

Apple-merging technology, business, and environment

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



Apple-Merging Technology, Business, and Environment 1. What might have happened to Apple if its top executives had not supported investment in iPods? Had Apple's top executives not supported investing in the iPod, Apple Computer, Inc. may have not come back from "near oblivion," as the textbook described. With MP3 players dominating the music world, Apple had a slim chance of becoming the leader of these devices. Focusing on a unique type of MP3 with features unlike others, investing in the iPod was the best decision Apple investors made because today the iPod is synonymous with MP3 just as Kleenex is to tissues. 2. Formulate a strategy for how Apple can use efficiency IT metrics to improve its business. Apple can use efficiency IT metrics to improve its business in several ways. First of all, by studying the throughput of its IT system, Apple can assure that the amount of information that travels through the system is appropriate. Along this same category, the speed of the information flowing through the IT system can be reviewed to assure that it is moving as fast as possible. The systems should be available to users as much as possible without causing system failures. Info should be randomly tested for accuracy. 3. Formulate a strategy for how Apple can use effectiveness IT metrics to improve its business. Apple can use effectiveness IT metrics to improve its business in several ways. Using the iTunes system as an example, Apple can improve the usability of the site so that users find it easy to find music to purchase. In addition, providing the latest and most popular music for downloading at a reasonable price will allow Apple to satisfy customers. 4. Why would it be unethical for Apple to sell its iTunes customer information to other businesses? It would be unethical for Apple to sell its iTunes customer information to other business because customers

trust Apple to have the utmost security to keep their information private. Customers purchase iTunes with the expectation that their purchases, payment methods, and other personal information remain at Apple and are not for sale. 5. Evaluate the effects on Apple's business if it failed to secure its customer information and all of it was accidentally posted to an anonymous website. If Apple failed to secure its customer information and all of it was accidentally posted to an anonymous website, Apple is sure to be facing legal repercussions. In addition, Apple will lose most, if not all, of its business. With the fear of identity theft being as high as it is right now, as soon as a company is known to have a breach in its security, consumers are extremely unlikely to be comfortable providing their credit card and other personal information. 6. Did Apple gain a competitive advantage from its decision to invest in an online music business? I do feel that Apple has a competitive advantage in the online music business because customers place a greater value on the iPod than any other MP3 player. Because of the iTunes store and its ability to deliver music to the iPod owner so efficiently and easily, the iPod is differentiated from any other MP3. This allows Apple to have the competitive advantage in the MP3 market. 7. How can Apple use environmental scanning to gain business intelligence? Apple can use environmental scanning to gain business intelligence by noting the trends in the environment and customers. By scanning what is going on in the world and what competitors are doing, Apple can figure out what types of music is popular and what other forms of media might be developing to add to the iPhone. 8. Using Porter's Five Focus Model, analyze Apple's buyer power and supplier power. According to Porter's Five Focus Model, buyer power is high

when buyers have many choices of whom to buy from and low when their choices are few. Apple's buyer power is low because Apple has made it more attractive for customers to buy from it. Since iPod is such a popular item and so unique compared to other MP3 players, buyers have only one choice if they want the special features of the iPod. According to Porter's Five Focus Model, supplier power is high when buyer power is low. To explain, when buyers have few choices of whom to buy from and low when their choices are many. Since we previously indicated that buying power is low for Apple's iPod, it is clear that supplier power is high for Apple.

9. Which of the three generic strategies is Apple following? Apple is following a broad differentiation strategy of the three generic strategies. To explain, Apple's iPod reaches a large market segment, being popular in almost all demographics. In addition, the iPod is differentiated from other MP3 players due to iTunes and the other apps and features that iPods offer but other MP3 players don't.

10. Which of Porter's Five Forces did Apple address through its introduction of the iPhone? Apple addressed all of the Five Forces when introducing the iPhone. However, I would say that the threat of substitute products was addressed most significantly. To explain, when Apple was initially thinking about investing in the iPod, the MP3 market was already booming. There were many competitors out there and Apple had to find a way to make their product so different that they eliminated the other competitors.