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The Apple of Jobs' Eye: An Historical Look at the Link between Customer Orientation and Corporate Identity

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Marketing literature positively links a customer orientation with corporate performance. However, it does not elaborate on the mechanisms that allow a customer orientation to function effectively. Through a customer orientation a firm builds a relationship with the customer, who in turn reciprocates through an identification process. This means that the identity of a firm plays a significant role in its customer orientation. This paper proposes that customer orientation is directly influenced by corporate identity. When a firm's identity influences its customer orientation, firm performance will be positively impacted. An historical analysis shows three phases of Apple, Inc.'s life during which its identity influences customer orientation; then where Apple loses sight of its original identity, and thus has an ineffective customer orientation; then with the return of Steve Jobs, and the re-instatement of its original identity, Apple's customer orientation is once again potent and profitable.

Much of marketing thought in recent years has been based on the notion that a market orientation is critical to the overall success of a firm (e.g., Jaworski and Kohli 1993), and that there is a "substantial positive effect of a market orientation on the profitability" of businesses (Narver and Slater 1990, 20). Kohli, Jaworski and Kumar (1993, 467) claimed that the market orientation "concept represents the foundation of high-quality marketing practice." Market orientation has been described as an "organizational culture" (Narver and Slater 1990, 21), which expands marketing beyond just an organizational function, and suggests that it is an integral part of the entire organization (Kennedy, Goolsby and Arnold 2005). At the root of market orientation is meeting the needs of customers, embedded as "customer orientation" (Lukas and Ferrell 2000; and Im and Workman 2004). That is, the customer is the focal point of a market oriented firm; as such, much of the existing research indicates a positive link to positive business performance directly from the customer orientation component of market orientation (e.g., Deshpandé, Farley and Webster 1993).

When a firm has a strong customer orientation, it essentially works at building strong relationships with its customers. While this is a route to success and profits for a firm (Reinartz and Kumar 2000), it is only successful if a customer sees value in the relationship. It has been shown that customers reciprocate, and build relationships with companies and brands (Fournier 1998). However, in forming a relationship with the firm, customers do this through an identification process; that is, they identify with the firm or brand (e.g., Battacharya and Sen 2003; McAlexander and Schouten, Koening 2002, Algesheimer, Dholakia and Herrmann 2005), and see value in that corporate identity and relationship. While a customer orientation establishes a focus on customers, there are many different ways and directions that a customer focus can go.

The identity of a firm gives it a long-term focus and direction that contributes to its success; that focus and direction could guide and influence the type of customer orientation of the firm. Thus, simply focusing on customers, with whatever the firm has to offer may be inadequate in meeting the needs of the customers. The firm's identity, as seen by the customer, is a key consideration as the customer's identity and experience is enacted through the identification with the firm. This suggests that while a customer orientation is important, it will be most effective if it works through an identification process.

However, one does not see the role of corporate identity on customer orientation in the marketing literature. Thus this paper attempts to answer the question: How does corporate identity impact customer orientation and how do the two interact to impact firm performance? Answering this question will show the role that corporate identity plays in customer orientation; that is, how does corporate identity effect customer orientation? Additionally, answering this question will lead us to a better understanding of the firm performance implications when the corporate identity does not match the customer orientation focus.

In order to examine this question, this paper looks at Apple, Inc. over its life. The first section of this paper is the conceptual integration of the customer orientation and corporate identity. Then the methodology is described, followed by an analysis of the historical data related to Apple. Next is a discussion of the results of the analysis. As with any research there are limitations to this study, which are reviewed along with suggestions for future research. Closing off the paper is the conclusion section.

THEORETICAL DEVELOPMENT

This section provides an overview of the key terms to be looked at in more detail through the rest of this paper. Giving an overview at this point allows for a more logical conceptual integration that guides the data analysis and leads to the paper's conclusions. Thus the salient points of customer orientation, corporate identity and customer identification are covered, followed by their integration.

Market and Customer Orientation

Customer orientation has been defined as: "the sufficient understanding of one's target buyers to be able to create superior value for them continuously" (Narver and Slater 1990, 21). Kohli and Jaworski (1990, 3) found that "a customer focus is the central element of a market orientation." Not only is customer orientation fundamental in market orientation, it is central to the entire marketing concept (Webster 1988). The marketing literature contains many references to the link between a customer orientation and business success (e.g., Deshpandé, Farley and Webster 1993; Narver, Slater and MacLachlan 2000).

Typically customer orientation is empirically analyzed in the context of existing corporations, and is thought of in terms of how well (or poorly) a firm operates in this regard. However, if one thinks back to the roots and establishment of a firm, it is possible that the founders of the firm primarily had a customer orientation prior to start-up. That is, they had an understanding of a group of people – the group that would be called "target customers" when the firm became operational. It could be argued that through the understanding of the people, and knowledge of the market, the founders recognized a gap, and they thought that by filling this gap they could create superior value for these people. While it is certainly possible that some firms started with different orientations (e.g., a product orientation), one could argue that many firms' operations would not continue – or even get started – if they did not recognize the needs of their potential customers. Thus even prior to the formation of, and perhaps the catalyst of the formation of the firm was a customer orientation; and if the startup of a firm is driven by a customer orientation, it is reasonable to assume that in the early stages of a firm's life, it remains customer oriented.

At this point the founders have a vision for meeting the needs of its customers and guide the firm in this vision. This is supported by the Kennedy, Goolsby and Arnould (2003) study that showed the importance of leadership in the implementation of a customer orientation.

Corporate Identity

Corporate identity is an answer to the question "who are we as an organization?" and is more broadly known as the "mental associations about the organization held by organizational members" (Brown et al. 2006, 4). Cheney and Christensen (2001, 248) say that the primary reason for answering this question is to "control … how the organization is commonly represented." Albert and Whetten (1985) maintain that the core organizational identity is what is central, enduring and distinctive (CED) about the organization. As such, it is known and held by the senior managers or leaders in an organization, and it is viewed as a "collective-level phenomenon" (Brown et al. 2006, 5). Albert and Whetten (1985) suggest that corporate identity is organizationally held, is a property of the organization and is first established when the company is formed (or very shortly thereafter), by the original leaders or founders of the company.

Having and knowing its identity allows a company to put together a strong and effective strategy. In particular, a company draws on its identity to present an image, or images of itself to its various constituents – such as its customers. The identity provides a focus on which organizational members can concentrate and a point around which they can coordinate efforts. In turn, the image that the company derives from its identity and projects to constituents is what the constituents can identify with, and through that identification we see outcomes such as loyalty, positive word of mouth, and increased sales (Battacharya and Sen 2003; Algesheimer, Dholakia and Herrmann 2005).

Integration of Customer Orientation and Corporate Identity

Key to this paper is the notion that there is an identification process that occurs between customers and a firm. Bhattacharya and Sen (2003) proposed that customers would identify with a firm if they thought that its identity was both similar to their own identity, and was distinctive. Customers engage in this identification process to support and supplement their own self-concept. Corporate identity should be a key component in a customer building an experience and a relationship with a brand (Algesheimer, Dholakia and Herrmann 2005). Thus, by managing its identity to accomplish this, a firm can create superior value for its customers (i.e., have a customer orientation). This means however, that the customer orientation of the firm is directly guided and impacted by its identity through the process of customer Identification.

Corporate identity is established when the company is formed by the original leaders or founders of the company. If, as discussed previously, the formation of the company is driven by the customer orientation of the founders, then it makes sense that the corporate identity is closely linked with that customer orientation. One could even see a corporate identity stated in terms of how the firm would understand and create superior value for its customers. More specifically, the identity would direct how the customer orientation of the firm was to be realized, or focused. Thus at the beginning of the firm's life, one would see a high degree of overlap between corporate identity and customer orientation, and a strong influence of corporate identity on customer orientation. With this close link between the two concepts, it is not surprising that research has shown business success as a consequence of each of them.

Flowing from this integration of customer orientation and corporate identity, one would expect that there would be a strong relationship between the two concepts over time, and that they would be closely synchronized. Thus as the identity of a firm shifts over time, the focus of its customer orientation would also shift. However, if customers have identified with the firm and its original identity, then the customer orientation guided by a different identity is likely to be off the mark. Customers would not respond favourably to this situation especially if they already have a strong identification with the firm, and it is possible that performance would suffer. Thus, even though the literature suggests that a customer orientation will lead to better performance, one could see a situation where performance would deteriorate in spite of a customer orientation.

Therefore, this paper proposes that corporate identity moderates customer orientation. Customer orientation is guided by the corporate identity, and it needs to match the identification of the customers with the firm. When there is a match, firm performance will improve, and when there is a mismatch, firm performance will suffer.

METHODOLOGY

In order to investigate the role corporate identity plays within the customer orientation to performance relationship it is important to get data on the founding of a firm, and to be able to track the operations of the firm over a period of time. This historical longitudinal perspective allows for the examination of customer orientation, corporate identity and firm performance, and how they interact. That is, how corporate identity impacts customer orientation and thus performance.

The firm chosen for this analysis is Apple, Inc. Apple is particularly appropriate as the information on the formation of it as well as almost every aspect of its existence is readily available. Additionally, the founders are still alive and have commented extensively on the founding and life of the company. Apple has also been in existence for approximately 30 years, so it has had time to experience both internal and external changes, and the link between customer orientation, corporate identity and performance should be apparent.

In order to conduct the analysis of Apple, a variety of types of documents were collected, reviewed and analyzed. Information from 20 books - including five biographies on Steve Jobs, autobiographies of Steve Wozniak, former Apple CEOs John Sculley and Gill Amelio, plus books from other former key Apple employees and consultants – were reviewed. Hundreds of newspaper/magazine articles were also included in the analysis. Another set of key documents were internal Apple documents archived at Stanford University on the making of the Macintosh. These include emails, reports on focus groups, memos, letters, videos, documentaries, press releases, promotional videos and strategic documents as well as archived interviews with key early Apple employees and consultants. The authors also collected and analyzed transcripts of all of Steve Job's MacExpo speeches from 1984 to 2007, five extensive interviews with Steve Jobs conducted at various points over the last 30 years by history organizations and Business journalists, and all of Apple's print and television ads over its life.

With this plethora of evidence readily available that covers the thirty years of Apple's being, an in-depth analysis was conducted which included cross-references between different sources and over time. In particular, the use of multiple sources of data (e.g., from the founders, lower level employees of Apple, advertisements, industry commentators) provides a balance so that the bias of one source or another would not too heavily influence the findings. Additionally, the authors compared their own interpretations of the information in an iterative process. Through this triangulation of data and interpretation, the validity of the findings was increased.

As discussed above the research question to be answered is: how does corporate identity impact customer orientation and how do the two interact to impact firm performance? From this main question come several related questions of interest. What is the corporate identity of Apple over its life? What is the primary customer need that Apple was meeting through its founding and existence? How do the corporate identity and customer orientation change over the thirty years? What is the impact of the changes in corporate identity and customer orientation on Apple's performance?

APPLE, INC.

For this analysis the history of Apple is split into three main Phases. On a timeline these are: Phase 1 – 1976-1985, Phase 2 – 1986-1997, and Phase 3 – 1997-today. The reason for dividing the history of Apple into these three Phases centers around one of the key founders, Steve Jobs. Steve Jobs helped to found Apple, then after nine years, he left Apple, then ten years later he returned to Apple. As will be illustrated in the following analysis, Jobs was instrumental in Apple's corporate identity and customer orientation, and the company's performance runs parallel to his involvement in these aspects.

Phase One: 1976 – 1985

The computer industry of the 1970s catered mainly to the hobbyists and "early adopters" who where willing to take on the challenge of learning about computers. Products were introduced with little fanfare and marketing efforts were directed to the trade press and industry insiders (Moritz 1984). News reporters covering the industry at the time recall, "product announcements were very techie; they focused on bits and bytes and the operating system… press releases were pretty unreadable…. It was just industry insiders; it wasn't really consumer-focused" (Evelyn Richards San Jose Mercury News Reporter (who covered Apple in the 1980s) 2000). Into this environment stepped the key founders of Apple, Steve Jobs and Steve Wozniak. In creating Apple they recognized that there was a group of consumers that was looking for some way to tap into technology innovations. There was nothing available to the average, non-technical consumer to give them access to the power and productivity promised by the computer revolution. The two Steves understood this need, and could not see it being offered by anyone in the market. They also thought that they could actually provide what these consumers wanted – and not just provide a specific product; they felt they could create a company that would continuously provide superior value for these consumers. Thus they along with Ronald Wayne (who later backed out) created Apple, Inc. on April Fools Day 1976.

The early mandate of Apple was to address the needs of the non-techie consumer. One example of this appears in an internal memo dated September 23, 1981 in which Apple expresses this belief by saying. "One person one computer. We make a positive difference in society, as well as make a profit. We have an obligation to make a difference. We are creative; we set the pace" (Linzmayer 2004, 82). Their goal was to set the pace by meeting the needs of customers The documents and memos of the early 1980s also focus on "radical ease and learning", "ease of use", "One to One relationship", "personal control" and "meeting customer needs" (Corporate Profile 1980 – "Apple Computer"; Macintosh Product Introduction Plan 1983; Press release "Apple Introduces Macintosh Advanced Personal Computer 1984). This was their vision at the beginning. It flowed from what Jobs and Wozniak perceived, and understood from their observation and analysis of their potential customers. "We wanted a personal computer and the computers on the market were impractical for us to use. We needed a Volkswagen. The VW owners have personal control of their car" (Jobs 1981, 8). Reflecting on his days at Apple Steve Wozniak, stated in Newsweek (1996, 48) that back then Apple wanted to build computers that were "usable out of the box. Our vision was that people would find computers useful at home, for "people things" like balancing checkbooks, keeping address lists and typing letters." These values were echoed by early Apple employees too; "What we tried to do was make a useful machine that people could use without becoming computer jocks. We want it be a useful tool just by itself-- forget about it being a computer, it's just something that does a job for you" (Bill Atkinson 1983 Apple Employee from 1978-1990 and inventor of MacPaint as quoted in "Evolution of a Computer").

According to both Wozniak and Jobs, the original goal of Apple was not primarily profit driven. "Our first computers were born not out of greed or ego but in the revolutionary spirit of helping common people rise above the most powerful institutions" (Wozniak 1996, 48). At the beginning, the two Steves were focused on not just meeting the needs of consumers but also merging those with technological advances of the future; not just any consumers, but the ones who wanted to use innovative technology to be part of their lifestyle to express their uniqueness and independence from corporate computing technology. The Steves recognized that there were people who wanted something special; Apple was founded around that recognition and customer focus.

> I obviously believed in listening to customers, but customers can't tell you about the great breakthrough that's going to happen next year that is going to change the whole industry. So you listen very carefully. But then you have to go and sort of stow away, you have to go hide away with people who really understand the technology but also really care about the customers and dream up this next breakthrough. (Steve Job 1985, as quoted by Lubenow and Rogers).

From the date of incorporation in 1976, until 1985, Apple was focused on merging their knowledge of technology with and understanding of their customers. In a 1980 corporate backgrounder given to journalists Apple states that Jobs and Wozniak were focusing on "developing systems and software in direct response to customer needs…. Apple personal computers were designed to grow along with the needs of users…. Apple management recognized the importance of fast response to their customers' needs" Corporate Profile 1980 – "Apple Computer"). From these quotes, it was apparent that Apple – from the Leaders to the employees saw themselves as a company that provided a unique, innovative, technology driven customer experience for non-techies.

The key products of this phase for Apple were the Apple II line (first personal computer) and the Macintosh line (first computer with graphical User Interface). On April 17, 1977, the Apple II was introduced, and it took the computer industry by storm because it was the first computer designed for the consumer market – the personal computer. "The Apple II peeled off the hardware layer. You didn't need to know about the hardware to use a computer.

The next step was the transition from the Apple II to the Macintosh, which peeled off the computer-literacy layer, if you will. In other words, you didn't have to be a hacker or a computer scientist to use one of these" (Jobs 1989, 3 as quoted by Gendron).

The Mac was Steve Jobs' vision for the next computer as a small appliance for the masses – an innovation of a more humanistic kind. "Appliances deliver great utility, are easy to learn and master, increase productivity, take up less space and are priced for personal (as opposed to shared) use" (Macintosh Product Introduction Plan 1983). Many people had visited Xerox before Steve Jobs, and had seen Xerox's graphical user interface. But when Jobs saw it he began jumping around and shouting "Why aren't you doing anything with this? This is the greatest thing! This is revolutionary!" (Linzmayer 2004, 75). Steve Jobs later told the *Rolling Stone* Magazine (June 16 1994), "You could argue about the number of years it would take, you could argue about who the winners and losers in the terms of companies in the industry might be, but I don't think rational people could argue that every computer wouldn't work this way someday" (Goodell 1994, 78). This illustrates how Jobs was customer oriented – even to the extent of anticipating future customer needs. Also this customer orientation was guided by Apple's identity of providing a unique, innovative, technology driven consumer lifestyle experience for non-techies. The result was the radical Macintosh – fondly referred to by many people as the "Mac".

Regis McKenna who worked as a consultant on the Macintosh project commented in 1991 that Apple marketers in the 1980s loved to say that Mac offers radical "ease of use". The Macintosh Introduction Plan (1983) identifies Apple as a "marketing driven" company and speaks of "Radical ease of learn and ease of use" with the key message being that, "Macintosh fits. On your desk and in your life."

According to the Mac product design team member Terry Oyama, "even though Steve didn't draw any of the lines, his ideas and inspiration made the design what it is. To be honest, we didn't know what it meant for a computer to be "friendly until Steve told us" (Cruikshank 2006, 30). This statement by Oyama provides a hint of what would happen when Jobs left Apple a few years later. It was Jobs who knew what the customer wanted; it was Jobs who knew who Apple was; it was Jobs who provided the interpretation of customer needs and Apple's corporate identity to the employees. "You have to go hide away with people who really understand the technology but also really care about the customers and dream up this next breakthrough, " (Steve Job 1985, as quoted by Lubenow and Rogers). It was Jobs who linked the customer's needs with Apple's Identity as, technology driven consumer lifestyle. As long as Jobs was there, Apple was well grounded, and the link between customer orientation and corporate identity was synchroSteve Jobs instilled in the company a relentless pursuit of perfectionism; a feeling that people could make a difference and drive the industry. The then Apple CEO John Sculley (1987, 165) in his book *Odyssey* recounts a story from the early Mac days:

> Little details obsessed Steve. Time and time again, the engineers would come back to him, saying they couldn't design a piece of plastic to conform to the odd shape of the Macintosh computer case, which Steve insisted had to be all one piece. Its construction represented a manufacturing breakthrough.
> 'Steve, we can't do it. It's too complex' one of the industrial design engineers told him.
> 'I don't buy that.' He snapped. 'If you can't do it, I'll find someone else who can'
> Eventually, it was done – but it took something like 15 separate forming tools to make one piece of injection moulding for the case."

This illustrates how passionate Jobs was about providing value to the customer. The Macintosh Introduction Plan (1983) called for one box where you could take it out, plug it and play with it right-a-way so that it fit on your desk and into your life. Jobs wanted simplicity and elegance. Despite the "expert" advice of his engineers, Jobs was not about to be satisfied with a Macintosh computer that compromised on what the customers needed. That would be contrary to who Apple was, and if the engineers did not understand how important that was to Apple's identity and to its customers, then he would find engineers who did.

However, Jobs knew he could not compete with IBM in terms of features and benefits listed on charts and specification sheets – these were the blue behemoth's strengths in which they had decades of experience and success. "The only chance we have of communicating is with a feeling…. we say, it's a cult, and then we say, hey drink this Kool-Aid…we want to create an image people will never forget. We've got to build it and we've got to build it early" (Jobs quoted by Moritz 1984, 115). Jobs recognized that a cult was all about uniqueness, being different and special. So he set out to create a cult of Apple. He did this in a number of ways. The Macintosh Introduction Plan (1983) called on Apple to capture the "hearts and minds" of the customer. The strategy was to make the Mac so unique and innovative that customers would be romanced into using it (McKenna 1991).

There were a number of strategies to do this. The first line of the Apple product development plan was: "print the T-shirts". Strange as it seems, the first line was not about product specifications or design; it was about something that would help build a visible community around the Mac – that is, an experience and identity which the Mac would facilitate. Second, Jobs' strong sense of aesthetic design helped to differentiate the Macintosh. This met the need for uniqueness of Apple's customers. Third, Apple defined the Macintosh as an "advanced personal productivity tool for knowledge workers". Guy Kawasaki (1990 p.78) (former Apple employee who worked with distributors) saw the benefits in that definition:

> Knowledge workers delineated the target market for Macintosh. Frankly, the phrase is marketing malarkey, but it worked because it made people feel like part of a small elite group. The phrase caused people to align themselves to Apple's marketing and they persuaded themselves to buy Macintoshes. After all, who would want to be an 'ignorance worker'? It is easier for the market to align itself than for you to do it.

Labelling the community as knowledge workers facilitated an identification with Apple by its customers. Along with that, the campaign for the Macintosh emphasized stories/experiences of the engineering team (or knowledge workers) that designed Apple. This made Apple a human company that built products that could be part of a consumer's lifestyle experience and a company a non-techie could identify with. For Apple and Steve Jobs it was about the human experience and relationship with a revolutionary product – superior value for their customers.

According to employees that worked at Apple in the early years, Steve Jobs was incredibly difficult to work with, but at the same time he was very motivational. "Steve had an incredible ability to rally people towards some common cause by painting an incredibly glorious cosmic objective" (Lisa Hawkins Manager of Marketing, quoted in *The Journey Is the Reward*, Young 1988, 187). Steve Jobs, "was the person who had the imagination and drive to translate dreams into profit…. He was the bridge between bottom line profit and top-of the mountain ideas… that Apple always wanted to incorporate into their product line (Young 1998 p 7). Again it is apparent that the vision for Apple comes from Jobs. He guides, directs, motivates and inspires the company according to *his* view and perception of the identity of Apple.

Job's goal for Apple was to change the way the world views computers, and as stated in an advertisement "welcoming" IBM in 1981, "change the way people work, think, learn, communicate, and spend their leisure hours." Apple's core values and spirit during this time period are exemplified by the famous '1984' commercial in which an athletic young woman (representing Apple) threw a sledge hammer at, and smashed, a movie theatre sized television screen showing an Orwellian type face indoctrinating an auditorium full of nearly identical, monochromatic people.

> You saw the 1984 commercial. Macintosh was basically this relatively small company in Cupertino, California, taking on the goliath, IBM, and saying "Wait a minute, your way is wrong. This is not the way we want computers to go. This is not the legacy we want to leave. This is not what we want our kids to be learning. This is wrong and we are going to show you the right way to do it and here it is. It's called Macintosh and it is so much better. It's going to beat you and you're going to do it (Steve Jobs as quoted by Morrow 1995, 14).

Jobs felt that Apple stood for the individual, not Big Brother. Jobs had tapped into the desires of consumers who were striving for something different. They did not what be slaves to the technology (like the skinheads in the commercial) but have technology enhance their life experience. He was able to orient Apple to these consumers, and shout to the world "This is who we are! Come join us!" And the people did just that; they bought the Macintosh, and they bought into Apple (Belk and Tumbat 2005). They formed the cult of Apple – a brand community that wanted a life experience through unique, innovative technology and with which consumers strongly identified with (Muniz and O'Guinn 2001). Apple succeeded: it grew in market share, and in 1983 it had $1 billion in sales, with $100 million in profits.

In that success of Phase 1, though, the core values of Apple were embodied in and held by Steve Jobs. He had the keys to Apple's identity and showed them with their hard work and sacrifice they would change the world and they were changing the world through a customer focus guided by Jobs' vision of Apple's identity. Jobs (1983 as quoted in "Evolution of a Computer") said, "So we are gambling on our vision and we would rather do that than make me-too products. Let some other companies do that. For us it's always been that dream." But it was *Jobs'* vision, and *Jobs'* dream was the identity of Apple. As soon became evident, without Steve Jobs, the vision and dream did not seem to provide adequate guidance to Apple's customer orientation.

Phase Two: 1986 – 1997

In 1985 Steve Jobs left Apple. Whether he was forced out, or decided it was time to leave is still a matter of some debate. However, this signals the beginning of a new Phase for Apple. Jobs was one of the original founders. It was his understanding of the potential customers that led to the formation of Apple. It was his vision and orientation to those customers that formed the identity of Apple. It was the identity of Apple that helped its customers to identify so closely with Apple, and to form a passionate, devoted and dedicated brand community. But was the complete corporate identity of Apple truly understood by anyone other than Steve Jobs? That is, did the other members of Apple – in particular the senior managers – know the full and detailed identity of Apple? An analysis of what Apple did after the departure of Jobs provides insight into this question.

During this Phase Apple had three separate CEOs: John Sculley (1983-1993), Michael Spindler (1993-1996) and Gil Amelio (1996-1997). When Steve Jobs left Apple, Jean Louis Gassee became Head of New Products Division; he and CEO Sculley were determined to drive up Apple's margins, partly on the success of the Jobs inspired Macintosh. Gassee didn't subscribe to Job's notion of appliances styled (and priced) for the masses. Instead he encouraged engineers to build more bells and whistles into the Mac. This actually demonstrates a shift from the original target customers of Apple – i.e., the general consumer versus the corporate consumer. The general consumer was interested in the experience Apple could provide – through innovative technology, whereas the corporate consumer wanted a functional tool to perform specific tasks. Bells and whistles would increase Apple's appeal to a corporate audience, but they were not designed to provide a better experience for general consumers.

> What ruined Apple was values. John Sculley ruined Apple and he ruined it by bringing a set of values to the top of Apple which were corrupt, and corrupted some of the top people who were there, and paid themselves collectively tens of millions of dollars and cared more about their own glory and wealth than they did about what built Apple in the first place – which was making great computers for people to use. They didn't care about that anymore. They cared about making a lot of money so they had this wonderful thing that a lot of brilliant people made called the Macintosh and they got very greedy and instead of following the original trajectory of the original vision – which was to make this thing an *appliance*, to get this out there to as many people as possible--they went for profits and they made outlandish profits for about four years (Steve Jobs as quoted by Morrow 1995, 12).

By the end of Sculley's term as CEO profits were on decline back to around $100 million (the level when he came in) and Apple had moved away from the all-in-one appliance design of Jobs and was trying to be the BMW of computers. Sculley viewed Apple as a computer company in a technology industry. "Technology companies are only superficially in the same category as consumer product companies….. High tech could not be designed and sold as a consumer product (Sculley 1987 275). Sculley and Gassee neglected Apple's original identity of a technology consumer lifestyle experience company and went after the corporate customer; they milked the cash cow of the Macintosh with incremental functional innovations. When industrial designer Jonathan Ive (designer of the iPod, Newton and iMac) joined the company in 1992, he clearly saw that Apple had strayed from its original consumer customer experience focused identity, "The company seemed to have lost what had once been a very clear sense of identity and purpose. Apple had started trying to compete to an agenda set by an industry that had never shared its goals" (Ive 2003).

Sculley and Gassee thought that they were being customer oriented with incremental innovations and considered Apple to be a computer company in a technology industry (Sculley 1983, Deutschman 2000). But the corporate customer that they were oriented towards, was not the Apple customer of Phase 1, nor was it the customer that had identified with Apple in Phase 1. The shift in target customer and identity brought Apple into head-to-head competition with IBM and Compaq – the powerhouses of the corporate world. But this competition was one that Apple was not in a position to succeed at.

After Sculley and Gassee left, Michael Spindler (1993-1996) became CEO and a new strategy was implemented with the company being focused on the mass market (Amelio 1998). Time-to-market was emphasized, innovation was put through the screen of affordability, and growing market share was seen as key. As a consequence Apple attempted to attack every product niche, and ended up with a bewildering assortment of minutely different models which led to consumer confusion (Linzmayer 2004). Gil Amelio, an Apple Director under Spindler, believed that the mass-market strategy of Spindler was counter to Apple's original identity "Michael's team was applying a strategy that makes sense in a commodity business, while the Macintosh still depends on a buyer understanding its distinctive qualities." (Amelio 1998, 4). The focus of innovation during Spindler's reign was again on functional/technology performance improvements with the PowerPC chip and the PowerMac. The PowerMac was introduced in March 1994 and at the time, was the fastest personal computer ever. However, before the end of 1994 Wintel machines that out-performed PowerMacs, and cost $1,000 less, arrived on the market.

Again, the consumer lifestyle experience guided customer orientation of the founders (Phase 1) was missing, and the products at that time showed this problem. Apple seemed to be drifting without an identity, and without its identity, it did not even know who its customers were nor did the customers know who Apple was.

The advertising in this period also went away from the cool, daring and cutting edge, innovative commercials like "1984" to a Peforma (low end Mac) advertisement showing a grandfatherly type using his computer to "troll for babes" online (Kelby 2002). Inconceivably most of the ads of this period focused on the power of the computer (hence the Performa name) and rarely showed products being used and experienced, which logically would have been a user-friendly computer's strong suit.

Sculley-Spindler had focused on incremental innovations for corporate customers and then the mass market and had gotten away from the Apple core identity of a company that sets the pace and provides a unique, technology driven, consumer lifestyle experience. Market share had peaked in 1992 at 12 percent, but by 1996 it was down to 5 percent and Apple had a billion-dollar write-off of all those niche market low-end computers that nobody bought (Cruikshank 2006). Under Spindler's 3 years of leadership Apple lost $200 million – but that was only the beginning of a downward spiral for the company.

It was during this time that one can see that nobody in Apple's senior management team knew what their identity was. According to Amelio who became CEO in 1996 he wanted to get a handle on how well Apple's senior managers understood the company's strategy and direction. There was no coherent answer. "People in manufacturing focused on lowering costs and achieving shorter production cycle times. In R&D many of the projects were not synchronized into a product road map nor related to any direction the company might take" (Amelio 1998, 66). As a result, they had also lost sight of who their true customers were. They thought they were being customer oriented, but that perception only came about as they did not have a clear notion of what Apple's corporate identity was. As a result they tried to be all things to all people – not just to their core customers.

When Gil Amelio (1996-1997) came in the damage to Apple had already been done. During his 500 days at Apple, Apple lost $1.6 billion, which wiped out the profits from 1991 to 1996. What he observed was a company with a product line so fragmented that it was completely unfocused. Amelio (1998, 70) concluded that Apple employees "live only in the present and are so wrapped up in the present, so totally engrossed in fighting today's battles, that they live unaware of the past and the future. All today, no yesterday, no tomorrow." Apple was in full survival mode and only had enough cash for 100 days. According to Amelio, Apple had forgotten what had made them successful in the first place, which was design and *consumer experience*. There was a "serious lack of understanding of how the company made its profit" (Ameilo 1998, 66). Engineers, "were so tuned in to performance, features, operating systems and speed" (Amelio 1998, 135) that they neglected to ensure that it should all add up to a consumer lifestyle experience (the identity of Phase 1). Amelio concluded that the primary reason for this was because:

> Apple had no clear corporate strategy, no statement of direction that could be used as a basis of deciding which businesses the company should be in and which not, which markets we should be pursuing and which ignoring. Apparently, Apple had never had an official statement of strategy – which inevitably means that every executive and most mangers, design their own versions. Everyone pursues his or her own goals rowing frantically, but each pulling in a different direction (Amelio 1998, 25).

According to Amelio, Apple's customers felt lost and did not know the business direction of Apple. In fact many of Apple customers during Phase 2 no longer identified with the company and felt abandoned (Belk and Tumbat 2005). Amelio put a committee together to develop a coherent strategy but the members of the committee were unable to maintain a clear idea of what Apple should focus on (Amelio 1998). Through a series of CEO's, Apple's identity seemed to get lost, and instead of setting the agenda and pace, they were running around in many different directions trying to catch up. Steve Job's original dream of a user-friendly appliance for the masses was gone. That is, the guidance for his original customer orientation for a specific customer need of a lifestyle experience was forgotten, and the awareness of *who* Apple was had become fragmented and confused for both the customer and Apple. The resultant performance difficulties show of a customer orientation without a strong guiding corporate identity.

Phase Three: 1997 – Today

With Apple in serious trouble – essentially on the brink of bankruptcy, Steve Jobs returned. It did not take long for Jobs to reinstate the corporate identity and the matching customer orientation that had been in place in Phase 1. Steve Jobs returned to Apple as CEO on July 7th 1997 and the first thing he did was realize,

> Lots of companies have tons of great engineers and smart people. But ultimately, there needs to be some gravitational force that pulls it all together. Otherwise, you can get great pieces of technology all floating around the universe. But it doesn't add up to much. That's what was missing at Apple for a while. There were bits and pieces of interesting things floating around, but not that gravitational pull. (Steve Jobs 2004 as quoted by Burrows)

That gravitational pull was the corporate identity, lived through Steve Jobs and embodied by him. It was all about a customer lifestyle experience augmented by technology. To reinstate Apple's original identity he needed to get the company focused again on its core values of bringing "very high technology to mere mortals in a way that surprises and delights them and that they can figure out how to use it" (Steve Jobs 2005 as quoted by Schlender, 74). In Apple's case a successful customer orientation results from it being in sync with its original identity; one that both employees and customers have come to expect and religiously identify with (Belk and Tumbat 2005). According to Jobs (1989 Inc), "really great products come from melding two points of view -- the technology point of view and the customer point of view. You need both." According to Apple designer Jonathan Ive (2003) "By re-establishing the core values he [Steve Jobs] had established at the beginning, Apple again pursued a direction which was clear and different from other companies'." Jobs wanted Apple and its customers to remember who they were. They were artists creating and living an experience.

> When I got back here, Apple had forgotten who we were. Remember that "Think Different" ad campaign we ran [featuring great innovators from Einstein to Muhammad Ali to Gandhi]. It was certainly for customers to some degree, but it was even more for Apple itself. You can tell a lot about a person by who his or her heroes are. That ad was to remind us of who our heroes are and who we are. We forgot that for a while. Companies sometimes forget who they are. Sometimes they remember again, and sometimes they don't (Steve Jobs 2004 as quoted by Burrows).

The renewed focus on the consumer experience at Apple led them and Jobs back to the original vision of an appliance all-in-one computer for the masses: the iMac. The iMac was meant for consumers that were not computer savvy and needed a way to surf the Internet. But they did not fit the mold of the coropate and technical consumers who wanted flexibility and expandability. The iMac was the computer for the rest of us. According to Steve Jobs, Apple designed the iMac to "deliver the things consumers care about most – the excitement of the Internet and the simplicity of the Mac" (iMac introduction in Cupertino, Calif., 1998). Within the first six-weeks Apple sold a total of 278,000 iMacs, making it the fastest selling Macintosh model ever and 30% of those buyers had never owned a computer before (Linzmayer 2004).

The iPod is another example of how Apple returned to its core values of producing innovative solutions to customer problems and in so doing providing a consumer experience which consumers can identify with. Mp3 players on the market prior to the iPod were seen as slow, clunky and had limited capacity (Linzmayer 2004). But the 6.5 ounce iPod changed all that with seamless and elegant design. According to Wozniak (2006, 297) a company like Apple, "Largely depends on strong passions and commitment of its customers. Steve (Jobs) was able to stand up there on a stage (with the Ipod) and talk about Apple and really restore the loyalty that people had all along…to get people excited again. The iPod family of products dominates the Mp3-player market; and importantly, the trademark "Apple combination of Zen-garden austerity and cutting-edge tech swagger … stirs the soul and opens the wallets of cool-seekers and gadget freaks" (Levy 2005, 58). Employees and the cult of customers can now once again say what Apple is about (a consumer experience) and can form that emotional attachment and identification that drives the success of the company and its customers

The CEOs of phase 2 did not understand the importance of identity and identification in enhancing the customer orientation to performance link. According to Wozniak (2006, 299) Apple is again a success because, "It turned around in a way so in line with our early values. Those values were about excellence in product design - so excellent that people would drool over the idea of a having that product. Those values were about an emotional feeling - a feeling of fun. " By getting back to its core values and identity Apple has fostered an identification by its customers. This identification goes deeper then just the products its an emotional attachment that is embodied by Jobs and drives the success of its customer orientation and financial performance. This has returned Apple to financial health, earning a combined $3.2 billion in profit over the last two years.

DISCUSSION

In analyzing the history of Apple, in particular with a view of Apple's customer orientation and corporate identity, several key findings emerge. First, it is apparent that the customer orientation and corporate identity fluctuate quite dramatically across the three Phases of Apple's history. In Phase 1, Apple produced technologically innovative, lifestyle experiences for their customers – through products like the Apple II and the Macintosh. Steve Jobs recognized that average people were not "computer geeks", and were not comfortable with seemingly complex technology. He understood that there was value in technology for consumers, but only if the technology could be oriented to their non-technical lives and enhanced their life experience.. As Jobs understood the customers, he built a company that was all about meeting the needs of those customers through bringing previously inaccessible technology to consumers in a easy to use manner. That was who Apple was – a company that facilitated an innovative, technology driven experience for the consumer. Consumers identified with this identity and bought into the Apple vision. The corporate identity of Apple was a key component for the customers and helped to provide superior value for its customers. The corporate identity through Phase 1 enhanced Apple's customer orientation and as a result, Apple became a successful company. However, it seemed that only Steve Jobs understood the key components of the corporate identity and customer orientation. It was Jobs who kept Apple on track during Phase 1.

Phase 2 was characterized by a grasping for product ideas and identity by Apple. Sculley saw Apple as a technological company in the non-consumer products computer industry.. Spindler saw Apple as a mass-market company and focused on the corporate customer with incremental innovations on functional performance. Apple's phase 2 leaders did not know that they were the company that provided a technology lifestyle experience for consumers. They had also lost sight of who their target customers were and what their needs were.. By abandoning their true core customers, these customers were unable to identify with Apple and enhance their consumer lifestyle experience. These customers no longer knew the identity of Apple and therefore could no longer receive superior value from Apple's customer orientation. Not only did Apple, end up competing for a corporate customer that did not identify with them, but they lost their core life style experience customer as well. The resultant performance difficulties show the devastating impact of a customer orientation without a strong guiding corporate identity. It seems that almost in desperation, and possibly with a recognition of his insights, Steve Jobs was asked back.

The return of Jobs signaled the beginning of Phase 3. It is apparent from the change in direction of Apple that Jobs brought something with him. While it could be argued that he was simply a good leader, there are a number of instances where his leadership style is harshly criticized. Certainly it is a point that could be debated. But with certainty, he brought back his understanding of the customers, and how Apple was supposed to meet the needs of those customers. He stripped out the products that were not providing an experience for the consumers, and then helped to drive the introduction of new products that became part of consumers' lives and lifestyles: the iMac and the iPod. Once again, Apple was a company that facilitated an experience for consumers – an innovative technology experience. Jobs was able to focus the company on the identity that he knew so well, which in turn enabled Apple customers to once again form an identification with Apple and enhance Apple's ability to provide superior customer value through its customer orientation.

Customer orientation is influenced by corporate identity, and it needs to match the identification of the customers with the firm. When there is a match, firm performance will improve, and when there is a mismatch, firm performance will suffer.

LIMITATIONS AND FUTURE RESEARCH

As with any research, there are limitations to this study. This study is an exploratory study and its findings should be empirically tested in the future to add validity. One key limitation is the use of only one company to test the proposal that corporate identity and customer orientation are linked. It is possible that Apple is a unique company, and that the findings would not be the same for any other firm. Also, the interpretation of the various quotations from various people was completed by two researchers. Others may have different interpretations, which could modify the findings. With these in mind, and recognizing that this study was designed to explore a new concept, it makes sense for an additional study (or studies) to be done which looks at multiple firms. Additionally, it be would useful at this stage to use a more rigorous tracking method to compare corporate identity and customer orientation with financial performance. This would facilitate the expansion of this work to multiple firms.

CONCLUSION

Within the marketing literature the customer orientation concept holds a position of high importance. In the organizational strategy literature, corporate identity also holds a position of importance. This paper proposed that a customer orientation needs to be guided by a corporate identity because corporate identity is a key component in a customer building an experience and a relationship with a firm through identification. Thus, by managing its identity to accomplish this, a firm can create superior value for its customers (i.e., have a customer orientation). This means that the customer orientation of the firm is directly guided and impacted by its identity and as a result a firm's performance would also be positively impacted. To examine this proposition, an historical analysis of Apple, Inc. was conducted. The three Phases of Apple's life shows that when Apple has fostered an identity that allows customers to identify themselves with Apple and also guide its customer orientation it has superior Financial performance. When the CEOs of Phase 2 failed to recognize and support Apple's identity, customers were unable to identify with Apple and Apple's financial performance suffered.

Therefore, this paper has provided initial support for the idea that customer orientation is influenced by corporate identity, and it needs to match the identification of the customers with the firm's identity. This contributes to the customer orientation literature, and by association, the market orientation literature, plus it contributes to the corporate identity literature. Although the existing literature from marketing and organizational strategy do not explicitly link corporate identity to customer orientation, the findings of this exploratory study show support for this linkage. As suggested in the paper, further studies can expand these findings, and perhaps contribute to the alignment of the market and organizational strategy disciplines.

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