Apple Corporate-Level Strategy and Competitive Position

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Apple’s Diversification and Ecosystem Strategy

A corporate-level strategy is a business-level strategy that affects the business in the long term. Apple’s corporate strategy is divided into four steps. It has a major focus on computer development. Hence, the major reliability lies in a single line of products. Apple offers products such as home computers, personal computers, phones, music players, software, and applications that are of the same design and technology and are easy to synchronize with one another.

The company is in a dilemma due to competition, which is growing fast. The company has a high to moderate level of diversification in its product line. Apple has introduced many digital products, which shows that it has diversified vastly. As we can observe, Apple’s products are interrelated; hence, creativity comes from the same technology, ideas, and resources. All the products are distributed through one vehicle, which is the Apple store. Here, the imperative point is that 70% of the revenues come from major products and shared business products. Diversification strategies like music downloads and the Apple Play store have increased the business by a large percentage. Apple’s market power has increased because of the change to digital technology from computers. Apple’s competitor only holds about 8% of the market share, which shows a large percentage of Apple’s market share. In 2006, Apple announced an alliance with Intel. This helped IBM to increase its customer base while enabling Apple to compete with competitors such as Dell and HP. They have become a large competitor with a stronghold in the market. Apple has always been a strong supporter of industrial-level innovation. It is, in fact, a competition response corporate strategy. Collaborations have been made for product development. These collaborations have helped in improving the computing experiences for the customers. The companies, however, split later on and became rivals. Another collaboration between Apple and Motorola was made in 1992. It aimed to create optimized computers with a creative design. The result was a very competitive performing unit that was unique in performance and design. Apple invests in horizontal and vertical integration. It only links with the achievement.

As Apple is aiming to bring about change, it should aim to produce products that bring radical change (Apple Inc., 2020). Apple has always existed between eliminating and bringing out new products like smartphones, which were already present in the market when it brought out iPhones. Apple brought its vision of how a smartphone should be into the industry before its full potential in the product

category was unrealized. This shows that Apple aims to bring the best in the market and be better than its peers. Hence, it seeks higher profit margins than its competitors. Apple has carefully chosen the market to enter, and hence, the sum is greater than the parts. Their platform strategy makes each individual business very powerful and valuable. MobileMe is a premium and standalone product. Using it as a platform strategy would enable us to gain more market share than otherwise. Once the customer is able to use it across all of their products, then they will be less likely to switch to products that are available from competitors. It is a way of making a loyal customer. I-book store is a similar case. It just comes off simply as a bookstore. This application has much potential attached to it. It is important that the company explores the opportunity.

Recommendation:

Apple should develop close relations with the suppliers. It is very important to develop close relationships with the suppliers in the PC market. Rather than looking for low-cost suppliers, it is important to maintain a collaborating relationship with them. In addition, the franchising of stores is an important step that needs to be taken. Apple has very limited service stores available in specified locations. Although Apple products are used all over the world, there are service stores in a very small number of locations. It creates issues for customers, and normally, people avoid using a product, which can cause problems for them without sales and service support. Apple has successfully established a brand name for a differentiated lifestyle. This must not be changed in order to compete with Dell or HP and target the middle class. It is a step that can confuse the customer and lead to loyal customers leaving the product.

It is also important to emphasize the integrated systems in all sorts of communication models that are adopted to communicate with the customers. This design will push cross-selling further and increase the size of the market segment. Apple should also continue to support the creative professionals. It will bring forward the most creative people who can help bring innovation to the market. Lastly, Apple should infuse market growth. New markets should be explored and penetrated. Apple is still not available everywhere. Asian markets are especially ignored. The new territories must be explored, and new borders must be crossed to improve the market share. Keeping it in a limited place will cause stagnancy in the market. Other focuses on developing new products and developing new features for the existing products must not be stopped. It is a constant process that should be in place. It will help maintain the existing products. The company should invest heavily in research and development so that it can explore new horizons for growth. It is a major new trend in the market for IT-based companies to invest in research and development. This increases the company’s resources by finding new methods and technology to develop a new product or feature. Human resource management can be improved by guaranteeing the quality of products and services. After-sales services are also an imperative part of a company’s finances. Their quality and quantity also pay the company highly. They should also be a part of company development. Normally, we fail to focus on such things, but here, it is important for Apple to focus so that it can maintain the top position it claims to have achieved (Porter, 1985). The company has to focus on horizontal and vertical

integration. It already functions on these integrations and needs to continuously focus on multiple strategies as it is what the customer has been accepting for all this time. Apple has a reputation that no one can deny or turn a blind eye to. It is, hence, important to remain consistent. Achieving success is no doubt success, but the harder task is to maintain the level it has reached. The customer is used to the luxury provided by the company and would be unwilling to compromise at all. One mistake can ruin the hard work it has done over the years. Hence, Apple already encourages creativity and gives space to its employees to maintain an exceptional level.

References

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