“Hunger Marketing” Strategy and Its Application—Based on Apple Products

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Abstract. As China’s consumer market matures and consumer purchasing power has increased, more and more companies are looking for the breach of the competitive advantage, attracting consumers through the new marketing methods to get more profit and increase market share, and also to build the brand loyalty. More and more manufacturers and sellers begin to test a new way of marketing named “hunger marketing”, which have achieved great success. This article, based on Apple products “hunger marketing” strategy, analyzed the internal key reasons for the great success of Apple products marketing. And combined with the problems that enterprises faced in the process of implementation of hunger marketing, it tries to bring certain reference value when formulating reasonable marketing strategy for the enterprise, and also tries to provide a new reference for the development of its business model.

Introduction

As China’s consumer market matures and consumer purchasing power has increased, new consumption points have sprung up, which are gradually turned to the 3C products, entertainment industry, catering industry and the real estate industry, etc. As the market competition being increasingly fierce, all businesses are looking for the breach of the competitive advantage, by adopting a new way of marketing to attract consumers, to obtain more profit and higher market share, more and more businesses begin to test a new way of marketing named “hunger marketing”.

1. The Connotation of the Hunger Marketing

Hunger marketing, refers to the commodity producers and sellers reduce the supply of goods through a series of control measures, it aims at making the demand “illusion” to maintain commodity price and the high profit margin. By adjusting the quantity of supply and demand, it will increase the terminal price.

Actually hunger marketing based on the “utility theory” of western economics, according to the theory, the items of utility is not equal to its value. Utility, which is mainly refers to the satisfaction of consumer goods, is a kind of mental state which has certain relationship with its use value, but not completely equal. The utility has a closer relationship of the specific time and environment [1].

2. Hunger Marketing Strategy of Apple Products

Apple products are one of the most influential brands that have successful used hunger marketing strategy. Steve Jobs, the former CEO of Apple Inc., once appeared in the apple brand product launch said that Apple products have “once again, change everything”, and a new generation of apple’s products will be listed, but actually it is a long period of time that the information about Apple product is almost blank, consumers during this period has been hanging enough appetite for the products, such as see the oasis in the desert. But since the products listed, no matter how high the voice of the market for this product, the company always seeks to uphold the exclusivity agreement with operators, let the consumers always been in shortage of the products. We see Apple products listed on the global unique transmission curve: conference announced - launch date listed - wait - news - queue overnight - officially on sale - all out of stock - selling [2].
Hunger Marketing Strategy of Apple Products, as a successful and classic case, has been widely circulated. More and more enterprises begin to use this kind of new marketing methods. But the shortcomings of this way of marketing is also very obvious, such as the consumption of customer loyalty, and damage the corporate image, etc., the most typical example is the Changan Suzuki, owing to improper use the “hunger marketing”, the sales of series products named “Swift” has been declined sharply. So if the enterprises want to successfully use hunger marketing strategy in the marketing, they need to grasp the following key points below:

2.1 Consumers’ satisfaction

According to Mr. Samuelsson’s formula [3], in order to keep the senses of the original happiness that has been stimulated before, people always tend to increase their consumption. But after got the products, once the desires in their heart is so big that the level of satisfaction degree is not enough to sustain what they have expected before, the consumers happiness would be reduced.

2.2 Grasp the opportunities in marketing

“Hunger marketing” is a kind of marketing that have large time span and complex process, so in order to successfully implement this strategy, the decision makers must grasp the opportunities.

Before the products to be listed successfully, there is a interval period of time to cultivate the consumers’ “hunger sense” between the product launch and officially listed, this time the businesses need to master the art of timing when to release information and when to listed products officially to the market.

2.3 Master the elastic demand curve

As a kind of pricing method similar to “skimming pricing method”, it needs to have a good grasp for the goods demand curve. The ultimate goal of business is always to have the profit maximization, it is one-sided that only focusing on the price of commodity but not pay attention to the sales. The difficult point of “Hunger marketing” is that once the enterprises have implement this strategy, the original demand curve has been changed. And the consumers’ psychological price will always rise in different degree because of the “hunger sense”. There is no doubt that it is an urgent problem that businesses need to consider first to use the change to make a most beneficial product price.

3. Main Problems of Using Hunger Marketing Strategy

As the market competition is increasingly fierce, in order to get more profit and increase market share, and also to build the brand loyalty, enterprises have adopt various marketing techniques. At present, the market marketing is also beginning to emerge in endlessly. As a typical, there is no doubt that many companies have occupied a certain market, won a good reputation and credibility through using hunger marketing successfully. But there have also exposed some problems in practice and the main problems are as follows:

3.1 The lack of market orientation

Marketing orientation is based on market demand. Marketing orientation force enterprises product marketable products and makes products been improved continuously to adapt to the market demand. It also makes enterprises determine the target market needs and understand customers need desires rightly to create and transfer superior customer value. If the enterprise is unable to correctly grasp the market orientation, obviously and certainly, it will not obtain good effect that implementing the hunger marketing just for the sake of marketing.

3.2 Using hunger marketing excessively

Hunger Marketing is applied economics “utility theory” in nature, namely the consumers have been satisfied in the process of consumer. However, utility is different from the material value, because it is a psychological concept and always has the subjectivity. Therefore, when enterprises
use the “hunger marketing”, their strategy, “attracting consumers through low price, then limiting the supply and leading the products to be best-selling to increase price” [4], is always to get more profit and increase market share, and also to build the brand loyalty through the above the process.

However, when in practice, the enterprises tend to set the products’ “virtual” price too low and expect the consumer’s desire too high, at the same time, because the supply is always so “tight”, that the consumers cannot get the product in a long period, or because the adding price is too much to bear, the customers always feel their expectations are difficult to achieve or their effectiveness have been reducing, they will give up this product consumption and turning to other similar products.

3.3 Lack support of other related marketing methods

Hunger marketing, refers to the commodity producers and sellers reduce the supply of goods through a series of control measures, it aims at making the demand “illusion” to maintain commodity price and the high profit margin. But if companies just blindly to trim production, lacking support of other related marketing methods to promote its visibility and reputation, obviously and certainly, the consumer won’t always pay for the product.

4. The Implications of Hunger Marketing Strategy of Apple Products

From iPhone4 series to iPhone5 series, and then to the recent hot selling iPhone6s, out-of-stock situations in various regions of China are very common. The reason lays in customers’ curious love compared to the limited supply. In general, Apple company maybe lack of capacity to satisfy the marketing, it is can’t deny that the company applied hunger marketing strategy in their brand promotion strategy successfully. The experience of Apple company applied hunger marketing strategy can summarize to:

4.1 Analysis human nature and making moderate hungry sense to customer

According to Marketing of Three-Dimensional Theory, human is desired animal, and desire derives from the development of society and human’s evolution. Along with society development, people’s demand is improving continuous that they cannot satisfy in current conditions, so, people’s psychological characteristics make hunger marketing strategy be true[4]. To Steve Jobs, success depends on the interpretation of human nature and precise forecasting of demand. Based on the fact that the more rare the more expensive, Apple product market growing faster than capacity releasing rate, moderate stress of product market can achieve the object of increasing price. Apple starts from customer’s curious love toward apple product, applied hunger marketing strategy, achieved high profit successfully.

4.2 Set up brand image and choose the right product

The main object of hunger marketing is not only chasing higher price, but also improving value-added of product, and then improving the brand image. In essence, “brand” factor has been the whole process of hunger marketing strategy implementation, enormous market appeal of the brand is a powerful guarantee for implementing the strategy [5].

During the branding process, product market share and market acceptance of the product are critical for the implementation of the hunger marketing strategy. The enterprises must ensure that product is recognized and accepted by consumers, and product has a large market potential. In-depth analysis of the desire is very important, only ensured product features, service, brand, personality and image in line with market demand and consumer expectations can product development successfully. Consumers have formed a deep and beautiful impression of Apple products: product highlights, beautiful and fashion appearance, and near-perfect design. In many people’s eyes, Apple is synonymous of personality, is a fashion must-have products. Therefore it is no exaggeration to say, Apple products occupies a key marketing position in electronic industry.
4.3 Using media advertisement

Consumers have some differences in the level of need and desire, so, in product branding should combine with professional communication and dissemination strategy, timing, format, and media planning. Meanwhile, in order to ensure the brand’s mystique, we should keep the secret before branding. In addition, the success of hunger marketing strategy can’t tear apart competition of product, maturity of consumer and alternative of product [6]. Hunger marketing strategy can work in the situation as follows: insufficient market competition, the consumer mentality isn’t mature, or products competition is strong.

Apple is good at interactive media influence: using three-dimensional integrated marketing make product promotion; triggering public debate before publish new product; using media to further the word of mouth marketing; gathering high popularity before product launches; exploding high popularity and sales. All above form a good Apple brand reputation.

Summary

Hunger marketing is not just a marketing strategy, it has risen to a height of theory in the western economics. Apple products’ hunger marketing strategy has indicates that it has a great enhancing effect on customer perceived value and customer behavior intention. It seems that grasping consumers’ hunger senses, grasping the opportunities and the elastic demand curve have played an important role of adjusting when applies “Hunger Management” strategy. Enterprises that adopt hunger marketing strategy needs to analysis human nature, set up brand image and use media advertisement based on the nature of their products. It is an effective way to effectively utilize the effect of hunger marketing strategy to increase market share and profitability.

References