

IPAD KEY POINT ANALYSIS

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Key Strategic Concerns

- Competition in the tablet industry has kept intensifying
- Market shares :2018: iPad-**35%** 3 biggest followers (Samsung-Huawei-Lenovo)-**31%** (statista.com, 2018) :2011: iPad-**61%** 3 biggest followers (Samsung-Asus-Acer)-**14%**
- Unaffordable Price is the one of the biggest concerns of iPad
- Some competitors started to provide same level of technology at lower prices
- Rising labor costs can reduce profit margins
- Costs push selling prices even higher



Course of Action

- Investment Research and Development
 - \$14 billion in 2018
 - Augmented Reality – Virtual Reality
- They will stay in China – High labor cost but Highly skilled labor
- Apple CEO Tim Cook: “The number one reason why we like to be in China is the people.”
- They released a low-cost iPad in 2018 in order to reach the customers from lower economic levels



Why & How is it happening

- Apple's business and marketing approach for iPad is Geocentric
 - From low-cost manufacturer to high-cost manufacturer
 - From geocentric to regiocentric marketing approach



Strategic Assets

- Cloud technology investments
- Multi-cloud strategy
- Investment in hardware engineering
- Intel chips
- R&D investments
- To create an iPad that will be customers only computer



Coping with Change

- Technology Changes
 - Contract terms with the suppliers may be for 150 days
- Labor Cost Changes
 - Apple should improve its engineering skills



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