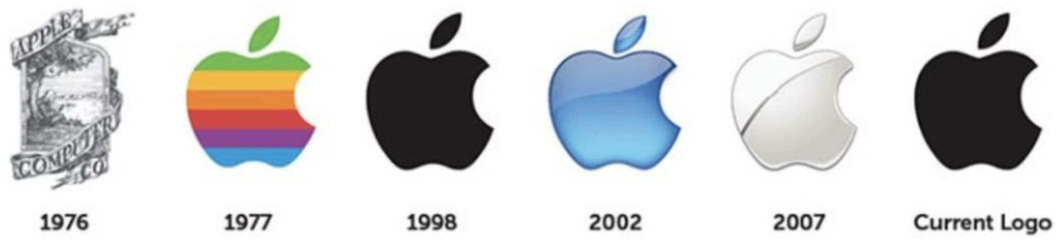
How has Apple's rebranding strategy influenced their consumers' behavior?



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Introduction

Apple inc. was the first company ever to hit a valuation of $1 trillion US dollars in 2018, and became as of 19th of august 2020, the first american company to have an evaluation of more than $2 trillion US dollars (Klebnikov, 2020). This is an impressive accomplishment, especially when looking back to the 90s, where the company almost went bankrupt (Sutherland, 2012). Apple was founded in 1976, in Steve Jobs' foster parent's garage. They started off producing a computer which had been made by Steve Wozniak in his spare time besides his work at Hewlett Packard (ibid). His friend Steve Jobs, saw the sales potential of this computer, and started a company with Wozniak (ibid). The company was called Apple Computers and quickly gained success (ibid). The yearly sales revenue grew from $775.000 US dollars to $118 million US dollars from 1977 to 1980, which is an average yearly growth rate of around 533 percent (ibid). The 12th of december 1980, Apple went public, selling 4.6 million shares, generating over $100 million US dollars, and making around 300 shareholders millionaires, reaching a valuation of $1.778 billion US dollars. The average share price was $22 dollars per share (Macrotrends, 2020a). However, after Steve Jobs was fired in 1985, things started going downhill. A lot of products failed, and the company had lost their innovator (Sutherland, 2012). The average share price reached an all-time low of around $2 dollars per share (Macrotrends, 2020a). The company continued to fail in delivering competitive products, and continued downhill (Sutherland, 2012). Furthermore, confusing the consumers by their ever-expanding product list (ibid).

Steve Jobs was brought back to the company in 1997 and said in a later interview with New York Times "*We did not have much time to turn around the company - the company was 90 days from bankruptcy*" (ibid). The share price had hit $1,5 us dollars per share (Macrotrends, 2020a). Jobs was appointed as the new CEO, and began making an organizational structure change, as well as rebranding the company (ibid). Jobs demanded a new board of directors, as the board at the time which included the original investor Mike Markkula were too slow to react and make changes which were necessary to save the company, according to Steve Jobs

(Isaacson, 2011). Jobs also brought some executives from his company NeXT into Apple, making them senior executives - as they were people he knew and could trust (ibid).

The company logo was stripped of its colors, now showing a black bitten apple logo (Sutherland, 2012). Jobs then cut 70 percent of their products away, to focus the company and brand on fewer products, and fired 3000 employees to cut costs (Isaacson, 2011). Next step was to reinvent the vision of the company, and show Apple as an innovative, visionary, and pioneering company (Sutherland, 2012). Jobs also put emphasis on the importance of product design, and user-friendliness. Steve Jobs noticed the talent of the designer at Apple called Jonathan Ive, and promoted him to chief of design. The software had to be intuitive, you should not be required to use a manual (ibid). He would go on to help Steve Jobs rebrand Apple, by creating an entirely new design philosophy. They would only use white, black or aluminum as colors, with the exception of the iMac which got very popular and was the first product to be made after the rebranding. Apple did a contract with Microsoft, to make the office package available for Macintosh products (ibid). Including in the contract was a liquidity injection from Microsoft of $150 million US dollars - in return they would get non-voting Apple shares, giving Apple more liquidity to complete the rebranding and re-structure (ibid). Steve Jobs turned a $1 billion US dollar loss in 1997, into a $300 million US dollar profit in 1998 (Isaacson, 2011). The average share price had increased from $1,5 US dollars in 1997 to just over $3 dollars in 1998 (Macrotrends, 2020a). In 2000, the average stock price hit over $100 US dollars, and in 2005 it reached over $220 US dollars, after having been split 2:1 in 2000, and 2005. In 2010, the average share price reached, and exceeded $1000 US dollars (ibid).

The rebranding and organizational changes in 1997, most likely saved the company from closing.

This paper will look into the chosen research question stating; "*How has Apple's rebranding strategy influenced their consumer's behavior?".* Secondary qualitative data through books and papers done on the subject will be used, to find out what was changed in Apple during the rebranding (Bryman, 2016). Furthermore, combine the data with theories of rebranding and consumer behavior, to see the effect of the rebranding. This will be substantiated by the use of secondary quantitative data showing the change in stock prices, revenue and sales from 1997 to 2020. The research will be conducted inductively, where the aim is to find a theory (ibid). The use of secondary data will mean that no new information will be presented, but our research can contribute to the field through the combination of the theories. Furthermore, there has not been much research on rebranding based off of the case of Apple Inc. so it will shed some light on the topic of rebranding and put emphasis on the importance of companies to evolve and change (ibid).

Problem Area

It is difficult to decide whether a company should be rebranded or not, as it can seem like a gamble. Does the consumer base leave, or does it increase - or will it remain the same? Meaning that all the money spent on the rebranding will be wasted (Muzellec, Lambkin & Balmer, 2006). It is becoming more normal for companies to rebrand once in a while for strategic purposes. The aim for a rebranding is to strengthen, transfer or reestablish the brand (ibid). However, it can cause further confusion for the consumers if it is not done properly, which will result in a backlash instead (ibid). There are several reasons why a company might consider rebranding. Some of those are; The brand does not communicate what the company is actually doing (confused consumers), The company brand is not on the same track as its actions, or that the company needs to beat a bad reputation (Chernatoni, Christodoulides, Roper & Abimbola, 2008). This research of Apple’s rebranding is important as it sheds light on the importance of rebranding and its effect on consumers. As well as the question of rethinking a company once in a while might be a good idea, else it can get off track and lose focus. Furthermore, the consumers might lose interest, as the innovation is not visible (ibid).

Research Questions

RQ: How has Apple's rebranding strategy influenced their consumers' behavior?

Sub Questions

- What did Apple's rebranding strategy entail?
- How did the rebranding strategies influence consumer behavior?
- How has Apple's rebranding strategy changed their revenue and Apple's valuation?

Now that the research questions and problem area have been presented the next chapter is the Methodology chapter.

Methodology

This section will present and explain the methodology that we will use for conducting this study. The section will include research design, epistemology, ontology and more. Ending with the limitations we found when making this paper.

Research Design: Longitudinal Case Study

The research design will explain how the data will be gathered and analyzed (Bryman, 2016 p.40). In this study, we will be looking at Apple Inc. over a time period, and more specifically looking at the effect of its rebranding in 1997 on its consumers. The case study is therefore based on Apple, which matches the use of case study, as it is most often based on a company or a place (Bryman, 2016, p. 61). Additionally, a case study will often be linked with the research method of qualitative research, as interviews are a good data method for obtaining an in-depth view of the object being researched (Bryman, 2016, pp. 60-61). In this paper, we will acquire secondary data, where interviews are included, this will be explained later in this chapter.
A longitudinal study concerns repeatedly studying the same variable or object, over a long or short period of time (Bryman, 2016, pp. 56-60). The method of longitudinal study is often used in the medical world, when finding out how a disease, or treatment affects people. The individuals are then being monitored over a period of time, to see the effects on these persons

(ibid). It is also often used in marketing, in order for the researcher to measure consumer trends and attitude changes in the target group of an advertisement (ibid). The longitudinal method is an observational research type, meaning that it observes the specific topic, without manipulating or interfering with it (ibid).

We have chosen longitudinal case study as our research design, to look at the effect of Apple Inc's rebranding in 1997, on its consumers.

Epistemology

Epistemology doesn't focus only on whether knowledge is reliable and credible but also how exactly said knowledge emerged in the first place (Egholm, 2014 p. 28). For this project we have chosen hermeneutics to be our epistemological approach as it encompasses interpretation in an effort to understand social events (Egholm, 2014).

Hermeneutics' core aspect is that of interpretation of all data by the individuals, thus hermeneutics doesn't agree with other schools of thought that answers are simply yes or no but rather than there is more depth and context that can be interpreted (Egholm, 2014, pp. 88–92). It is not just that there is more depth and context to the questions and topics investigated but also that the researchers themselves are unique and each possess different perspectives based on their history and experiences that are unique to them (ibid). In contrast to positivism which aims to fundamentally detail how an event occurred, hermeneutics instead focuses on why that event occurred, by peeling away the layers and looking deeper (ibid). A fundamental contributor to hermeneutics, Dilthey, postulated that hermeneutics is vital for understanding social phenomena as humans are more complex and layered, whereas positivism falls short as it is directed to an approach that is focused more on natural sciences and their rigid procedures (ibid).

For this semester’s project we have chosen to select hermeneutics as our epistemological approach as we shall be interpreting our data and theories in order to understand how consumer behavior can be influenced by rebranding with the longitudinal case study of Apple. Our epistemological approach also matches well with our theories as Heding et al (2009) stated that within branding there is a paradox between two epistemological approaches; Positivism and Interpretivism (Thomas Kuhn cited in Heding et al., 2009, p. 21). That branding with the positivist perspective argues that the relationship between the consumers and the brand is not significant and the consumers play no vital role as the brand is controlled by the company (ibid). The interpretivist approach argues in the other stream, that there is a strong and influential relationship between the brand and the consumers and that both pillars are able to influence each other (ibid). It is with this in mind that interpretivism was accepted as the epistemological approach for this project.

Ontology

An ontological approach tells the reader how the researcher understands the world (Egholm, 2014, p. 25). For this project, we have chosen relativism as the ontology, as it sees the world relative to the individual observing it.

Kant argued that there are limits to what the human species can understand in the world, as well as of the information that surrounds them (Egholm, 2014, pp. 132-133). Relativism can be linked to Kant’s argument, and would further argue that to be able to analyse and understand a certain viewpoint or event, the researcher has to understand the object of examination (Egholm, 2014, pp. 134-136). This means that as a relativist, the outcome of the research of a certain event or object, depends on what the researcher's prior understanding and experience is, as well time and place (ibid). The relativist does not see an alternative reality existing outside of their thoughts and understanding of the world (ibid).

When relativism is linked to the project, it can be seen from both the researcher and the objects/individuals being examined perspectives. As both actors acted on what they perceived to be the right decision, in relation to how the world was at that point in time. (Egholm, 2014)

Research Approach

The chosen approach for this paper is the approach of inductive reasoning (Bryman, 2016, pp. 21-24). When using this approach to conduct research, the authors have the observations, but the theories will be added towards the end of the research process, which will come from the observations (ibid). One of the reasons that theories are not included in the beginning of the process, is to give the authors freedom to change the path depending on what their findings are (ibid). The inductive approach is based on the saying "Learning through experience", as the authors are building a theory from their experiences, looking at the patterns in the data.
The authors can use existing theories when looking for data and developing the research question (ibid).
The process of inductive reasoning is as follows: Observations/test -> Pattern -> Theory (ibid).

This approach suits our study, as we have acquired the data for the Apple case, and we can then look for patterns in the data, which will lead to a theory based on the data.

Data collection and Research

For conducting this research, we will use a combination of qualitative and quantitative data, as well as primary and secondary data. More on this will be explained in this section, including which data will be used.

Qualitative research is most of the time non-numerical data, typically being interviews, or literature that has been done within the field of study (Flick, 2018). The goal of using qualitative research, is for the researchers of the paper to be able to go more in depth with the topic in question (ibid). This will make the topic more understandable for the researchers, which will lead to a better analysis (ibid). Furthermore, the topic of the rebranding of Apple is explained in text through interviews done with interns at Apple, meaning that we would not be able to conduct this study without using qualitative research (ibid). The data will be substantiated with the use of quantitative research, being numerical data (ibid). This will allow us to show the change in for example the stock price and revenue of the company, showing a change in the health of the company. This can support the thought that rebranding changed consumer behavior.

The pros of using qualitative research (Flick, 2018):

1. Qualitative research can explain events and phenomena that numerical data cannot do.
2. Qualitative research includes the human experience, which will often tell the researcher why the object being examined did as they did, showing the event from their perspective.
3. It also makes it possible for the researcher to obtain new data to the paper as it is produced.
4. Provides detailed and in-depth data of the given topic.

The cons of using qualitative research (ibid):

1. The data is not statistically representative.
2. The data can create misleading conclusions

The pros of using quantitative research (Flick, 2018):

1. It offers reliable and repeatable data.
2. It is hard data and does not include the perspective or influence of the author of the data.

The cons of using quantitative research (ibid):

1. It does not provide a deeper explanation as quantitative data can do, through for example follow-up questions when conducting an interview.

The data used for this project has been collected through literature done on the subject, including books, articles, financial statements of the company with a focus on revenue and

change in stock prices. Moving on, we have chosen to acquire statements from Apple employees and leaders. One of the reasons for this, is that Apple is a difficult company to get in contact with regarding this type of study. Especially in our situation as regular students. Furthermore, it is most likely also difficult to find a person still working at Apple, who can tell us about what happened back in 1997 on a strategic level, as such information is usually only for the top executives. The data collected through books, articles and interviews will be secondary, as it is data that has already been collected and processed by another researcher (Bryman, 2016). The financial statements will be primary data, as we are processing the data (ibid).
We feel that the found data is more than sufficient to show the case of Apple's rebranding in 1997. In order to strengthen our argument with rebranding and consumer behavior, within the analysis there shall be presented macroeconomic conditions that should be taken into account during the time period under investigation. These macroeconomic conditions are presented in order to prove that the change in consumer behavior was primarily a result of the rebranding, not from external conditions. The chosen method for counting the characters for each diagram used in the analysis was to estimate the number of characters within the space that the diagrams take place. As a result of them being secondary data and injected into the project where the character count for each one is undetectable by the software.

Historical Background for the Longitudinal Case Study

Apple inc. was the first company ever to hit a valuation of $1 trillion US dollars in 2018, and became as of 19th of august 2020, the first american company to have an evaluation of more than $2 trillion US dollars (Klebnikov, 2020). This is an impressive accomplishment, especially when looking back to the 90s, where the company almost went bankrupt.
Steve Wozniak, a college drop-out, had been working on designing and building his own personal computer as a hobby (Sutherland, 2012). Wozniak presented the computer to his friend Steve Jobs, also a college drop-out, who saw the commercial potential in Wozniak's computer. Jobs then pushed Wozniak into doing a business partnership with him, and another colleague called Ronald Wayne (ibid).

Originally named Apple Computer Company, the company was founded in a Los Altos based garage belonging to Steve Jobs' foster parents, in 1976 (ibid). The computer was named the Apple 1 and consisted of a motherboard with CPU, ram and a basic video chip and was at the time sold without keyboard, monitor or case. It was priced at $666,66 US dollars (approximately $2.995 US dollars today), the reasoning behind the price was that Wozniak liked repeated digits. Wozniak acted as the company's engineering genius, and Jobs was the salesman, and CEO (ibid). Wayne left the company only twelve days after it was founded, as he did not want to take the financial risk linked to starting a new company, though he hand-sketched the first Apple logo. The product caught a lot of attention right from the start, and they got an order of 50 devices at the first venue they went, to present it (ibid). This meant that they had to find more people that would help put the computers together, as Wozniak was the only one doing this at the time, as Jobs was focusing on the sale and marketing (ibid).

In 1977, a keyboard, monitor and case was added to the Apple 1, making the computer start to look like a computer as we know it today. The company also became incorporated, changing its name to Apple Computer Inc. A business angel named Mike Markkula invested $250,000 US dollars (approximately $1 million US dollars today) in the company, furthermore, helping to guide the duo with his expertise (ibid). Mike also had a new CEO named Michael Scott hired, as he thought Steve Jobs was too young, inexperienced and undisciplined. Additionally, in 1977, Apple got its iconic logo of the bitten apple designed by Rob Janoff, it included the colors of the rainbow. During the first five years of the company's existence its revenue grew rapidly, doubling every fourth month (ibid). From 1977 to 1980, its yearly sales grew from $775.000 to $118 million US dollars, which is an average yearly growth rate of 533 percent. The Apple II computer was released in 1977, which included color graphics, and later on also a floppy disk. Furthermore, the computer was chosen to be the platform for the VisiCalc spreadsheet computer program (ibid). This made it the computer to get, for business use, and gave the private individual another good reason to choose the Apple II over its competitors. In the end 1970s, Apple Computer Inc. had its own group of computer designers, and production line. Furthermore, the Apple II had an open system which allowed for enthusiasts and companies to develop their own programs for the computer (Sutherland, 2012).

Steve Jobs became known as an inventor, a visionaire, having a charismatic but combative and to some degree tyrannical leadership and an incredible eye for detail. Jobs pushed the company forward by pushing the design and development teams he was in, to their limits, and beyond, creating a toxic work environment (Isaacson, 2011). Employees would fear meeting Jobs in the offices and elevators, as he had fired employees spontaneously, if he found their work unnecessary to the company. He became the best and the worst for the company. Wozniak was the quiet engineering genius, who realised Jobs visionary ideas from a technological perspective (ibid).

In 1980, the Apple III was presented, which aimed at competing with IBM in the business and corporate market. Steve Jobs and a couple of engineers from the company were granted access to see and experience Xerox's new computer graphical user interface for three days the same year, in return for the option to buy 100.000 Apple shares (Sutherland, 2012). After Jobs had seen the graphical user interface software, he was confident that it was the future of the computer (ibid). Therefore, a development program named Lisa was initiated, Jobs was also in this team. The 12th of december 1980, Apple went public, selling 4.6 million shares, generating over $100 million US dollars, and making around 300 shareholders millionaires, reaching a valuation of $1.778 billion US dollars. In 1982 Jobs was removed from the Lisa development team as he created a bad environment. Jobs was added to a new team, where they would make a low-cost computer named the Macintosh (ibid). The Lisa computer was released in 1983, and became the first computer available to the public, including a graphical user interface. However, it was a failure, as the price was too high and the limited availability for software.
In the same year, Apple was on the look for a new CEO, and Steve Jobs as well as the board had their eyes on John Sculley, who was working as CEO for Pepsi at the time (ibid). Steve Jobs went to meet him, and asked what has since become a famous quote; "*Do you want to sell sugar water for the rest of your life? Or come with me and change the world*" - Steve Jobs (Isaacson, 2011).

In 1984, the Macintosh computer was released with great success. The release also included a television advertisement called “1984”, which cost Apple $1.5 million dollars, directed by Ridley Scott (Sutherland, 2012). The advertisement has since been called a “Masterpiece” and “One of the greatest TV advertisements of all time”, but also seen as a changing event in regard to Apple’s success (ibid). The sales started out well, however they worsened as the price was too high in relation to the slow speed of the computer, and limited software. In the beginning of 1985, a power struggle started between Sculley and Jobs (ibid). Jobs was removed from his general manager position, meanwhile the board wanted to keep Jobs for his ability to sell the product and brand and push the development, acting as a visionary. However, instead of accepting his new role, Jobs tried to have Sculley fired from the company, and had also attempted to coup Sculley (ibid). This led Sculley and the board to strip Jobs of his duties, leading Jobs to resign later in 1985. Jobs took with him a couple of Apple employees, and started a competing computer company named NeXT Computer. Wozniak also left the company in 1985, to pursue other ideas. Additionally, he felt that the Apple II division had been mistreated, and he did not like the direction Apple was going (ibid).

Apple then went on to increase the price-point of the Macintosh, to increase profits. This was against the initial idea and vision behind the Macintosh, which was aimed at the consumer market, and Jobs attempted to get the price point even lower when he was working on that project (ibid). Apple’s new pricing concept was known as “Fifty five or die”, which was a concept led by the COO named Jean-Louis Gassée, meaning that they aimed for at least 55% profit margin. Being able to sell at these prices, with such high profit was only possible due to the brand the company had become, at that time. In the late 1980s, the pricing concept began losing its power, as some competitors began offering the same software, and hardware as the Macintosh, but at a lower price (ibid). This meant that Apple has lost its somewhat monopoly on the market, but also a row of customers who would rather save their money and buy the cheaper alternative. During the Christmas time of 1989, Apple experienced a significant decrease in sales, resulting in a 20 percent decrease in share prices. At the same time, the relationship between the COO Gassée and CEO Sculley, worsened (ibid). Resulting in Sculley demoting Gassée, and promoting Michael Spindler as new COO of Apple. Gassée left the company after this incident (Sutherland, 2012).

During 1990, Apple would present its new, low-cost computers named Macintosh Classic, Macintosh LC and Macintosh Ilsi. The products were met with an increase in sales and demand, it was just what the market was missing (ibid). In 1991, Apple released what came to be the design of the laptop as we know it today, the PowerBook, and later that year a new graphical user interface including color was available. The PowerBook and new user interface proved to be a big success, bringing a compelling increase in revenue. The period of 1989 to 1991 was named the golden age of the Macintosh, the company started to experience success again, after years of decline. The company saw the Apple II as being too expensive and started leading customers over to the Macintosh series instead (Sutherland, 2012).
The success of their low-cost Macintosh series, led the management team to initiate the development of three new series, the expensive Quadra, mid-priced Centris and consumer aimed Performa. The introduction of these machines resulted in confusion for the consumers, as they did not understand the difference and purpose of these products. The company then started producing digital cameras, portable CD audio players, video consoles, loudspeakers, online services and television appliances (ibid). The company also spent a lot of money on the Newton project, which was started by Sculley, and was a first attempt on what will today be seen as a tablet. However, the market was not ready for such a device, leading to its failure. None of Apple's new products helped the company, it actually worsened the situation, making the consumers even more confused which also showed in the share price (ibid). Meanwhile, Microsoft gained an increasing market share on the software market, delivering cheap graphical user interfaces to the market. Apple attempted to sue Microsoft, claiming Microsoft copied the graphical user interface used in the Lisa series. Apple lost in court. After a row of unsuccessful products and decreasing reputation, John Sculley was replaced by Michael Spindler as CEO for Apple in 1993 (ibid).

Apple tried in 1994 to engage in a partnership with IBM and Motorola, using Apple software and hardware from the other companies to create a new computer. One of the reasons for this was to combat Microsoft's monopoly on the software market, which they hoped would happen - by using Apple's highly developed user interface in a low-cost computer. However, it did not go as planned (ibid). Spindler also failed at bringing Apple back to its former glory and was in 1996 replaced with Gil Amelio as the new CEO. Amelio was at the time known for his ability to rehabilitate companies through extensive changes, including firing employees and cutting costs. It was realized that what they needed was to get their visionary, salesman and public figure back, Steve Jobs (ibid).

In 1997, Apple bought NeXT Computer in order to get back Jobs, but also to get its NeXTSTEP operating system. As mentioned in the intro, Apple did not have much time to save the company, as Jobs said in an interview "*The company was 90 days from bankruptcy, and had fired one third of the employees*" (Nicas, 2018). Jobs was appointed as the new CEO, which would go on to mark the return of the company (ibid). Furthermore, Jobs called for a new board of directors, as the board were too slow to react and make changes, according to Steve Jobs (Isaacson, 2011).

Jobs then cut 70 percent of their products away, to move the company focus back to computers (Isaacson, 2011). Additionally, Jobs could not see the difference between many of these products, as he said in 1997: "*What I found when I got here was a zillion and one products, and they looked the same. If I couldn't figure it out, how could our customers figure this out*" - Steve Jobs (Jobs, 1997, cited in Kahney 2008, p. 22). This also included reinventing the vision, and showing Apple as an innovative, visionary, and daring company. They dared to explore new markets, not only focusing on computers as they did before the rebranding (Sutherland, 2012). Jobs also put emphasis on product importance of design, and user-friendliness, their software had to be intuitive, you should not be required to use a manual. Steve Jobs noticed the talent of the designer at Apple called Jonathan Ive, and promoted him to chief of design (ibid). He would go on to help Steve Jobs rebrand Apple, by creating an entirely new design philosophy. They would primarily only use white, black or aluminum as colors, with the exception of a couple of product ranges. Furthermore, the logo was stripped off its colors, to show a black bitten apple. (ibid)

Apple engaged in a partnership with Microsoft, to make the office package available for Macintosh, the deal also meant that Microsoft would invest $150 million US dollars in non-voting Apple shares (Sutherland, 2012). Apple also introduced a build-to-order manufacturing strategy and went from having multiple chip-set suppliers to only one, to reduce the production cost, but also to strengthen their relationship to the supplier, and therefore hopefully also their supply chain. Apple released a marketing campaign with the slogan “Think Different” which lasted till 2002. This campaign featured quotes like “*The people crazy enough to think they can change the world, are the ones that do '',* the aim of the campaign was to connect the brand with creativity, ambition and uniqueness. It also displayed famous people like Einstein, Gandhi and Picasso *(Hormby, 2007).*

During Sculley’s reign Apple had quite an extensive array of different products and variants which turned out only to restrict the company as consumers felt overwhelmed (Sutherland, 2012).

In 1998, the company released a new computer named the iMac, made by a team led by Jonathan Ive, who would also later design the iPhone and iPod. It was a unique design, with modern hardware and they sold 800.000 units within the first few months (Sutherland, 2012). As mentioned in the introduction, Apple had turned a $1 billion us dollar loss in 1997, into a $300 million us dollar profit in 1998, proving the early success of the rebranding and re-structure of the company (Isaacson, 2011). The average share price increased from $1,5 us dollar per share in 1997 to over $3 us dollars in 1998. By 2000, the average share price hit just over $100 us dollars, and in 2010 it flew past $1000 us dollars (Macrotrends, 2020a).

Apple also bought a row of software companies, which made software Apple could use for both consumers and the corporate industry, focusing on music and video making software (Sutherland, 2012). One of these acquisitions was a video editing software company, which would be used to make two software programs, one named Final Cut Pro for the professional market, and iMovie for the consumer. Following this acquisition, Apple bought a software company making it possible for the user to burn their movies onto DVDs (ibid). This was renamed iDVD. Apple then went on to acquire a music library software and renaming it iTunes. iTunes also made it possible for the user to burn CDs with their favourite tunes on. Next up, was the acquisition of a music production software program, which Apple renamed to GarageBand. Apple started 2001 by launching their operating system Mac OS, later the same year it opened its first retail store, and launched the iPod, a portable, digital audio player (ibid). The product sold more than 100 million units within 6 years. In 2003, the iTunes store was introduced, allowing people to buy music online, and store it in their iTunes library. It marked the end of the CD music shops, as by 2008 it had reached over 5 billion downloads, and by 2010 it had become the world's biggest music retailer (ibid).

From 2003-2006 the share price of Apple increased by more than 10 times. In 2007, Steve Jobs made his now famous keynote when he presented the iPhone (Sutherland, 2012). Jobs also mentioned that the company was renamed to Apple Inc. to make room for consumer electronics in general, not limiting them to computers. 230.000 iPhone sold within the first 30 hours of it being marketed, and the phone was recognized as a game changer. During 2008, Apple announced the app-store, which would allow for users to buy, and develop applications for iPhone and iPod-touch, to be sold on this platform (ibid). This proved to be another successful move, as they had sold about 60 million applications within a month and produced a daily revenue of $1 million dollars from that platform alone. By late 2008, Apple had become the third biggest mobile phone company in the world (ibid). Steve Jobs was a believer, and charismatic. His speeches had become the highlight of the annual Apple keynotes for many people. He was good at selling the product, but even better at selling the vision of the company and selling the brand through storytelling and humor. During the first quarter 2009 when the US was still hit by the recession, Apple reached its best revenue ever, of $8.16 billion US dollars, with a $1.21 billion US dollars profit. In 2010, the iPad was introduced, selling more than 500.000 units within the first week (ibid). In 2011, Steve Jobs resigned his position as a CEO and

Jim Cook was appointed, marking the end of an era. On the 5th of October that year, Jobs died. The company had lost their visionary, and inspiring, charismatic leader, which showed that they lost their touch with innovation (ibid). However, the valuation and sales kept going upwards (Macrotrends, 2020). With newer iPads, iMacs, iPads and iPhones being released, together with Apple Watch, TV and software programs, Apple has kept their design language, high quality, vision and emphasis on user-friendliness (Apple, 2020). A brand image that was created when Apple was rebranded in 1997, and that can still be seen today.
In august of 2018, Apple was the first company ever to exceed a valuation of $1 trillion US dollars, and two years later Apple exceeded a valuation of $2 trillion US dollars (Klebnikov, 2020).

The Historical Background shall aid within the analysis as data in order to highlight the changes over time. This, however, shall be addressed later on within the project.

Cult Marketing

Usually, a cult is seen as a worship of a chosen God, person or in some cases a good, and it is mostly seen as a religious concept (Kilian, 2009, cited in Schneiders, 2011). The members of a cult are seen by many as having weak personalities, which leads them to be a part of a group, worshipping someone of something who they feel can show them how they should live their lives. A differentiation between cults has though been found (ibid). A destructive cult is a group where a person or thing at the top of the hierarchy has the authority, and no one is accountable for that leader. This type of cult hurts, manipulates and often brainwashes the members - and do not care about the members (Bueno & Ragas, 2005, cited in Schneiders, 2011). The other type is known as the Benign cult, which is seen as a cult where a group of people are dedicated to a thing, person or a place. The big difference is that in this type of group, the relationship between the leader and the members are harmless (ibid).
The term cult-marketing relates to the mystification of a certain brand. The use, specifications and features of the products become less significant, the followers who are very loyal to the brand buy them because of the symbol behind the brand, and because of the name (Gerken,

1998, cited in Schneiders, 2011). When followers buy the products, they feel that they are connected to other customers with the same brand, through the brand (Bolz & Bosshart, 1995, cited in Schneiders, 2011). Ragas & Bueno came up with 7 rules of cult branding, which should also explain how a brand can become a cult brand as well as gaining a high consumer loyalty (Ragas & Bueno, 2005, cited in Schneiders, 2011): Customers want to be included in a group that is different. Cult Brand leaders show will to dare and try new stuff. These brands sell a lifestyle, not a product. Create cult brand followers by listening to your customers. A cult brand creates customer communities. Cult brands are inclusive. Cult brands take power from their enemies and promote individual freedom (ibid).

Apple understood the potential of great marketing strategy already in the 80s, where they created a cult marketing phenomenon around the Macintosh computer, which was backed up by the “1984” ad. Steve Jobs acted as the “cult leader”, speaking to the individual (Kilian, 2009, cited in Schneiders, 2011). This became specifically noticeable after the rebranding in 1997, where they started using cult marketing heavily. When looking at the ad campaign for the iPod, it promoted a lifestyle - and not the product, and was shown as a product being a part of the person - rather than it just being a product (ibid). The “Think Different” promoted the desire for people wanting to be different, and was presented with people such as Gandhi, Picasso and Einstein on the posters (ibid). Steve Jobs knew what the consumers wanted, and gave them exactly that, but Apple was also good at promoting it through the lifestyle image, telling the consumers what they should like (Verganti, 2010, cited in Schneiders, 2011). People do not know what they want until a cult marketer shows them (Ragas & Bueno, 2005, cited in Schneiders, 2011). Steve Jobs was as aforementioned seen as the leader of the “Apple cult”, and was by some called iGod (ibid). By giving the customers what they wanted and being good to know what they need in the future - Apple gained a lot of cult followers, who still today will defend the brand against criticism no matter what. These are extremely loyal, almost no matter what happens to the company, and how the products are (Kilian, 2009, cited in Schneiders, 2011). The enthusiasm around the brand is boosted by the employees in the Apple Stores who are very excited, which boosts the excitement around the brand, and promotes what is known as the “Apple Lifestyle” (Coget, 2010; Schneiders, 2011). Additionally, the stores are very modern and almost futuristic designed, and have become a part of the expensive areas of cities globally - presenting a picture of exclusivity, and luxury, which is also how they are branded (ibid).

Project Limitations

Throughout this paper limitations were discovered not from the beginning but as the paper continued to evolve. This required us to come together in order to make decisions that could aid us best.

One of the major issues we had throughout the construction of the project paper was how exactly to measure consumer behavior. We first thought that we could maybe interview individuals in order to measure their satisfaction and how they respond to certain marketing decisions by Apple. This idea was rejected as a result of covid-19 and its implications. We then decided it would be a good idea to investigate what other scholars and Consumer Behavior experts have done to measure consumer behavior. This however did not prove to be beneficial as the literature on consumer behavior measurement was quite saturated.

We then concluded that we view consumer behavior not only as how consumers react but also how businesses market and influence consumers, this proved to benefit our understanding of the topic and make data more attainable. (Hollensen, 2015)

Literature Review

This section uncovers the literature review and state of the art and will result in presenting the literature and knowledge that is currently available in relation to our topic. This section provides the evidence for our theories and shall investigate other scholars' work in great detail. The chapter after this one shall be the theoretical framework which focuses on our chosen theories. In combination they shall both provide the evidence and theory that is needed to understand this topic under investigation. (Bryman, 2016)

Branding and Rebranding

There are two marketing strategies that a company can implement in regard to its branding strategy within the organization; connect the singular brand across all divisions within the company or have separate brands for different goods and divisions within said company (Muzellec & Lambkin, 2008, p. 285). Muzellec and Lambkin (2008) investigated the rebranding of Guinness branching off to form Diageo (ibid). The choice of Guinness was a result of investigating the effects of rebranding an already powerful and fixed brand with over a century of presence on the market (Muzellec & Lambkin, 2008, pp. 287–288). The authors conducted their research with interviews with officials at the company who were able to give them the valuable information they wouldn't be able to get from any better source, financial documents were also acquired (ibid). Diageo was created as a result of the merging of two companies: Grand Metropolitan and Guinness plc (Muzellec & Lambkin, 2008, p. 289). The rebranding has to some degree weakened the long held connection that consumers had with the brand, has not diminished it but has weakened it in some aspects as pointed out by Muzellec and Lambkin (2008) (Muzellec & Lambkin, 2008, p. 294). However, their case study of Diageo has provided evidence that it is possible for a company to develop an array of brands for specific products and stakeholders and still be successful (Muzellec & Lambkin, 2008, p. 295).

Accenture's desire to rebrand and branch off was a result of the embezzlements associated with Arthur Anderson (Kaikati, 2003). The rebranding was proven to be successful as a result of the involvement of the majority of all stakeholders associated with the business (Kaikati, 2003, p. 490). Thus, all the stakeholders were given enough time through marketing to recognize the new brand as well as understand what its rebranding represents: separation from the mistakes of Arthur Anderson (ibid). Accenture seized the rebranding opportunity to also change the management and body of the company to better suit their environment and competition (ibid).

Makasi et al (2014) chose the case study of a Zimbabwean bank that decided to rebrand, and the researchers decided to investigate the aftermath (Makasi, Govender, & Madzorera, 2014). Empirical data was discovered by means of interviews and questionnaires of 35 participants of whom were consumers as well as employees of said bank under investigation (ibid). SPSS computer software was applied within the analysis of the responses from the previously mentioned participants (ibid). Makasi et al (2014) highlight that rebranding a company has the potential to work wonders with consumer behavior, if and only if it is undertaken vigorously and bears fruit (Makasi et al., 2014, p. 2586). Further presenting evidence that within the exchange between a company and a consumer is a vital time that can result in loyalty to a firm's brand if done correctly (ibid). One final aspect that is provided evidence for is the fact that a brand's identity is able to play a pivotal sway in the mind of consumers and thus could potentially steer consumers favorability (ibid).

Muzellec et al (2003) conducted secondary research on 166 companies in an effort to understand rebranding (Muzellec, Doogan, & Lambkin, 2003, p. 31). They discovered from their array of cases that there are four main rebranding motivators; there could be an alteration in strategy, external factors, competition, and CEO (Muzellec et al., 2003, p. 34). On the one end of the spectrum the sectors that rebranded the most were companies that were involved in technology, medicine, and finance (Muzellec et al., 2003, p. 36). On the other end of the spectrum the industries that had lower levels of rebranding were food and drink brands (ibid). Muzellec et al (2003) also discovered that the highest likely reasons for rebranding can be a result of companies becoming a partnership or companies being bought entirely by an outside presence (33.1% of their samples), companies also decided to rebrand as a result of being worried and wanting to improve their brand's image in the eyes of the consumers (17.5% of their samples), the need to reshape the company in a new direction (9% of their samples), the other catalysts for rebranding possessed minor percentages of the case studies (Muzellec et al., 2003, p. 36).

Miller et al (2014) conducted research investigating 76 different case studies extracted from articles in an effort to explore rebranding among companies (Miller, Merrilees, & Yakimova, 2014). They also discovered the general catalysts and limiters to rebranding by assessing their 76 cases thoroughly (ibid).

The utmost important catalyst in determining the success of the rebranding exploit is the actions and choices undertaken by the CEO's of a company which can steer the rebranding initiative to success or failure (Miller et al., 2014, p. 275). Another catalyst is to consider the rebranding's effect on stakeholders and make sure needs and desires are matched, this is accomplished through communicating with stakeholders and researching the market (Doyle, 2004, cited in Miller et al., 2014, p. 276). Another vital catalyst is that companies that have successfully rebranded implemented their rebrand immediately and fostered its support within the company itself (Daly and Moloney (2004), cited in Miller et al., 2014, p. 276). It is also vital that companies don't fully abandon the former brand's loved attributes in order to lessen the uncertainty that stakeholder might feel regarding the rebranding but also to keep the brand connected to its roots (Alford, 1998, cited in Miller et al., 2014, p. 276). This can be examined when Forte Hotel decided to rebrand and kept some of its essence which the employees approved as it allowed them to better relate to the rebrand (ibid). The final catalyst can be best explained with the example of Accenture's rebranding marketing strategy which made its rebranding decision to seem like the right decision as it gave a sense of confidence to the consumers, and other stakeholder, by promoting the rebrand in the open by engaging the stakeholders (Miller et al., 2014, pp. 267–277).

A limiter to the rebranding process which can prove harmful to the company's success is when the rebranding process is not included with stakeholders and only determined by the heads of the company (Miller et al., 2014, p. 277). This can lead to another limiter to the rebranding process that Miller et al (2014) have observed to be apparent in cases that failed at rebranding; conflict among stakeholders (Finney and Scherrebeck-Hansen, 2010, cited in Miller et al., 2014, p. 277).

Consumer Behaviour

Neal (1999) stated that there is no relevant evidence to support the claim that customer satisfaction plays a role in future purchasing behavior (Neal, 1999 cited in Martin and Morich, 2011 p. 486). However Martin and Morich (2011) argue that there is only one way of calculating customer satisfaction which is ‘delight’, the more delighted the customer is the more likely it is for the customer to repurchase the product, but it has become increasingly difficult to delight customers (Martin and Morich, 2011 p. 486).

Dijksterhuis et al argue that consumers do not make decisions rationally and cannot explain their purchasing behavior rationally (Dijsterhuis et al, in press cited in Martin and Morich, 2011 p. 486).

Vance Packards’ experiment of showing “Drink Coca Cola” and “Hungry? Eat Popcorn” once every three hundredth of a second which he claimed made sales of those products increased tremendously was proven to be fake, proving that there is no link between subliminal messages and consumer behavior (Bargh, 2002 cited in Martin and Morich, 2011 p. 486).

Bargh (1994) stated that automatic behavior which includes “unintentionally initiated, efficient and effortless, out of personal control and lack of awareness” (Bargh, 1994 cited in Martin and Morich, 2011 p. 488). Bargh argues that the consumer is not able to comprehend all of the external factors that play a role in their purchasing behavior (ibid).

Studies show that people tend to imitate others, this phenomenon is explained by something called “mirror neurons” which have appeared in PET scans and fMRIs (Fadiga et al, 1995; Decety and Grezes, 1999; Iacoboni et al, 1999 cited in Martin and Morich, 2011). It is said that this phenomenon acts like “social glue” (Lakin et al, 2003, cited in Martin and Morich, 2011 p. 489).

Tanner et al (2008) conducted an experiment in which there were two bowls one with fish crackers and the other with animal crackers, then put someone to eat more fish crackers than animals, the experiment showed how people were mimicking the person in front of them without being influenced by their own preferences (Tanner et al, 2008 cited in Martin and Morich, 2011 p. 489-490).

Zemack-Rugar et al (2007) conducted an experiment in which they primed people with guilt and sadness to see which emotion would lead them to pamper themselves by shopping. Even without having any change in their emotions, people who were primed with sadness were reported to pamper themselves when shopping, whereas the people primed with guilt were seen making responsible purchases (Zemack-Rugar et al, 2007 cited in Martin and Morich, 2011 p. 490).

Martin and Morich (2011) argue that companies use marketing strategies to prime consumers but there is not enough research to prove the impact of visual and written stimuli on the purchasing behavior (Martin and Morich, 2011 p. 491).

There is research proving that unconscious goal pursuit enables goal programming to be primed, meaning goal programming and the pursuit of goal happens without the consumer being aware of it (Dijksterhuis et al, 2005 cited in Martin and Morich, 2011 p. 491). Furthermore, there are social goals which are accomplishment and collaboration (Bargh et al, 2001 cited in Martin and Morich, 2011 p. 492), it is argued that environments serve as tools which can be used to prime unconscious goals automatically (Martin and Morich, 2011 p. 492).

Fitzsimons et al (2008) conducted an experiment which is argued to be the most relevant for consumer researchers, he researched whether brand names have an impact on the pursuit of goals (Fitzsimons et al, 2008 cited in Martin and Morich, 2011 p. 492). Research shows that consumers link brands with human characteristics and qualities (Aaker, 1997 cited in Martin and Morich, 2011 p. 492). Furthermore, it can be argued that the qualities a brand portrays influences the behavior of customers like people’s qualities influence attitudes as well as the pursuing of goals (Martin and Morich, 2011 p. 492).

Researchers hypothesized that if they primed volunteers with logos belonging to either IBM or Apple people who were primed with Apple’s logo would become more creative as Apple can be linked with innovation and creativity which can prime customers subconsciously, their research proved their hypothesis (ibid). Consumer behavior can be influenced by the personalities that can be attributed to brands (ibid).

Habit is formed through repetition of actions which enable the link between certain behaviors and internal and external indications in certain contexts, this means that consumers associate behaviors when buying a specific brand for example, of soft soda with an internal feeling such as thirst or with just looking at the name or logo of the brand (ibid). It can be argued that later on the recognition of context will automatically start the 'associated habitual behavior in the memory' (Wood and Neal, 2009 cited in Martin and Morich, 2011 p. 492)

Yin and Knowlton (2006) argue that the brain adjusts to try and make sense of the environment after forming habits (Yin and Knowlton, 2006 cited in Martin and Morich, 2011 p. 493). Furthermore, the brain transfers dominance of the behavior over to the context of the environment, following the formation of habits little else can influence the 'behavioral execution' (Martin and Morich, 2011 p. 493). One example of this phenomena can be seen through the results of an experiment conducted by Neal et al (2009) where volunteers were asked to watch trailers for movies and rate them and they were given either freshly made or seven days old popcorn, people who did not eat popcorn frequently disliked the old popcorn and did not continue to eat it, in contrast, people who eat popcorn more often disliked the old popcorn too but continued to eat the same as people with freshly made popcorn, this study suggest that preference and liking have little effect on how people consume products and that the environment activated the behavior to eat popcorn (Neal et al, 2009 cited in Martin and Morich, 2011 p. 493).

It is said that habit is the main focus of how consumers purchase, as consumers tend to portray brand loyalty (Seetharaman, 2004 cited in Martin and Morich, 2011 p. 493), consumers also tend to pay the same price every time they go shopping at a store (Vogel et al, 2008 cited in Martin and Morich, 2011 p. 493) and eat more or less the same for every meal of the day (Khare and Inman, 2006 cited in Martin and Morich, 2011 p. 493). It is argued that half of the customers show repetition in their behavior in their everyday life, typically under the same situations, and the majority of the time they are not thinking about what they are doing (Quinn and Wood, 2005 cited in Martin and Morich, 2011 p. 493).

It is argued that companies hand out surveys and focus groups to learn more about consumer behavior, however it is shown that these methods cannot show us what is the motivation that drives consumers' behavior, as these motivations are influenced by habits which are made without the consumers' consciousness, therefore consumers cannot tell companies through the methods aforementioned why they behave the way they do as they are not aware of it, however they will try to give explanations driven by their logical reasoning, however it is argued that this has little influence over behavior (Beilock and Carr, 2001; Foerde et al, 2006; Bern, 1972; Neal et al, 2009 cited in Martin and Morich, 2011 p. 494).

Martin and Morich (2011) argue that to be able to understand the behavior of customers it is important to assess the degree of consciousness or lack thereof of consumers when connecting with brands, they also argue that there are three levels of 'automatization' which are 'autopilot, pilot and co-pilot' (Martin and Morich, 2011 p. 495). Furthermore, it is argued that the more accustomed people are to their environment their behavior is more influenced by habits therefore is more powered by their autopilot mode, the level of automation can be also seen the other way around, for example when the consumer is not as used to their surroundings, they need to be more aware of the environment in order to make sense of it, leading to a pilot mode (Ouellette and Wood, 1998 cited in Martin and Morich, 2011 p. 495). It is argued that the conscious mind does not usually 'initiate' behavior, instead consciousness relies on how the unconscious part of the brain processes and makes sense of the consumer's environment (Martin and Morich, 2011 p. 495). During the co-pilot mode consumers are presented an array of product choices; they do not always select the product based on rational decision-making, they also rely on their emotions and simplicity (Martin and Morich, 2011 p. 496). Consumers use their past experiences and the available stimuli in order to navigate through the decision making to be later converted into automatic behavior (ibid).

Furthermore, consumer behavior must be assessed by grasping the level of automatic behavior in consumers, as marketers presume that the decisions made by consumers are done logically and consciously, which research proves it is not the case (ibid).

Habits are formed by repetition of actions and familiar environments, but Wood and Neal (2009) argue that those things are not the only factions which allow habits to be formed, Aarts et al (1998) agrees saying that consumers do not just mindlessly react according to the environment they are in, but consumers behave according to the goals they are pursuing, thus breaking the link between behavior and environment (Wood and Neal, 2009; Aarts et al, 1998 cited in Martin and Morich, 2011 p. 497).

There are three factors which explain the phenomena discussed before, these are the following:

'Meta-context' which is regarded with the pursuit of goals which consumers apply to make sense of their reality, these actions are powered by the autopilot mode (Verplanken et al, 2005 cited in Martin and Morich, 2011 p. 497). Brands whose message does not align with the parameters used to set goals will be deemed irrelevant by the consumer (Martin and Morich, 2011 p. 497).

'Contextual event' refers to the behavior, which is shown in certain situations, it is argued it is more of a cue for people to behave accordingly to the context of their surroundings (ibid). Furthermore, for habit purchasing in consumers it is important for brands to set a link to a specific context or establish a new context for their products to be used or purchased (Ouellette and Wood, 1998 cited in Martin and Morich, 2011 p. 497).

'Sub-context' consumers make decisions both rationally and irrationally, factors influencing their rational side can be economic, political, social or even in regard to health, therefore it is important for a company that is marketing a product to analyze these factors in order to understand how consumers will react to certain marketing decisions (Martin and Morich, 2011 p. 498).

Wood and Neal (2009) argue that over time as individuals are in the social environment their minds are constantly surrounded by stimuli and their minds have to categorize them based on relevance to the best of their ability. However, over time some stimuli will be held with such high regard that it is able to alter decisions of individuals, known as cues. Wood and Neal (2009) argue that there can be internal and external variants of cues. Examples of the former are generally associated with the psychology of the individual. Examples of the latter are much broader as it is not restricted and is what an individual can perceive in the social environment. (Wood and Neal, 2009, cited in Martin and Morich, 2011 p. 499)

Brands are the perfect example of cues in the social environment, and businesses know this. As can be seen by aligning brands with certain cues businesses know consumers align themselves with, for instance famous influential people or ideologies. (Gorn, 1982 and Stuart et al, 1987, cited in Martin and Morich, 2011 p. 499).

Thorn et al (2010) state that consumers start by applying reason and conducting research before a purchase. However, later the mind begins to limit the amount of thought put into it and then the decisions become second nature. The reason for this is the mind is constantly taking in an infinite amount of stimuli that it needs, in order to simplify the results the mind bases it on past experiences. (Thorn et al, 2010, cited in Martin and Morich, 2011 p. 500)

Baumeister et al (2007) argue that emotions play a pivotal role in decision making. That marketers can use emotions when marketing a brand or product in order to influence how consumers perceive their brand or products. The reason being is our minds decide how we perceive the world and our emotions help divide the stimuli, broadly into positive and negative. (Baumeister et al, 2007, cited in Martin and Morich, 2011 p. 501).

Theoretical framework

This chapter will present our chosen theories which were uncovered in the previous chapter, but also why we have chosen them.

Brand Management

Heding et al (2009) argue that there are two philosophical approaches to explain the evolution of branding as well as highlighting the two paradigms (Thomas Kuhn cited in Heding et al., 2009, p. 21).
The first to discuss is the Positivist approach which argues that a brand is controlled by the marketing department and is then steered towards the consumers who play a minor role (ibid).
On the other side of the spectrum is the Interpretive/Constructivist approach which argues that the brand and all its branches are molded by its experience with other actors in the market, this is the approach that shall be implemented within this project (ibid).

The study of brands has evolved throughout the years, Heding et al (2009) conducted research spanning twenty years and discovered that there are 7 different yet interwoven perspectives of what exactly a brand is and its origin (Heding, Knudtzen, & Bjerre, 2009).

They are listed below with brief summaries (Heding et al., 2009):

- ‘The economic approach’: a brand is included in the marketing mix (4Ps).
- ‘The identity approach’: a brand is interwoven with a company’s identity.
- ‘The consumer-based approach’: Brands have a seesaw relationship with their consumers.
- ‘The personality approach’: a brand is given a personal almost human independence which influences how consumers view the brands in question.

Here is where the paradigm shifts towards a more Interpretive/Constructivist approach. (Heding et al., 2009)

- ‘The relational approach’: similar to the previous approach with a focus on free will.
- ‘The community approach’: a brand is influential in social activities where consumers play a pivotal role in the brands evolution and success.
- ‘The cultural approach’: a brand is involved with the culture of both a country and a company. Injecting the brand into a culture can lead to the brand achieving iconic status.

(Heding et al., 2009)

Within the study of brand management there are numerous terms that need to be defined in order to strengthen one's understanding. Below shall be presented an array of terms and ideas used within brand management.

Firstly, what exactly is a brand? There have been numerous definitions and angles over the years, however this is the definition that has been chosen and shall be consistent throughout this project:
“A name, term, sign, symbol, or design, or a combination of them, which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors.” (The American Marketing Association, 1960, cited in Heding et al., 2009, p. 9). A brand latches on and resides within the consciousness of consumers (Keller, 2013, p. 36).

The process of investigating a brand’s vitality is called a *brand audit* (Keller, 2000, cited in Heding et al., 2009, p. 10). It is conducted by grading the methods that the brand has been presented to consumers and its impact on said consumers (ibid).
One of the most important terms is *brand equity*, which every company aspires to acquire (Heding et al., 2009, p. 11). *Brand equity* is an intangible asset that presents the worth a brand possesses (ibid).

It is believed that every brand possesses a certain nature that should not change dramatically over a period of time as this nature will be felt by the consumers and impact the company, this is called *brand essence* (Heding et al., 2009, p. 11).

The pinnacle height a brand can ascend to is when they become a *brand icon*, this is achieved when a brand leaves a lasting and unique impact on customers and the culture of said customers and has had a lengthy presence (Heding et al., 2009, p. 12)

Brand Identity is the identity a brand has created as well been given which should remain consistent and expresses the desire of the brand (Heding et al., 2009, p. 12-13). It is of utmost importance that said identity remains consistent in order to project the company and the brands desire to the customers in order to be reliable and thus produce brand loyalty (Heding et al., 2009).

Brand Loyalty can aid a company, because if customers become loyal to a brand then one can guarantee that if their needs are continuously met they shall remain customers (Heding et al., 2009, p. 13).

In order to maintain brand loyalty a company has to access the *Brand Image*, which is how customers view a brand (Heding et al., 2009, p. 13). It has been proven that consumers tend to endow brands with their own personalities and make their decisions based on these *brand personalities* (ibid).

Keller (2013) argues that the most beneficial assets to an organization are not the tangible assets but rather the intangible assets such as brands for instance (Keller, 2013, p. 33).

What brands offer to consumers (all forms of consumers) is the trust and reasoning that that brand in question provides or doesn’t provide what the consumers desire, this is based on past experience (Keller, 2013, p. 34).

Brands provide consumers with the ability to project to others a certain identity that they wish to embody themselves, the reason being that different brands are linked to certain celebrities or ideologies (Keller, 2013, p. 34).

The company that owns said brand is able to acquire competitive advantage if said brand is marketed correctly which can lure great sources of wealth (Keller, 2013, p. 34). Brands have the ability to change consumer behavior, this is a great competitive advantage that companies aspire to (Keller, 2013, p. 36).

Rebranding

Stuart and Muzellec argue that the reason numerous companies rebrand (Stuart & Muzellec, 2004). One reason is that the company might believe that the current brand that is presented to the public doesn't address the soul and aspirations that the company has, therefore in order to correct this image to the consumers the company rebrands (Stuart & Muzellec, 2004, p. 472).

Stuart and Muzellec stated that rebranding tends to pull in the opposite direction of the traditional marketing concepts we are all taught to believe (Stuart & Muzellec, 2004, p. 473). That the longer the period of time consumers are able to familiarize themselves with a brand the greater the potential commitment and thus financial safety for the company (ibid). Not to mention it is quite expensive to rebrand all the merchandise and risky in regard to consumer behavior to the change (ibid). One must also keep in mind that from a financial perspective a company's brand is an asset that generates profit for the company and rebranding can jeopardise that if done incorrectly (Lambkin & Muzellec, 2006, p. 807). As a result of all these certain stakeholders try to resist rebranding at all costs (Stuart & Muzellec, 2004, p. 481).

Rebranding can be defined as the process of changing the brand with the aim of improving some aspect that was presumed to be lacking, be it; logo, name, or slogan (Stuart & Muzellec, 2004, p. 473).

Within the concept of rebranding there are two branches: Revolutionary and evolutionary rebranding. Revolutionary rebranding is rebranding that encompasses alterations to the slogan, logo, and the name of the brand. Evolutionary Rebranding only encompasses alterations to the logo or the slogan. (Stuart & Muzellec, 2004, p. 473)

Stuart and Muzellec (2004) state that there are numerous reasons a company would desire to rebrand:

- A company joins another company
- Need to stand out against competition
- New laws or policies
- Entering new markets abroad that requires an international appeal
- Shed the old layers and rejuvenate the company
- Different goals and meaning
- CEO wanting to leave behind an individual legacy
- After suffering ethical issues thus wanting to turn over a new leaf

(Stuart & Muzellec, 2004, p. 473-474)

Stuart & Muzellec (2004) stated that a "new CEOs arrive like knights in shining armour, determined to make their mark." (Stuart & Muzellec, 2004, p. 474).

A company's logo can reflect the symbolism that the company wishes to present to consumers. Napoles states that having a unique and simple logo can provide the image of strength to consumers (Napoles, cited in Stuart & Muzellec, 2004, p. 477). It is important to note that some logos are seen as too complex by consumers that they get confused with rivals or simply feel intimidated as a result of their lack of understanding (Stuart & Muzellec, 2004, p. 477). Dowling argued that a company should avoid changing the logo if unnecessary and if it is changed there is a risk that consumers will have increased levels of skepticism (Dowling, cited in Stuart & Muzellec, 2004, p. 477). The same can be said for rebranding a name or slogan (Stuart & Muzellec, 2004). Just like rebranding the logo or name, rebranding the slogan carries risk, maybe not as much but still influential risk (Stuart & Muzellec, 2004, p. 478). Implementing a new slogan should only be done if the former does not match with the current spark and objectives of the company (ibid).

Muzellec et al. (2003) state that there are 3 regions that rebranding can take place (Muzellec, Doogan, & Lambkin, 2003, p. 32). The first is Corporate rebranding which entails the rebranding of the entire company in question (ibid). The second, different Business Units are rebranded within a company (Muzellec, Doogan, & Lambkin, 2003, p. 33). The third and final region that rebranding can take place is with products (ibid). Should be noted that the first mentioned is the region rebranding takes place the most (ibid).

Consumer Behaviour

Hollensen (2015) stated that there are two categories that consumer interaction can be divided into: business-to-business market (B2B) and business-to-consumer market (B2C) (Hollensen, 2015, p. 116). It is important to become accustomed to the idea that all markets are divided into different groups of consumers that can be a part of numerous groups and subgroups, it is up to the marketing team of a company to understand their wants, needs, and behaviors (Hollensen, 2015, p. 118).

Business-to-consumer

Consumers constantly explore deals and numerous products provided by competing firms in order to make sure they get the best value for their money (Hollensen, 2015, p. 119). A firm is able to influence this as the firm is in some control of what is projected to the consumers through marketing as well as being able to grasp an understanding of what the consumers desire (ibid).

Hollensen (2015) mentions that in order to understand consumer behavior one must also understand that products can be grouped into different levels depending on how involved a consumer is in the decision-making process for the purchasing of said products (Hollensen, 2015, p. 121). When consumers are greatly involved it is usually for products that carry with them great importance, longevity, risk, and social image (ibid). Examples include houses, vehicles, technology and clothing (ibid). Factors that can influence the purchasing decision for high involvement products are brands, a person's character, living conditions, and social image (ibid). In regard to products with a lower level of involvement they are not as heavily affected like the high involvement products, examples include food, cleaning products etc (ibid).

The process at which consumers purchase can be described in five stages (Hollensen, 2015, p. 121-124). First, a consumer realizes they need a product to match the void that needs to be filled (ibid). Second, they begin to explore possible products and brands that might be able to accomplish this goal. Majority of consumers despise this step as it entails a lot of time spent. For firms it is important to be able to market their product in an appealing and effective manner in order to hook the potential customers and reel them in. Thirdly, a consumer by this stage will have potential competitors' products in mind and now has to assess which direction to continue. It is within this stage that brands play a major role in influencing the consumer based on the social image it will entail as well as comparing aspects such as cost and longevity. The fourth stage entails the decision by consumers as to which product to purchase. The fifth and final stage is how consumers view their purchase. Within this stage consumers begin to feel guilty or worry that they embarked in the wrong purchasing direction. This worry can be troublesome for future purchases if the purchasing process wasn't made easy and approachable by the firm and of just as much importance how a consumer is treated by the firm even after the purchase. (Hollensen, 2015, p. 121-124).

Consumers rely on revalidation from those around them after they make purchases, enabling consumerism culture among them (Rajagopal, 2019, p. 8). Once a consumer is satisfied with the purchase the consumer will bond with that company and its brand and if this relationship is constantly fueled the consumer shall remain loyal to the brand and thus the company can expect continuous sales (Hollensen, 2015, p. 147).

A consumer like all humans has biases and psychological aspects that can influence their decision making when it comes to purchasing behavior. Factors that can influence are mentioned below:

- Culture
- Lifestyle
- Age
- Location
- Friends/family
- Social network

(Hollensen, 2015, p. 127-130)

There are two perspectives for consumer behavior which are the micro perspective enables the company to understand their consumer base and as a result implement procedures to benefit from said knowledge; and societal perspective in which the consumer has an impact on the social and economic environment, deciding what goods and services will be consumed and the impact of those in the way of living (Khan, 2006, p. 6).

A marketing strategy includes choosing a market which includes setting a product, price, advertising and distribution. The aim of employing a marketing strategy is to increase the customer value (Khan, 2006, p. 7).

Consumers are making purchasing decisions based on the way a brand makes them feel and the experience of buying a certain product (Rajagopal, 2019, p. 5). Companies are more focused on providing the customer with experience and excitement as the digitalization of marketing evolves (ibid). Through digitalization, companies are able to meet customers' expectations as companies now have platforms to research what the customer wants and their preferences (Rajagopal, 2019, p. 6).

Perceptions are a set of feelings, values and drives which influence the purchasing behavior. Furthermore, the visual appeal, the emotional reaction to products, packaging, customer experience, values, knowledge influence future purchasing behavior (Rajagopal, 2019, p. 7-8).

Consumer attitudes can be either good or bad regarding companies, people, service, product, brand and/or events. Companies which are focused on consumers aim to strengthen positive attitudes amongst consumers which will then influence their buying behavior favorably, they do so with social media and 'brand communication' and celebrity recommendations which also add to consumer value (Rajagopal, 2019, p. 10-11).

A company is able to attain influence over a consumer's consciousness by means of appealing to the consumer's emotional needs and desires and when done successfully the likelihood of a consumer's continuous purchase is higher because the consumers will continue to seek out the same reward that they felt with the first purchase. The means at which a company is able to possess such an influence over the consumers' consciousness can be done through associating a company's brand with celebrities or ideals that appeal to the consumers, another method is to understand the consumer's need for approval and admiration from their peers (Rajagopal, 2019, p. 13).

Consumers will abandon their rational approach to purchasing in favor of the more irrational and emotional side, for instance consumers would rather buy a product that is advertised and more socially attractive than a product that is not recognized but is however better in all rational sense (Rajagopal, 2019, p. 19).

Companies strive to ensure knowledge transfer within the market as consumers tend to be more likely to purchase and experiment with new knowledge, furthermore it enhances the competition within the market (Rajagopal and Rajagopal 2018; Gera 2012 cited in Rajagopal, 2019, p. 21).

Usually, consumers weigh in the price against the utility of products they want to purchase, but the utility of products can become irrelevant when consumers develop an positive attitude towards a specific brand, social media and peer revalidation, shifting their budgets to purchase those products, this leads to consumers to consume more than they earn (Heath and Soll, 1996; Gourville and Soman, 1998 cited in Rajagopal, 2019, p. 35-36).

In the high-tech industries, companies have to innovate and stand out not just in their products but in the way they engage with their customers, by doing so they can provide consumer friendly branding of the products in order for customers to observe the company's products in comparison to their competitors, this engages the consumer as they are guided on steppingstones to understand the product and not feel overwhelmed with the information available (Rajagopal, 2019, p. 38). Furthermore, these companies create a monopoly for a limited time, thus creating brand loyalty amongst users, companies do so by using incipient demand which is generating their own demand (ibid).

Companies are influenced by the environment of competition in regard to technology and innovation within the market (Rajagopal, 2019, p. 39). New brands set their prices low to attract customers, but consumers perceive those products unsatisfactory and look elsewhere for better quality and more expensive products (Rajagopal, 2019, p. 40).

In technology focused companies it is harder to control consumer behavior as new and innovative products are in every corner, due to this companies provide strong brand identity and aim to satisfy consumers needs with strong marketing strategies (Rajagopal, 2019, p. 42).

Analysis

This section will present the analysis of the data which have been presented in the last couple of chapters, using the chosen methods and theories. This includes looking at the sub questions which shall help guide the analysis and shall aid in the answering of the research question.

The Interpretive/Constructivist approach to branding has been chosen as it argues that all actors within the market can influence each other, be they consumers or producers (Thomas Kuhn cited in Heding et al., 2009, p. 21). This ties nicely to our chosen epistemology for this project which is also Interpretivism.

As presented by Muzellec et al (2003) technologically focused companies have the highest rate of rebranding (Muzellec et al., 2003, p. 36). Muzellec et al (2003) provided an array of reasons for rebranding, in relation to Apple it has to do with a change of CEO as well as an aspiration to change Apple's view to consumers (Muzellec et al., 2003, p. 36; Sutherland, 2012). Makasi et al (2014) provided evidence in the literature review that it can be beneficial for a company to rebrand but also harmful to the company if done incorrectly, a double-edged sword (Makasi, Govender, & Madzorera, 2014).

Jobs realized before the rebranding that Apple already had roughly 25 million brand loyal consumers that could be relied on as they would always purchase their products and these consumers would help market their products after the rebranding (Young & Simon, 2005, pp. 235-236, cited in Schneiders, 2011). Jobs therefore discovered the power of Apple's brand and decided to extend that even further than before (ibid).

Apple focuses on their goods and services to be on the highest end of quality and thus longevity (Cruickshank, 2006, cited in Kenney, 2007). These principles are mentioned to have diminished when Jobs left Apple and to have been rejuvenated on his return (ibid). Consumers should feel uplifted and as a result Apple focusses on brand loyalty immensely (Cruickshank, 2006, cited in Kenney, 2007). Apple's image to consumers is seen as a company that has an essence of "independence" and "anti-establishment" in its nature which has attracted consumers (ibid). Jobs also applied the phrase "Think Different" when marketing the iMac (ibid). Another example of a quote used to market the brand was "*The people crazy enough to think they can change the world, are the ones that do'', this quote resonates with the image Jobs aspired for Apple (Hormby, 2007).* Apple's Brand loyalty is achieved as a result of how successful the brand image is in the eyes of the consumers. The reason for this is that consumers associate certain brands with their own aspirations and their own personalities. (Heding et al., 2009, p. 13). This in turn gives brands the ability to project on people the type of individuals they wish to be seen as based on the brand image, hence why certain celebrities or ideologies are applied to brands (Keller, 2013, p. 34). Apple's campaigns during the years of the rebranding applied famous inspirational people such as Einstein, Gandhi and Picasso *(Hormby, 2007).*

Keller (2013) argues that a brand is one of the most important assets for any business as it is able to bond a company with a consumer based on past experiences which can influence future sales (Keller, 2013, p. 33-34).

Apple's Marketing strategies were unique (Cruickshank, 2006, cited in Kenney, 2007). Steve Jobs applied strategies that are not common and this in turn helped Apple gain a competitive edge over its competitors (ibid). For instance, Jobs decided to sell Apple products at their own stores instead of relying on other stores playing the distributor between consumer and producer (ibid). Makasi et al (2014) presented evidence that the time a company and its consumers engage together plays a fundamental role in building brand loyalty, if done correctly that is (Makasi, Govender, & Madzorera, 2014). So Job's decision to allow Apple to play the role of the distributor played a fundamental role in creating a stronger bond between consumers and Apple and thus strengthened the brand loyalty (Cruickshank, 2006, cited in Kenney, 2007; Makasi, Govender, & Madzorera, 2014).

A company's culture is greatly influenced by the Leader and thus impacts the brand too (Cruickshank, 2006, cited in Kenney, 2007). Jobs was the epicentre for Apple's unique culture and without his influence Apple began to derail (ibid). Job's rebranding can still be seen and felt today (ibid). As presented by the phrase "new CEOs arrive like knights in shining armour, determined to make their mark." (Stuart & Muzellec, 2004, p. 474).

The CEO guides the company through the rebranding storm and as proved by Miller et al (2014) the CEO is one of the major determinants (Miller et al., 2014, p. 275)

Another factor for a successful rebranding is for a company that has begun rebranding to not shy away from it but to fully embrace it within the company (Daly and Moloney (2004), cited in Miller et al., 2014, p. 276). Steve Jobs was able to steer Apple and to fully support the rebranding which played a role in its success (Sutherland, 2012). Job's was also described as a charismatic visionary that steered Apple out of ruin to the company we know today (ibid).

Stuart & Muzellec (2004) argue that consumers can actually feel intimidated when a company's logo is too complex, be it too many shapes, curves or colors (Stuart & Muzellec, 2004, p. 477). As a result of this needless complexity, consumers can either confuse a company's logo with a competitor's logo or simply forget about the logo altogether (ibid). Therefore, it is advised that simple logos are better (Stuart & Muzellec, 2004, p. 477). Jobs decided to change Apple's logo from a rainbow-colored bitten apple to rather dorn a simple colour scheme (Sutherland, 2012). The same was done for their products, limited range of colours that are both simple as well as seen as more professional metallic colours (ibid). During Sculley's reign Apple had quite an extensive array of different products and variants which turned out only to restrict the company as consumers felt overwhelmed (Sutherland, 2012). Therefore, Jobs decided to cut down up to 70% on the amount of products and variations (Isaacson, 2011) as he argued in 1997: "*What I found when I got here was a zillion and one products, and they looked the same.*

If I couldn't figure it out, how could our customers figure this out" - Steve Jobs (Jobs, 1997, cited in Kahney 2008, p. 22). Therefore, Jobs decided to change the philosophy behind Apple, which was a daring and risky move as clearly argued by critics (Sutherland, 2012). However, Jobs stayed true to one fundamental aspect when rebranding, Jobs didn't abandon the soul of the company and completely change it he kept some of the core values but also branched off into the future (Alford, 1998, cited in Miller et al., 2014, p. 276; Sutherland, 2012). However, changing the logo should be proceeded with absolute caution as it could cause the consumers to become skeptic as a result of the bond they've built with the previous logo (Dowling, cited in Stuart & Muzellec, 2004, p. 477). Therefore, it was a great idea of Jobs to keep the Apple logo but only to change to a sleek color tone as it kept some of the core values but simultaneously project Apple down a future new path (Alford, 1998, cited in Miller et al., 2014, p. 276; Sutherland, 2012).

Before Apple's rebranding the company offered a lot of different products with different variants which made consumers feel confused and overwhelmed by the vast array of products they could purchase (Sutherland, 2012). While rebranding Jobs focused on the design of the products as well as user-friendliness so people would not need to read a manual to figure out how to use their products (Sutherland, 2020). He also focused on providing customers with fewer products as he said Apple offered too many products which "looked the same" and it was difficult to understand what the difference between the products offered was (Isaacson, 2011). Companies ensure to teach consumers how to use their products as consumers will be more confident in buying products (Rajagopal and Rajagopal 2018; Gera 2012 cited in Rajagopal, 2019). Furthermore, in order to stand out companies within the high-tech industry must be innovative with their products and how they engage with consumers, in doing so companies ensure consumer friendly branding for their products especially when consumers are comparing products before they make purchases, thus consumers understand products and ensure them to not feel overwhelmed with the vast majority of products offered in the market and the available information (Rajagopal, 2019).

Apple focuses on packaging their products in such a way to impress and leave a positive experience for the customer, their packaging is far superior to their competition, the products are placed carefully in a white box which is luxurious to the touch with the brand's logo and information of the product (Schneiders, 2011). The unpackaging of a product produces a positive experience which allows consumers to appreciate their products more which allows a better brand image in the eyes of the consumer (Kahney, 2008 cited in Schneiders, 2011). Consumers often share on social media videos where they unbox their Apple products (Greenbaum, 2010 cited in Schneiders, 2011). Companies know that perceptions influence purchasing behavior, so they emphasize customer experience and excitement as emotional reaction to products, packaging and customer experience can aid the company ensure the consumer's future purchasing behavior (Rajagopal, 2019).

Apple's marketing was aimed for consumers to perceive the brand as "creative, ambitious and unique", they also used famous people in their campaigns (Hormby, 2007). Consumers associate brands with qualities and characteristics of humans (Aaker, 1997 cited in Martin and Morich, 2011). These attributes of creativeness, ambition and uniqueness which are linked with Apple's brand can influence customers whose goals are to have those attributes to buy Apple's products as Martin and Morich (2011) argue that the characteristics of a brand influence how customers behave (Martin and Morich, 2011). Furthermore, companies know that by linking their brands with famous people and/or certain attributes which consumers identify or want to be identified as will make those consumers purchase their products as this effect is seen in the social environment as cues (Gorn, 1982; Stuart et al, 1987 cited in Martin and Morich, 2011).

Apple launched a campaign to promote the iPod, in which Chazin (2009) argues that they are not selling the iPod but a sense of community which follow the "Apple lifestyle" as people recognize the design and color of the headphones, he also argues that Apple is aware that "People buy what other people have" by making highly recognizable earphones, also in the ad they do not show how to use the device but just the shadow of a person having fun while using the device (Chazin, 2009 cited in Schneiders, 2011). When people purchase Apple's products, they feel a connection with other Apple users (Bolz & Bosshart, 1995 cited in Schneiders, 2011).

Research proves that people imitate each other, it is explained by “mirror neurons” this acts as “social glue” (Fadiga et al, 1995; Decety and Grezes, 1999; Iacoboni et al, 1999; Lakin et al, 2003, cited in Martin and Morich, 2011). Consumers need the revalidation from their peers which builds a culture of consumerism amongst them (Rajagopal, 2019). It has become harder and harder to influence consumer behavior because of all the different new and innovative products in the market, which is why companies must provide strong brand identity and ensure customer satisfaction through their marketing strategies (Rajagopal, 2019).

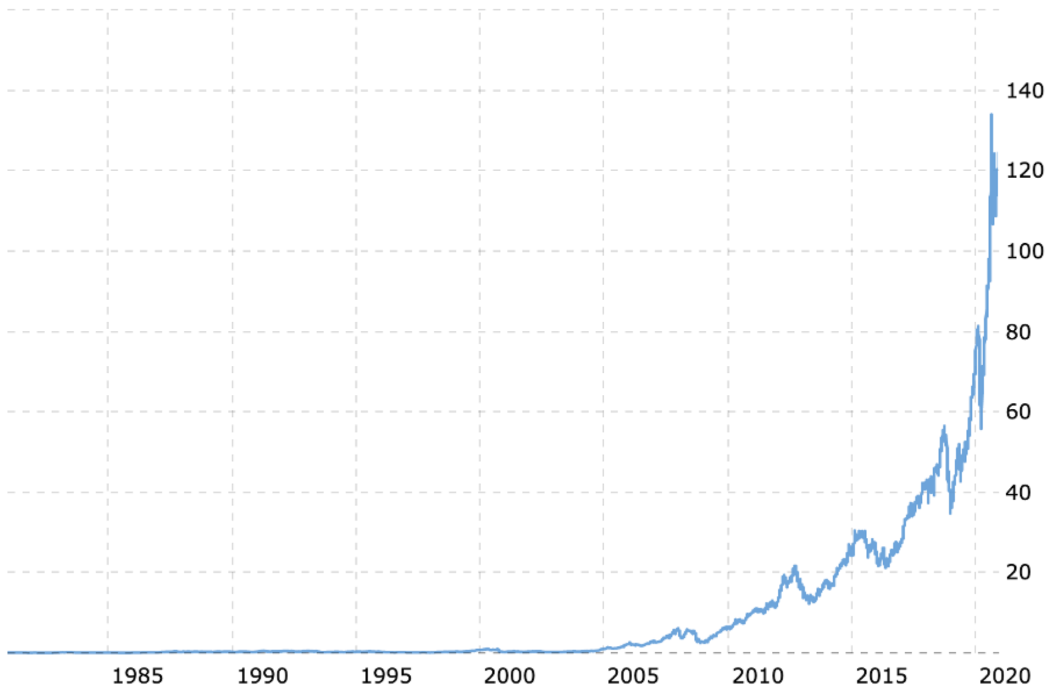
Jobs considered that it would be better to market Apple as a luxury brand rather than to compete with cheaper brands which already dominated the market (Schneiders, 2011). Apple ensures that their products and services are high quality and long lasting since Jobs went back to the company (Kenney, 2007). Consumers value products which give them a specific social image and have a long product life (Hollensen, 2015) Consumers are more inclined to purchase products which are advertised to be more ‘socially attractive’ instead of products which are not as attractive but are better (Rajagopal, 2019). Consumers compare price versus the utility of the product they wish to buy, however the utility can be meaningless if consumers have a positive attitude towards a brand as the brand provides with peer revalidation, consumers then adjust their budget to be able to buy those products, which results in consumers spending more than what they earn (Heath and Soll, 1996; Gourville and Soman, 1998 cited in Rajagopal, 2019). Companies seek to fulfill customers’ desires and emotional needs, by doing so they influence consumer’s future purchasing behavior as consumers will need to gain the same reward and feeling they obtained by purchasing the company’s products, companies do so by associating the brand with ideals which attract customers, companies also use the consumer’s need to be peer validated and admired (Rajagopal, 2019). When consumers are satisfied with the products offered by the brand, they will form a bond with the brand thus creating brand loyalty and ensuring future purchases from the consumer as they expect to attain the same level of satisfaction (Hollensen, 2015). Brand loyal consumers tend to buy products regardless of the specs and features as they become less important; thus consumers focus only on the brand, what it stands for, the name and the symbol behind the brand (Gerken, 1998 cited in Schneiders 2011).

Jobs was very charismatic, an incredible salesman who used his skills to not only sell products but his vision, his speeches became the best part of Apple's annual keynotes, in which he used his humor and storytelling marketing method to sell the brand to the consumers (Sutherland, 2012). When he presented the iPhone, he also announced the company's change in name to Apple Inc to open the way for more electronic products (ibid). Due to Job's presentation the iPhone was sold out during the first day of being launched, the iPhone was seen as revolutionary in the market (ibid). To influence consumers marketers, use emotions for marketing brands and products because the human brain relies on emotion to make sense of the world either positively or negatively (Baumeister et al, 2007 cited in Martin and Morich, 2011), this is exactly what Jobs did when marketing Apple (Sutherland, 2012). Companies which seek to build on the consumers' positive attitudes towards the brand participate in social media and use brand communication to add consumer value and influence consumer buying behavior (Rajagopal, 2019).

Apple's rebranding strategy in 1997 most likely saved the company from bankruptcy, as Steve Jobs told the New York Times the company was 90 days from bankruptcy when NeXT Computers was bought, and he was appointed as the new CEO (Nicas, 2018). The company went from a $1 billion net loss in 97 to a $300 million USD profit in 1998, this was an early sign of the success of the rebranding, and company restructure which was conducted in 1997 (Isaacson, 2011). Another sign of a successful rebranding was the improvement of the share, which went from $1,5 USD per share in 1997, to over $3 USD in 1998. In the year of 2000, it reached over $100 USD. The stock continued to rise in price and got a significant boost in 2001 with the release of the iPod, and later in 2006 with the iPhone release. In 2010 the stock exceeded the price of 1000 usd per share (Macrotrends, 2020a). When Jobs was brought back to Apple he re-established characteristics which were loved and proved successful in the past which are innovation and creativity (Hormby, 2007), it is argued that the main determinant of a successful rebranding is what the CEO does, and by reaffirming the characteristics that the consumers love about Apple it reinforced the brand identity in the consumers mind which influences consumer behavior as well as ease stakeholders concerns (Miller et al, 2014; Makasi et al 2014 ; Alford, 1998 cited in Miller et al, 2014).

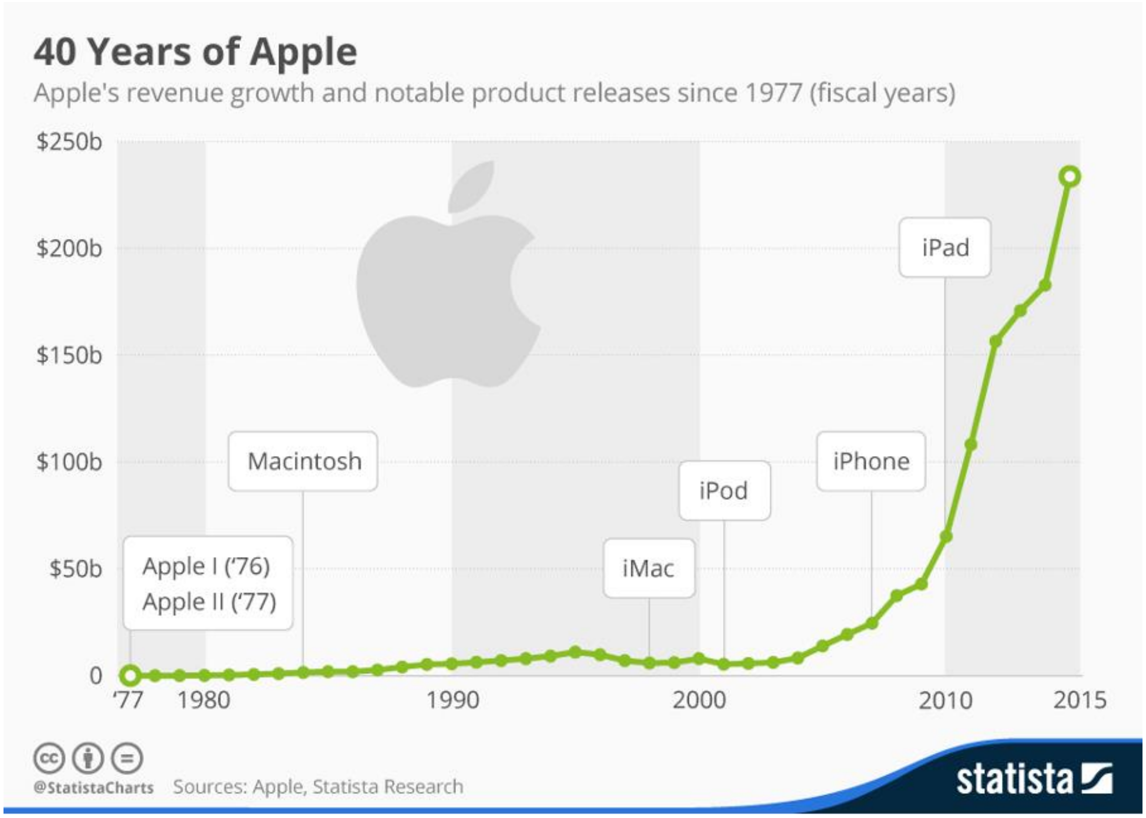
Below is a graph showing the stock price evolution of Apple.

The History of Apple's Stock Price



(Macrotrends, 2020a)

Illustrated on the x-axis is the years and on the y-axis is the share value in USD. We are aware that companies can apply strategies to increase or decrease the number of shares available on the market. We however argue that there is still a fundamental increase in the stock price after the rebranding and re-emergence of Steve Jobs. This can be clearly illustrated by the rapid rise on the diagram after years of remaining stagnant (ibid). Furthermore, the reason why the stock price does not reflect what is said in the historical background and data, is that the graph takes the stock splits into account, where the historical background is presenting the stock price as it was at the time (ibid).



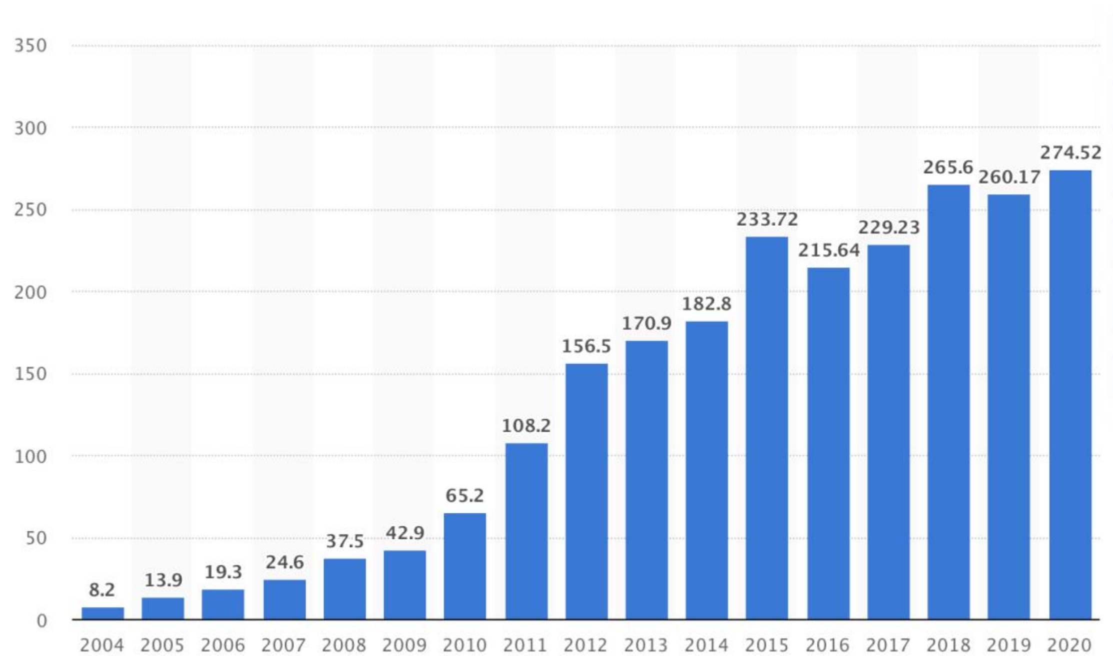
(Richter, 2016)

The x-axis illustrates the years and the y-axis illustrates the value in USD in billions. There is a clear growth in revenue after the rebranding. In this graph, the revenue growth of Apple can be seen. What is especially interesting is the downfall from 1995 to the rebranding in 1997, where it starts growing again slowly. A reason for the 2000 revenue decrease can be the acquisition of the startups which enabled Apple to create iTunes as well as the different creative programs as iMovie, Garageband etc. as was explained in the historical background section. Another interesting detail is how the value increased heavily following the presentation of the iPhone, and later the iPad. They went from 19,3 billion USD revenue to 233,72 billion USD in less than 10 years. (Richter, 2016)

Companies within the tech industry rely on innovation to succeed not just with their products but with customer engagement by branding their products in such a way that it is attractive in comparison to the company's competitors, also by being an innovative company they are able to create a monopoly which creates brand loyalty in the consumers mind (Rajagopal, 2019).

Furthermore, consumers rely on their past experiences to make decisions which leads to automatic behavior (Martin and Morich, 2011). Thus, Apple's increased revenue as illustrated in the diagrams indicate that consumers appreciate their products and that the rebranding was a success (Martin and Morich, 2011; Richter, 2016; Tankovska, 2020). The reason the next revenue diagram was chosen is that it indicates the revenue all the way to 2020 which the former did not.

<u>Apple's Revenue 2004-2020</u>



(Tankovska, 2020)

This graph shows the change in Apple's revenue from 2004 to 2020. It is shown in billion US dollars (Tankovska, 2020). We can see that Apple's revenue rapidly grew from 2010 especially, with the launch of the iPad which was an innovative product at the time (Isaacson, 2011). And again in 2016 with the release of the Airpods. We can also see that the company was pretty much un-affected by the financial crisis of 2008, the increase in revenue was smaller from 2008-

2009, that from 2007-2008, however it was still a significant increase, especially taking the global economy into context. Which also proves the strength of the brand, that even though people are struggling, they will still prioritize getting the latest Apple products. Researchers argue that consumers abandon rational behavior in favor of their emotional side which allows them to have peer revalidation according to the brands they purchase, regardless of the price tag, consumers adjust their budgets to ensure the purchase of products which will benefit them emotionally, leading them to consume above their paycheck and enable a consumerist culture amongst their peers (Heath and Soll, 1996; Gourville and Somman, 1998 cited in Rajagopal, 2019). Apple has been successful until this day (Tankovska, 2020), this can be explained by Hollensen (2015), once a customer is satisfied, they will create a connection with the brand, which results in brand loyalty (Hollensen, 2015).

In order to see whether the rebranding of Apple was the primary cause for their success, we have to look at the macroeconomic situation in the US and the world surrounding the rebranding and re-structuring in 97, and onwards.

In the years leading up to the rebranding, there was a small recession from 1990-1991, caused by a 1989 crisis called the "Savings and loan crisis". The unemployment in the US reached 7,8% at its highest in 1992. The next recession happened in 2001, and it lasted around eight months and was caused by a bust of the dot.com business. A row of businesses were afraid that the IT systems of the 1900s would not be able to transition into the 2000s, therefore there were invested billions of dollars into new IT systems and software. However, many of these companies failed in the end. This recession was further boosted by the 9/11 attacks in September of 2001. The unemployment rate reached a peak of 6,3% during this recession. (The Balance, 2020)

Another factor could be the emergence of the internet, which could have increased the marketing during the rebranding, and most definitely have as the number of users have only increased. However, in 1993 it was already seen as being well-established for the private user, having over 10 million global users (Scienceandmediamuseum.org.uk, 2020).

“How has Apple’s rebranding strategy influenced their consumers’ behavior?”

Apple’s rebranding strategy changed the behavior of the consumer for the better, this can be seen throughout the analysis and especially the increase in revenue, and stock price which shows that investors started to believe in the company, after years of falling stock prices (Tankovska, 2020; Schneiders, 2011). The adoption of a cult marketing approach through the campaign “Think Different” was through looking at the graphs, very effective (ibid). Consumers started to look forward to the annual Apple keynote, where they could see Steve Jobs present the newest product, through storytelling and humor, but most importantly - selling the lifestyle of the Apple product (Sutherland, 2012). Apple went from almost going bankrupt, to becoming one of the most valuable companies in the world, and being the first to reach a $1 trillion USD valuation (Klebnikov, 2020).

By looking at the macroeconomic state of the US and global economy in the 90s and early 2000s we have been able to rule out a crisis to be one of the reasons for the decrease in stock prices/revenue for Apple in 1995-1997 and for the up-time in the economy, as the success of their rebranding (Scienceandmediamuseum.org.uk, 2020). As mentioned in the macroeconomic section, there was a small recession in the US from 1990-1991, and one after the rebranding where Apple was also growing, in 2001 (The Balance, 2020). Another question of their rebranding success could be the global spread of the internet, but it was already seen as well-established in 1993 - there most likely have been an increase in users from that point and till the rebranding in 1997 (Scienceandmediamuseum.org.uk, 2020). However, we do not see it as having a big enough impact on the success on the company to be a sole reason - but that it is a result of their marketing campaigns and strategy.

Conclusion

This paper has unraveled how beneficial rebranding and brands in general are to a business as well as their relation to consumer behavior.
The research question that has been answered is: "How has Apple's rebranding strategy influenced their consumers' behavior?" In order to answer this research question a longitudinal case study of Apple was undertaken to assess the effects the rebranding has had on Apple and their consumers' behavior. Reasons for rebranding as well as its rewards and potential threats were also presented. We believe that a reader of this project will be able to walk away with knowledge and clear understanding on how a successful rebranding can be undertaken and how consumer behavior can be applied as a method for marketing one's products and brand.
The way in which we contributed to this academic field is by gathering an extensive amount of literature from experts in the field and compiling with our data in order to answer our research question in an effort to shed more light on rebranding and consumer behavior, in relation to Apple.

Discussion

The literature review and our findings with Apple from the analysis shall be compared within this section in order to discover differences and similarities with the literature that is available and how our research contributes.

Makasi et al (2014) argued that the rebranding of a company can greatly influence consumer behavior and that the time that consumers and personnel from the company interact can greatly influence their brand loyalty (Makasi et al., 2014, p. 2586). This was proven to be accurate within the Analysis chapter as a result of Job's decision that Apple will also distribute their products and not rely on some external store that allowed Apple to take full control of the price and interactions with their consumers (Cruickshank, 2006, cited in Kenney, 2007).

That a brand's image can play a pivotal role on the behavior of consumers (Makasi et al., 2014, p. 2586).

The literature review also showed that a major reason for rebranding is when a company is worried about their image to the consumers, so they then rebrand in order to steer clear of this threat (Muzellec et al., 2003, p. 36).

Miller et al (2014) argued that the CEO plays the pivotal role whether the rebranding will become a failure or a success (Miller et al., 2014, p. 275) and that a rebranding should avoid rebranding from scratch and must keep some of the roots associated with the brand (Alford, 1998, cited in Miller et al., 2014, p. 276). Job’s was a charismatic visionary that helped to steer Apple into the future (Sutherland, 2012). Job’s also rebranded Apple while simultaneously keeping Apple’s core intact, for instance the same logo just different colors, same group of products just different selection (ibid). Therefore, the Apple case proved that it is safer to rebrand when sticking to the core of the brand and not creating drastic changes in the eye of the consumers (Miller et al., 2014; Sutherland, 2012).

The literature mentioned that generally people imitate others and that this plays a social role within society (Fadiga et al, 1995; Decety and Grezes, 1999; Iacoboni et al, 1999; Lakin et al, 2003, cited in Martin and Morich, 2011). Apple marketed their products appealing to the “Apple lifestyle” and campaigns showing a shadow of a woman dancing and enjoying their products (Chazin, 2009 cited in Schneiders, 2011).

Aaker (1997) and Fitzsimons et al (2008) argued within the literature review that consumers associate certain brands with personalities and theses self-appointed attributes play a role in the consumers’ behavior, this has already been proven and can clearly be seen within our research (Aaker, 1997; Fitzsimons et al, 2008, cited in Martin and Morich, 2011). Also, that businesses apply their brands with influential individuals and ideologies in order to appeal to consumers (Gorn, 1982 and Stuart et al, 1987, cited in Martin and Morich, 2011 p. 499). This was seen within the analysis when a statement by Apple was used for their marketing “*The people crazy enough to think they can change the world, are the ones that do '',* this campaign was able to connect the brand with a rebellious and dare to think out of the box attitude that appealed to numerous consumers *(Hormby, 2007)*. Another incident is when Apple created campaigns that involved famous people such as Einstein, Gandhi and Picasso *(Hormby, 2007).*

Martin and Morich (2011) and Baumeister et al (2007) argue that consumers don’t base all their behavior and decision making with rational reasoning but instead rely on simplicity and their emotions based on past experiences and the environment (Baumeister et al (2007, Martin and Morich, 2011). Because our minds determine how we perceive the world around us and thus our emotions play a pivotal role in influencing that perception (ibid). Our research indicates that Apple was greatly aware of the power of emotions as seen by how Apple would market the products appealing to emotions *(Hormby, 2007; Sutherland, 2012).*

Potential future research related to this project could delve more into the organizational culture of a company in order to understand how culture can affect or be affected by the rebranding process. This could shed more light on the internal conditions of Apple, or another company that could be investigated. Other types of methods could also change for future projects as the different methods could each add something new.

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