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Comprehensive and conceptual analysis of revival of Apple Inc. in 1997

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ABSTRACT

The rise of Apple so lies with their angle of "Thinking Differently". The corporate might not have continually been publicized as a commanding power in the tech industry, their strength over the years has come back from optimum vision and not continuing with constant & similar products and moving towards change to tackle its competition. In recent times, Apple has featured a vast line-up of high-end personal computers, iPods, iPhones and iPads. They even have a thriving business through the iTunes Store mainly through marketing music, video, and applications for each iOS and MacOS. But all of this would not have existed if it wasn't for Steve Jobs and the revolutionary changes that he made in Apple Inc. back in 1997. Initially, in 1996, Apple had begun to license Mac OS to Motorola and IBM, which was a move Steve Jobs had advised simply before his termination. PowerPC processors enraptured into the third generation and things were looking promising for all concerned. Apple determined to shop for NeXT so as to boost Mac OS and hold leverage over Microsoft. In 1988, Apple decided to raise its prices, which caused chaos and confusion in the minds of the consumers, this declined the deals significantly, affecting the performance of the company drastically. In the next 10 years, multiple changes were made in the company's top positions but the company constantly saw a downfall. During the last quarter of 1996, Apple saw its sales decline by 30% according to the reports, Apple reported to Wall Street stating that it will record an after-tax loss of \$ 700 million, which was the company biggest quarterly loss ever recorded, with over \$1billion. In 1997, with the assistance of Steve Jobs and also the new board of administrators, Apple had created the foremost outstanding revival story known to not simply companies in America but across the whole world, and stands presently as one of the highest valued tech companies in the world.

Keywords— Brand development, Downfall, Dysfunctional management, Product and promotional mix, Apple's NeXT, Silicon Valley Legend, Thinking different

1. INTRODUCTION

Steve Jobs abdication as Apple Inc. CEO on Wednesday was freighted with nostalgic criticalness, the window ornament approach an emotional 14-year execution in which he saved one of the world generally cherished brands from the verge of mechanical insignificance. As fresh opportunities go, Jobs stewardship of Apple since returning in 1997 to the organization he made with a secondary school companion in a Silicon Valley carport during the 1970s is broadly observed as out and out the top of the line.

What's more, his activity done remaining on as administrator, where it stays to be perceived how seriously his job in item configuration will change.

As fluctuating the same number of representatives and providers and colleagues have secured positions, few can deny how profoundly his thoughts have changed the buyer innovation world. As irregular the same number of workers and providers and colleagues have secured Positions, few can deny how profoundly his thoughts have changed the buyer innovation world.

Jobs commitments to the universe of innovation are various. He drove a furious fight against Microsoft Windows fortification on the bleeding edges of the PC upheaval; he changed the way individuals tune in to music; he basically made the customer cell phone advertise and diverted tablets from objects of mocking into longed for extravagance things. The development appended to the Steve Jobs brand is something that may be difficult to supplant.

How did Steve Jobs turn Apple around?

At the point when Steve Jobs steered at Apple in 1997, the organization was in a bad way. It had a dumbfounding exhibit of items, no unmistakable system, and was losing countless dollars each quarter. Employments acted unequivocally. He dropped 70 percent of Apple's items and laid off in excess of 3000 individuals, transforming a \$1 billion misfortune in 1997 into a \$300 million benefit in 1998. At that point he began work building items that moved toward becoming Silicon Valley legends:

In 1998, Jobs disclosed the iMac. It brandished a bright, breath taking look and was a standout amongst the most reasonable PCs Apple had ever constructed. In 2001, Apple discharged the iPod music player. Clients cherished its exquisite snap wheel interface. More imperatively, the iPod worked consistently with iTunes, Apples jukebox programming for the Mac, making it simple to get music from CDs (and, later, from the iTunes music store) onto their iPods. Before the finish of the decade, Apple had sold in excess of 200 million iPods. Jobs declared the iPhone in 2007. It donned a progressive touch screen interface that changed cell phones similarly the Macintosh had changed PCs 23 years sooner.

Apple has sold 500 million iPhones. Apple developed the iPhones achievement in 2010 with the iPad, a tablet PC dependent on the equivalent programming.

2. APPLE INC. - HISTORY

In the year 1985, the company witnessed a day that they would never have imagined witnessing, the resignation of its very own founder Steve Jobs. Due to a corporate scuff in the board room between Steve Jobs and then President and CEO John Sculley on the premise of the lack of attention and light thrown on the Apple II although its products contributed towards 85% of Apple's sales during the early stages of 1985. To add to the situation at hand it was followed by the Macintosh's inability to vanquish the PC which had bolstered Sculley's situation in the organization.

In June 1985, the top level managerial staff favored Sculley, this caused Jobs to be deprived of all his duties, while taking the post of Chairman of the firm, which had no impact over Apple's future development Jobs was greatly discouraged and along those lines had duly resigned from the post. Sculley rearranged the organization, restoring together sales and promotions in one division and product innovation and operations in another.

Under the administration of John Sculley, Apple issued its first corporate stock profit on May 11, 1987. After a month on June 16, Apple's stock split for a ratio 2:1 for the first time ever. Apple maintained a quarterly dividend with a yield of 0.3% until November 21, 1995. Apple returned to the sale of its two lines of personal computers, the Apple II and the Macintosh. A couple of months subsequent to presenting the Mac, Apple discharged a reduced variant of the Apple II called the Apple Inc. In 1991, Apple banded together with long-term contender IBM and Motorola to shape the AIM union. A definitive objective was to make a progressive new computing stage, which was known as PReP, this program would utilize IBM and Motorola equipment and Apple's programming software. After developing the platform PReP, the first step was the initiation of the Power Macintosh line in the year 1994, which utilized PowerPC processors from Motorola and IBM. By January of 1995, the sales of the Power Macintosh had reached 1 Million. Amid 1995, a choice was made to (formally) begin authorizing the Mac OS and Macintosh ROMs to outsider makers who began delivering Macintosh "clones". This was done so as to secure further market standing and additional income for the organization. Apple was an inconceivably solid business with outstanding figures to brag about. They transported and sold 1.3 million Macintoshes and produced \$3.1 billion income from the quarter finished in December 1995 as the sales of Macintosh programming software expanded by 26.9% for the initial ten months of 1995.

3. THE DOWNFALL SLIP-UP

In 1988, Apple raised its prices and Macintosh's all of a sudden stopped moving in the market. The product offering multiplied at a slow pace, this caused confusion in the minds of the consumers and obscuring the actual picture. Sculley's quite proclaimed PDA, the Newton, at long last showed up in 1993, its pitiable execution and grim deals made it the Edsel of Silicon Valley. These events were the cause of Sculley being forced out of the company. The replacement that was assigned to the job was a hard-working, determined Michael Spindler; whose tenure lasted a measly three years. During February of 1996, the company faced a pile of losses and saw their share in the market experience a constant decline.

The company then brought in Gil Amelio, the CEO of National Semiconductor, to oversee the operations of the company. After having the reputation of being the turnaround expert Amelio was fundamentally a numbers man, who showed ignorance towards the act of charisma. Under the guidance of Amelio, the company appeared to fall in a constant downward spiral. Midway 1997 the company had a measly 3.3 percent of the personal computers market and its stock prices plummeted down to \$14 for a single share. The business opportunity that was supposed to change the company and lead them towards a brighter and sustainable future had one final hope, which was to be a takeover company. Overseeing the huge mess that was created and left over for Amelio, the solution in the mind of the 'Turnaround Expert' was to cut down cost, this resulted in the reduction of the workforce by thousands and also the discontinuation of the Copland operating system.

However, Amelio did make a strategic move which was to buy the company NeXT, which coincidentally was the company that Steve Jobs had begun after Sculley had forced Jobs into resignation from the company that he founded. NeXT was never frightfully effective: Its equipment was far too beautifully engineered yet excessively costly for the educational market it was expected for, and at this point, it was concentrating only on the programming software.

During the last quarter of 1996, Apple saw its sales decline by 30%. The leaders of the market then were Microsoft. This was the result of the dysfunctional managerial activities and farfetched technological dreams which did not seem to result in a fruitful

outcome. According to reports, Apple also put forward a message to Wall Street stating that it will report an after-tax loss of \$700 million, this was the company biggest quarterly loss ever recorded, with over \$1 Billion worth of unsold goods in stock contributing to the loss, this was recorded during the third quarter, at the time there was a deficit of \$188 million recorded in the company books. There were essentially such a large number of items all at once, at a point Apple was moving twelve unique adaptations of the Macintosh, yet couldn't publicize the Macintosh' disparities to individuals in basic layman terms.

4. GETTING BACK ON FEET – THE REVIVAL

Apple used many intensive and strategic way to get back to where it is today from being just 90 days away from bankruptcy back in the early 1990s. With the help of Steve Jobs and the new board of directors, Apple had created the most remarkable revival story known to not just corporate America but the entire corporate world. Apple used huge media events and keynote seminars for new product launches rather than just mere software updates. A large amount of time and resources were invested in creating the next “insanely great” product which could put Apple on a higher pedestal in the technological race.

Apple made its own exclusive E-commerce site after acquiring NeXT. The concept was procured from DELL's initiative and Apple managed to gain an advantage hereafter DELL had to change from it as it was the NeXT property and Apple used this to their advantage. Apple developed a plan of “Store within Store” in which the Apple products were put on display, in a separate section of the store which would be looked after by the employees hired by Apple themselves. This led to an anticipated sense of being different among the customers.

Apple had immensely cut down on its retail partners from 20,000 to 11,000 in a brief period of one year. Apple altered from an assembly-line system approach to an order-based manufacturing strategy rather than the one it had previously which led to reduced inventory levels that were curbing Apple's turnover earlier. Inventory in stock was cut down to 2 days from 90 days after Steve came back. Cash Interim duration went up from 10 days to 60 days under Tim Cook.

The industry concentrated on inventions while on the contrary, Apple focused on “Product Innovation”, Apple's primarily focused on user experience and delight when it came to developing new products. They were the pioneers who spearheaded the strategy of providing technical experts to seek commercial technologies which at times drove Apple to alter and innovating at the most primary level such as the processing chip.

Apple persuaded Bill Gates to pump in \$150million in Apple as a business investment which further helped the company financially to stay afloat comfortably. Steve Jobs was also quintessential in cracking a deal with Microsoft to create an MS office which would be compatible with the Mac OS, which became an instant hit and benefitted both Apple and Microsoft financially.

5. STEVE JOBS – THE PRODUCT AND PROMOTION MASTERMIND

When Steve Jobs came back to Apple in 1997, the company was in a disastrous state. It had produced an array of confusing product with no clear strategy, had no plan for the future and was losing hundreds of millions of dollars every single quarter. Steve Jobs acted strategically upon the situation at hand and scrapped 70 percent of Apple's products and fired almost 3000 employees, reviving the company from a billion dollar loss in 1997 to a profit of over 300 million dollars in 1998.

In 1998, Steve Jobs introduced the iMac. It was a colourful, sleek and was the most affordable computer Apple has ever made. In 2001, Apple introduced the world to the revolutionary iPod music player. Users relished the click-wheel interface. The iPod worked hassle-free with iTunes and Apple's jukebox software for the Mac OS, By 10 years of its initial release apple sold over 200 million iPods. Steve Jobs introduced the iPhone in 2007. It enabled the groundbreaking technology of touch screen interface that revolutionized the mobile phone industry in the same way the Macintosh did for personal computers 23 years ago. Apple has sold over 500 million iPhone and counting since its initial release in 2007. Apple took a shot in the new tablet computer industry by expanding iPhone's success into its new line of a product known as the iPad in 2010 it's a tablet computer based on the same software as iPhone. Apple has sold over 200 million iPads since 2010.

Maximum of the aforementioned products were designed by Apple's top designer and chief designing office, Jony Ive. Steve really appreciated Ive's work and visited Ive's studios on a daily basis to discuss the designs of new and upcoming products. Jobs was a perfectionist who rejected work that wasn't up to his standards.

Steve Jobs was a marketing genius. Steve Jobs manifest his return to Apple with the famous "Think Different" marketing campaign that kindred Apple with eccentric personalities such as Alfred Hitchcock and Pablo Picasso. Steve released new products at keynote addresses that became a major media event in their own right and the flagship of the “Apple way”. Steve also sanctioned the development of a chain of Apple Stores that ensured that Apple's products would be presented in the most suitable location.

Under the guidance of Steve Jobs, Apple managed to crack a remarkable deal in 2003 which convinced the top 5 record labels to allow Apple to sell their music on iTunes Music Store, further helping to popularize the iPod.

6. CONCLUSION

The above mentioned conceptual paper attempts to analyze and summarize one of the greatest comeback stories in the modern – Apple Inc. It takes a route through a brief timeline of the highs and lows that occurred from the 1980s up until the significant downfall towards the earlier stages of the 1990s. Apple as well as it is known in the world as a technology giant had put themselves into a trap that they were not prepared to get themselves out of, it began when the CEO John Sculley had voted out Steve Jobs, the then owner of Apple Inc., out of the company he founded. This was followed by a series of unwise and careless decisions taken by

managers that would not last a long tenure in the company, the company then showed the doors to CEO John Sculley and appointed a replacement, Gil Amelio who they thought would bring a positive change and revive the company from its significant downfall, which he indefinitely did in his own way. The turning point for the company was when Gil Amelio had decided to buy the company NeXT, which was the company Steve Jobs had founded after being handed the pink slip by the board of directors. This saw the re-emergence of the Steve Jobs era for Apple and saw the imminent termination of Gil Amelio. Steve Jobs then took over as the CEO of Apple and introduced a different and unique method of working; he introduced new and innovative products, made software modifications and revived the largest technology company in the world. Steve Jobs saved a company which was 90 days away from being bankrupt to making it one of the world's highest-valued technology companies in the world. The Steve Jobs era continued and they saw themselves cracking a groundbreaking deal with their biggest competitors Microsoft, Steve Jobs using his strategic mind in cracking the deal, pushed 150\$ Million into an almost dying and desperate company, which was the stepping stone to their future success stories, and they have not looked back since.

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