iPhone Life Cycle
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Research and Development

- Completed in USA
- $6 Billion spent on Research and Development
- Wanted to combine a phone and ipod
- Development commenced in 2004
- Three prototypes were built in 2005 and 2006
- First iPhone was launched in June 2007
- Spending grew by 35% in last fiscal year
Marketing

- Ease of use and compatibility
- Since 2009, Apple has doubled marketing budget
- Spent $1 billion in 2012
- Apple advertisements are created by TBWA/Media Arts Lab
- $97.5 million spent on iPhone ads in 2008
- Hollywood stars use iPhones: most famous people already voluntarily use iPhones
- Apple creates a brand-loyal customer base
Manufacturing

- Designed and engineered by Apple in the U.S. but manufactured in China
- Manufactured by Foxconn and Pegatron
- Lanthanides, scandium, and yttrium are a few earth minerals mined in China that are used to make iPhone parts
- Many parts are made in alternate nations and shipped to China for assembly
Packaging

- Upscale and elegant packaging when compared to competitors
- Used to reflect the nature of the product
  - "The user experience isn't solely relegated to the device itself, but begins when a consumer picks up the box itself" - Apple Insider
- Includes iPhone, USB charger, headphones, owners manual and warranty information
- Ipad and Iphone packaging uses recycled materials
Sales, Distribution, and Transportation

- 6.1 million 1st generation iPhones sold after 5 quarters
- Sold in Apple retailers and cellular phone carrier stores worldwide
- Most efficient shipment methods are used for all Apple products
  - Majority of sales shipments are done by air through Compaq
  - It costs 54 cents to ship by air compared to $1.20 by sea (per iPhone)
Consumer Use

• First product to integrate GPS, Wifi and cellular networking
• Throughout 2015, 700 million iPhones sold worldwide.
  • Most popular consumer smartphone in US
• Used for phone calls, messaging, and social networking
Final Disposition

- Apple utilizes a free recycling service
- Owners can receive credit for their used iPhones
- Most materials within the iPhone are reusable
Sources

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