

AN INTRODUCTION TO THE APPLE RETAIL STORE

Overview

As competition across industries intensifies, businesses need to move towards marketing services solutions in both the business-to-business, as well as the business-to-consumer space. This means that marketers are under pressure to develop new ideas and packages, rather than focusing on product features. The Apple retail store is a real life application of several key issues/concepts introduced in Chapter 1: tangibility/intangibility, functionality and the marketing mix. Ultimately, products and services are two concepts that are closely aligned, and the fact remains that most products have an element of service in them.

Name of the Video: An Introduction to the Apple Retail Store

Video Link: <http://www.youtube.com/watch?v=clexrMQEptk>

Teaching Objectives

- Introduce students to the concept of service and its role in marketing.
- Help students differentiate between a product and a service.
- Introduce some of the key concepts in services marketing.

Discussion Questions

1. Through its retail stores, Apple seeks to offer both products and services solutions to its customers. That is, when a person looks to buy an Apple product, both the product and service are offered by staff at the Apple retail store. Comment on this.

The role of customer relationship management is changing, and this is no difference at Apple. It is now very important to achieve a longer-term relationship with customers, rather than simply the short-term sale. A strong driver for this is the increasing cost and difficulty of obtaining new customers, and of retaining them and gaining their loyalty. Moreover, in tough economic times, there is more competition for the new customers that are out there, and it is getting more difficult for marketers to differentiate their brands using just product

features. Brand-building campaigns can be effective for increasing customer loyalty, but in the midst of intensive competition, value-added services like those offered by Apple may be more effective.

2. Apply the additional 3 Ps of the extended services marketing mix to the process of buying an Apple MacBook computer.

Process

- *Apple retail store staff welcomes the potential buyer/customer into the outlet*
- *Shows the customer the various MacBook computers available*
- *Does not take a 'pushy' approach but patiently answers all questions*
- *Shows an appreciation of the customer whether or not a purchase is made*
- *Efficiently handles the transaction process if a purchase is made*

Physical Environment

- *Apple retail store is a physically welcoming and comfortable environment*
- *Air-conditioned and clean*
- *Ambience makes customers want to browse or linger to find out more about the products and services*

People

- *Well-groomed Apple staff*
- *In addition to possessing the relevant product, administrative and technical knowledge, they also possess good interpersonal skills and positive attitudes*

Teaching Suggestions

The element of service is essential across many industries as well as an important contributing factor to building long-term customer relationships and loyalty. However, in certain industries like manufacturing, the service aspect may not be obvious to students. Instructors may get students to research on Apple Inc.'s manufacturing partner, Foxconn, to find out how services marketing plays an essential role in their working relationship.

If instructors do not use this suggestion at this point, it may be used in connection with the Complaint Handling and Service Recovery (Chapter 13).