13,3% between 2013 and 2017. The demand for tablets is also increasing; the shipment of tablets is growing at a compounded annual growth rate of 23,2% for the same period. This outlook will lead to the increase of Google’s Android devices in the coming years. (Marketline, 2014)

(4) The technology business is a rapidly evolving and intensely competitive one. Google is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. The company faces fierce competition in every aspect of its business, particularly from companies that seek to connect people with online information and provide them with relevant advertisements. Google’s competition comes from all corners of the technology business: general-purpose search engines (Yahoo), vertical search engines and e-commerce websites (Amazon), and social networks (Facebook). They also face competition from other forms of advertising, such as television and magazines. In addition, Google faces formidable competition in the mobile markets from mainly Apple, Microsoft
and Blackberry. The intensifying competition has the ability to potentially impact the market share and growth perspectives for Google. (Marketline, 2014)

Apple

Table 3: SWOT analysis Apple

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>A combination of horizontal and vertical integration created formidable competitive advantage (1)</td>
<td>Product gaps could prove to be competitive disadvantages</td>
</tr>
<tr>
<td>Apple commands high ASPs in an industry characterised by declining ASPs</td>
<td>High dependence on iPhone and iPad product lines (2)</td>
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<tr>
<td>Significant growth rates and cash flows</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>Growth opportunity in the enterprise market</td>
<td>Premium pricing could limit the market share gains in the emerging nations (4)</td>
</tr>
<tr>
<td>Emerging nations provide strong growth opportunities</td>
<td>Operating in complex and challenging environment could impact market position</td>
</tr>
<tr>
<td>Wearable technology market and Apple TV present growth perspectives (3)</td>
<td>Telecom carrier’s move to reduce subsidies has the potential to harm Apple’s market</td>
</tr>
</tbody>
</table>

Source: Marketline (2014)

(1) Apple has, from the beginning, maintained integration both horizontally and vertically, which allowed them to be a formidable competitor. Apple’s multiple devices provide horizontal integration. Through PCs, tablets, smartphone and other devices, Apple offers a whole range of associate products. Through vertical integration the user experience can be connected across these devices. Apple offers software, hardware, content, services, and retails its products. This strategy comes with several competitive advantages. For example, it is hard for the customer of an iMac and iPhone to switch to a (software) competitor due to the dependence on iOS. The vertical integration provides control over the entire user experience or process from hardware to software, which facilitates higher costumer loyalty. None of the company’s competitors were able to replicate this model. Google tried with the sale of Motorola’s mobile division, but failed. (Marketline, 2014)

(2) Apple’s revenues and growth rates are largely dependent on iPhone and iPad product lines. Together they accounted for 72.1% of the total revenues in 2013. A decline in these growth rates could impact the company’s performance tremendously. Dependence on few product lines increases the business risk, especially with the fast paced technological changes. On top of that, Apple has been losing market share in the tablets market, which aggravates the risk. In the first quarter of 2014 iPad sales dropped by 40% in comparison to the year before. The market share losses of a key product could have an impact on Apple’s growth perspective. (Marketline, 2014)

(3) When looking at the industry estimates, the wearable technology market is expected to register strong growth in 2014. On top of that, the market is expected to be worth over $50,000 million by 2018. Apple is expected to enter this market and given its success in smart devices, it is likely to develop these kinds of products to tap into the growth perspectives. In addition, another significant opportunity for Apple is the TV market. They have been a dominant player in the internet-connected set-top box market and will continue to be so. The Internet based video delivery market is booming and Apple can profit from this. Wearable technology and Apple TV services will be able to exploit new growth trends in the industry, which will allow Apple to enhance its growth prospects as well as address new markets. (Marketline, 2014)
One of the most important competitive disadvantages of Apple that competitors can use to gain market share is pricing. Emerging markets become important as the advanced economies’ smartphone markets reach maturity. Knowing that it could be an opportunity for Apple to enter the emerging markets, this pricing issue will prove to be a challenge. Especially because the emerging markets lack carrier subsidies and the customer base is highly price sensitive. Competing with lower priced Android devices could therefore be a challenge. Apple’s premium pricing will be challenging and could have a negative effect on their gross margins. (Marketline, 2014)

Marketing mix

In order to deploy their marketing strategy, organisations often use the marketing mix. This marketing tool was developed by McCarthy in 1960. According to McCarthy (1975) the framework includes 4 P’s: price, promotion, product and place, and is especially relevant in the marketing of consumer goods (B2C), but it is also used in a B2B setting. Google and Apple provide both B2C and B2B products and services. It is therefore interesting to compare and look at their marketing mix.

Google

Product
Google initially started as a search engine, but has now a wide range of products and services. The company offers internet and mobile services and applications like Google Chrome and Android. They offer media services like Google Books and Google Images. On top of that they have the whole world mapped out in their Google Maps and Earth and they enhanced their search engine with extra services like Google Scholar and Google Trends. They also offer products and services, which make our personal and work lives easier, for example Gmail, Google Docs, and Google Drive. (Google, 2014)
Their advertising program AdWords is of course one of the most important products Google offers (Friesner, 2014). As mentioned earlier, it is their main source of income because most of their other products are for free. Unlike Apple, Google has been an extremely popular search engine from the beginning. They had an innovative idea and executed it perfectly. Their search engine could be easily used by everyone and for free. In addition, Google differentiated itself by providing a better algorithm and thus better results.

Price
In general, Google products are free for general purpose and non-commercial use. However, if intended to use Google’s products commercially, the company offers extra features, more services and better servers at a fee (Trotter, 2011).
Google makes most of their money through their advertising program AdWords. They are keyword-based advertisements that are bought by companies (Friesner, 2014). Companies that buy these ads can decide how much they want to spend on them. Costs are mostly calculated by the actual cost-per-click (CPC) (Google, 2014). Besides AdWords, Google offers other products and services that make them money. Android, for example, is besides iOS the most used software on smartphones. Unlike Apple and their iOS, you can buy an Android device for a small price as well as for a premium price.

Place
Google’s place above all is the internet, and when it comes to targeting its customers – the people on the internet - no one does it better. The company is physically located at Mountain View in California and the site looks very much like a university campus with gyms and cafés (Friesner, 2014).

Promotion
Google does not do a whole lot of advertising or to try to get their name out to the public. The company has grown by word of mouth, not by advertising. And the least we can say is that it worked. Even so that now their brand name is used as an ordinary word. (Castelar, 2005)
Google sees no need to advertise on TV or via other channels since they ‘own’ the internet (Trotter, 2011). They often even use their own Adwords, which is naturally for free (Friesner, 2014). Finally, Google products are so vast that they can advertise on many products for free (Trotter, 2011).
Apple

**Product**

Apple started as Apple Computer and developed a Mac Computer, which was at first considered an overpriced niche product with a low market share. Apple continued to build their brand through design, combining unprecedented features and innovative styling. Throughout the years, the company diversified its product mix by introducing new lines of products and thus keeping up with the competitive consumer electronics market. Their first extremely popular device was the iPod, a portable music player. After that came the iPhone, at that time a very innovative touchscreen smartphone. Other famous products from Apple are the iPad and Apple TV, which are both very popular products as well. (Maha, 2012)

**Price**

As said in the SWOT Analysis, pricing has never been one of Apple’s competitive advantages. They use the best resources they can get to make the best final product as possible. Mostly all their products come at a premium price, with iPhone as the most expensive one, and iPad as the most inexpensive one. With regard to the iPad, it is clearly that Apple is leveraging some of the supply chain advantages earned from the iPhone and iPod regarding to materials like touchscreens and flash memory in order to keep the iPad’s pricing down. The premium price of Apple’s products portrays their high quality and their customers are willing to pay for it. (Maha, 2012)

**Place**

Apple has adopted a hybrid distribution channel involving an online store, physical outlets and retail points of the exclusive mobile service provider and its online store. The brain behind opening up iconic Apple retail stores was obviously Steve Jobs. By building these numerous new retail stores, operating around the world, the company expanded its customer reach tremendously. Nowadays you can find their most important products in almost every electronic store. Finally, they made a great e-commerce website, which makes it easy for the customer to buy their products. (Maha, 2012)

**Promotion**

Apple’s commercials are instantly recognisable by everyone. Their commercials are easy to identify because of the simplistic approach of the lay out of their product featured on a white background and catchy music playing in the background. Everything in their ads is visual but not overpowering as many ads can be. When a new product is launched several major tech blogs and websites also, along with the press conference, take part in covering the event. On the one hand, Apple spends half a billion dollars annually on paid media. On the other hand though, Apple is a great example of word-of-mouth marketing – as Google – and brand loyalty. (Maha, 2012)

**Main strategy: Branding and Focus on Product Leadership**

Both Google and Apple are popular brands that everybody knows. Google has even accomplished that people use their name as a verb. “To google” something has become an established saying among people for looking something up on the Internet (or on Google). Apple, on the other hand, has its wide recognizable logo. Both companies have become masters in brand management and branding their company. According to Kotler (2013) branding is a “name, term, sign, symbol or design, or a combination of all these that identifies the goods and services of one seller or group of sellers and to differentiate them from those of competitors.” Branding allows the target market to choose your products over the competitor’s and helps in getting your prospects to see you as the only company that provides a solution to the customer’s problems (Maha, 2012). Branding provides a company with the promise of performance that the product will meet the desired consumers’ expectations (Maha, 2012). Apple and Google have, beyond any doubts, strong brands. According to Diaz & Morrison (2014), in May 2014 Google came in first at BrandZ’s annual ranking of Most Valuable Global brands which was a top position which Apple held for three consecutive years.

When looking at both companies’ values, it is clear that they focus on their customers but have an even greater focus on making innovative and excellent products. With the help of the Value Discipline Model from Treacy & Wiersema (see figure 1), we can determine which values are the most important to a company. According to Treacy & Wiersema (1995) a company has three choices, called central value disciplines, namely operational excellence (set on prices), product leadership (set on product), and customer intimacy (set on customers). The Value Discipline model is a strategic tool that helps enterprises establish what they want their
customers to value them for. When choosing one aspect, one may not lose sight of the other two values. A threshold value minimal expectancy level should be reached. Apple and Google both stand out in product leadership (Brodo, 2012).

**Figure 1:** The Value Discipline Model

![Figure 1: The Value Discipline Model](image)

**Source:** Cuccoreddu (2013)

**Google**

Google became one of the world's best brands for several reasons. First, Google, as Apple, is a highly visual company, which is a huge boost to the value of its brand. Google evokes images of primary-coloured everything, as well as mental pictures of the company's splash projects. Secondly, Google has recently embraced a very elegant design in their apps and online web services, which caused a boost in their brand image. Third, Google has a lot of people using their products and services, which is the key to a valuable brand. It is important for Google to have that many customers who interact with them very often. Another important reason for having a good brand is media coverage. Google gets into the news by having a large number of consumer-facing products that are constantly updated. The company also gains a lot of mainstream media attention through attention-getting projects like Google Glass and self-driving cars. Furthermore, Google asserts their branding images online on its own websites, on mobile, on TV, and in movies. Google's brand recently gained big by the release of the movie “The Internship”, a comedy that doubled as an infomercial about their brand and company culture. Next, Google has the advantage that just about every influential tastemaker uses Google products every day. This inspires other people to use Google too. Finally it is clear that Google have pushed hard into all significant markets worldwide. The company devotes resources to the support of relatively unpopular languages and local websites, both on the user experience side and the marketing and advertising side. (Elgan, 2013)

“Even Google has shifted from a very pragmatic brand message to a far more idealistic message based on emotions in recent years. You can see it in Google’s ads that show how all of Google’s products integrate so seamlessly to help people and bring them together. Taking its cue from Apple’s successful emotional branding efforts that have turned the Apple brand into one of the most powerful relationship brands in the world, Google’s brand message and advertising have moved in a more emotional direction than ever.” (Gunelius, 2013)

Google’s key value discipline – as said before – is product leadership. Through the use of IT innovation, knowledge of the market, and superior analysis tools, Google began developing unique products by launching its own parallel applications beyond competitors’ offerings. Google has moved from web search into e-commerce, giving Google its competitive advantage in product leadership. Google strives to maintain its technical advantage by continual invention and improvement of cutting edge web applications and products against its competitors. (N, 2013)
**Apple**

Apple Inc. uses the Apple brand to compete among several highly competitive markets. As said before, the company’s brand has evolved as it has expanded its range of products and services. Today, Apple is competing in markets such as the personal computer industry with its Macintosh computers, the smartphone market with its iPhones, and the consumer electronic industry with its iPod. Apple is also establishing a strong marketing presence relative to Google in the advertising market via its business apps and iAd Network. (Marketing Minds, 2014)

First, Apple’s brand was that of a challenger: providing easy to use computers to consumers and small businesses in a way that rather focused on the needs, individuality, and style of ordinary people, than the conformity and technical mandates of big business. The brand has evolved but Apple’s core competence remains delivering exceptional experience through excellent user interfaces. The company’s product strategy is based around this as well. The iPod launch in 2001 started a key revitalisation of the brand. Also the renaming of the company from Apple Computer to Apple Inc was a significant move, signifying Apple’s move beyond being more than a computer company. The company is now defining itself more broadly than just being a devices company. (Marketing Minds, 2014)

Apple’s branding strategy focuses on emotions. They start with how an Apple product experience makes you feel. The brand personality is all about lifestyle, innovation, passion, imagination, hopes, dreams and aspirations, and power-to-the-people through technology. Another important part of their brand personality is simplicity and the removal of complexity from people’s lives. An Apple product has a people-driven product design. Apple is a humanistic company with a genuine connection to its customers. (Marketing Minds, 2014)

Apple’s brand equity and customer franchise is very strong. The preference for Apple products amongst the “Mac community”, for instance, kept the company alive for much of the 90s and enabled it to sustain premium pricing. In recent years, this strength in brand preferences has flowed directly to the company’s profits. Apple makes a promise to deliver innovative, beautifully designed, highly ergonomic, and technology leading products. Their products are designed to match their brand promise yet fundamental to keeping it. The company understands that all aspects of the customer experience are important and that all brand touchpoints must reinforce the Apple brand. (Marketing minds, 2014)

When looking at Apple’s brand from an architecture point of view, Apple maintains a monolithic or master brand identity: everything is being associated with the Apple name despite the fact that they invest deeply in the iPhone, iPad and iPod products. In addition, Apple has created a so-called halo effect with its introduction of the iPod. The company used the music business to help boost the appeal of their computing business. Apple used the iPod, iTunes, iPhone and - very important at that time - iPad to reinforce the Apple brand personality. (Marketing Minds, 2014)

As well as Google, Apple also stands out in product leadership. Apple is a company that is well known for its high quality products and excellent user experience. Apple’s motto, “Think Different”, explains how Apple maintains focus on its introspective, self-contained operating style that is capable of baffling competitors and shaking up entire industries. Apple’s corporate culture is different from that of others. Apple works at its own speed: they release a product when they feel it is ready, not when the market is asking for it. On top of that, Apple is a very perfectionistic company and demands the same from its employees. (Morrison, 2009)

**Main product introductions**

In this part, we are going to take a look at some of Google’s and Apple’s products, and how they marketed/introduced these products. Regarding Google, we are going to take a look at the
introduction of Android and Google search engine. With regard to Apple, the introduction of the iPod and iPhone will be discussed.

**Google search engine**

When Google was founded in 1998, the top players at that time were Yahoo, Altavista, Lycos and Infoseek. Internet connections were terribly slow and all their home pages were heavy and cluttered. This combination caused a lot of waiting time for the page to load. In addition, the search results were not always the most relevant or interesting ones for the user. Unsatisfaction about these search engines was dominant. Google was aware of this issue and started a totally different concept. It was a combination of smart decisions, a highly innovative and risky business model, great products, excellent marketing strategy, financial backing, and great advisors. As said before, Google developed a new algorithm, capable of filtering down the deceiving SEO webmasters’ tricks, and giving more relevant and interesting results to the user. Then they decided to have a simple, clear, and minimalistic homepage or user interface: the Google logo and a search box. These two innovations made Google’s search results, even at a very low connection speed, the quickest to load. When Google entered the market with this winning concept, all its competitors were full of confusion, full of useless features and full of annoying banner ads. Google, on the other hand, had a clear understanding on psychology of perception. They knew what the user wanted and delivered it. (Vertigo Team, 2014)

**Android**

The Google version of Android was announced in 2007 as the cornerstone of the Open Mobile Alliance. This is a group of partners that included Google, some hardware makers, and some carriers. Google – with the introduction of Android - has commoditised the market for commercial smartphone platforms and did it successfully. Their open commoditisation strategy goes like this: undercut the competitor’s business by giving a good-enough equivalent away for free; and enable fast improvement and unexpected uses by releasing at least some of the technical underpinnings to the world at large and allowing them to modify the platform for their own uses. Android went from one of Google’s many projects to the top smartphone platform in the world in just a couple of years. Other commercial Platforms like Windows Phone are having a hard time just because Android turned the mobile device operating system into a commodity. Android did this even though the smartphone market was essentially created by Apple. Apple is still capturing the vast majority of profits in the smartphone business and is doing so with a totally planned and integrated experience. With Apple, the value is in the whole package. Meanwhile Android is faced with all sorts of problems, for instance fragmentation. In addition, most mobile vendors are not making a lot of money selling phones, depriving Google of making money from the sale. But for Google this is okay. Their goal was simply to prevent any single commercial platform from dominating the mobile space and blocking Google entirely. The advantage of the “open” android approach is that Google has many partners racing as fast as they can to fill every conceivable gap left by Apple and any other commercial phone vendor. They filled several gaps with their “phablets”, extensive battery life and dual-screen phones. Besides that, Google has its own hardware company – Motorola – to drive innovation forward. (Rosoff, 2013)

**iPod**

It was the introduction of the iPod in 2001 that marked the turning point for Apple, from just being a hardware and software computer company to what it is today. The iPod and iTunes
concept was actually brought to Apple by an outsider and the main idea was genius and powerful: a small, portable mp3 music player, and an online mp3 music store. As with the start of the company itself, with the start of the iPod things did not start so sweet. The launch did not seem to make any significant impact at first. Only after three years, Apple saw the iPod sales increasing immensely. (Vertigo Team, 2014)

There are several reasons for the iPod’s success. First, the iPod is a very practical music tool. It was an innovation that would allow someone to store hundreds of CD’s and to carry them around everywhere. The iPod was especially popular amongst commuters and the young generations. Second, the iPod menu was intuitive and fast, and the click wheel control was practical and smart. This appealing user interface was a key factor and made the iPod pleasant to use. Third, the iPod was a beautiful looking product thanks to the sleek and attractive design. The aesthetics and the usability made that ‘Cool Factor’ that has been key to Apple success in the last 9 years. Next, the iPod was compatible with Apple computers and Windows. This was a key feature. In addition there was great synergy between the iPod and iTunes. Finally, there were not a lot of competitors on the market, and none of them had the aesthetic beauty nor the appeal, nor the enticing and fact usability of the iPod. The iPod’s success was especially because of the word or mouth. Satisfied iPod users were the most efficient marketing tools and testimonials that Apple had to promote. (Vertigo Team, 2014)

**iPhone**

Before Apple entered the smartphone market, the cellular telephone market was considered mature and saturated. There were small margins, and Nokia and Motorola dominated. When the iPhone came out though, it made an impact and impressed everyone. The touch user interface was fairly new and the iPhone had a sleek and beautiful design. It was a superior and highly innovative product, and different from the competition. In addition, the Apple went against the trend with a phone that was much larger and bulkier than others on the market. (Vertigo Team, 2014)

As with most of its other products, Apple made a habit of creating buzz with consumers and the media. While other companies may fight for attention, Apple easily dominates the media with its new product launches. They seem to cultivate an air of secrecy to fuel the buzz with their teaser marketing campaigns. With the introduction of the iPhone (and next generations of the phone) the media conversations built up weeks before the launch, and Apple stokes the buzz by providing no information. Alongside the secrecy, they create the illusion of scarcity to increase demand. This strategy made the iPhone more desirable and wanted. When the iPhone first came out it was made exclusively available from just one mobile provider for its’ entire life span (McCormack, 2013). Next, they designed the iPhone (and every other product) in the most user friendly way. They developed an easy to use smartphone with innovative features such as touchscreen gestures for zooming and scrolling. Finally, they packaged and designed the iPhone brilliantly (Kaputa, 2012).

**Conclusions**

After looking at both companies, one can conclude that Google and Apple are two different companies who have their main marketing strategy in common: branding. There is no doubt that these companies are different from each other. They operate in different markets and make different products. Google is most of all a search engine, and Apple offers different devices such as iPhone and Macs. Although they started (and are) very different, they both evolved immensely and expanded their range. Google now provides services and products like Android, Gmail and Google Maps. Apple went from a computer company to a company that provides
phones, tablets and music players. We can see that they are headed in a direction where they have to compete with each other more than ever.

When comparing both companies, one can conclude that Google and Apple rule in their main markets. While Google did so with its search engine which also allows them to make most of its money by advertisement, Apple achieved it with their domination of the iPhone and iPads. When looking at the weaknesses though, we can conclude that their strengths lead to their weaknesses. Google heavily depends on advertising for its income and Apple mainly depends on the sale of the iPhone and iPad. With rapidly changing technological markets and economical climates, this could be dangerous in the future. Advertisers could decrease the Ads in Google and Apple could see a decrease in the sale of iPhones and iPads.

If we take a look at their marketing mix, we can see that it is very different. Google, on the one hand, provides many products and services for free to its consumers. Only a few products are for sale. They make money from advertisement and operate on the Internet. Regarding promotion, they grew by word of mouth and rarely do any advertising. Apple, on the other hand, provides more products than services that come at a premium price. They obviously make money from selling these products. The products and services can be found in Apple stores that are located all over the world, as well as in any other technology store. Regarding promotion, Apple (as well as Google) grew by word of mouth, but do more advertising. Their ads are very recognisable and simple.

Google’s and Apple’s main marketing strategy is branding. They are the world’s most valuable brands and (almost) everyone knows what and who they are. Both companies are highly visual ones and directly associated with their innovative and well designed products and services. Apple took an emotional approach from the beginning to attract and satisfy its consumers. Google followed Apple’s footsteps and is more and more addressing the people’s emotions in their (few) ads and campaigns. Alongside their (emotional) branding strategy, both companies stand out in product leadership. Their products and services are – from the beginning – always innovative and user friendly. They do everything to develop the best possible products and keep the customers’ needs in mind. This is what made them both the most valuable companies that they are today.

When looking at their most important products, it is clear that Apple and Google are important and successful initiators of new trends. Google’s search engine was an instant success thanks to its simple and innovative design, and new algorithm. No cluttered homescreen with ads that slowed down the search process. More significant results are delivered in a faster way than ever before. That is what people wanted, and that is what Google provided for everyone, for free. Android was another big success thanks to Google’s new open commoditisation strategy. The fact that Android was for free for anyone to use opened a whole new world for smartphone developers and customers. This strategy is the opposite of Apple’s strategy with its iPhone and iOs. Apple keeps everything controlled: the software and hardware are Apple’s and they control them. This is their approach to all their products and services, and it is very different from Google who provides its products and services for free to everyone. There are two very different strategies that work well for both companies.

To conclude, one can say that Google as well as Apple are masters in branding their companies and products. Maybe the fact that Google is the most valuable brand – and not Apple – is more impressive due to the fact that Google does not have retail stores, does not have as much – or as aesthetically beautiful – hardware, does not have many years of movie and TV product placement, and does not advertise on TV or in print nearly as much (as Apple). On top of that, Google is a smaller company.
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