

Apple inc research paper

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



Business and Corporate Level Strategies

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Apple Inc is, arguably a pacemaker in the industry of technology. The organization has gone the extra mile in redefining technology. With such things as unique operating systems, hardware and software on both PC, and Smartphone manufacture, Apple Inc is truly a giant in the industry. Many business analysts still find it difficult to acknowledge that there are competitors putting Apple Inc on their toes. The fact is, there are competitors, but they have yet to match up to the standards of the innovation giant. Apple Inc has been a case study of many topics of management, marketing and market leadership and penetration (Hoffman, 2000). The organization employs different unique strategies in an attempt to beat the industry's perceived peers. The strategies employed by Apple Inc have been a topic of research since the 1980s. Steve Jobs has become a household name since the organization was named as the biggest threat to Microsoft. Today, the organization competes with such giants as Sony, Samsung, Google and Amazon. This paper endeavors to look into the strategies employed by Apple Inc – both at business and corporate levels – as they compare to such competitors as Samsung.

Business level strategies used by Apple Inc

Business level strategies are those decisions meant to make a company gain a bigger share of the market through enhanced competitive advantage (Furrer, 2011). Worth noting is the actuality that business level strategies define the difference between an organization and its competitors.

Apparently, business level strategies are those that are designed to make an organization make it up the industrial ladder. The business level strategies employed by Apple include the following.

Cost leadership

The organization endeavors to produce and distribute products at the lowest costs. The implication is that the organization should get maximum benefits while incurring the lowest production and distribution costs. Apparently, this is one way of gaining competitive advantage (Hoffman, 2000). There are many ways that an organization such as Apple Inc can gain cost leadership. One of the ways is through minimizing such costs as the production overheads as well as the cost of materials. Apple Inc, through supplier partnerships, has managed to acquire materials at reasonable prices. The use of talent and change management has as well enabled the organization to minimize such costs as labor overheads. This way, Apple produces products same or even better than those of its competitors at a lower cost.

Differentiation

Differentiation is the tendency to make a dissimilarity between the products of a company and those of its competitors through proper marketing and new, unique designs. The organization has differentiated its products through the use of novel technology such as the iOS technology. These have created a big difference between Apple products and those of competitors. As much as all corporations endeavor to differentiate their products, Apple does it in an outstanding manner and capitalizes on the concept (Hill & Jones, 2013).

Focusing on a particular market niche

Apple Inc has put emphasis on digital music target groups. Digital music entails the use of such technologies as the iPod. The quality of the iPod manufactured by Apple Inc is above reproach. This has helped the organization secure a sure market within which the rate of customer loyalty is exceptionally high. Having secured a niche in the digital music market it becomes difficult for competitors to consider entry. Penetration becomes hard for new entrants.

Business model redefinition

Apple has all along endeavored to change its business structures. The model adopted by Apple right from production to management is quite unique. The style of management used by Steve Jobs' team is such that talent management gives prominence. Talent management incorporates flexibility such that informal groups become a key feature of management (Hoffman, 2000). This enables the organization to employ convenient methods of administration and performance of tasks since introducing change does not meet resistance.

Need for growth

The need for continuous growth has driven Apple Inc to work extra hard in developing strategies that are in line with continuous improvement of its products as well as the style of management. Worth noting is the actuality that Apple Inc is among the fastest growing technology firms among the top players in the industry of technology. Such use of new methods like Kaizen and the balanced scorecard have taken Apple a notch higher in the industry.

The most important strategy for long term development is the strategy concerned with the focus on a particular niche. This is a strategy that none of the competitors have identified. The essence then is that Apple has a sure market for its products. This enables the corporation to plan adequately for production. The fact that they have already dominated the niche gives them a competitive advantage in such a way that the competitors will remain scrambling for the rest of the market (Furrer, 2011). This strategy will give Apple a chance to create customer loyalty in the long term. As a matter of common knowledge, breaking customer loyalty by another firm is considerably difficult considering that customer loyalty is a psychological factor. This strategy, combined with all the above discussed strategies will make Apple, not only a market leader, but also a price maker. A price maker is that organization that determines the price level for a certain product. I judge this as a wise choice because it is a product of business creativity. Business creativity has taken businesses an extra mile in many industries. This should not be an exception with the technology industry.

Corporate level strategies

Apparently, corporate level strategies are concerned with decisions outside the industry that are aimed at giving the organization some form of stability and long term success. These are the strategies behind umbrella corporations. Umbrella corporations are those organizations that operate in many industries at the same time. The essence behind corporate strategy is business diversification. Apple has diversified its portfolio in such a way that it deals with more than a single product. In the 1980s and the 1990s, people associated Apple Inc with computer technology only. As such, Microsoft and

such hardware producers as Dell were the household names in the industry of technology. Apple realized that without diversification, their long term success was being compromised. It was during this time that the strategic managers designed a long term corporate strategy. The strategy enabled the organization to venture into such things as Smartphone and computer software (Hill & Jones, 2013). Currently, the organization is so diversified that it manufactures such pieces of technology as Macintosh, CE, PC, Smartphone and operating systems.

Apple's competitive environment

Arguably, Apple has no close competitor. Business analysts have come up with research findings indicating that the competitors of Apple can only be analyzed according to products since the organization is highly diversified unlike its competitors. Worth noting is the point that as much as Samsung is a worthy competitor, it is not as diversified as is Apple. Apple is currently manufacturing high class tablets and televisions as well as mobile phones and iPods. It is however worth acknowledging that, considering the rate at which it is growing and embracing modern technology, Samsung is the most significant competitor of Apple. Even so, going by such things as content development, Apple's competitors are such big organizations as Google and Amazon (Furrer, 2011). Amazon and Google are coming up with online operating systems that will enable people access content effortlessly. Such things as Google chrome are online operating systems that make Google a worthy competitor a swell.

Comparing Samsung and Apple Inc

The business level strategies employed by Samsung are such things as intensive advertising, need for stability, wide global market as well as price making. Apparently, Samsung is a price maker in the telecommunication technology especially the manufacture of mobile phones. Similarly, the giant is a price maker in the market of television sets. The major reason why the organization is a price maker and endeavors to remain a price maker into the foreseeable future is that it was the first organization to come up with such things as LED and LCD technology in the television manufacturing industry (Harrison & St, 2010). Similarly, the organization endeavors to be a price maker when it comes to mobile phones because it enjoys a market in third world nations, places that Apple's expensive technology has not yet gained adequate acceptance. This price making strategy can be compared with the cost leadership strategy employed by Apple Inc.

In the need for stability, Samsung has always endeavored to lay down long term strategies, which will reduce the chances of failure. This has seen Samsung manufacture cheaper phones that are accepted in the African market. Such phones assure the organization of stable income evening times of market instabilities. This means that the organization is left with the cheaper technology as a last resort after in the event that an organization cannot cope with or is destabilized temporarily by such things as the entry of a new organization (Hoffman, 2000). The cheap technology has as well enabled the organization get a bigger share of the market. Worth noting at this point is the actuality that the business level strategies of both Samsung and Apple are aimed at long term survival and better performance of the

firm.

At the corporate level, it is worth mentioning that Apple and Samsung have engaged in diversification to the same extent. In their diversification efforts, Samsung and Apple have invested in the same fields. For instance, today, Samsung's diversification efforts have enabled the organization prosper in computer technology, mobile phone manufacturers, television and audio technology as well as other electronics. Today, and for a long time now, Samsung has always, as part of its diversification efforts, manufactured such things as carpet cleaners, radios, iron boxes as well as cookers and fridges (Hill & Jones, 2013). From the foregoing comparisons, Apple Company is likely to be more successful in the long run. This is primarily because Apple has invested so much in continuous development. This, coupled with the use of unique technology and novel inventions is likely to make Apple products more appealing to the new generations. My choice would not differ in a fast cycle environment because change management, which is a survival tactic in a fast cycle environment, is an integral part of Apple's management system. However, in a slow cycle environment, things are likely to be different since Samsung has a wide portfolio as it has invested in a more diversified market.

References

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