

**Apple: How the world's largest Tech Company gets its competitive advantage in  
the United States**

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## **Apple: How the world's largest Tech Company gets its competitive advantage in the United States**

### **Background of the Study**

Apple Inc. was founded in 1976 by Steve Jobs, Steve Wozniak, and Ronald Wayne. The company initially focused on the development of personal computers, but it has since expanded to include a wide range of consumer electronics and software products, including the iPhone, iPad, and Mac. Today, Apple is one of the world's most valuable companies, with a market capitalization of over \$2 trillion (Chung et al., 2022). The company is known for its innovative products, sleek design, and strong brand reputation. In recent years, there has been an increasing interest in the competitiveness of technology companies, and several studies have been conducted to examine the factors that contribute to a company's competitiveness (Ahelegbey et al., 2022). Scholars have identified a number of factors that contribute to a company's competitiveness, including innovation, brand reputation, and supply chain management (Luo & Chen, 2017). Additionally, research has demonstrated that companies that are able to innovate and stay ahead of their competitors are more likely to be successful in the long term (Teece, 2016).

### **Scope of the Study**

The proposed study will focus on the competitiveness of Apple Inc. in the United States market. The study will analyze the company's internal factors, such as supply chain management and manufacturing processes, that play a role in the company's competitiveness in the US market. In essence, the dissertation will focus on the key business and corporate-level strategies that give Apple a competitive advantage in the

United States. Imperatively, the study will critically explore the strategies that define Apple's competitive advantage. These include cost leadership strategy, differentiation strategy, innovative strategy, operational effectiveness strategy, technology-based competitive strategy, competitive adaptability advantage, and information advantage. In addition, the study will explore the key sources of competitive advantage, including product attribute differentiation, price differentiation, and human capital.

### **Research Problem**

The case of competitive advantage in research has been confined to international trade and economics and is less spoken about in the area of international business management. However, it is a crucial factor that is the major force behind international business operations (Chung et al., 2022). The problem is the limited understanding of the competitive advantage of Apple in the US market, which can hinder the appropriate decision-making for the company. Apple Inc. is one of the technology companies with a strong presence in the United States market. However, despite the company's success, the technology industry is highly competitive, and companies must constantly innovate and adapt in order to remain profitable and sustainable. The US market is a critical market for technology companies, as it is one of the largest and most developed markets in the world. Understanding the factors that contribute to a company's competitiveness in the US market is, therefore, essential for understanding the company's overall performance and success.

## **Aims and Objectives**

### **Aim**

This dissertation aims to showcase the significance of competitive advantage as a core factor in international business management and as the main force that determines a business's strategic actions. Essentially, the study's purpose is to comprehend the factors that contribute to Apple's competitiveness in the US market and to identify any potential challenges the company may face in the future. Specifically, the Study will examine Apple's manufacturing processes and supply chain management, as well as the impact of political and economic factors on the company's competitiveness in the US.

### **Objectives**

- 1) To explore the core competitive advantages that Apple has over other tech companies in the US.
- 2) To explore the factors and sources of Apple's competitive advantage in the US.
- 3) To find out how tech businesses can increase their prospects of becoming international business leaders.

## **Literature Review**

The competitiveness of firms in the technology industry is a topic of growing interest among researchers. Scholars have identified a number of factors that contribute to a company's competitiveness, including innovation, brand reputation, and supply chain management (Luo & Chen, 2017). In particular, studies have shown that companies that are able to effectively manage their supply chains and maintain a strong brand reputation are more likely to be successful in the global marketplace (Ketchen &

Hult, 2016). Additionally, research has demonstrated that companies that are able to innovate and stay ahead of their competitors are more likely to be successful in the long term (Teece, 2016).

In the context of Apple, several studies have shown that the company's ability to innovate and manage its supply chain effectively has been key to its success in the US market (Liu & Chen, 2018). Liu and Chen (2018) found that Apple's focus on design and innovation, as well as its ability to effectively manage its supply chain, were key factors contributing to the company's competitiveness in the US market. Additionally, Apple's brand reputation and marketing strategy have been critical in maintaining its position as a market leader (Luo & Chen, 2017).

Furthermore, studies have also shown that political and economic factors can also play a significant role in determining a company's competitiveness in a particular market (Ketchen & Hult, 2016). Imperatively, Ketchen and Hult (2016) found that the economic and political environment in a nation has a major impact on a firm's ability to compete in the given market. Additionally, factors such as government regulations, trade policies, and labour laws can also play a significant role in determining a company's competitiveness (Teece, 2016). In summary, the literature suggests that a combination of internal factors, such as innovation, brand reputation, and supply chain management, as well as external factors, such as political and economic conditions, assume a vital role in determining a company's competitiveness in the technology industry.

## **Theoretical Framework**

The proposed study will be guided by the Resource-Based View (RBV) of the firm, which posits that a firm's resources and capabilities are the key determinants of its

competitiveness and success (Sukaatmadja et al., 2021). According to this view, a firm's resources can include tangible assets such as manufacturing facilities, as well as intangible assets such as brand reputation and intellectual property. A firm's capabilities refer to the firm's ability to effectively manage and utilize its resources to create value.

In addition to the RBV, the proposed study will also draw on the literature on internalization theory. Internalization theory explains how a firm can capture the benefits of its knowledge, technology, or other proprietary resources by producing the goods or services in-house instead of licensing or outsourcing them (Westhead et al., 2001). This theory will be used to examine how Apple's internal resources and capabilities, such as its manufacturing processes, supply chain management, and its ability to innovate, contribute to its competitiveness in the US market.

In the context of the proposed study, the RBV and internalization theory frameworks will be used to examine the resources and capabilities of Apple that contribute to its competitiveness in the US market. Specifically, the study will examine the company's manufacturing processes and supply chain management, as well as the impact of political and economic factors on the company's competitiveness in the US. The study will also analyze the company's internal factors, such as supply chain management and manufacturing processes, that play a role in the company's competitiveness in the US market.

### **The Rationale for the Study**

Apple's competitiveness in the US market is of great importance, as the firm is one of the most successful and largest technology firms globally. Understanding the factors that contribute to the company's success in the US will provide valuable insights

for other companies in the technology industry, as well as for policymakers and researchers in international business management (Luo & Chen, 2017). Additionally, studying the impact of political and economic factors on Apple's competitiveness in the US will provide valuable insights into the broader economic and political environment in the country. Notwithstanding, this study will help in understanding the company's supply chain management and manufacturing process and how they play a role in the company's competitiveness in the US market.

### **Methodology**

The proposed study will be qualitative in nature. Only secondary sources will be used to provide data and literature relevant to the study. In essence, the research will gather information from articles, journals, political commentaries, government public portals, company websites, and annual reports.

### **Data Collection**

The Study will use secondary data from various sources, such as government statistics, industry reports, and economic indicators. Data on Apple's manufacturing and trade volume will be collected from reputable sources such as the US Bureau of Economic Analysis and the US Census Bureau. Additionally, the Study will also use data from the US Bureau of Labor Statistics to analyze the cost of labour and the technological state in the US. The Study will also use data from various industry reports and economic indicators to analyze the impact of political and economic factors on Apple's competitiveness in the US.



## **Validity and Reliability**

Validity and reliability are important concepts in research because they determine the degree to which a study's results are accurate and trustworthy. Validity refers to whether a study is measuring what it is supposed to measure (HR & Aithal, 2022). In essence, reliability entails the consistency of results. A reliable test would produce the same results if it were administered multiple times to the same person. To ensure the validity of the study, only secondary data from reputable sources will be used. This study will also use triangulation techniques to cross-verify the results obtained from different data sources (Saunders et al., 2016; Sekaran, 2003).

## **Ethical Considerations**

Ethical considerations are of paramount importance in any research study. In the proposed study, the researcher will comply with all ethical principles of research, including confidentiality, privacy, informed consent, data accuracy, non-deception, and non-harm. Confidentiality will be maintained by ensuring that the data will not be distributed without the participant's consent. Privacy will be protected by not collecting any identifying information or sensitive data without the participant's consent and by giving participants the option to remain anonymous. Informed consent will be obtained by informing participants of the purpose of the study, the data that will be collected, and their rights as participants. Data accuracy will be maintained by using triangulation techniques to cross-verify the results obtained from different data sources. Deception will be avoided by informing participants of the purpose of the study and the data that will be collected. No harm will be inflicted on the participants by only collecting data that is relevant to the research question and not causing any physical or emotional distress.

Additionally, the study will comply with any institutional or national ethical guidelines or regulations that apply to the research. The researcher will also seek approval from the relevant institutional review board, ethics committee or research supervisor before conducting the study.

### **Significance of the Study**

The study results will offer insights into Apple's competitiveness in the US market and will help to identify the factors that contribute to the company's success.

Additionally, the study will provide valuable information for other companies in the technology industry, as well as for policymakers and researchers in international business management. Furthermore, the study will also provide insights into the broader economic and political environment in the United States and how it impacts the manufacturing and competitiveness of companies (Chung et al., 2022). By identifying the key determinants of competitive advantage and trade volumes in the technology industry, this Study will also contribute to the existing literature on the subject. Thus, the study findings will help investors by providing insights into the factors that contribute to the competitiveness and success of a major technology company. This Study will also be useful for managers and executives of technology companies, as it will provide insights into the strategies and practices that are associated with success in the technology industry.

### **Conclusion**

The proposed study aims to examine the competitive advantage of Apple Inc. in the United States market, with a specific focus on the level of manufacturing by the company in the US and in China and the impact of political and economic factors on the

company's competitiveness in the US. The study will use the Resource-Based View (RBV) and internalization theory as theoretical frameworks to analyze the company's resources and capabilities, such as its manufacturing processes, supply chain management, and its ability to innovate, that contribute to its competitiveness in the US market.

The study will also provide significant insights into the factors that contribute to a firm's competitiveness in the US market and will demonstrate how Apple has been able to maintain its competitive advantage in the US market through the effective management of its resources and capabilities. The findings of the study will be useful for other technology companies looking to improve their competitiveness in the US market, as well as for policymakers and academics interested in understanding the factors that contribute to a company's competitiveness in the US market. Overall, the proposed study will contribute to the existing literature on competitiveness in the technology industry by providing a comprehensive examination of the competitive advantage of Apple in the US market and will help to identify the key factors that contribute to the company's success in this highly competitive industry.

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