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Course

Date

To what extent can Apple expand its distribution networks to increase market share and competitive advantage?

Rationale

The extent of distribution networks used by a business is one of the determinants of the levels of business success. The longer and the more extensive the distribution network used by a business, the higher the ability to reach a larger number of customers and sell an increased number of units of products. Further, an extensive distribution network enables a business to increase the levels of consumer convenience and the consequent levels of consumer satisfaction from the sale of products and services (De Clippel Geoffroy and Karen 1). In contrast, a business with no extensive distribution network forces its customers to incur significant expenses in buying the product or service. For instance, if a business does not have a store in a given country, customers in that country have to import the product from other countries, usually leading to high costs and low levels of customer satisfaction. Extensive distribution networks also increase the ability of a business to offer logistic support to customers for higher levels of effectiveness. Considering this logistic support, consumers of various electronic products can access spare parts and repair services within their areas or countries of residence. The research to be conducted using this research proposal will evaluate the extent to which Apple can increase its distribution networks for higher levels of market share and competitive advantage.

Theoretical Framework

Consumer theory states that consumers spend money buying various products depending on their preferences and budget limits (De Clippel Geoffroy and Kareen 1). Therefore, a consumer buys a product that he or she is able to buy within the budget limits, and when the product exceeds the budget, the purchase is not done. Therefore, in consideration of the distribution channels used by a business, the shorter the distribution channels, the lower the ability of consumers with budget constraints to buy the products. For instance, when Apple does not open a store in a given country, customers in that country who cannot import a phone made by the company are forced to buy from competing businesses.

Apple is a multinational corporation that deals with making and selling various electronic products, including phones, watches, tablets, and computers. Apple is headquartered in the United States, uses high levels of product differentiation to target a wide range of consumers and ensure that a large variety of products are bought for high revenues and profits. However, the distribution network used by Apple only covers 25 countries and 518 stores across these countries, including the United States. In a demonstration of the high revenue-generating abilities by Apple, the company made a revenue of \$ 365817 million in 2021. This revenue increased from the one made by the company in 2020 (Apple Annual Report 2021 33). Therefore, the expansion of distribution networks is a mechanism that can lead to an increase in the levels of market share and competitive advantage Apple.

Research Question: To what extent can Apple expand its distribution networks to increase market share and competitive advantage?

Literature Review

A vast amount of literature exists on the topic of distribution networks and business success. The existing literature defines mechanisms through which effective distribution networks increase the levels of business success. Additionally, the existing literature cites the role of incorporating various forms of technology in distribution to ensure that the maximum business benefits are obtained. This section evaluates the existing literature relating to distribution channels and the relationship between market share and competitive advantage.

Bui and Dat (2021) highlighted that wide distribution networks are associated with improved firm performance. In the research conducted to evaluate distribution networks, business strategy, and performance, the researchers found that the higher the effectiveness of distribution channels, the higher the ability of a business to generate high revenues and profits. Additionally, the distribution channels show that a business has an increased ability to sell more units of products and offer services to more customers (BUI and Dat 35). The higher the number of customers served and the higher the number of units sold, the higher the levels of business performance in terms of revenues and profits. Further, selling more units of products to a higher number of customers increases the levels of market share controlled by a business. Therefore, in relation to the research question under consideration, this source will help evaluate the extent to which expanding the distribution networks by Apple can increase market share and competitive advantage.

Research shows that expanding the distribution networks by a business while considering the specific customers' location is one of the mechanisms of increasing the levels of business success in terms of market share and competitive advantage. Research by CFI Team (2022) cited that targeting specific customers' locations helps to increase the levels of consumer satisfaction

since the consumers are able to buy the required products from the specific locations where they live. In the research, the higher the effectiveness of a business in targeting the specific locations where customers live, the higher the business's ability to increase consumer convenience and facilitate higher market share and competitive advantage. Therefore, in relation to the research question under consideration, the research to be conducted using this proposal will focus on how Apple can target locations such as countries with low product uptake. The effectiveness of this targeting will then be assessed in terms of its ability to increase the levels of market share and competitive advantage by the business.

Research shows that the existence of extensive distribution networks used by a business helps to lower the costs of buying the products by the consumers and leads to an increase in the levels of market share by the business. Hennart cited in research that firms grow into multinationals by expanding their distribution networks and reducing the costs at which consumers buy the products they sell. In this regard, the higher the levels of the extensiveness of distribution networks, the higher the ability of customers to buy the products at low costs compared to the high costs of importation when the distribution networks do not reach a given country. For instance, if a given country does not have an Apple store, customers wishing to buy iPhones from the specific country may have to import at relatively higher costs. Therefore, customers' ability to buy Apple products at local stores ensures that more customers can afford the products, leading to higher levels of market share and increased levels of competitive advantage by businesses. Therefore, the benefits of expanding distribution networks of Apple will be evaluated in the research to be conducted using this research proposal.

Methodology

The research to be conducted using this proposal will incorporate both primary and secondary data. The combination of primary and secondary data will be done to ensure that the highest volumes of data that can be used to answer the research question is obtained and accurate answers to the research question are obtained. Additionally, the use of both primary and secondary data ensures that there is no bias in the answers to the research question and that the findings are highly reliable.

Primary Data

Primary data will be obtained from interviewing the marketing manager at Apple and the operations manager. The interview with the marketing manager will determine the extent of Apple's distribution networks and the possibility of expanding these networks to cover more areas for higher levels of business success. In this regard, the evaluation of the distribution networks used by Apple will be done in consideration of the number of countries where Apple operates and the possibility of increasing its coverage to a higher number of countries. Further, the interview with the marketing manager will determine whether Apple has enough resources to expand its distribution networks further. Considering these resources, the major focus will be financial and human resources. The marketing manager will also evaluate the effectiveness of expanding the distribution networks in terms of increasing the levels of market share controlled by Apple and the levels of competitive advantage.

The interview with the operations manager will be used to evaluate the ability of the company to expand its distribution networks without negatively affecting the levels of business performance or the quality of products and services. The operations manager will explain whether the company has the ability to focus on the increase in the distribution networks and

continue with high levels of consumer satisfaction through the making and selling of high-quality electronic products.

Secondary data

Secondary data to be used in the research will be obtained from a review of financial statements by the company and an evaluation of peer-reviewed articles on the topic. In consideration of the annual report, the consideration will be the revenues generated by Apple in the recent financial years. In the report, the changes in business assets and liabilities will also be evaluated to determine how the company has performed in recent years in consideration of assets and liabilities. The changes in business revenue and business assets and liabilities would be used to project the benefits that could accrue to Apple if the company were to expand its distribution networks to more countries. Peer-reviewed journal articles will evaluate the relationship between distribution networks, market share, and competitive advantage.

Analysis

The quantitative data analysis of the obtained data will be done using charts and graphs to determine the changes in Apple's financial performance in recent years and how expanding distribution networks may impact these changes. Qualitative data will be analyzed using the suitability of the obtained data in answering the research question. The analysis of qualitative and quantitative data will inform the conclusion and the answer to the research question regarding the effectiveness of distribution networks in increasing market share and competitive advantage.

Conclusion

The existence of extensive distribution networks in Apple will lead to an increase in the levels of market share and the levels of competitive advantage controlled by the business. Extensive

distribution networks enable a business to increase customer satisfaction, reduce the costs of buying products and services, and increase market share.

Anticipated Difficulties

There are a number of anticipated difficulties and possible solutions to the difficulties, as summarized in the table below,

Anticipated Difficulties	Solutions
Relatively high costs of collecting primary data.	Financial resources will be put aside to enhance the smooth flow of the data collection process.
Challenges in writing down the answers during the interview	A recorder will be used to ensure that all information is captured.
Challenges in scheduling the interviews with the managers.	Appointments will be sought prior to the interviews to facilitate easier primary data collection.

Ethical Considerations

A number of ethical considerations will be made in the research process. These considerations will define the nature of data collection and analysis to eliminate bias in the findings. One of these considerations is that no underage children will be used in data collection. Further, the obtained data will not be manipulated to fit a certain trend or a pre-determined hypothesis. Further, utmost privacy will be considered for the data that will be collected about the company during the data collection process (Arifin 30). Under this privacy, all information that is not supposed to be disclosed will not be disclosed without express authorization from the company

officials at Apple. Participation in the research process will be voluntary, and the results will be communicated to all the participants.

Works Cited

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