

# Business analysis of the multinational company apple

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



\* History: \* Apple is a company which produces computers and technological products like computers, mobiles . On April 1, 1976, the Apple computer was established . Steven Wozniak, a high school drop-out who worked for Hewlett-Packard, dabbled in computer-design and created what would become the Apple I. His high school buddy Steven Jobs, also a drop-out, worked for Atari and convinced him that the two should form a company to market the new computer, which eventually took off in 1977 with the Apple II. \* \* By 1980, the Apple III was released and their company employed several thousand workers.

It began in Egypt in 1990 and produced their products in 1991. It began to produce the first computer Mac in Egypt but there is a disadvantage that faces the company in Egypt which is the high cost! \* \* The computers in this time were sold by 60, 000 to 70, 000 so few people bought it. The owner of the Egyptian company is called Mohamed Medhat . The company also in Egypt began to produce this computer. In 1991 the company produces approximately by 1500 prices only. The company in Egypt doesn't correct their wrong and still the high prices of computers raises up. \* In 1991 the price of iMac is 35, 000 L. E. It is too much. In 1992 Apple Company makes a high loss, because of the high prices. So they began to think in another way to reduce the cost of the company. They reduced the cost to half but they also made a lot of losses. Steve is still thinking how to save the company and began to make profits. \* \* \* Mohamed Medhat followed him in his steps to save the company in the Middle East because in this time the only branch for Apple Company in the Middle East in Egypt only in this time, but now in Egypt and UAE.

They began to produce new products by low cost so they can save their company and began to make high profits. Now in 2012 apple makes a great successful product than Microsoft and become the leader of the technological market Apple Company produces a lot of unique products like: Macbook \_Macbook ProMacbook Air| Next-generation quad-core and dual-core Intel processors. The 13-inch MacBook Pro now features a 2.4GHz Intel Core i5 processor or the fastest dual-core processor available — the 2.8GHz Intel Core i7. With Turbo Boost speeds up to 3.6GHz, these processors allow the 13-inch MacBook Pro to perform up to twice as fast as the previous generation. 1But we couldn't leave fast enough alone. The new 15- and 17-inch models bring quad-core power to almost everything you do. The available 2.5GHz quad-core Intel Core i7 processor — with Turbo Boost speeds up to 3.6GHz and up to 8MB of shared L3 cache — enables these MacBook Pro models to run applications up to twice as fast as their top-of-the-line predecessors. 2| iPad (3G - Wifi)| In work Mail, Calendar, Notes, and Safari in a beautiful, thin and light design, so you stay productive anywhere.

With easy, secure integration into business environments and a robust platform for app development, iPad is ready to start working when you are. InEducationiPad inspires creativity and hands-on learning with features you won't find in any other educational tool — on a device that students really want to use. Powerful built-in apps and apps from the App Store let students engage with content in interactive ways, find information in an instant, and access an entire library wherever they go. And now, with the introduction of Multi-Touch textbooks, iPad takes learning to a whole new level. iPod (Classic - Touch-Nano)| It used for listeningmusicand people can also watch some

movies. | Services: If we talk about the apple's services . the company give to there customer a good services through selling the product and after purchasing the product . apple's services contain (warranty on it products for along time (between 1 to10 years ) , hardware services for instance , mousse , keyboards , monitor , track pad , printers, hard disk and Etc. . the services contain software services also , for instance operating system (OSX ) . that's some services after purchasing . n other hand the service before purchasing . the sales person give the full information about the products to customers , make an offers to attract more and more customer , for instance in 2011 , there are many offers which the company made , for example , to buy I phone and get I pod Nano with full accessories . and another one to buy any laptop and get ( software and full applications for free during the offer period) in usually you should to buy them software with 250 L. E and applications with 650 L. E . so it is very attractive and good offer . Apple company provide a good packaging to save it's products .

Vision Of Apple : Apple ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings. Mission Of Apple: Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings.

Apple campaign for I phone 5: This is the last marketing campaign for the newest product will be in the market next summer . This advertising tell the customer for a new generation of I phone ( I Phone 5 ) with a new feature and quality . the advertising tell the customer . the new I phone is totally different from the I phone 4 , 4S and has a changes in every things . This Advertising show that apple was more interesting and focus on its segment and target it seriously . using the full capacity to stratify the targeting market SWOT analysis for Apple company:

Strengths : apple OSX ( operating system ) is more strengths than PC , the OS of apple no virus can hit it and can work on it for along time , Apple OSX support the graphic programmer so the designers use the Apple OS , because it more professional and fast . OSX is a heavy duty operating system , can use for along time without corruption or errors , and other Strength point is Apple gets to set the specs in detail, and deliver to the customer through a controlled retail experience (Apple Store, Apple On-line Store) that helps them explain the value to the customer and extract a premium for that value.

Weakness : Apple prices . the cost of apple products is very high so it can't compete in the Market . Dell and HP compete it by the same products but with less prices . so it represent a big weakness point face the company in Egypt . other point , the there is a big problem in I pod Nano screen . the production team discover this problem after produce the product , so this problem lead to spend a lot of dollars to solve this problem , In addition this

problem led the company to increase the price of music download from iTunes. This led Apple to spend 10 million dollars to fix this problem.

**Opportunity :** Apple has the opportunity to develop its iTunes and music player technology into a mobile phone format. The Rokr mobile phone device was developed by Motorola. It has a colour screen, stereo speakers and an advanced camera system. A version of Apple's iTunes music store has been developed for the phone so users can manage the tracks they store on it. Downloads are available via a USB cable, and software on the handset pauses music if a phone call comes in. New technologies and strategic alliances offer opportunities for Apple.

**Threats :** The biggest threat to IT companies such as Apple is the very high level of competition in the technology markets. Being successful attracts competition, and Apple works very hard on research and development and marketing in order to retain its competitive position. The popularity of iPod and Apple Mac are subject to demand, and will be affected if economies begin to falter and demand falls for their products.

**PESTEL analysis:**

**Economic :** Apple company affected by the economic situation, the economic crises effect on the company production and company sales. Apple products have a high cost so it has a big relation with the economic. For example, the company after the revolution, recorded a big loss in its sales and profit. After the revolution people avoid to buy the luxury products like iPod and iPad. Apple recorded in 2011 losses in Egypt more than 50 Million. And in the economic crises in USA, Apple recorded losses by 700 Million dollars.

**Technology :** Apple company strongly affected by technology

factor , the company should to has the final technology tools that the world use it in this time . pple company every time develop their products with new feature and technology , for example I phone developed to 3GS to 4G and finally 4GS and 5G soon . other products like I pad develop it to work with the third generation of communications (3G) . apple now is the best company all over the world use the touch technique in its products and devises .

Political : Could be new laws or regulations , for Example in last time the GPS ( Navigation system ) in Egypt is not allow to use so apple stopped this program in Egypt tell 2008 and after this the government allow to use the navigation system In Egypt . o apple supported their devises by the GPS system .

Social : Means social trends. If you are a phone company, Apple's entry into the cellphone market created a demand for touch screen phones, (about time! ) for example. Thus Nokia and co. had to respond. (I like Nokia, but they should have been ahead of the game in this one, so I'm glad Apple kicked them).

Environmental factors: environmental factors include the weather and climate change. Changes in temperature can impact on many industries including farming, tourism and insurance.

Apple may not effect with climate strongly but it may be effected by tourism , this will effect all process of the company ( production process and sell process )

Customer Analysis: Demographic ( Age - Gender - Family size - Life cycle or Income )

Apple company make different products to different ages , for instant they made I pod Nano for the children and youth and after that they made I pad for businessmen and the youth can also use it form 15 to 60 years old , they made also I Mac form grand ages .

Apple is completely successful to target different ages with different product . Apple not forget to make a different between gender or sex, for example they made MacBook Air for female and made MacBook Bro for male, and also in colors they produce some laptop's covers with pink color to target girls or female . Apple produce different products to different age and life - cycle groups . Apple company not forget to target income . they are produce a different products with different prices to be fit to any individual depend on his income , for xample there is I pod classic with 2000 pound and there is one with 3500 pound for I pod touch so any one can buy any thing from Apple depending on his income. Psychographic ( social class and life stile orpersonality) If we divide the market to class A - B - C , Apple target one or two from this segments . Apple will target the class A , because they provide a high quality and good products with high cost so the class A is the more segment will use apple's products after that class B a few of them will use apple's products .

Behavior ( User Status - User Rate -Loyalty- Benefit - Occasion ) User statue : apple market divide into ex-user , who use apple's products from along time , and first -time user who is the first time to use apple products , and potential user and we have a regular apple user how is use apple a lot of times . User rate : apple market divide into light , medium and heavy product user of apple . Loyalty : divide on completely loyalty that is mean some one buy all brands form one company . or example, buy I phone I pod , I pad that is mean he buy all things he want form apple , he/she very loyalty to the company Some-what loyalty , buy two or three products from apple and them go to buy any thing form different brand , for example , some one buy I



phone and I pod then he shift to buy Nokia and HTC. and we have finally no loyalty , who didn't buy any thing form apple . Target Market : There are a lot types of market targeting (undifferentiated - differentiated - concentrated - micro ) market , apple use differentiated market ( segmentation ) .

It is produce different products to one or more segment (class A and a few of class B) . Differentiation and positioning Competitive advantage : apple have a lot of competitors in it's fields for example , Mobil phone there are a lot of competitor (Nokia - Samsung - HTC , Blackberry ) , in computers the biggest competitor is ( Microsoft ) in entertainment field there is ( Mp3, 4) . so apple should to have an competitive advantage to be able to compete the other and should to have a unique feature in it's product to be different . it should to have a good sales offer and this give it is to make a high profit and attract a lot of consumers .

Apple now a days try to produce a products with a low prices to attract more and more and gain a more profit , so it can compete all competitor . Position strategy : Apple should to know the consumer the place of there products and where they sell it's product . they are make perceptions of consumer about place . next step they try to give him a good impressions about products and serves and features , the third step is feeling , to give the consumer the feeling to buy the product of apple and give him the special feeling this product is the best one between the other product in market  
Market Share of the company :

Apple in Cell phones ( I phone ) A the chart show to us the I Phone is not the market leader in cell phones only 13% of the market , Nokia 20% and

Samsung 31%, so Blackberry is the market leader. Questionnaire: Gender : Male..... Female..... Age: \*18-20..... \*21-30..... \*40 and above..... 1) Did you hear about Apple I phone 5 ? Yes No 2) Can you remember the ad ,? Yes No 3) Where did you see or hear about the ad? a. Internet b. friend c. Magazine d. billboard e. Conference -other, please specify..... ) How you think about Apple I phone 4 ads and campaign? 5) Did you purchase the I phone 5 after watching the AD? Yes No Evaluation of product in cutomers, s eyes: First of all, these questionnaire was distributed on 38 students in MSA university , 20 of them was females and 18 was males aging from 18 to 22 years old In first question, when we ask people about do they hear about the I phone 5 ad ? about 75% of target audience answers by yes, that they hear about I phone 5 ad

Most of students answer by yes said that they already have I phone products so the company itself send them direct mail to them to know about product , others said that they know about I phone from their friend whom they attend an event for company. In second question, when we ask about do the ad was memorable or not? About 20% of audience cannot remember it but majority do remember it The 80% students who are member the Ad , they said they remember it as it was very simple , also it looks with dark background that reflects the highly selective style. In third question, when we ask where did you see the ad ?

Most of people see it on the internet whether face book or twitter, others access the apple website itself, other people answers by they know about the AD from their friends as Apple has positive word of mouth and company

itself depend highly on the positive WOM, very rare people answers by they know about it from conference. In question four, asking about the opinion of customers in the campaign of apple I phone 5, people said that it is creative, unique, also some people really like the usage of white and black colors, people said that this is normal as we always expect the best from Apple.

In the last question, people answer by yes that they purchase the I phone 5 after the ad about 65% bought it as they see it high technology and satisfy all their needs

Expertinterviewwith company: We made an interview with Mr. Samir Galal the general sales manager in Apple company-Egypt asking him about the tools of IMC they used, the budget, also about Apple opinion in using celebrities, as well as ask them also about who are their competitors.

1) How do you distribute the budget on IMC tools?

Mr. Samir galal tell us that they use the internet and public relation the most tools they use as they have a website from the best websites in the world as they do a lot of updates to their website and put all their new products on it. According to the budget assigned to the internet they pay about 5 millions on these tool every 6 months , however for the public relation tool, they pay about 600 thousands Egyptian pound every 6 months, they use interviews , conferences as a tools of PR .

As well as , they use direct marketing by using mails , if there is any problem facing customer , they use skype for direct interaction. 2) Which tools from IMC are the most effective tools working with Apple? He tell us that direct marketing and public relation tools are most effective as they are most targeted tools as Apple targeting only A class , however if they make a TV

Ads it will be useless and high costs without return as mass market will view it however they are not targeted so direct marketing and public relation are the most selective tools that goes forward for the targeted customers. ) Do you use celebrities at promoting for your product? Mr. samir answers that they don't use any celebrities as they don't need as Apple Word of mouth is already positive so why they will think of using celebrities and they already have a positive brand image and the brand is already highly positioned in the customer's mind, but Apple do care a lot for their customers as they take their contact information so to make a conference inviting customers to show them the new products , new technology. 4)who are apple main competitors in all product segments?

In computer segment , he said that Microsoft operating system is the main competitor as it has high quality but with low prices, however in mobiles , Nokia consider high competitor as they copy everything from Apple and with moderate prices lower than Apple so a lots of people can afford it for example when Apple launch the touch option Nokia launch the same touch option with lower prices than Apple, also Nokia is targeting the mass market so they make intensive distribution but Apple has only few stores as they have a problem in distribution . 5) What is the SWOT analysis of the Apple company ?

Strengths : apple OSX ( operating system ) is more strengths than PC , the OS of apple no virus can hit it and can work on it for along time , Apple OSX support the graphic programmer so the designers use the Apple OS , because it more professional and fast . OSX is a heavy duty operating

system , can use for along time without corruption or errors , and other Strength point is Apple gets to set the specs in detail, and deliver to the customer through a controlled retail experience (Apple Store, Apple On-line Store) that helps them explain the value to the customer and extract a premium for that value.

Weakness : The company has not cover the market and not has a perfect distribution . the company can't cover the hole market , in this case , the bad distribution lead to a lot of loses tothe company and can't help it to chive its profit and not give it the ability to make good sales to its product. other point , the there is a big problem in I pod Nano screen . the production team discover this problem after produce the product so this problem lead to spend a lot of dollars to solve this problem , In addition this problem led the company to increase the price of music download form I Tunes . this led apple to spend by 10 million dollar to fixed this problem . Opportunity : Apple has the opportunity to develop its iTunes and music player technology into a mobile phone format. The Rokr mobile phone device was developed by Motorola. It has a colour screen, stereo speakers and a advance camera system.

A version of Apple's iTunes music store has been developed for the phone so users can manage the tracks they store on it. Downloads are available via a USB cable, and software on the handset pauses music if a phone call comes in. New technologies and strategic alliances offer opportunities for Apple.

Threats : The biggest threat to IT companies such as Apple is the very high level of competition in the technology markets. Being successful attracts

competition, and Apple works very hard on research and development and marketing in order to retain its competitive position.

The popularity of iPod and Apple Mac are subject to demand, and will be affected if economies begin to falter and demand falls for their products IMC Tools that Apple uses Advertising:- In fact Apple Company uses advertising a lot but not too often mainly it uses product placement, most movies of mission impossible can be said that it was sponsored by apple all actors were using laptops, I pad and I phone apple. They succeeded by doing this a lot because mission impossible is one of the most seen movies worldwide, 50% of the pie chart.

Public relations:- Most of the time consumers would like to know what you are selling in your company if it's easy to use or so complicated if it's going to help them or not, apple communicated directly with its customers with only two simple words that changed their minds upside down and be interested more in trying new products.... " Think Different" apple earned customers trust and acceptance only by these words because it did change their way of thinking when purchasing a product, 30% of the pie chart is public relations. Internet:-

The website of apple that apple provide flow mutual benefits and information with the company and its customers, the company benefits from understanding its target market more can be able to know their needs and wants and what they usually ask and look for on their websites, how can they help them in order to spread word of mouth as well, according to customers they can know everything about the product they are searching

for details and prices and feel the difference between apple, Dell and Samsung, 50% of the pie chart is internet.

Direct Marketing:- Customer service of apple is always available to their customers over the internet, they communicate directly with each other through internet if there are any complaints or anything that needs an explanation they will answer them immediately, in direct marketing apple uses only the internet to interact directly with its customers, 50% of the pie chart is direct marketing. Personal selling:-

Apple products is not in a need of persuading or convincing their customers to buy them as they are most qualified with its applications and software, the huge campaign of apple made people talking about apple most of the time when it comes to technology best features as apple also can tailor specific shapes and orders depend on individual needs, also the flexibility in apple stores between buyers and sellers allow for more profits and target marketing, best prospects which is known as “creme de la creme” are niche markets apple make huge efforts with them to have them more for long periods of time as they are very loyal and extremely profitable, 150% of pie chart is personal selling. Sales promotion:

In fact due to the perfect image of apple they feel that if they added any sales promotion to their IMC programs they will lose their picture in consumer minds, as its considered to be more luxury one of the most expensive equipments, they can see that although they are expensive there are a huge demand on their products and they see that there is no need to make sales promotion because they are not targeting the whole segments,

they know exactly their target audience and can satisfy them more than any other companies also exceeding their specific details that vary from one person to another so that they feel delighted and special and will not think of shifting to another brand of technology equipments. Recommendations for IMC tools that apple can use it for better reach and sales: Advertising:-

Apple doesn't need to advertise much as it is already grabbing large segments of customers and when doing product placement every now and then it's very important to do it but the problem here is increasing the percentage of demand by more advertising not just through product placement, it would be better if they increased the billboards around to remind people about their products and keep themselves in consumers mind for example if they added more billboards on way of malls were there are many electronic stores if someone was thinking to purchase specific type of laptop and find apple billboards they will shift to it and it will grab their attention more. Public relations:-

Apple doesn't concentrate much on public relations as it fails a lot to make any event or to sponsor more events for example north coast events or charity events they don't share in anything of it which can allow the press to make negative image in consumer minds about apple that would affect the publicity as well so it's better to think more about taking care of their image because the image of the company can drag you down or pull you up also it will add public value. Internet:- According to the internet apple focuses in it a lot and put aside the idea that internet is not a mass medium and fails to reach all segments and niche markets orders only the tailored products but



other half of the segment have the ability to buy apple products so apple shouldn't focus much on internet as not all its customers have an access to the internet. Direct marketing:-

Only direct selling is available with apple its better if they add catalogs and send it to their customers and their customers would give them the telephone number of their friends and family to contact them telemarketing also send them the same catalogs to see more categories of apple products, that would make apple more spread, dominant and unique in the market.

Personal Selling:- Apple is not in need to increase its personal selling because it is perfect on it but it's extremely expensive and it's so difficult to tailor products and deliver it to customers with the same consistency each time, its more applicable make things more reliable and equal so that if they keep doing this and once something happened by not delivering the needed tailored product they will fail and in 1 minute the customer perception of apple will change totally also I depends on every customer privileges. Sales promotion:

Apple is one of the multinational companies that if they made any sales promotion they would gain new customers but loses the old ones as it is not preferred to do it because it will hesitate their image in the market because its known that apple is for special segment and sales promotion wouldn't add anything new simply it will be switching segments they will gain part and lose the other part and according to profit it will decrease badly and the company will keep losing and will suffer a lot in order to get its image and old customers back. General Recommendations:- Its more applicable that

apple make all tools work together in harmony so that to be differentiated more from any other companies and keep the uniqueness of its products but still keeping themselves away of sales promotion, as it's known the benefits of IMC tools when they all work with each other it will save time, money and stress, also will boost them up to profit, finally it will have competitive advantages like no other company.