

# **Session 3: Apple case**

## **MGCR 423 Strategic Management**

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13 January 2020



# Apple

1. What, historically, have been Apple's competitive advantage?



# Apple

2. Analyze the personal computer industry. Why did Apple struggle historically in PCs?



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- Rivalry: How bad is price rivalry in this business? Why did competition become so vicious, despite high growth industry-wide?



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2. Analyze the personal computer industry. Why did Apple struggle historically in PCs?

- How powerful are buyers within the PC industry today?
  - Who buys?
  - How sophisticated are the buyers?
  - How important is service and support?
  - What drives the purchase decision – brand or price?



# Apple

2. Analyze the personal computer industry. Why did Apple struggle historically in PCs?

- Where does the balance of power lie between manufacturers and suppliers?



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- Barriers to entry: How hard is it to enter the PC business? What do you need?



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- Substitutes: What are they? Could these products and technologies pose a significant long-term threat or even replace PCs in the future?





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3. How sustainable is Apple's competitive position in smartphones?



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4. Evaluate Apple's strategy for the Apple Watch. Has Tim Cook taken the right approach?

Home run? Another single?

Would you suggest any course corrections?

Apple CEO Tim Cook reveals that Apple Watch has overtaken Rolex, at an event in the Steve Jobs Theater on September 12 2017.



# Next Class: Industry & Competitive Analysis

- TX: Ch.2 External environment