

# [Apple case study: challenges entering the growth market](https://assignbuster.com/apple-case-study-challenges-entering-the-growth-market/)

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AppleInc.

Is currently the world’s most valuable company at over $500 billion as a result of a “ user-centric fast follower” business and marketing strategy . Apple has not pioneered completely new-to-the-world products but excels as an innovator of key technologies in growth markets . Apple’s success stems from its Leapfrog Strategy of improving/enhancing its own products based on the mistakes of market pioneers Walker & Mullions, 2011).

With the 2007 release, the phone’s sleeker design and Innovative software improved some overall functionality of the product compared to existing smart phones in the market. The phone did not incorporate 36 technology and the camera offered only 2-megalopolis when other companies offered up to 5- megalopolis.

Nevertheless, improvements over existing technologies resulted in Apple obtaining a share of the mobile phone market over established competitors like Monika andMotorola. Although Apple has been successful as a user-centric fast follower, it’s had to overcome some mistakes, including the company’s U.

S. Pricing strategy and societal and legal issues in European markets. U.

S. phone Release: In the U. S. , analysts predicted the high price point ($499 to $599) could be a deterrent to early adoption of the new technology multimedia phone for a large consumer base. Apple’s goal was to sell 500, 000 to 1 million units in the first two days and 10 million phones by the end of 2008 which would equate to 1% of the market . Ere initial launch in June 2007 resulted in 1, 389, 000 sales in the first quarter in the U.

S. ND at initial prices; it is debatable that Apple could reach the 1% of market goal. Ten weeks after its release, Apple cut the phone price by $200, discontinued the G model and a 166 model became available . Regardless of the rationale, the move had both negative and positive effects. Stock fell to $158 per share and early adopters were angered.

Apple initiated $100 credits to some customers, redeemable only at Apple stores. Post price cuts, sales of phone increased from 9, 000 units per day to approximately 27, 000 units per day (Female, 2008).

A Changeable marketing survey in February, 2008 indicated 72% of customers were satisfied after purchasing phones; 17% planned to purchase phones within 6 months . European phone Release: Apple partnered with T-Mobile in Germany, Orange in France, and 02 in the UK Ninth revenue sharing as it had done in the U. S.

With AT&T. Consumers in these markets were used to subsidized phones but the phone was not subsidized; in less than a year both 02 (37% reduction) and T-mobile (75% reduction) slashed phone prices (Schooner, 2008).

Consumers were also accustomed to using their phone with any carrier of their choice. Apple faced legal issues in Europe regarding laws preventing companies Joining with partners and forcing customers to buy one product to get the other. Results were a major Jolt to Apple’s global strategy of tying Jp Witt network operators and snaring profits in the European market.

Again, lack to 36 capabilities, high price and carrier exclusivity contributed to mixed results in the European markets. Apple’s attempt to enter the market seems initially ill-conceived and poorly researched.