

# [Pest analysis apple](https://assignbuster.com/pest-analysis-apple/)

The PEST analysis helps determine the current situation of Apple Inc. , identifying potential influences of the political, economic, social and technological sectors; and have a glimpse into the future of Apple inc. Political Influences: It is reported that in 2007 52% of sales of Apple were from outside America. Bad international relations, wars and terrorism might influence Apple in a huge manner; moreover these are all factors Apple has no ability to control.

Apple Inc. produces many of its parts and products outside the U. S. like Ireland, Czech Republic, Korea, China, and Cork. Political Conflicts between the U. S. and any of these states may have awful outcomes for Apple Inc. Economic Influences: The global economic depression might have immense impact on Apple Inc. The inflation rate is high, while consumer’s incomes didn’t have significant changes, moreover the unemployment rate has increased, leading consumers to spend less, especially on ‘ luxury products’, as Apple products might be viewed. Even though the U. S. dollar has lost value, Apple Inc. is not as endangered economically.

The corporation has purchased itself foreign currency, to minimize the economic effects of inflation on Apple Inc. It needs to be said that the U. S. dollar’s depreciation has in fact increased Apple’s revenue in the international market. Social Influences: Globalization includes the interaction of people worldwide, for which technology plays the main role. Today’s World cannot be imagined without technological devices as Computers, mobile phones etc. Apple is the globally seen as the King of technology, not because of most usage, but quality and design.

Another big social influence is the music industry, which over the last decade has become virtual and set its market to the cyberspace. Apple having developed the biggest virtual media store, iTunes, is well ahead any other competition of this direction. Web piracy might be a threat, but most governments punish those behaviors. All in all, Apple’s image also portrays the modern individual’s lifestyle, combining functionality with design, leading to brand identification and loyalty. Therefore social influences have positive effects on Apple Inc.

Technological Influences: The technology market for computers and mobile phones has become huge, adding more competition in the market. Also technology innovations and changes are almost as fast as light, therefore the products lifecycle is very short. Investing largely in Research and Product Development, Apple is on top of the market, regarding innovative products. This includes making the work for the competition to follow, but it’s still better because innovation is a big part of the brand and has shown to pay out.