UNIT 1 – EXPLORING BUSINESS

Investigate the role and contribution of innovation and enterprise to business success.

Innovation

If **invention** is the creation of a new idea, **innovation** is the development of an existing one. Often, innovation is seen as the application of better solutions to meet new requirements.

Innovation at Apple

In September 2017 Apple announced the launch of the iPhone X, 10 years after the first iPhone revolutionised the mobile phone market. An issue for Apple is how do you continue to innovate a product that has already seen so many advances over that 10-year period? What can you add to the product to entice people to purchase an iPhone for the first time or upgrade their existing model? Are the current phones sufficient to meet the existing needs of customers?

The development of the iPhone

Before developing the iPhone, Apple had created a device called the **Newton MessagePad**. It was a market leader in devices known as Personal Digital Assistants. The original versions allowed users to store calendar details and make hand-written notes (that would be converted to printed text). All input came from a small stylus that 'wrote' to an LCD touchscreen. The device was completely portable but had to be connected physically to a computer to input and output other pieces of information.

Although the MessagePad was popular its uses were limited. However, the basic input technique allowed Apple to create the first ever smartphone once they had developed the capacity to add that technology to a device that received a data signal. Alongside the development of a high resolution coloured screen and the addition of GPS tracking the iPhone became a huge hit – changing the course of mobile telephony.

The iPhone X

The iPhone X, released in 2017, marks the tenth anniversary of the original iPhone. Along with many other innovations in the device, one of the key new features is its advanced face-recognition technology. The front camera will scan the face that is looking at the phone (even if the screen is in sleep mode) and activate the phone if it recognises the owner. Although face-recognition has existed on phones in the past, Apple's version is said to be more accurate.

The face recognition process has been developed to solve an issue with the phone. By having the process, the iPhone no longer needs a 'Home' button on the front screen (previously used to activate the device). In turn, this allows the screen to be able to take up more space on the front of the phone.

TASK 1

What new features would the smartphone of the future have? Imagine a smartphone (like the iPhone) in 10 years' time. List three features that you think the phone could have (that it doesn't have already!) and explain the issues/problems that it solves or the advantage that it adds to the device.

	New feature	Issue solved or advantage gained
1		
2		
3		

TASK 2

What has driven Apple to continually innovate? How have they managed to maintain their position as a market leader in technology? You will need to conduct some research to complete these questions:

1	Name four major competitors for Apple in the mobile phone market.

2	In what ways has the iPhone developed since the original version in 2007?

3	How does Apple's continual innovation help the company to be successful?

4	What makes the iPhone stand out from its competitors?

5	In what ways have customer expectations of mobile phones changed over the last 10 years?

Innovation in Apple Retail Stores

The success of the iPhone and other devices (such as the iPad) lead Apple to also become a major **retailer**. By being able to sell their products directly to customers (as opposed to solely through third party organisations such as mobile phone operators), Apple are able to increase sales through improving the purchasing experience and being able to directly convince consumers of the value of their products.

Apples retail strategy has involved two strands:

➡ Innovating the retail shopping experience through the physical appearance of their stores
➡ Innovating the customer service process to improve the chances of meeting consumer needs.

Watch the videos from the following links to support answering the questions that follow:

1	**Apple customer service:** https://www.youtube.com/watch?v=aQ7hm7rXnRY	
2	**Apple store design:** https://www.youtube.com/watch?v=-AkLOvjI5jo&t=119s	

TASK 3 – Apple's Customer Service

1	How has innovation in customer services helped Apple to be successful?

2	In what ways is shopping at an Apple Store different to shopping at other technology stores (e.g. Curry's)?

TASK 4 – Apple Stores

1	What evidence is there that Apple has attempted to be sympathetic to the environment of places where they have located their stores?

2	What are the risks of competing in a retail market?

Apple Failures!

Not all of Apple's products have been as successful as the iPhone, iPad or iPod.   Apple continue to develop their Apple Watch despite sluggish sales. One famous Apple 'disaster' was the Apple 'Power Cube' in the year 2000. The Power Cube was part of a series of attempts to break into the PC market to combat successful Windows-based manufacturers such as IBM and HP.

The Power Cube was a small silver cube-shaped PC that was sold without a screen (which has to be purchased separately). The device had no in-built speakers nor a capacity to input audio. The device was unusual looking and yet still allowed normal PC operations including gaming, music playback and other productivity activities such as word processing.

However, because its operational capacity did not justify the premium cost and the design features did have the impact of computers that Apple created that did have screens, the Power Cube was removed from sale after only one year.

TASK 5

What are the risks for companies like Apple when the continually develop new versions of existing devices?