

# Key strategic challenges facing apple computer case study

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The major strategic challenge facing the Apple computer Inc. is its strategic competitiveness with respect to the company brand image. As the company expanded its product line to include media, software, and hardware, its brand image declined tremendously. It diversified broadly and as result loses its strategic brand image in the industry. The broad differentiation strategy employed which sought to differentiate the company's product offering from rivals' in ways that appealed to a broad spectrum of buyers. Besides, it tries access broad and varied consumers as opposed to its already established market. The company thus finds it extremely impossible to keep a positive brand among all its consumers. It is also evident that there is stiff competition in the technology industry. There are new entrants in the industry that increases the level of competition. Apple Computer Inc. thus finds it extremely difficult to reap better returns from its focused or market niche strategy based on differentiation. Even though it wants to concentrate on a narrow buyer segment, super competing rivals is still a threat and thus remains a challenge.

### **Some of the Dimensions along which Company Success can be measured**

A company's success factors lies in its growth, number of product offered, sales revenue generated as well as the level of profitability (Hamel, 2002). Therefore the dimensions along which the success of Apple Computer Inc. can be measure begins with the amount of its gross sales realized. Higher gross sales signify that the company is making either abnormal profits or is the only major player in the industry hence profitability. Also, a growth in terms of size, an increase in number of branches, and the number of

employees indicates that the company is successful in its operations. This is generally the case as an increase in either of these signifies better performance. Besides, a company with higher level of revenue realized at the end of every financial year is successful. Successful companies also brag of different product lines. In other words, they constantly undertake focus and differentiation strategies by employing creativity and innovation to differentiate the company's product offering from rivals' in ways that appeals to a broad spectrum of buyers (Breakthrough Inc., 2008).

### **Critical external and internal environmental factors having strategic implications for Apple's future**

The Apple Computer Inc. is faced with varied external and internal environmental factors that have strategic implications for its future success. To remain a major player in the Industry, Apple has an opportunity of offering for sale the iPhone worldwide. Besides, its vision or long term objective is to achieve a larger market share of cell phone. To realize this objective, it is must enter into partnerships or merge with the leading cell phone manufacturers in Great Britain and Germany. This strategy presents the company with cost reduction strategies. For instance, revamping the value chain can definitely lead to a drastic decline in production costs. Besides, marketing is a major factor that has greater implication in the company's future. It is evident that marketing endeavors has earned the company awards, product sales an established customer base. It should thus carry out extensive marketing to help re-establishes the company' brand name in this competitive industry. Also, it should major on the opening of

worldwide retail stores for it to fully benefit from the convenience strategy which it undertakes.

## **How Apple's strategy stand up against industry rivalry**

The company's strategy of a broad differentiation strategy helps it offer differentiated products that are clearly different from those of rivals'. This has been achieved by constantly being in the lead in terms of product quality. Buyers thus find value for their money in the product.

## **Recommendation**

## **Reference**

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