

Apple target case study sample

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



1. Explain Apple's business and IT strategy. What, in specific, aspect in the strategy you believe boosted Apple? Illustrate

Apple's business and IT strategy have been influenced largely by the distinct design of its products. The former CEO introduced a new way of designing their products to meet the lifestyle and different cultures of individuals. For instance, the design of its iMac in 1998, involved colorful translucent cases that had a discrete eggshell design (Yoffie, 2010). Compared to its previous personal computer products, the iMac also supported plug and play features such as printers, which assisted in boosting Apple's profits (Yoffie, 2010).

Apple Inc has also improved its marketing strategy of its products. Apple has also opened several retail stores around the world where customers can directly be able to obtain Apple's Inc products. Additionally, Apple has several online stores where customers can easily purchase and download applications to be used in the Apple products.

2. What do you believe are Apple's Transaction Processing System?

Apple's transaction processing system involved the use of Smartphone credit card readers. Additionally, mobile transactions systems allowed consumers to easily access and download music for their iPods.

3. How has Apple managed to gain competitive advantage? Do you think Apple should fear substitute products? Explain.

Apple's competitive advantage has resulted due to certain factors. Apple's products themselves and the ability to provide a different kind of consumer satisfaction from other companies in the technological and computer industry have greatly influenced its competitive advantage. In the online music market, the iPod sales have significantly helped Apple to boost its

annual sales profits by also increasing the sales of other Apple products. By 2009, the number of worldwide retail stores owned by Apple had reached more than 280 stores.

Apple Inc has managed to develop products with a different and unique brand. Most of the products that have been developed and launched by Apple have had an appealing and distinct design that symbolizes elegance and beauty in its products. This has greatly enabled Apple in attracting a high number of customers despite most of its products being slightly expensive than other products from other computer and technological companies.

Apple Inc has committed a large portion its annual profit into research and design unlike most of its competitors (Yoffie, 2010). This has enabled them to have the capacity to develop new products that have better and faster features. For instance, Apple decided to integrate Intel processors such as the Mac, which has resulted to its faster and improved performance.

According to Yoffie (2010), the presence of Intel inside the Mac computers made it easier for the Mac computers to use a Windows operating system.

4. What are Apple's product flaws?

Apples' major product flaws have been due to incompatibility with most software that is used by Window users. This contributed largely in the reduction of annual profit sales. The iPhone had a flaw in that Apple decided to restrict its use to a single network. This resulted to most potential consumers opting to remain on other reliable networks such as Verizon Wireless (Yoffie, 2010). Additionally, majority of consumers, such the heavy email users complained about the lack of a physical QWERTY keyboard. The

iPhone also restricted users the ability to add memory. Furthermore, the iPhone's battery life was weak and irreplaceable. The iPad still had the complaints regarding the lack of a physical QWERTY keyboard (Yoffie, 2010). In addition, the iPad lacked the capacity to multi-task by running different applications in the background.

Another product flaw was in Apple's TV. The Apple TV was a huge flop for the company with its low adoption among consumers. Apple's Mac Mini, a \$599 desktop product, did not have a keyboard or a mouse. Further, the Mac Mini has limited memory and limited expansion options (Yoffie, 2010). This faced stiff competition since; consumers could get a better performing and faster Windows desktop at a lower price.

5. Explain Apple's Porter's 5-force Competitive model.

Porter's five-force competitive model includes existing rivalry in the industry, bargaining power of buyers, threat of alternate or substitute products and services, bargaining power of suppliers and threat of innovative entrants (Henry, 2008). Apple's existing rivalry includes Windows operating system, other computer hardware manufacturers such as Dell and HP. The iPod faces competition from other producers of MP3 players such as Samsung and Sony (Yoffie, 2010). The bargaining power of buyers may be affected due to recent economic downturns that reduce spending on computer products.

Additionally, consumers may share music on peer-to-peer network, without paying for music. Threats from substitute products include the presence of satellite radio stations that stream music free of charge and other ways of obtaining music through CDs and DVDs. The bargaining power of suppliers includes suppliers of computer memory and microprocessors such as Intel

and IBM, sources of music such as Universal and Warner who may want better terms for their services. The threat of new entrants includes on-demand online services that are similar to iTunes and Google's android marketplace.

References

Henry, A. (2008). Understanding strategic management. Oxford: Oxford University Press.

Yoffie, D. (2010). Apple Inc in 2010. Retrieved from