

# University of greenwich

Literature, Russian Literature



UNIVERSITY OF GREENWICH BUSINESS SCHOOL. MARK1117: DISSERTATION PROPOSAL ACADEMIC YEAR 2012/13 Name of Student: Orynbayeva Zhaniya Faculty: BA(Hons) Marketing Management, Year 3 Semester 5 Proposal Short Title: The investigation of effectiveness of Apple Incorporation Company towards offering their product and price quality to customers. Research Title: The investigation of effectiveness of Apple Incorporation Company towards offering their product and price quality to customers. Contents Research Background Research Problem Research Question Research Objectives Research Methodology Literature Review Appendix 1 & 2 References

Research Background Apple Inc. (NASDAQ: AAPL, formerly Apple Computer, Inc.) is an American multinational corporation that designs and markets consumer electronics, computer software, and personal computers. Known hardware products of the company include the best Macintosh line of computers, iPod, iPhone and iPad. Apple software includes a Mac OS X operating system; iTunes media browser; iLife suite of multimedia and creativity software; IWORK set of office programs, Diaphragm, a professional photography package; Final Cut Studio, Suite of professional audio and film - industry software products; Logic Studio, a set of music production tools; Safari Internet browser, and IOS, mobile operating system. Established on April 1, 1976 in Cupertino, California, and incorporated January 3, 1977, the company was previously named Apple Computer, Inc., for its first 30 years, but removed the word " Computer" on January 9, 2007, to reflect the company's ongoing expansion into the consumer electronics market in addition to its traditional focus on personal computers. Fortune magazine named Apple the most admired company in the United States in 2008, and in

the world in 2008, 2009, and 2010. The company has also received widespread criticism for its contractors' labor, environmental, and business practices. What stands out to me as I look at the next Mac operating system, Mountain Lion, and the next iPad and iPhone operating system, iOS 6, is how Apple is focused on practical innovations and features. Many of the features it announced are extremely practical and useful.. Take, for example, the advancements in the phone features. When a phone call comes in, you'll be able to ignore it and automatically send a text message to the caller or set a reminder to call the person back. All with the quick touch of a button. This is extremely useful. Or take the new feature in Safari called iCloud tabs. It allows you to bring up a website on your Mac and then move to your iPad or iPhone and pull up that same website with the touch of a button. This is an extremely useful feature and one that you'll appreciate if you Safari on a computer and an iPad or iPhone frequently. With these new features in Mountain Lion and iOS, Apple has demonstrated that it's interested in solving real-world problems for its customers. Research Problem To ensure a high-quality buying experience for its products in which service and education are emphasized, the Company continues to expand and improve its distribution capabilities by expanding the number of its own retail stores worldwide. Additionally, the Company has invested in programs to enhance reseller sales by placing high quality Apple fixtures, merchandising materials and other resources within selected third-party reseller locations. Through the Apple Premium Reseller Program, certain third-party resellers focus on the Apple platform by providing a high level of integration and support services, and product expertise. One of the Company's customers accounted for 11%

of net sales in 2009; there was no single customer that accounted for more than 10% of net sales in 2010 or 2012. The Company is confronted by aggressive competition in all areas of its business. The markets for the Company's products and services are highly competitive. The Company's competitors who sell personal computers based on other operating systems have aggressively cut prices and lowered their product margins to gain or maintain market share. The principal of competitive factors include price, product features, relative price/performance, product quality and reliability, design innovation, availability of software and peripherals, marketing and distribution capability, service and support, and corporate reputation. The Company is characterized by aggressive pricing practices, frequent product introductions, evolving design approaches and technologies, rapid adoption of technological and product advancements by competitors, and price sensitivity on the part of consumers and businesses. The Company continues to develop new products and technologies and to enhance existing products that expand the range of its product offerings and intellectual property through licensing and acquisition of third-party business and technology. Total research and development expense was \$1. 8 billion, \$1. 3 billion and \$1. 1 billion in 2011, 2010, 2009 and 2008, respectively. Research Question 1. What is company demand? With over 160 million registered users secured by credit cards at Apple's iTunes store, (McGuire & Baker, 2010), Apple has an overwhelming share of the downloadable digital music and video market. One cannot ignore the “ i” vernacular, iPhones, iPods, iPads, and their effect on consumers as “ must have” devices. The popularity of innovative Apple entertainment and media products over the last decade and their apparent

influence on American culture is another obvious strength. 2. What is marketing in Apple Inc.? Advertising Age recently awarded Apple the title of Marketer of the Decade, the first time it has ever awarded any firm this title, in deference to the way that they have influenced advertising, media, their influence on popular culture, and their marketing strategies and also in recognition of the fact that they have consistently been a marketing powerhouse over the last decade, (Bulik). 3. How is company's retail? In addition to their online iTunes store Apple has opened an additional online store called the App Store. These online store strength in that they allow Apple to maintain a continual stream of revenue rather than to having to wait solely upon new product development. In addition to their online stores, Apple recently opened 200 retail locations throughout the US and 50 retail stores in other countries, these locations currently account for 20% of their total sales, (Hoovers). Apples brick and mortar presence represent another strength in that Apple provides free hardware and software workshops to users through them, which in turn increases customer loyalty, and allows them to achieve a nearly unprecedented sales ratio of \$4, 000. 00/ square foot, (Srivastava, R. K. & Thomas, 2010). Research Objective. The objective of this work is to analysis Apple Inc. and its operations, company profile. To achieve this purpose following tasks were set: 1. determine the mission of the company; 2. strategy of the company; 3. organizational structure Literature Review Apple Inc. is a leading brand in the global marketplace of portable media players with such famous products as iPod, iPhone and iPad. Apple is an innovative computer company that employs about 49, 400 employees (Apple Inc., 2010). Product differentiation is the main strategy

pursued by Apple and this is achieved by mainly offering fundamentally innovative and groundbreaking products to the marketplace. For example, before iPod, iPhone, and iPad were introduced to the market by Apple there were no similar products in consumer electronics market that combined so many functions in them, and this fact has given first mover advantage for

Moreover, Crum and Goldberg (1998) state that Apple computers have followed to the strategy of product differentiation in its extreme, by placing its Mackintosh brand computers as the most user-friendly computer in the market, at the same time ensuring that Mackintosh can work only with specifically designed software for it. In this way it can be seen that product differentiation has been the main strategy for Apple from the day of the formation of the company, and the efficient adherence to this strategy on the basis of technological innovation has ensured leadership position for Apple in each market the company operates in.

Appendix1 Financial Overview | 2010 | 2009 | 2008 | 2007 | 2006 | Net sales | \$ 65, 225 | \$ 42, 905 | \$ 37, 491 | \$ 24, 578 | \$ 19, 315 | Net income | \$ 14, 013 | \$ 8, 235 | \$ 6, 119 | \$ 3, 495 | \$ 1, 989 | Earnings per common share: | | | | | Basic | \$ 15. 41 | \$ 9. 22 | \$ 6. 94 | \$ 4. 04 | \$ 2. 36 | Diluted | \$ 15. 15 | \$ 9. 08 | \$ 6. 78 | \$ 3. 93 | \$ 2. 27 | Cash dividends declared per common share | | | | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | Shares used in computing earnings per share: | | | | | Basic | 909, 461 | 893, 016 | 881, 592 | 864, 595 | 844, 058 | Diluted | 924, 712 | 907, 005 | 902, 139 | 889, 292 | 877, 526 | Total cash, cash equivalents and marketable securities | \$ 51, 011 | \$ 33, 992 | \$ 24, 490 | \$ 15, 386 | \$ 10, 110 | Total assets | \$ 75, 183 | \$ 47, 501 | \$ 36, 171 | \$ 24, 878 | \$ 17, 205 | Total long-term obligations (a) | \$ 5, 531 | \$ 3, 502 | \$ 1, 745 | \$ 687 | \$

395 | Total liabilities | \$ 27, 392 | \$ 15, 861 | \$ 13, 874 | \$ 10, 347 | \$ 7, 221 |  
 Total shareholders' equity | \$ 47, 791 | \$ 31, 640 | \$ 22, 297 | \$ 14, 531 | \$ 9,  
 984 | Appendix 2 Net Sales by Operating Segment: | | 2012-2011 | | | 2010 | |  
 | 2009-2008 | | Americas net sales | \$ | 24, 498 | 29% | \$ | 18, 981 | 15% | \$ |  
 16, 552 | | Europe net sales | | 18, 692 | 58% | | 11, 810 | 28% | | 9, 233 | |  
 Asia-Pacific net sales | | 8, 256 | 160% | | 3, 179 | 18% | | 2, 686 | | Retail net  
 sales | | 9, 798 | 47% | | 6, 656 | -9% | | 7, 292 | | | | | | | | | | Total net sales  
 | \$ | 65, 225 | 52% | \$ | 42, 905 | 14% | \$ | 37, 491 | | | | | | | | | | Mac Unit  
 Sales by Operating Segment: | | | | | | | | Americas Mac unit sales | | 4, 976  
 | 21% | | 4, 120 | 4% | | 3, 980 | | Europe Mac unit sales | | 3, 859 | 36% | | 2,  
 840 | 13% | | 2, 519 | | Asia-Pacific Mac unit sales | | 1, 500 | 62% | | 926 |  
 17% | | 793 | | Retail Mac unit sales | | 2, 846 | 35% | | 2, 115 | 4% | | 2, 034 |  
 | | | | | | | | Total Mac unit sales | | 13, 662 | 31% | | 10, 396 | 7% | | 9, 715  
 | | | | | | | | Net Sales by Product: | | | | | | | | Desktops (a) | \$ | 6, 201 |  
 43% | \$ | 4, 324 | -23% | \$ | 5, 622 | | Portables (b) | | 11, 278 | 18% | | 9, 535  
 | 9% | | 8, 732 | | | | | | | | Total Mac net sales | | 17, 479 | 26% | | 13,  
 859 | -3% | | 14, 354 | | | | | | | | iPod | | 8, 274 | 2% | | 8, 091 | -12% | | 9,  
 153 | | Other music related products and services (c) | | 4, 948 | 23% | | 4,  
 036 | 21% | | 3, 340 | | iPhone and related products and services (d) | | 25,  
 179 | 93% | | 13, 033 | 93% | | 6, 742 | | iPad and related products and  
 services (e) | | 4, 958 | NM | | 0 | NM | | 0 | | Peripherals and other hardware  
 (f) | | 1, 814 | 23% | | 1, 475 | -13% | | 1, 694 | | Software, service and other  
 sales (g) | | 2, 573 | 7% | | 2, 411 | 9% | | 2, 208 | | | | | | | | Total net  
 sales | \$ | 65, 225 | 52% | \$ | 42, 905 | 14% | \$ | 37, 491 | | | | | | | | Unit  
 Sales by Product: | | | | | | | | Desktops (a) | | 4, 627 | 45% | | 3, 182 | -14% |

and Xserve product lines. (b) Includes MacBook, MacBook Air and MacBook Pro product lines. (c) Includes iTunes Store sales, iPod services, and Apple-branded and third-party iPod accessories. (d) Includes revenue recognized from iPhone sales, carrier agreements, services, and Apple-branded and third-party iPhone accessories. (e) Includes revenue recognized from iPad sales, services and Apple-branded and third-party iPad accessories. (f) Includes sales of displays, wireless connectivity and networking solutions, and other hardware accessories. (g) Includes sales of Apple-branded operating system and application software, third-party software, Mac and Internet services. (h) Derived by dividing total product-related net sales by total product-related unit sales. NM = Not Meaningful References Bulik, B. S. (2012, October 18). Marketer of the year 2010, Marketer of the Decade: Apple. Advertising Age. Retrieved from [http://adage.com/article?article\\_id=146492](http://adage.com/article?article_id=146492) David, Fred R. (2011). Strategic management: concepts and cases (13th ed). Upper Saddle River, NJ: Pearson Prentice-Hall. Driver, M. & Valdes, R. (2012, October 16). Apple loosens restrictions for iOS developers. Gartner Industry Research Group. Retrieved from <http://my.gartner>.



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