

Apple inc in malaysia economics essay



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This stability is an important consideration in these times when it comes to do business. It is part of any business decisions in which a firm operate political landscape makes it an ideal stable country for new business ventures. (see page)

Malaysia boasts one of south-east Asia's most vibrant economies, the fruit of decades of industrial growth and political stability. Its multi-ethnic, multi-religious society encompasses a majority Muslim population in most of its states and an economically-powerful. (see page)

The phenomenon of information sharing is usually associated with social cultural factors beyond information technology. An understanding of information sharing across cultures is still a major challenge and is likely to be more important as global systems are developed. Byars, L.(1991) In some local cultures the survival of highly competitive organizations is dependent upon having trade secrets. A very good example of this is Malaysia. (see page)

The technology used within the Malaysia has improved dramatically this has happened especially within the information technology sector with more and more people being trained on how to use these sorts of technology (see page)

Apple Inc as a successful company in the world wide market today and the strategies they applied in order to conduct their business smoothly. On which the study details will be based on. SWOT analysis Corporation which is the strength, weakness, opportunity, and threats. and applied to the problems facing Apple Inc, include the Porters five forces (see page)

Introductions

Perhaps one of the most observations that grabbed my attention in the world was the phenomenon of the open trade or free trade. The simplest definition of free trade is; Trade between nations without protective customs tariffs. It is largely known that America is the biggest market in the world. Technology is the mother of trade. Where there are a high number of digits in a market, there we see technology and prosperity.

Life becomes more easy and safer. This creates Tech-Consumptive generation; a quick look at our recycling pin would proof that. Year after year the technology of the mobile industry has changed our life. We, for example without being completely aware of the social change that happened, became a subject of what the market want. Before, we were the force that lead the market. Now TV commercials, billboards and media bombardment are the ones own our paychecks .(Griffin, 2009)

Year after year the technology of the mobile industry has changed our life. We, for example without being completely aware of the social change that happened, became a subject of what the market want. Before, we were the force that lead the market.

As I have mentioned before, technology is the master of our life. The world had become small village. Time is the impending master not the distance any more. This constitute a huge change every where we look. My social relations and how it's shaped is totally different ten years ago.

America and Japan were the biggest labs which used to fill the global market with that abundance of inventions. It was G6 then G7 then G8 those are

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Group of the biggest economies in the world. This tells us that the global economy is boosting so does the individual's life changes within. (Scholnick, 2009)

If we take Apple Inc company and I phone as a commodity and its general effect, this would be an endless study. Why? The dimensional effect of it is incalculable. Psychological, social, and economical effects would or have shaped generations. This tiny magical device shaped lives.

Whereas, Malaysia as an ideal market for this product through Apple company. So the simplest definitions of this assignment is a multi-national company called Global Ventures PLC

In the above situation, Global Venture Plc has chosen to sell the product (I phone). Now we are looking for the right country (Malaysia) to identify and justify the most appropriate for expanding this company.

About Malaysia

Malaysia is located in Southeast Asia, surrounded by Indonesia in the south Thailand in the north, and the Philippines in the east. The country has an area of 127, 320 square mile; the region of Malaysia is a larger than the state of New Mexico, the fourth-largest state in the US. The Federation of Malaysia consists of 13 states, 11 states are situated in Peninsular Malaysia.

(Appendx2)

It is destinations of the region's key tourist, offering brilliant scenery, Dense rainforests and excellent beaches . in the eastern states of Sabah, on the island of Borneo, are a refuge for tribal traditions and wildlife Although since

1971 it is have benefited from positive discrimination in business civil service, and education. Ethnic Chinese continue to hold the wealthiest community and economic power . while Indians are among the poorest and the Malaysia remain the dominant group in politics. (BBC 2010)

Justification of chosen a country(Malaysia)

My choice of Malaysia as an ideal market is based on many reasons. Firstly, Malaysia has many competitive advantages including a productive workforce, low wage rates and a large labor supply. Buyers of products with low purchase price are sure to find a wide range of Malaysian manufacturers, who are able to give attractive offers and depend on the huge. Secondly, as in all developed countries, the expanding existence of advanced technology in Malaysia is causing the average person to become more and more dependent on it .(BBC 2010) The following paragraphs consider the, political, economic, social, and technological factors (PEST) that impact on foreign business in Malaysia and assess how these factors can best be managed.

Political suitability

. Economical suitability

Social suitability

Technological suitability

Politically suitable country

Many Asian countries are politically stable because of the government systems found in these countries. Examples of these are India, China, Malaysia, Singapore and Taiwan. These countries enjoy a high degree of internal peace.

Although Malaysian politics has been relatively stable, “ the government, ruling party, has engaged with few countervailing forces. However, in 2008 General Election, media’s coverage on country’s politics has been noticeably increased, making the politics more transparent to the citizens

Malaysia practises Parliamentary Democracy with Constitutional Monarchy and his Royal Highness is the Paramount Ruler. The Federal Constitution was legislated with the setting up of conditions for this system to exist. One of the Conditions of Parliamentary Democracy is the division of the administrative Power into three parts – legislative, judiciary and administrative or executive. Malaysia is also a country that practises a system of democracy based on the Federation system. Accordingly, all of the states have agreed to form the country of Malaysia. Each state has surrendered part of its power, such as finance, defence,

education, foreign affairs and others, as stated in the Malaysian constitution, and which is administered by the central government. There are matters that are under the power of the state and each state administers power over those matters. The Parliament also serves as the forum for criticism and focus of public opinion on national affairs. (Hassan, 2009)

Malaysian’s government has protected and control the currency and other restrictions employed to defend themselves against the negative effects of

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the new global economy, were in place for several years. These financial controls do have caused on the value of investments in Malaysia, whereas controls have been established to target currency for the foreign investments.

Suitable economic

Malaysia is a stable and fast-growing economy in South East Asia. It has a newly industrialized market economy and relatively open state-oriented. The Pacific region has done well despite the setback of the financial crisis.

Malaysia has low inflation and unemployment rates. With a per capital GDP growth rate was 7% over the last half decades. While this growth was driven by growth in the manufacturing sector, it helped to take up women and Malays into the modern labor market and helped to alleviate poverty. The raise in real GDP has been strong, rising from M\$1, 932 in 1970 to M\$15, 380 in 2003. (See the appendix1) The economic expanded to become a multi-sector and raw materials producer. It has rich natural resources and developments in agriculture,

One of three countries that control the Strait of Malacca, which is an important international shipping trade plays a large role in it is the largest producer of, palm oil rubber and tin in the world. Manufacturing has a large influence in the economy. Also is the largest Islamic banking and financial centre in the world.

Political and economic stability have been complemented by the effective lack of the main natural disasters. The geographical location of Malaysia has protected it from volcanic eruptions, typhoons, earthquakes famines and

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droughts. Floods have thus far only affected a small part of the country.

(Economy watch 2010)

Social

Economic growth needs to be knowledgeable by social and culture justice and social stability. These things are the basics for sustainable and largely based development in business environment. The social policy in Malaysia is very similar to the formulation of economic and other policies. All policy is developed in the same institutional framework and same system. The procedure of formulating social policy comprises political, legal, and parliamentary components all connected decision-making is restricted by the main principles of the equitable growth (The free library)

While the beginning of history, Malaysia has been a gathering place for a different range of external religions and cultures. As effect of these external influences, the original unified however great Malay culture has emerged modern Malaysia represents a unique fusion of Malay, Indian and Chinese, traditions, creating a pluralistic and multicultural country that has its nature strongly rooted in social harmony, faith and pride in its ancestral background. With such a wealthy cultural tradition, acquiring the important skills and cultural knowledge in order to do business in Malaysia is important (Blackman. 2000)

Malaysia has been obtained excellent combine between old traditional culture and new

technological innovations. Whereas Malaysian market continues to expand and grow, it is becoming increasingly helpful for those entering into business

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in Malaysia to be aware of the cultural dimensions that shape the fabric of this country. (Capistrano, 2004).

In general Malaysia is developing country that has devised its hold approach to the condition of socio-economic to growth. This approach has been developed from the late 1950s to the early twenty-first century, whereas a number of improvements have been made to the new social policy in Malaysia, similar to highlighting on the development of services and social as an integrated part of the national development. Also the government has provision of social services; and equitable provision of services to the countryside. (Economy Watch2010)

Furthermore, the Malaysian approach to the social policy and resulted to improve the education, health and has ensured greater employment opportunities for all people, it has made large progress with regard to the eradication of poverty. However, there is always opportunity for improvement. Social policy in Malaysia responds and adapt to new challenges including those posed by globalization. (Peter 2009)

Technology

Technology is one of the necessities of the modern world. Almost every aspect of living these days in largely, dependent upon technology. Therefore countries around the world are creating, designing and producing new technology every day. Specifically, in the European countries the concept of liberalization has helped a lot in advanced technology. However, some countries in Asia have made better advances. For example, the technological system of Malaysia has undergone dramatic changes over the years.

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From overseas invested multinationals, Malaysia's performance in hi-tech products has improved dramatically such that in 1985 Malaysia's global market share of hi tech products. (Ratulangi, 2008)

Malaysia is rising Asian economy aspiring to move towards technology-driven and high-tech production-based pattern of growth and therefore replicate the knowledge of the newly industrializing economies (NIEs) of Asia. In fact, Malaysia has been considered in the group of countries that have the potential to produce new technologies on their own . The fast technological growth of the NIEs over the past two decades has caught the concentration of both developing and developed economies coincidentally. Malaysia and the NIEs are not only located in the same region, but to large extent have similar economic regimes and trade structures. In view of that, Malaysia has a strong basis to consider formulating its own technological development strategy based on those in the NIEs with appropriate adaptations to accommodate the economy's uniqueness . This suggests that there is no single strategy that can guarantee successful technological upgrading in Malaysia (Kurup, 2006).

The company overview

Apple is one of the most established IT brands in the World, it is, manufactures, markets personal computers , mobile communication designs and, media devices, , as well as applications worldwide. Apple Inc sells its products globally through its retail and on line stores, value-added resellers. Also it sells software third-party Mac , I phone, I Pod, including accessories through retail stores and its online (Appendix 3) The company sells its products to customer, mid and small -sized business, government, and

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creative markets. The company, known as Apple Computer Inc, was founded in 1976 the headquarter in California (Yahoo finance2010)

SWOT Analysis of Apple

A SWOT analysis of Apple shows the strengths, weakness, opportunities and threats facing the company

SWOT analysis of Apple - Strengths

Strengths:-

Apple Inc is one of the most successful and highly valued US Company. It is listed as one of the main companies in the NASDAQ stock exchange with revenues of more than 60 billion dollars.

Apple Inc is the most established and healthy IT cooperation in the world. It has an outstanding reputation for delivering high-Tech products for over 35 years.

Apple Inc will be able to exploit the low labour cost in Malaysia by establishing Factories, therefore creating more jobs and provide training for the Malaysian people to become professionals in this field.

Malaysia is a middle-income state; therefore consumers will afford to buy the high-Tech products supplied by Apple Inc.

Apple Inc supplies a wide range of High-Tech products ranging from Computers, Computer software, Notebooks and Smart phones such as I phone. Sales of its notebooks products is also very strong, and represents a huge contribution to income for Apple .(Brain Mass)

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Weakness:-

Apple is bound to reveal several weaknesses. One example, of many, is

Competition from other providers such as Microsoft Inc, which provide Computer software products at a reasonable price.

Apple Inc will face competition from already established cooperation that provides High-tech products, as Apple Mac devices are sold at a very high price. Although Malaysia is hugely targeted by the Japanese investors as well as the proximity in distance; therefore Apple Inc will face challenges from companies like Sony and Toshiba(Brain Mass2010)

Opportunities:-

Apple Inc has many opportunities in Malaysia, as it will be able to target the Information technology market and help in the growth of smart phones market segment

Apple Inc will be able to fulfill the continuing growth in demand for mobile PCs

The excellent reputation for the company will allow it to compete strongly in the Malaysian market, as most of its products are highly valued and respected for its high performance.

Threats:-

One of the main threats that will face Apple will be companies not seeing Apple products as compatible with their software

Apple products in general are higher than other products from companies like HP and Dell which are major competitors in the Computer market.

Also Apple will face challenges in relation to cheap products that are manufactured in neighboring Asian countries like the Taiwanese company Acer which products are 1/3 the price of Apple Mac books

The popularity of Apple Mac and iPod are subject to demand, and will be affected if Malaysia's economic begin to falter and demand falls for their products.(Marketing Teacher2010)

Porters five forces at Apple Inc:-

This section considers how Porters five forces might be applied to the problems facing Apple Inc, including an investigation of the threat of substitutes from other companies, buyer power in relation to high-tech product purchases and supplier power,

Classical economics predicts that rivalry between companies should drive profits to zero. This is partly down to the threat of substitutes. For instance, Apple Inc has competition from companies like Microsoft and Dell that can provide substitutes for their goods. This drives the price of high-tech products down for customers of both companies.

Buyer power has a direct effect on forcing prices down. If Computers and mobile PCs are sold at a very high price in Apple, buyers will move to other companies like Dell and HP there are few other large Computer and Computer software manufacturers. This means the market is disciplined;

therefore the companies have a disciplined approach to price setting.

Discipline stops them destroying each other in a profit war.

Supplier power is an important part of this model. Apple Inc is the main supplier of I phone and IPod devices; therefore they will have the power to impose the price that they see as suitable for that product. However they may face competition from other companies, which will try to manufacture a new product with a similar technology. However Apple will be the sole provider for that product.(Mega essay 2001)

Conclusion

To sum it up, Apple Inc company became a mass media channel. Malaysia can be the best country for this in various ways, with its strong economic strength, supportive government policies, educated workforce, developed infrastructure, vibrant business environment and quality of life has always been an attractive market for foreign investors. many of which have been covered in this essay. Further studies can yield more ideas.