

Samuel Abreu
Professor Nevil
MIS Final Project Paper Description
May 01, 2020

Apple

Ever since I was a teen I have been using Apple products. From the iPods to iPhones, I am actually writing this paper in an Apple laptop, one of the latest models. In school majority of my classmates have Apple laptops, its rare if you see a student with another type of laptop. For some reason Apple have products that everyone wants to have especially laptops. There can be many companies with better laptops but when it comes to Apple making their computers as long as customer see the Apple logo in the back, they must have that product. Apple is probably one of the most popular companies of all times. Throughout this paper I will be talking about how apple started created laptops and how it became so popular. I was also be talking the business side as well. I will be talking about the business description, how they present the company to the world, business strategy of how they can carry their company to the top and talk about their top competitors if they even have them. Of course, we also have to talk about there major products of how they involve and key technology that empowers the company's business and operations.

Apply Company, I was founded on April 1, 1976, by two guy's name Steve Jobs and Steve Woznick who were drop out from college. The two of them carry the new business a view of how people looked at computers. The both Steve's started designing Apple in the garage of Jobs and sold it without a computer, a keyboard or a casing that they wanted to add in 1977. With the launch of the first ever color graphics the Apple revolutionized the electronics industry. Apple revenues become 117 million when the company became public in 1980. Steve Woznick unfortunately left the company in 1983, then Steve Job hire John Sculley from PepsiCo to be president. However, they have some problems and Steve Job left the company in 1985. Job left and decide to do his own company called "NeXT Software", while doing that he also purchases Pixar from George Lucas, who would later become an immense success in computer animation with movies like Toy Story and Finding Nemo.

Apple was doing well without the Steve jobs due to his long-term plan that he left for them. But when Steve Job left, Sculley turn down a big offer from Microsoft who wanted to license their software. The decision will later make him regret doing that, as in the late 1980s and in the 1990s, Microsoft, whose Windows operating system featured a graphical interface identical to Apple, this will make them their toughest competition at the time. Since its peak in 1990, Apple's market share declined steadily, and by 1996 analysts claimed the company will be done. In 1997, company was depressed for help they turn to the guy who started it all Steve Jobs. Jobs became interim CEO; he has agreed to make some modifications around Apple. He formed a Microsoft alliance to build a Mc version of its famous office software. This will mark the company's turning point, Jobs have rework on the computers and launch new products such iBook (laptop), iPod, iTunes, and etc. However, Steve Jobs died in October 5, 2011, the company continue his legacy to grow and success.

A handful of companies hold market share in laptops. The three or four top forms, judging by laptop sales figures, seem well-positioned to maintain their dominance and continue sales. Market share is variable because it is not technology. Laptop manufacturers have to compete to keep up with ever-changing technical advances and technologies, confronting 5G network technology, virtual reality, and more. By rendering electronics affordable and available to widest number of consumers, the industry sets its priorities high. According to Fortune it states "The PC industry report a year on year increase in the second and third quarter of 2018, only to fall by 4.3 percent in the last quarter. Analysts trace the drop to a shortage of Intel CPUs, a theory lent credibility by a 4.7 percent year over year increase in unit sales during the second quarter of 2019." Apple always been one of the top IT vendors in the industry with their classic sleek style and superior processing power. In the 2017 Apple ranked fourth on the global laptop market, shipping about 19.7 million units. This amount placed the market share of Apple desktop and laptop computers worldwide at 7.6 percent. As for the market share of Apple's laptop, in 2017 it stood at 9.6 percent. In the second quarter of 2017 MacBook Pro had an update that led to increase Apple shipments by 1.3 percent compared to 2016. According to Fortune it states "Apple has achieved 9.6 percent year on year growth in 2019. However, Apple's Mac shipments were the lowest since 2014." Once the company started reporting unit sales on Macs at the beginning of fiscal 2019, calculating the company's real market share has become almost impossible.

The business description for Apple is Apple Inc. designs, produces, and sells worldwide smartphones, personal computers, laptops, wearables, and accessories. The company serves customers, small and medium-sized companies, and markets for education, industry, and government. It sells and provides third party applications via the App store, Mac App store and Watch App Store for its products. The company also markets its goods through its physical and internet outlets as well as direct sales force; and cellular networks providers, wholesalers, distributors, and resellers from third parties. Apple Inc is collaborating with Google on a program to monitor coronavirus transmission using Bluetooth on mobile devices. The business provides a range of services, such as Apple Arcade, a game subscription service; Apple wallet, a co-brand credit card; Apple News, a subscription news service and a magazine service; and Apple Pay, cashless payment service, which license its intellectual property and other related services.

The corporate strategy of Apple affects strategic management in terms of the choices that the managers of the organization make to achieve a future of success in the different markets in which the corporation works. Their strategy is they believe they are on the face of the planet to make quality goods and that does not change. They continuously concentrate on creativity and believe in the simple rather than the complex. They agree that the primary technologies behind the goods they manufacture need to be owned and regulated, and only participate in markets where we can make a significant contribution. They believe in saying no to thousands of projects, so they can only concentrate on the few that really matter to us and are important. They trust in their group's deep cooperation and cross-pollination, which encourages them to evolve in ways that others cannot. They do not settle in any category in business for something less than perfection, and they have the self-honesty to admit when we are wrong and the courage to adjust. They think in whose function certain ideals are so rooted in this business that Apple's going to do really great.

SWOT analysis are your strengths, weakness, opportunities, and threats. SWOT analysis make the most of what you have, to the best benefits for your company. And you will reduce the risk of failure by knowing what you are lacking and avoiding the hazards you would otherwise be unaware of. The success of Apple Inc. is due to its ability to leverage market strengths while overcoming the weaknesses and risks and make successful use of the opportunities in the industry. Brand recognition is among Apple Inc's greatest strengths. All their products especially laptops reflect their logo, style, simplicity and creativity. The idea emerges during simplistic but lively dance advertisement by Apple. Apple uses its logo to offer imagination and simplicity in a lifestyle. For this purpose, Apple's profit margins for any new product they bring into the market are often string. Another strength to this is a dedicated client base. Apple consumers are hardly going to other products. Apple's primary reason to retain a loyal base of customers is its unique customer service, and creativity.

In a company's SWOT review, the focus is always on the weaknesses, because weaknesses are obstacles to the company's growth. Incompatibility is the key problem in Apple, as most of its products are not compatible with accessories and applications from third parties. As just that, you're joining the Apple universe if you buy an Apple product and you just have to live in it. This also has a major effect on customer decision making. Apple has very a very small distribution network, because of exclusivity policy of the company. Apple chooses the approved sellers of its goods with great care. Such competitive exclusivity result in a small coverage of the market. This weakness also remains with the benefits that come with exclusivity, such as tight control over product distribution. Apple has a nationwide small distribution network.

Opportunities are external variables dependent upon the environment of the industry. It is the opportunities that influence the company's policy direction. Apple has hired top analysts as well as developers and marketing managers with deep expertise in selling consumer products. But they need to be expanded so that organization can continue to build confidently on new opportunities. Apple has shown a possible benefit from partnering with numerous established and powerful brands operating in their marketplace. Apple can team up with beats headphones, for example, to make a package deal. Utilizing Apple's name with a popular company would add a large number of Beats fans' customers to Apple worldwide. Today, technologies can be criticized or insulted, but as long as they continue to build such collaboration partnerships, the ability to work with other dominant brands around the world can help the Apple brand.

SWOT analysis also highlights some of the major threats facing the company, given the strengths and opportunities that Apple anchors on. While Apple is top brand, it faces serious threats to competition from companies such as Samsung., HTC, Dell, and Google among others. Contests are technology advances. In order for Apple to emerge the winner in this market, it must develop new state of the art innovations in its goods or consider revising its price strategy. Therefore, the rivalry is just going to get harder. Dell is one of the main producers of computers that pose a significant threat to Apple. For example, Dell lunched its new XPS Laptop Model which is giving serious competition to Apple's MacBook. Other laptop brands such as Lenovo and HP are manufacturing inexpensive computer devices for customers around the world, marginalizing the costly MacBook from Apple to the Majority of top income earners.

Porter's five force is generally based around the idea that a business plan should be flexible enough to tackle and capitalize on the opportunities and risks present in both internal and explicitly external conditions within the organizations. The model discusses the significance of the corporate strategy and its basis for understanding the nature of the market and the processes involved in changing the market. It helps the marketer to contrast a competitive environment filled with spirits. The five forces analysis are the power of buyers, threat of entry, the power of suppliers, the threat of substitutes, and competitive. In order to ensure customer loyalty, Apple spends aggressively in brand equity, but these customers constitute a limited number compared to wider market. This applies especially in emerging market economies where consumers want good value for money. They prefer to choose high quality electronic products at cheaper prices. Even companies for creating customer loyalty for their products by naming and differentiating goods.

The markets by which Apple needs to compete are highly competitive, and there is also a strong competition from new entrants. This can be strangled from the number of new enterprises coming from china into the market. The new entrants were able to gain respectable market share given their relatively limited scale, which is faced with intense industry competition. Through by brand loyalty Apple has created a gap in the market for itself. Which has sidelined itself through affordable markets, where the key requirement is quality. Apple's goods are rarely on sale. Given this, I think that due to cost advantages, new entrants face major threats to big companies.

It's very wide and diverse in reach & size in the markets where Apple operates. Although supplier power is relatively small, it is imperative to note that a short product cycle and constant innovation characterize the industry. Some proprietary suppliers have an advantage over smaller suppliers, however as a whole supplier are competitive and companies like Apple still have in house knowledge. Since we have already stated, the consumer electronics industry is constantly evolving because of technological development. Imaginative change among the manufacturing-giants is a major concept. The threat of substitute is therefore high, since it is difficult to say when a substitute can emerge and outdates the old product and innovations. Rivalry among industry members is strong. Originally, through patents & property rights, top of the line expertise in creative technologies and the visionary leadership of Apple under Steve Jobs, Apple was able to fend off competitive pressure. Despite increased competitive competition within the industry, however, legal disputes have resulted marketing to create brand awareness, and shorter commoditization time.

A subjective indicator of how well a firm can leverage assists from its primary business mode and generate revenue is a financial performance. Often, the term is used as a general indicator of the overall financial health of a company over a given period. Analysts and investors use financial result to compare related businesses in the same market, or to combine industries or sectors. According market watch its state Apple sales/ revenue in 2017 were 228.57 billion, and 265.81 billion in 2018. In 2017, the cost of goods sold was 141.7 billion, and in 2018 it rose 22.13 billion, which is 163.83 billion. Total revenue in 2017 was 88.67 billion, and 101.98 billion in 2018. The interest expense in 2017 was 2.32 billion, and 3.24 billion in 2018. The net come amounted to 48.35 billion and developed to 59.53 billion. In 2019 according Apple they report their revenue of 64 billion, a 2 percent rise from the quarter earnings per diluted share of \$3.03. Foreign revenues represented 60 per cent of revenue I the period. Luca Maestri Apple CFO stated "Our string business performance drove record Q4 EPS of \$3.03 and record Q4 operating cash flow of 19.9 billion. We also returned over \$21 billion to shareholders, including

almost \$18 billion in share repurchases and \$3.5 billion in dividends and equivalents, as we continue on our path to reaching a net cash neutral position over time”

Marketing performance are defined as the collection of measures which marketers use to calculate, compare and interpret marketing results. Performance measurement against organizational target extracted from statistical data is known as marketing performance. An organization’s marketing efficiency is estimated using statistical data. Organization invest a lot their financial resources on marketing campaigns because they recognize that if people learn about the goods and services that they are providing, a company must be persuasive. The marketing performance could be measured by the following types of marketing measures. Those measures of memory, consumer profile and physical availability. Memory measurement represent data that customer has linked to product or brand in their recollections. In addition, this measurement involves brand recognition, associations of brand identity, attitude, customer satisfaction and intention to purchase a brand in the future. Apple clearly doesn’t want to control sales but needs develop its own market. Apple has proven outstanding in creating a reputation among people that they are creative in developing and producing unique products an winning loyal clients.

I think as of now Apple is sticking to the tradition that jobs left behind and trying to expand the current model with as much existence as they can because they are afraid of making any choices that jobs would not approve of. But I think Apple will be innovating in several other primary fields beyond what we see it competing in now. I heard Apple works a lot behind the scenes unlike other companies to try to deliver a more complete product. It is not a perfect wat to do things, it is just different. Many people think Apple does not work on things it is, that because they do it more privately. Apple, I believe will be trying to get involved in a lot of things we are not really thinking about now, and a few things we are not even visualize now. When companies stop innovating and when they stand still while the market moves past them, they failed. Apple still seems to be moving a little show for what I seen, but they are still moving and evolving with times and that’s why they are going to be around for a long time. They do have a huge brand and capital value that would help them survive some intense storms. For such companies as Blackberry, Yahoo!, and Nokia have survived, or take given maybe 10 years to fall after they have stopped being important. Given that pretty sure Apple will be alright and be around for long time. Overall, Apple have been around for over a decade and they have been successful all around. There no though in my mind Apple is going to do what they have always done, launch innovative goods every couple of years. Between those times they are making small changes to keep them new in their current lineup.

Citation

“AAPL: Apple Inc. Annual Income Statement.” MarketWatch, www.marketwatch.com/investing/stock/aapl/financials.

“Apple Computer, Inc.” *Apple Computers: This Month in Business History (Business Reference Services, Library of Congress)*, www.loc.gov/rr/business/businesshistory/April/apple.html.

“Apple Reports Fourth Quarter Results.” Apple Newsroom, 26 Feb. 2020, www.apple.com/newsroom/2019/10/apple-reports-fourth-quarter-results/.

Gayathrisubr, /. “Evaluating Apple's Marketing Performance.” T2 2016 MPK732 MARKETING MANAGEMENT (CLUSTER B), 5 Oct. 2016, mpk732t22016clusterb.wordpress.com/2016/10/05/evaluating-apples-marketing-performance/.

Hope, Emma, et al. “Apple SWOT Analysis 2020: SWOT Analysis of Apple Company.” Go Big Assignment Help, 8 Jan. 2020, gobigassignmenthelp.com/blog/apple-swot-analysis/.

Mitic, I. “Laptops by the Numbers: Market Share and More.” Fortunly, 5 Nov. 2019, fortunly.com/blog/lap-top-market-share/#gref.