

# Apples overall strategy

Business



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Over the years, Apple Inc has come up with more products besides computers. These include the iPad and most recently, the Company just launched the latest version of the iPhone 5. The Company's strategy revolves around Apple's ability to design and develop its own operating system, software, and hardware that are user friendly (Marino, Hattaway, and Jackson 150).

What are the economic segments and characteristics of the PC industry? According to porter's five forces, the competitive rivalry within an industry proves to be the most restrictive economic force in the PC industry. On the other hand, the threat of new entrants may be the weakest force due to a large amount of capital required for investment in the industry. The other three forces include the bargaining power of suppliers, the bargaining power of consumers, and the threat of substitute products.

What is the competition like in the PC industry? The PC industry is an attractive industry due to the huge sums of marks realized however, a company has to invest a lot of capital and has to be innovative to survive. For Apple's case, the PC industry is an attractive industry for the firm due to its continuous innovation and massive revenue. As of the year 2008, Apple Inc was the third-placed in terms of market share in regard to the PC market. Apple Inc was behind Dell Inc and HP, which controlled 32% and 25% of the PC market share with 8.5% of the market share. The second-quarter results for 2008 were a 2.1% improvement in market share and one position improvement from the previous year (Marino, Hattaway, and Jackson152). Due to Apple's continuous innovation and focus on the end-user, the Company has gained an edge over some of its rival competitors in the PC industry. Acer Computer is one of the Companies Apple topped over in 2008.

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What is your assessment of Apple's financial performance over the past five years? Over the past five years, Apple's financial performance has been impressive. According to the financial statements for the years 2005 till 2007, the Company has reported net profits of \$1.3 billion in 2005, \$1.9 billion in 2006, and \$3.4 billion in the year 2007. Consequently, the earnings per share for the Company increased from \$1.55 to \$3.93 in the years 2005 and 2007 respectively. In order for Apple to attract more consumers, they should lower their retail prices so that they can compete with their competitors.