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APPLE - Scope of, and limitations to, operations. Apple has displaced Oracle as the company with the most security vulnerabilities in its software, according to security company Secunia. Over the first half of 2010, Apple had more reported flaws than any other vendor. Microsoft retains its third-place spot. Secunia has tracked security vulnerabilities and issues advisories since 2002, producing periodic reports on the state of software.   
Though this does not necessarily mean that Apples software is the most insecure in practice—the report takes no consideration of the severity of the flaws—it points at a growing trend in the world of security flaws: the role of third-party software. Many of Apples flaws are not in its operating system, Mac OS X, but rather in software like Safari, QuickTime, and iTunes.   
Music and iPod sales are important factors in Apple’s revenue matrix. The company sold 28 million iPods, 248 percent revenue and 409 percent unit increase year over year. Highlights of the company’s iPod line this year included the introduction of the iPod shuffle and iPod nano — the nano was introduced near the end of Apple’s fiscal 2005. Helping along iPod sales are sales at Apple’s iTunes Music Store, an international operation that operates in more than 20 countries worldwide, totaling $621 million in revenue.   
Apple opened up 38 new brick and mortar retail stores in 2005, expanding operations internationally into Canada, Japan and the U. K. Retail sales grew almost double, to $2. 4 billion during 2005. Apple reports annualized revenue per store of $22. 4 million. The retail segment of Apple’s operations reported operating income of $151 million during 2005, compared to $39 during 2004.   
esearch & Development (R&D) spending increased substantially for 2005 — up 9 percent from 2004 to $534 million. But with Apple having a banner year for Macintosh and iPod sales, the R&D spending as a percentage of total net sales dropped year over year from 6 percent to 4 percent.   
Apple highlighted lawsuits it’s currently fighting and a few that it’s settled, as well. The company noted its disagreement with Beatles management company Apple Corps. Ltd., which is scheduled to go to court on March 27, 2006, as well as class action suits for Apple’s wireless networking products, allegations of defective memory in PowerBook G4s, sales tax, patent violations, iPod battery life and more.   
Pending or issued settlements include undisclosed arrangements over a “ music jukebox” patent, a false advertising claim against DVD Studio Pro, and a settlement with mail-order company Tiger Direct Inc. over Apple’s use of the word “ Tiger” in its promotional literature for Mac OS X v10. 4.   
A year after Apple dropped " Computer" from its corporate name, the trendsetter in flashy entertainment gear is at risk of becoming, well, a computer company. Sales of the hugely successful iPod media players have slowed, and its unclear if gambles on new glam products will pay off. Fast-growing sales of Mac PCs werent enough to overcome worries sown by the iPod numbers, which was also buffeted by fears a recession would further crimp sales. Sales growth of iPod units fell to single digits for the first time in the quarter that ended in December 2007.   
But the good news for iPhone might contribute to the bad for iPods, whose sales might be cannibalized by the music-playing cellphone. That might be particularly true in the United States, where iPhones have been on sale longer and where iPod sales were flat in the quarter. Sales of iPods continued to grow overseas, the company said.   
The success of the Touch and other high-end iPods might depend partly on Apples efforts to add movie rentals to its iTunes store. Apple runs the store with little profit in an effort to sell iPods and Macs. But questions from analysts made clear the growing concern about the saturation of MP3 players. Apples high market share and broad retail distribution also make the iPod a focus of concerns about a recession.   
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