The iPhone's popularity due to strong Apple branding

Apple's new Phone has sparked a frenzy among consumers, with more than a million people in the US lining up to buy it as soon as it goes on sale.

US telecommunications company AT&T, which has an exclusive agreement to sell the iPhone, said that it has received over one million inquiries on the phone.

Not surprisingly, the iPhone is also causing waves in Singapore, where it will be launched on May 28. The device has been highly anticipated in the country, with many consumers waiting in line for days to get their hands on one.

Experts say that Apple's branding efforts successfully sold a very desirable lifestyle to its target audience.

What makes a good brand? An expert tells us that it is a brand that is close to the market and able to fulfil the needs of the consumer. The brand should also have a clear market position and be able to adapt to changing trends.

Associate Professor of Marketing John Davis said: “Apple connects to you and me in a way that is very personal and meaningful. When a company achieves this level of intimacy with customers it is powerful and hard to beat.”

He believed that Apple has effectively reinforced its personality as “innovative, hip, quirky, fun”.

Prof Davis pointed out that a strong brand not only cultivates the feelings of consumers but also increases the financial or market value of the company behind the brand.

Using IBM as an example, he said that last year, IBM was ranked Number 3 with a brand value of over US$56 billion (S$86 billion) in an annual survey of the Top 100 Global Brands. “IBM’s market capitalization is roughly US$160 billion (S$246 billion), so the financial value attributed to the brand alone is more than 30% of its total value, which is huge.”

Therefore, Prof Davis felt that CEOs and senior managers need to take branding more seriously if they are interested in growing the value of their companies. Effective, successful, long-term branding enables companies to command a premium price for their products and services. When customers understand that the company is highly differentiated, they are more willing to pay for that differentiation.

However, he observed that many local SMEs are still a little myopic when it comes to branding. “Local companies are still too focused on low-cost and efficiency, which is great for commodity products. But branding is usually about building a credible, differentiated position, which is, in effect, a specialty position.”