Apple Inc.

Maria Amezcua Aubree Carr, Brian Chaparro, Christopher Quintana

New Mexico Highlands University

Steve Jobs and Apple Incorporation

Apple was founded on April 1, 1967 by Steve Jobs, Steve Wozniak, and Ronald Wayne. Most think of the Apple founders as the “Two Steve’s” but if it weren’t for Ronald Wayne there might not be the iPhone, iPad or MacBook today. (Rawlinson, 2107) Apple is one of the biggest companies in the world and consist of 489 retail stores worldwide. The Apple headquarter is located in Cupertino, California and has been growing over the years with new and improved features and currently is known as Apple Park.

# What Apple Stands for…?

As of 2017, Apple’s mission statement is “Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary [iPhone](https://www.investopedia.com/financial-edge/0912/the-cost-of-making-an-iphone.aspx) and App store, and is defining the future of mobile media and computing devices with iPad." (Investopedia, 2017)

## Story behind the Apple logo

The Apple name was given after Steve Jobs had returned from an apple farm, he thought the name was fun spirited and not intimidating. The first Apple logo was designed by Ron Wayne depicting Sir Isaac Newton sitting under an apple tree. It was later replaced by Rob Jaroff’s rainbow apple. As the years went on the Apple had a bite mark incorporated into the design so that it would not be confused with a cherry. The apple logo was soon changed again, the third apple logo was the bite on the apple with an aqua theme version which was used on devices from 1998 to 2003 and later changed to a glass themed version that was used from 2007 to 2013. Today it is the same “byte into an apple” in the color black, giving the idea that the Apple represents knowledge.

### **Apple Inc. Commitment**

Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings. The growth of the company as a billion dollar corporations exemplifies their American dream. They wanted a vision of changing the way people view computers. Both Steve Jobs and Steve Wozniak wanted to make computers small enough for people to have them in home or in offices, making them easy to move and handle as well as easy to use. Apples vision statement is “We believe that we are on the face of the earth to make great products and that’s not changing. We are constantly focusing on innovating. We believe in the simple not the complex. We believe that we need to own and control the primary technologies behind the products that we make, and participate only in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot. And frankly, we don’t settle for anything less than excellence in every group in the company, and we have the self- honesty to admit when we’re wrong and the courage to change. And I think regardless of who is in what job those values are so embedded in this company that Apple will do extremely well.” (Apple 2017 )

#### Board of Directors***.***

Apple Consist of a few board members, Ms. Sue Wagner is an Independent Director of Apple Inc. She is the co-founder of BlackRock, Inc., an asset management company. Art Levinson is the independent Chairman of the board, Timothy Cook the chief executive officer, director. Luca Maestri is the vice president as well as the chief financial officer, and accounting officer. Jeff Williams is an operating officer. Johny Srouji senior vice president amongst others in past years, James Bell independent Director as of 2015. (Apple 2017)

##### Dominate Force*.*

With the development of the iMac and MacBook, Apple has become a dominant force in the personal computer realm. In 2001, they launched the first Apple Store, which became hugely successful throughout the country. Since then, they have continued to innovate. Producing such new products like the iPad and MacBook Air, they have delivered powerful tools that are slim, portable and user-friendly. They also have managed to create products that are safer than PCs when it comes to viruses and hacking, protecting customer data.

**Product Brand**

Apple has a strong product brand and offers market options like tablets, computers, desktops and the well-marketed: iPhone. Apple evolved creating a phone with a stellar internet communicator, iPod all in one. The company’s accessories and TV options create an opportunity for digital broadcast and movie apps to make their way into the hands of the consumers.

The Apple iPhone 8 is the latest generation along with the tenth edition of the phone for 700-$1000. The Apple MacBook Pro has several color options and sizes like 13” or 15” starting at $1900. The Apple TV, which operates as a fire stick or other source, runs for $149. This allows you to “AirPlay” and play your videos from other devices wirelessly. Apple’s mobile computers and handheld devices have created a market of their own with the advanced technology they have created. For example, according to sources, the new iPhone X has capabilities like face recognition that other companies are year behind in producing.

*Competition*

Apple’s competition in the market is broad. This includes the competitors in the phone industry, including Android, Samsung, Sony etc. Apple has also dived into smartwatch industry and now can carry only the watch without the handheld device. This is a competition level between other watch companies like Fossil, Nixon, and Rolex. These opposing brands are trying to enhance watches to become more tech friendly, and modern. Apple has created a brand image for the iPhone and delivers great services through the iOS services. iOS is a system software that upgrades when the latest phone drops. Google has a competition for software and Microsoft as well. Google Play Store and Android interface has great apps and media that you can access via online. Apple has many market offerings that they have a wide competition for. Companies like Microsoft, Bose, Fitbit and more have products that Apple offers, although Apple dominates majority of markets. Apple has evolved in terms of allowing consumers to have only their watch and not carry their handheld device.

**External Environment: Threats & Opportunities**

There are various threats in the external environment that influences Apple. Rapid technological development and change is a problem, the company might be set aside by a competitor who invents a newer technology. Tax increases have also influenced Apple. Apple’s profits went down due to new taxes. Patent breaches pose a huge threat, competitors might imitate their technology and make profit on these features. Appreciation of the dollar, Apple’s profits in foreign countries are reduced due to strengthening the dollar. The growing popularity of Android, widespread use of this operating system makes Apple’s infrastructure less attractive for customers. Increasing labor costs in Asia, the protests of workers in Asia, especially Foxconn workers, lead to the increase of Apple’s costs and drove profits down. Price pressure performed by Samsung, Samsung is gradually increasing the prices of key components.

There also various opportunities externally available for Apple. The growth of demand for tablets and smartphones, along with market expansion, means Apple’s revenues are likely to grow. Its internal innovation is a huge opportunity, Apple can develop new hardware technologies and advanced software, using its research and development capability. Apple can also acquire promising technologies, patents or startups and integrate them into its ecosystem. Patent protection of new technologies, the company can protect its novel features by patents and secure itself against potential cloning of new devices performed by competitors. The launch of Apple TV is expected to enrich Apple’s ecosystem and to provide advanced experience for TV watchers. The market of mobile advertising is growing, and Apple can drive revenues by popularizing its iAd platform. The popularity of cloud services makes it possible for Apple to popularize its cloud system known as iCloud.

*Technological Development*

The most serious threat Apple faces is rapid technological development and change. If strong competitors like Samsung invent new technologies and market them, Apple’s market position might be affected. To keep market leadership, Apple should introduce and develop new products. Therefore, Apple should pursue their own innovations, the company should also keep track of recent advancements and new technologies. The most attractive opportunity for Apple is currently the launch of the Apple TV. Although Apple offers TV services, the overall infrastructure lacks sophistication and compatibility with the Apple ecosystem. The audience of TV is huge and the launch of new interactive TV device compatible with other Apple devices will increase the company’s popularity and profits.

**Internal Environment: Strengths & Weaknesses**

Apple has prospered internally and it is necessary to consider both strengths and weaknesses. Apple has lots of strengths, the major of them being its impressive brand reputation, Apple managed to position the brand as “premium products” for “elite” people. Customers are loyal and tend to stay in Apple’s ecosystem. Apple’s self-reinforcing ecosystem, it has a diverse ecosystem which integrates various hardware and software products into one large interactive space. Status of top innovator, Apple is perceived as the leading innovator and its products are highly anticipated. Apple’s very strong financial performance, high profit margins and very high liquidity. It’s network of retail stores, high-quality customer service helps to create advanced user experience. A powerful marketing strategy, Apple’s team masterly uses various marketing techniques to create a hype for their products and to strengthen the brand.

Apple also has several weaknesses in its internal environment. It’s high prices, Apple’s products are sold at premium prices which are significantly higher compared to competitors’ prices. The closure of Apple ecosystem, Apple software and hardware are not compatible with other platforms, so users might refuse from using Apple products to be able to work with their favorite software. Decreasing market share, although Apple is the market leader, its market share is slightly declining, primarily due to competition. Changes in senior management, Apple now must operate without the guidance of Steve Jobs. In addition, two senior managers responsible for retail left the company. New product defects, some new products of Apple might have flaws or faults; these issues damage brand reputation and sales. Dependence of Apple on its key competitor as its main supplier. As it was mentioned above, Samsung is the key competitor of Apple, and it is also its major supplier. Apple’s decline of gross margin, it’s gross margin demonstrates a decline over time.

**Innovation**

Apple is an extremely innovative company and that started with one man, Steve Jobs. He meant a lot to the company and to the Apple community, he had a big spirit and a timeless philosophy on life. He is a person that is not recognized for one singular product but many different products. He was a genius that not only inspired customers but people that he worked with. The apple workplace has been a place where people are challenged and many employees have stated it gives them “a feeling that your work really matters and has an impact on the world.” Having a great work environment inspires people to do their best work and it seems he knew exactly that. He created the Apple park which opened to employees in April 2017. This is innovation at its finest, because he started with the core of the company where all the ideas sprouted. Giving his innovative specialists and employees a space to come together and collaborate to make the next generations of their products.

*Market*

There is a huge market for Apple to create more great products and their stock is at an all-time high. For example, the new Steve Jobs Theater, where Apple had their recent special event in which they introduced several new or updated products. Apple has committed to design their own hardware instead of buying it off the shelves which does give them a great competitive advantage. (Apple, 2017) Apple follows its mission and vision statement by using this competitive strategy and by taking actions needed to ensure that the company continues its successful path. Apple is keen on making sure they take care of the environment and that is what they are doing with their new buildings, they are not cutting down trees but building around them and bringing them to be one with the buildings.

*New Products*

As for new products, Apple recently came out with the iPhone 8 and 8 plus, the iPhone X, Apple watch series 3, the Apple TV 4K, and iOS 11. The release of the first iPhone was on June 29, 2007 and now we have the iPhone 8. Apple has now introduced an all-new glass design, a better camera and now wireless charging. The iPhone X is also among it’s very popular products and has not been released yet. It is the smartest iPhone yet in many ways because it responds to a tap, your voice, and even a glance. Apple introducing this kind of technology is taking a step into the future and giving competitors something to worry about. As for a product that can help people of all ages it would be the Apple Watch. The Apple watch was originally designed to motivate people to stay active and it was successful in doing so. Since entering the market of watches the Apple watch is now the number 1 watch in the world. This watch can be used by anyone from someone with a disability, young people, elders, athletes, even just the average person. The most intriguing feature is the Apple heartrate sensor which has been a part of Apple watch since the beginning. It is the most used heartrate monitor in the world. While Steve Jobs was still alive he had mentioned various times that he wanted to make life easier for people and help the world, this watch is a huge part of how he has contributed to a healthier lifestyle.

*Future of APPLE*

The future of the company is bright and Apple is here to stay. With a team of innovators Apple will continue to strive. Of course, there will be customers that are not very satisfied with the changes. For example, the iPhone jack being taken away and replaced with the charger adapter. Customers will always think there are downfalls or shortcoming to their new technology but adapting is key. Human beings are evolving as well and to have technology doing the same is the way life is headed. The definition of innovation is a new method, idea, product, ect. and Apple is a top competitor for doing such. Steve Jobs said himself, “One of the ways that I believe people express their appreciation to the rest of humanity is to make something wonderful and put it out there.” He may be gone but his spirit lives on with all his products and Apple itself.

What we see for the future of Apple as customers is a medical center full of Apple made machines and equipment. More Apple Park facilities around the world where individuals can venture to and become a part of the family and journey. Of course, updates on the iPhones, MacBook, iOS software, Apple Watch and Apple TV. Making the future bight for Apple is their core, Apple takes pride in all their employees from hardware, software, services, operations, to retail employees which is the key to success. There will always be room for improvement and Apple will surely find a way to do so because they would love to make Steve Jobs proud.

References

Apple (2017)

https://www.apple.com/

Hackett, Robert (September 2017) “See Inside Apple's Gleaming, New Spaceship Amphitheater”

http://fortune.com/2017/09/12/iphone-apple-event-theater-steve-jobs/

Investopedia (May 2017) “Apple Mission Statement”

https://www.investopedia.com/ask/answers/042315/what-apples-current-mission-statement-and-how-does-it-differ-steve-jobs-original-ideals.asp

Jurevicius, Ovidijus (October 2016) “APPLE SWOT Analysis”

https://www.strategicmanagementinsight.com/swot-analyses/apple-swot-analysis.html

Rawlinson, Nik (April 2017) “History of Apple: The story of Steve Jobs and the company he founded”

https://www.macworld.co.uk/feature/apple/history-of-apple-steve-jobs-mac-3606104/