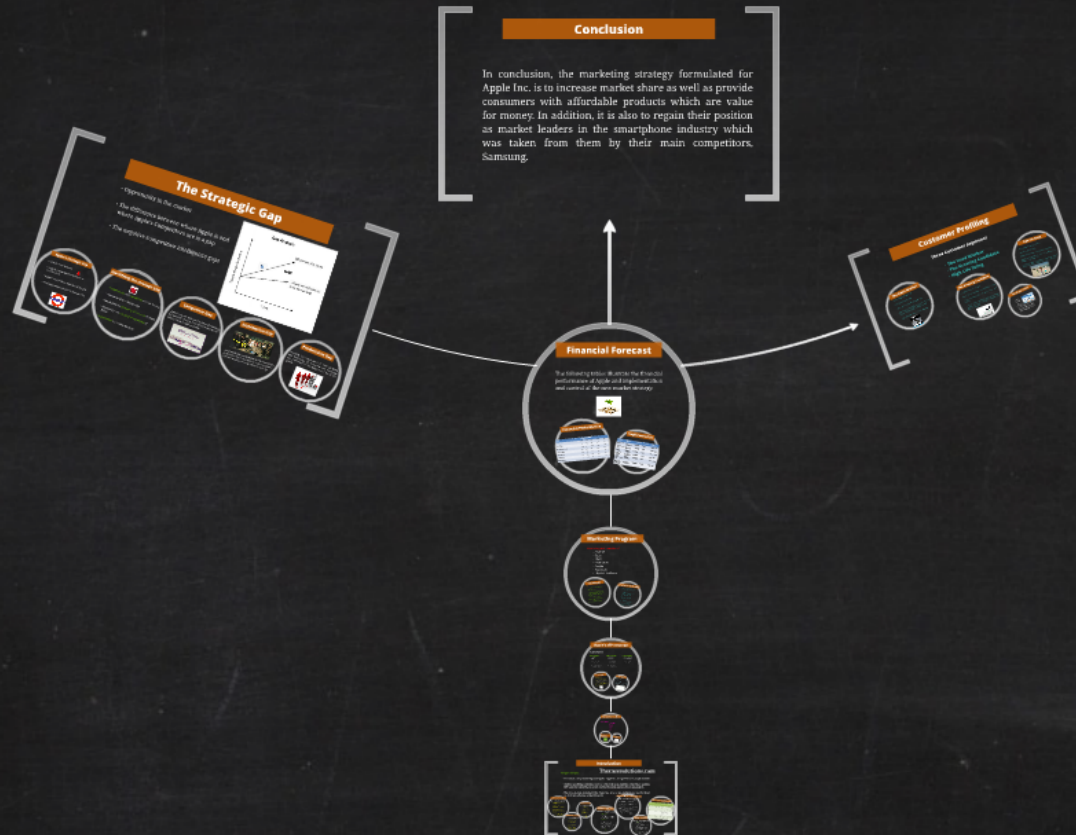


# Strategic Planning at Apple Inc.

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# Introduction

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## Purpose and plan

- Formulate a new marketing strategy for Apple Inc. and provide a thorough analysis
- Outline marketing concepts such as a strategic gap analysis, competitor analysis, STP strategy, marketing program and the financial and non-financial analysis
- The new strategy formulated for Apple Inc. is to retain and increase market share with the introduction of the iPhone 5C

### Company Background

#### Thecasesolutions.com

- Apple Inc. is a multinational corporation
- Established in 1977, headquartered in California
- Market leader in consumer electronics and media sales industries
- Products include the iPhone, iPad, Mac, iPod, Apple TV

### Overview of Industry

#### Thecasesolutions.com

- The cell phone industry is one of the fastest-moving industries worldwide
- Asia Pacific region dominates this industry
- The global cell phone industry is expected to reach an estimated \$334.6 billion in 2017
- Developing regions are expected to demonstrate significant growth

### Overview of Product Market

#### Thecasesolutions.com

- Mobile communication and media devices, personal computing products, and portable digital music players etc.
- Smartphones "iPhone"
- Apple and Samsung alone have 45.3% of the market share of all mobile phones

### Internal Analysis

#### Thecasesolutions.com

- **Dynamic Capabilities**  
Masterful at marketing technologically-based products to consumers and developing features that people value
- **Distinctive Capabilities**  
Best design team in the world  
Delivering the best products by incorporating the design and delivery  
Leading their customers instead of following them.
- **Core Competencies**  
Design & Technology

### Competitive Situation & Past Performance

#### Thecasesolutions.com

- Competition from LG, Lenovo, ZTE, and mainly Samsung.
- Overtaken by Samsung as the world's most profitable Smartphone maker.
- In the second quarter of 2013 Apple endured a \$4.6 billion operating profit for their handsets
- World's most profitable handset vendor for four consecutive years until Samsung.
- Apple's profit margin for its handset division recently declined

### Market Analysis

#### Thecasesolutions.com

- **Potential**  
Phone market is predicted to increase by 7.3% year over year in 2013  
More than 1.8 billion mobile phones will be shipped this year  
Smartphones will represent virtually all of the mobile phone market in many of the world's most developed economies by the end of 2017
- **Opportunities**  
Room for growth and improvement with regards to sales and market share in these emerging markets

### Problems & issues facing Apple

Strategic level of Problem	Problem	Implications on performance	Strategic Alternatives for solving problems
Corporate	Change in management positions in 2011	Difficult adapting to change, updates and confusion within the company	Cook has taken actions to slow down the decline in stock price, such as a robust stock buyback program
SBU	Smartphone declining market share	Samsung's operating profit was \$5.2 billion in the 2nd quarter of 2013 and only \$4.6 billion for Apple	Apple need to focus on advertising campaigns, Come up with better features and improved products.
Functional	Emerging markets purchase cheap/functional phones	Profits are increasing however, a lot more money can be made and need to be taken advantage of.	Apple needs to come up with Smartphones at a lower price

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Phone.com

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