

Analytical report on apple essay

[Business](#), [Company](#)



Apple is one of the most innovative companies worldwide. It deals with mobile phone technology, laptops, and desktop computers. All its products have the most advanced level of technology and it is always known for its innovative nature. The company is faced with immense competition in this field because of the companies coming up to produce cheaper goods from cheap technology that are tailor-made to suite the customers' needs. This paper therefore seeks to come up with an analysis on Apple Company based on Porter's five principles and see how best it would be able to survive in the market.

Apple Company is already facing immense competition from the existing competitors; Samsung and Nokia alike, which gives it a run for its money in the mobile telephony market. There are instances when the profits are low due to the high number of competitors available in the market. This makes it hard even for apple to control a particular market share as it will be at the mercy of the concept of customer loyalty to try to regulate the level of competition. Competition even gets more intense due to slow growth of the industry because the market is saturated with various products from other competitors. The lack of products differentiated by Apple makes it easier for its products to be substituted. The threat of substitutes also comes into play since the buyers can be able to decide to go for products from their competitors who have better prices and the customers deem as attractive. This leaves Apple Company in a dilemma on whether or not to comply (Hasan, 2013)

Moreover, the company is faced with the bargaining power of suppliers who may decide to sell the raw materials to buyers at a high price thereby

leading to subsequent increase in the prices of the products it will be selling in order to regain the production costs. This will even be hard for the company since it has completion to beat. The cost of producing from a different raw material may also be expensive thus; the decision to stick with the same supplier would be the only choice that remains(Woellner, 2013).

The threat of a new entrant also affects the company directly because of the increase of competitors in the market. A new entrant may come into the market and end up attracting most of the customers with its products because their value and price may be better. The new entrants may be able to enter the market easily because of low capital needed to venture into the market. This poses high competition to the Apple Company in the end because each will need a market share (Hasan, 2013).

The Apple Company has to come up with strategies that will still make it relevant in the market despite the level of competition and the pressure put on the company by the customers and suppliers. One such strategy that should be employed is how to come up with various innovation activities that will enable them produce products at cheap price and still offer the average market price. This will weather-off competition in the market to keep the competitors at bay and increase its sales (Scott, 2013). The management should also ensure there are flexible logistics and available capital that will enable them invest in the technology that will help the company produce goods at low cost. This strategy blends well with the cost leadership strategy which looks into the costs of production that a company incurs when manufacturing its products and thus affects the pricing of the product at the end of production to enable a company generate its revenue (Scott, 2013).

The company's decision to come up with differentiation strategies as a way of keeping the competitors at bay will serve them well since the company can undertake this by tailor making its products to be unique and affordable and making it more pocket- friendly to the target market (Scott, 2013).

Sticking to a particular niche in the market the company can still weather off competition by concentrating on a particular target of his loyal customers and individuals willing to spend just to get to use their products. Focus strategy best fits in this because it arises when a company decides to focus on a particular market segment. They can count on brand loyalty.

The aspect of brand loyalty will make the market less attractive to the competitors and thus keep them out of the market segment held by Apple Company. The use of IT in the Apple Company is viable reason being that it is its key resource for its operations. The aspect of IT in a computer applications company is important. Through this, the company can come up with unique applications that can make it remain relevant in the market and be able to sell because of the applications available in the phones and computers (Woellner, 2013).

IT also enables the company to be able to track their sales through an ERP system which determines how effectively and efficiently the resources are used and how they can be able to come up with products that have utilized few resources. IT also enables the company to keep track of its sales online and do sales projections as well (Woellner, 2013). IT is thus a viable resource and should be used by the company for its operations.

Works Cited

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