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Final Paper

BUS341: Management Information Systems

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Figure 1 Source Business Insider

Background

Headquartered in California, Apple is one of the most valuable companies in the world, being the first in USA to reach a market value of one trillion dollars.

Apple markets electronic devices, including Macs, iPods, iPhones and iPads, and software ranging from simple applications to complex operating systems.

Many people who consume the brand are very loyal and try to buy the entire product line.

Customers are so connected to Apple that they end up doing word of mouth marketing because of the added value and are willing to pay whatever price is for the company's products.

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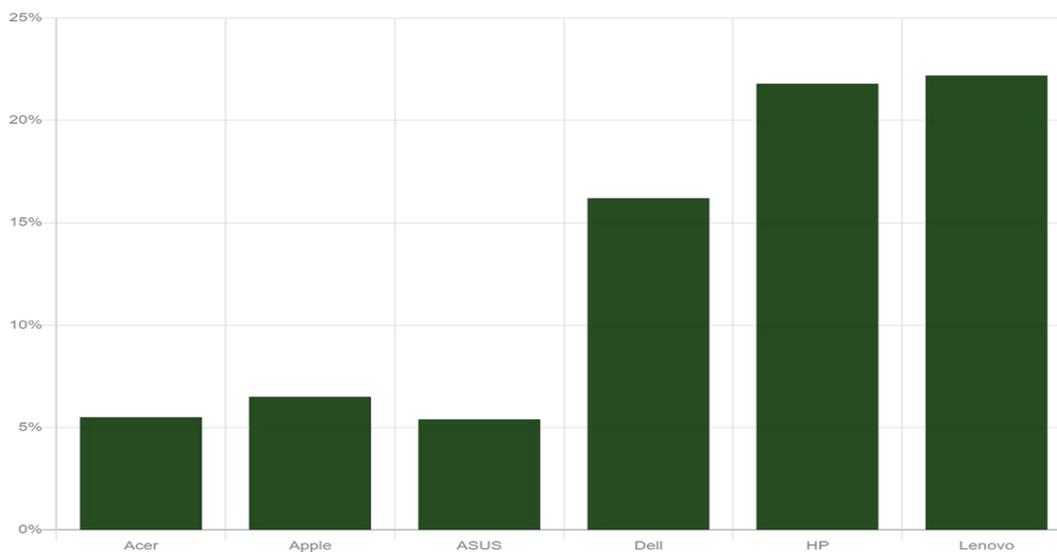
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Introduction

The computer industry is an industry with a global scale. For several decades, the market has focused on fixed computers. However, in the last decade there has been a steady drop in the weight of fixed computers replaced by equipment that favors the mobility factor. Gradually, the notebooks managed to conquer their space in the market. Notebooks can be differentiated by various price segments, there are some with more affordable prices and others, such as Apple, with higher prices. With a slim design and greater computing power, makes Apple one of the top industries of computer. In addition, the faithful Mac consumers make sure that Apple gets its portion of the sales pie each year.

According to Fortunly, in 2017 Apple secured fourth place on the global laptop market, distributing nearly 19.7 million units. “This total set Apple’s market share in desktop and laptop computers at 7.6% worldwide. As for Apple’s laptop market share, it stood at 9.6% in 2017. An updated version of the MacBook Pro in the second quarter of 2017 led to a sales spike compared



to other notebook brands. This allowed Apple to enjoy a 1.3% increase in shipments compared to 2016. The growth let Apple grab fourth place in the world laptop market, pushing ASUS to fifth. In 2018, Apple and other manufacturers faced a global decline in PC sales. The company held on to fourth place with 6.9% laptop market share” (Mitic).

History

Apple was founded in 1976 with the partners Steve Jobs and Steve Wozniak. It all started with the Apple I, which was developed by Steve Wozniak in his spare time. Although it was a very advanced project for the time, it was rejected by Atari and HP, who did not see a future for personal computers. Even so, the two decided to take the idea forward, producing it with their own resources. The Apple I was not a huge sales success, it sold just over 200 units. Still, profits sustained Apple for the first year, paving the way for more powerful versions to be released.

Apple`s first computer launched in 1980s, with the release of the first Macintosh. The System was modified with each version of the Macintosh with minor improvements. In 1994 Apple began to adopt the use of IBM PowerPC processors, which allowed for greater processing by the OS and programs, which also allowed the creation of clones of its architecture by other manufacturers. Apple`s first Portable computer Macintosh was created in 1989. Since the price for Apple`s portable computer was too high. It was not a great success in the early era of laptops. Nonetheless, the Apple`s uncompromising approach would ultimately get recognition and success. (O`Grady)

“JANUARY 24, 1984: Introducing Macintosh the revolutionary 128KB, 8-MHz Macintosh sets the agenda for Apple's next two decades.

SEPTEMBER 20, 1989: The Portable Macintosh Although it is far from perfect, the Macintosh Portable finally makes the Mac mobile.

FEBRUARY 19, 1990: Opening Shop Adobe's famous image editor debuts exclusively on the Mac.

AUGUST 15, 1998: iMac Debuts, Rewrites the Book of Mac Featuring USB ports, no floppy drive, and an innovative all-in-one design, the first iMac causes tidal waves.

JULY 21, 1999: iBook Cuts the Wires with AirPort, Apple starts the wireless-networking revolution.

FEBRUARY 19, 2001: The industry's first combo CD- and DVD-burning drive premieres in the Power Mac G4.

MARCH 24, 2001: Apple begins its shift to the Unix-based Mac OS X, with its flashy new interface.

OCTOBER 23, 2001: iPod Rocks the Music World

JANUARY 10, 2006: Apple abandons the Motorola and IBM processors of its past and announces the first Mac systems to be powered by Intel CPUs.

APRIL 5, 2006: Apple unveils Boot Camp, technology that allows Intel-based Mac machines to run Windows natively.

JANUARY 15, 2008: Lighter Than Air Weighing in at 3 pounds and measuring a mere 0.75 inch thick, the MacBook Air becomes the lightest, thinnest Mac laptop ever.” (Edwards)

Corporate strategy

Apple products are standard in quality and performance. The company invests heavily in research and production quality, always using the best raw materials. This gives consumers the confidence that they are purchasing a product that will meet their needs for both hardware and software performance.

Innovative design is a feature of Apple products that have their design innovations quickly copied by the competition. In addition to investing in product design, the company always surprises with packaging design.

Service level became not only a price differential, but often a determining factor in the sale. Apple managed to link its products with a network of differentiated services that are offered to its consumers, such as the AppStore and iCloud, for example. Apple uses a network of products and services to implement the Volume Differentiation strategy. When buying a company product, the consumer ends up buying other devices, applications, and services.

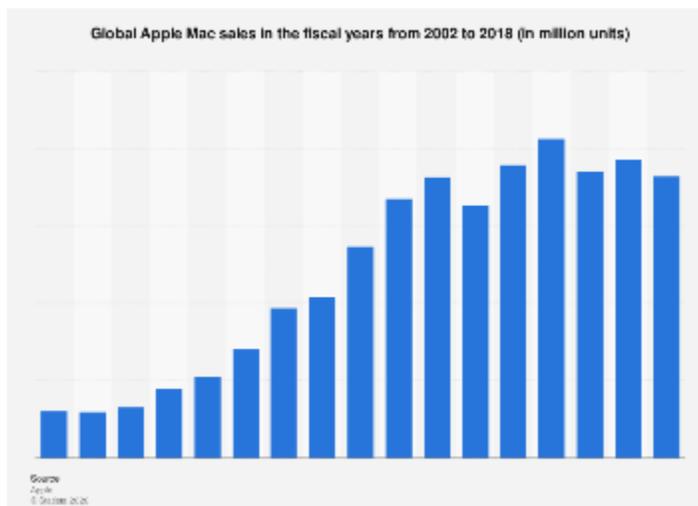
SWOT Analysis

A well-defined business strategy is one of the key factors for the success of a company. The development of a successful strategy implies a careful analysis of the competition and the market, a careful evaluation of the company's strengths and weaknesses, the identification of competitive advantages and, finally, the definition of a strategy that must be materialized in all the company's areas consistently. According to Porter, there are five forces that define the competitive landscape: threat of new entrants, bargaining power of suppliers, bargaining power of customers, threat of substitute products or services and rivalry between competitors.

<p>Strengths</p> <ul style="list-style-type: none"> • Brand recognition • High prices • Innovative products 	<p>Weakness</p> <ul style="list-style-type: none"> • Lawsuits • Financial Performance
<p>Opportunities</p> <ul style="list-style-type: none"> • Expand distribution options • Create new product lines 	<p>Threats</p> <ul style="list-style-type: none"> • Strong competition • International issues

The Apple brand is unquestionably valuable and has been named in 2018 the most valuable brand in the world by Forbes. (Forbes)

Because of the brand recognition Apple can produce new products and be almost certain about the sales success. This level of recognition gives the company the power to sell its products at higher prices. That is because many times people do not care about price as they care for brand recognition.



One of the reasons Apple has a strong brand recognition is exactly because they create very innovative products which their most important position of the industry.

In recent years, Apple has faced several lawsuits. “In March 2020, Apple agreed to pay about US\$500 million to settle litigation filed against it for slowing down older iPhones to encourage owners to purchase replacement batteries or handsets, as it introduced new models.” These processes interfere with Apple's reputation and can result in losing customers. Decrease in financial performance impedes the company to offer better returns to its investors and may reduce its power to apportion enough resources for growing initiatives

Apple could reach more people around the world if they expanded its distribution and allowed third-party businesses to sell its products. There are also many opportunities for Apple to create new products and refine the existing ones to make sure that each product offers as many exclusive features as possible.

Apple among others innovative technology company that exists continues to face tough competition from major powerful companies such as Samsung, HP, Asus... Many of Apple's competitors impedes Apple's to reach a greater number of customers. Furthermore, Apple needs to expand its international market. There is still a lot of ground to expand in countries like China and India which are great markets with large consumers. (Apple Inc SWOT Analysis)

Specification

Apple fans argue that no other notebook compares to Apple models, that the computer has a stable and easy-to-use operation, and its strong point is its distinctive design. However, for those who want to buy it, choosing between the MacBook, MacBook Air and MacBook Pro can be a little difficult.



	MACBOOK AIR	MACBOOK PRO 13-IN	MACBOOK PRO 16-IN
Price	\$1,099+	\$1,299+	\$2,399+
Processor	1.6GHz 8th-gen Intel Core i5 (dual-core)	1.4GHz 8th-gen Intel Core i5 (quad-core)	2.6GHz 9th-gen Intel Core i7 (6-core)
Graphics	Intel UHD Graphics 617	Intel Iris Plus Graphics 645	Intel UHD Graphics 630/AMD Radeon Pro 5300M
RAM	Up to 16GB	Up to 16GB	Up to 64GB
Storage	Up to 1TB	Up to 2TB	Up to 8TB
Dimensions	11.97 x 8.36 x 0.61 in	11.97 x 8.36 x 0.59 in	14.09 x 9.68 x 0.64 in
Weight	2.75 lbs	3.02 lbs	4.3 lbs
Display size	13 in	13 in	16 in
Battery life	Up to 13 hours video playback	Up to 10 hours video playback	Up to 11 hours video playback
Ports	Thunderbolt 3 (x2), headphone jack	Thunderbolt 3 (x2), headphone jack	Thunderbolt 3 (x4), headphone jack

Mac Specification. Source Business Insider

Market Strategy

Globalization has brought new models for markets and for society. The innovation process is strongly linked to the ability to deal with new technologies and transform its tools into competitive advantages. Apple is seen as synonymous of all of this, innovation, technology, and communication.

Apple products follow a minimalist line. Their marketing strategy: which is based on the idea that the consumer should not be bombarded with excessive advertisement. The announcements

made by the company are of simple language, without large texts and technical terms, to highlight how much their products can bring benefits and well-being to the customer.

The user experience: the goal is to make the consumer have a unique experience from the first contact with the product. Physical stores where people can products, and ask questions to salespeople, who provide personalized service.

Apple products are recognized for excellence in design, colors, and formats. Providing an innovative customer experience.

Management Information System

Information has become the main competitive advantage in business organizations, and its use is vitally important for the survival and maintenance of the entire company. The decision-making process uses information about the market, economy, behavior, among other determining factors for changing and adapting the product or service in the organizational market. System is a set of logically structured functions, with the purpose of meeting certain objectives.

Apple's success began by planning its portfolio. In addition to changing the team that headed the company, Steve Jobs would be involved with each business unit and project in the company to understand what they were designing. After diagnosing organizational conditions, Apple decided to drastically change its structure and product line. In addition, the perception of brand value was fundamental in the company's accomplishments. Apple realized that its greatest asset is its brand, and although there was tension on several aspects of the business, the brand remained strong. Thus, a massive investment in the value of the brand, and especially in customers, marked the new organizational strategy of the company. Apple also put an end to the clone business. If

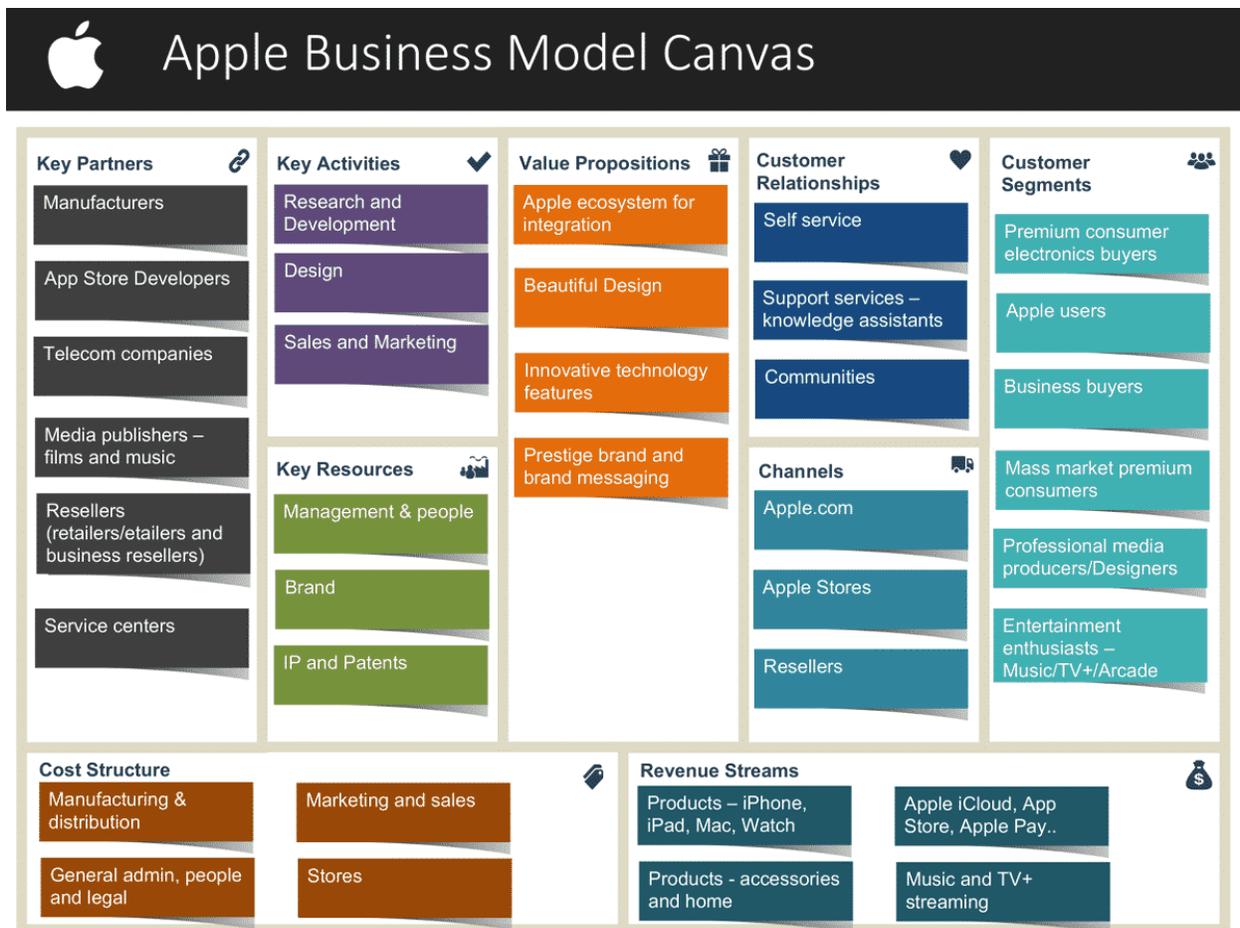
someone wanted a Mac, they should buy it from Apple, not a similar one. This measure eliminated much of the direct competition.

Apple canceled several projects, which were costly and did not bring results, and concentrated its efforts on building products aligned to its core business. The company simplified its line, that is, there were only four machines: two laptops and two desktops, for users or professionals. Apple's mission was to build easy-to-use computers for consumers and creative professionals.

Steve Jobs made major cultural changes that were critical to Apple' success. He encouraged debate and promoted the debate of new ideas internally.

The cultural traits of the company are aligned with their effort for innovation, which is an important factor for competitiveness in the business. It also helps to facilitate the fulfillment of Apple`s corporate mission and vision statement; *“to bring the best personal computing products and support to students, educators, designers, scientists, engineers, businesspersons and consumers in over 140 countries around the world.”*

Through the leadership of Tim Cook now, as it was the leadership of Steve Jobs, the company continues to improve its cultural characteristics towards increase human resource support for business relevance in different markets around the world and manages it as a tool for strategic management and success.



Apple Business Model Canvas. Source Gary Fox.

Conclusion

Apple is a company focused on selling products capable of promoting superior customer experiences. It all started with just an initiative by two friends to produce computers in a garage. This shows that great results can come with small initiatives. Apple teaches the importance of always thinking "out of the box", that is, how innovation can be an important key to success. In addition, even with the prestigious position the company occupies in the market, Apple never settles down and is always concerned with launching new products and promoting constant updates in those that already exist. The brand has managed not only to create quality and

innovative products, but also to become a symbol of desire, forming huge lines whenever it makes a new launch.

The evolution of this company it is to be admired. Despite suffering ups and downs, it has risen several times and it is what it is today, currently employing thousands of people on the planet and operating in hundreds points of sale spread across all continents.

Apple`s investment in creativity and innovation will be a continuous mark of its organizational philosophy, as it has already become an invaluable and proven successful competitive advantage.

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