Apple Inc.

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Business-level and corporate-level strategies of Apple Inc.

Corporate-level strategy of Apple Inc.

The key aspects of corporate strategy can be listed as follows: strategic management, creation of shareholder value, realization of potentials of the company and individuals and strategy of diversification. Apple’s corporate strategy includes diversification of business, making computer business the dominant one and constraint diversification.

Apple Inc. is a global company specialized in technology. It is the world industrial leader. Speaking about strategic management of Apple Inc., it is necessary to say that the leader and employees of this company devote much attention to it. The strategic plan, leadership, strategic goals and tactics are connected with innovations and implementation of new technologies. Investors, customers, employees, communities and competitors are main stakeholders. It is evident that the complex activity of stakeholders, collaboration and communication between them belong to the corporate strategy of Apple Inc. (Jeannet, J. –P. & Hennessey, 2001).

Ashcroft (2012) suggests the following main components of corporate strategy: marketing strategy, production strategy, financial strategy, and R&D strategy. Marketing strategy of Apple Inc. is based on orientation on the global market development. The corporation follows a global strategy for creating products interesting for customers from all over the world. They promote their products worldwide as a standardized product. Apple Inc. controls its pricing and monitors demand of its products at the international market.

It has been suggested that corporate strategy is a good strategy for getting new customers, attracting the community and winning all worldwide markets. Widening the circle of customers means the constant incomes and financial benefits. Geographic diversity, the use of economic growth rates for motivation and stimulation, finding new markets for raising
profits and using globalization for defense and support are the main goals of marketing strategy of Apple Inc. (Porter, 1985).

Production strategy of Apple Inc. deals with creation of new locations for its products. The corporation builds capacity with demand and as a result it does not have evident losses but very high profits. Apple Inc. has chosen well-analyzed goals and objectives for implementation of its global strategy. Ferrel (2010) highlights opening more stores, streamlining, launching new products as the ways for winning an international marketing.

A recent study by Barney (2012) involved financial strategy of Apple Inc. as the right one, and a result is positive and profits are high. For example, in 2012 with profit of $622 billion Apple got the status of the most valuable company. 26.9 million iPhones and 14 million iPads were sold in 2012. These figures are really exciting and prove only progress. However, Apple Inc. should also take into consideration high prices as they may scare consumers.

R&D strategy of Apple Inc. is well-developed. Apple Inc. uses sleep product design, easy-to-use software, and innovative hardware for attracting customers from all over the world. One can say that innovation, development and implementation are the key activities of R&D strategy of this company.

Apple Inc. was always run by charismatic leaders. That is why it is successful. Steve Jobs was the founder of the company, and it was his charisma and intelligence that made the company the revolutionary and innovative one. Tim Cook continued to be a good leader. Indeed, it is evident that good leadership is ‘a must’ for development. These were charismatic leaders of Apple Inc. that had an impact on the corporate strategy (Ashcroft, 2012).

For Apple Inc. the customer perspective is the most crucial. The customer takes a prominent place, and the level of customer defines the profit and future perspectives. The
number of customers defines the level of business. This perspective places a customer on the leading position.

Specifically, the company should organize this process in such a way that all its products are to be sold. To sell goods to customers is not the easiest task since it also involves a lot of activities before the actual selling. It is essential to create such marketing policy that will find ways to satisfy requirements of a customer.

For Apple Inc. customers are the users of its gadgets. Apple should provide its customers with qualitative products and successful return policy as there are many complaints about the return policy. Creation of new products and services will benefit the company and increase the number of customers. Apple should reduce prices on its services as high prices discourage customers. Apple should work on improving the quality of its products and services, as high quality products and services will be competitive in the market.

**Business-level strategy of Apple Inc.**

Apple’s business strategy is based on differentiation strategy, high quality, innovation, strong graphic performance with great design, creating brand loyalty, etc. Apple Inc. develops its variety of gadgets and adapts to the international market. It continues offering qualitative and innovative tools. Integration at the global market is a new way to the development.

Information about Apple Inc., as well as about its gadgets, is available via direct mailing, the Internet, and in person. This aspect is aimed at satisfying different customers’ needs and attracting different consumers from different countries.

Apple Inc. brings the best gadgets to different customers (students, businesses, government agencies, educators, etc.). It means that the corporation includes into consideration its target market. Its business strategy is based on its unique ability to develop and design its own hardware, operating systems, services, application software, etc. One may
make a conclusion that Apple does not copy anything from its competitors, it tries to be unique and original. Its continual investment in the development and research is the way to continual success.

At the present time, there are companies specializing in new technologies and gadgets. That is why Apple Inc. has many competitors. Windows, Android, Blackberry, Sony, Dell, HP, Toshiba, Acer, Asus, Samsung, Nokia are the main competitors of Apple Inc. All these companies are among the most recognizable companies that offer quite similar services and products. Without a doubt, a consumer chooses the product, which is not very expensive, comfortable and satisfies his/her demands.

Analyzing Apple Inc., one may say that it is the most competitive company. While all of the companies listed above can be considered competitors, none offers such products as iWatch, iCar or iTV (Porter, 1979).

It is worth saying that Apple Inc. optimizes its strengths with the help of corporate and business strategies. The company takes into consideration its weaknesses and always looks for the ways of struggling with them. Corporate and business strategies help to realize its opportunities and reduce the probability of threats.

General environment of Apple Inc. is influenced by global, demographic, political, economic, socio-cultural, and technological factors. Apple Inc. may deal with such issues as spending additional costs on production in China and wages in China begin to increase. Another global problem with which Apple Inc. may face is government laws regarding environmental concerns.

Such demographic issues could appear in Apple Inc. as decrease in buying power of consumers and aging population. They can cause decrease in profits, selling and demand on the products. Political issues of Apple Inc. are connected with the battle of Apple with
Samsung over patents and desire of Apple to mitigate American taxes. Economic issues of Apple Inc. are connected with the recent recession in selling.

Socio-cultural issues of Apple Inc. are connected with consumers’ environmental concerns, creation of new devices by other companies and outdating of Apple’s products. Technological issues are connected with rapid changes in technology and Apple’s products becoming obsolete.

Industry environment of Apple is influenced by power of suppliers, power of buyers, threat of substitutes, threat of new entries and competitive rivalry. As to the power of suppliers, Apple Inc. is completely dependent on few chip designers and Intel that is the dominant one. Apple Inc. should look for many other suppliers in order to be competitive among them and not to spend too much on them.

As to the power of buyers, Apple Inc. is completely dependent on high demand and technology. Various needs of consumers make Apple innovate and develop. Threat of substitutes also makes Apple Inc. be on the alert. Many other companies produce smartphone with the same functions. That is why Apple is afraid of losing its consumers. Threat of new entries is another dilemma for Apple to solve, which demands many resources for developing the brand. Competitive rivalry is a constant issue, but from the other side, it is the driving force that stimulates the company to develop (Rumelt, 1980).

Conclusions

It is evident that Apple Inc. collaborates with many manufacturers of the world. Asia is the primary outsourcing partner of Apple Inc. OEM partners provide raw materials. Apple uses a variety of direct and indirect distribution channels. Its products are free from BFRs and harmful chemicals. Marketing strategy of Apple Inc. is characterized by global strategy and actions, management vision, strategic intent, economic integration and satisfying market needs.
In order to be successful, the following strategies could be suggested to Apple Inc.:

1. **Product strategy.** Apple Inc. should develop the variety of products and adapt to the international market. It should continue offering the innovations of technologies.

2. **The distribution strategy.** Apple Inc. should transfer from regional and local markets to the international ones. Global market integration is a new way of development. At the present time, Apple Inc. wants to win markets of India and China.

3. **The promotional strategy.** This aspect is aimed at satisfying different customers’ needs and attracting different consumers from different countries. It proves globalization of marketing and finding customers from all over the world.

4. **Pricing strategy.** This strategy should also be taken into consideration, as both very high and very low prices may scare consumers.
References

Ashcroft, J. (2012). *Apple from the iPod to the iPad*. A case study in corporate strategy, 2nd ed.


