

Deadline for task:

First Business lesson in September.

Purpose of task:

To prepare students for the demands of Business A-Level

To apply the concept of market size, market growth and market share

To start to develop extended responses for Business

Recommended resources:

Course Pre-Reading

www.tutor2u.net/business

<https://bit.ly/2KS4N2m>

1.1.1 The market

Market size, market growth and market shares: the Tablet Market

Since the launch in early 2010 the Apple iPad has scooped up plaudits, sales and profits. Figure 1 shows the sales during what Apple hopes will be as long-lived a product life cycle as the iPod (launched 2002 and still going strong).

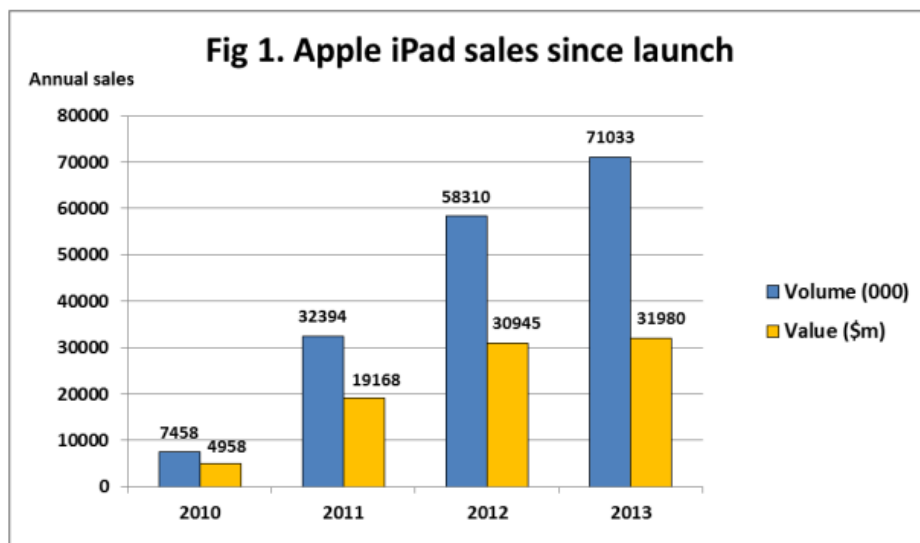
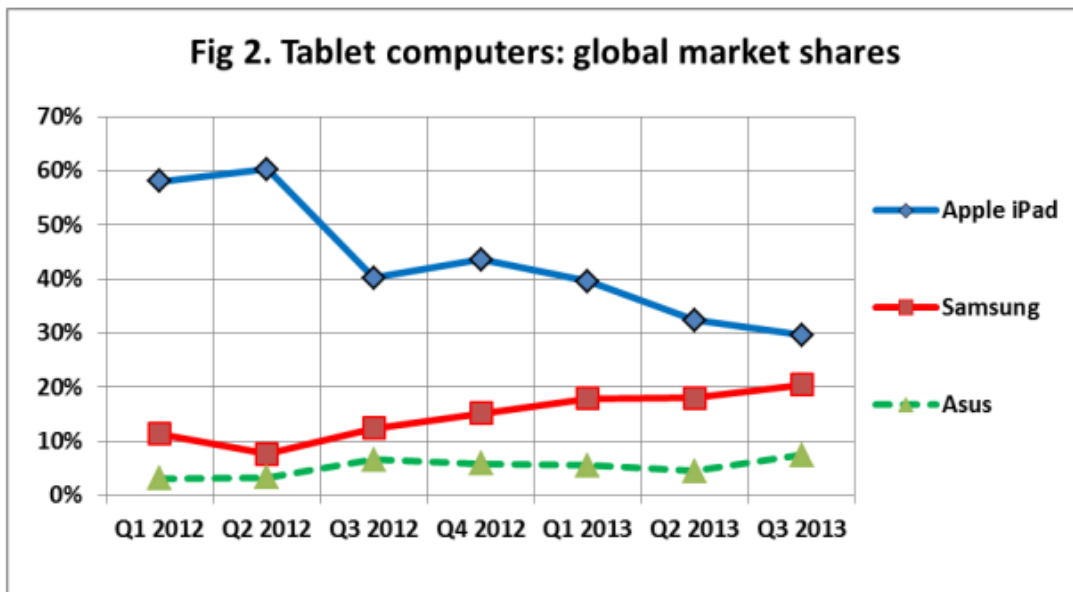


Figure 2, however, shows how hard it can be to keep ahead of the competition. Few would have expected, in early 2012, that Apple's market share would halve between the 3rd quarter of 2012 and the same quarter of 2013. Samsung's success has been an important part of that, but so too has been the growth of less-known companies such as China's 'Lenovo'.



Does it matter about falling market share, though, when sales volumes are as solid as those of the iPad, as graphed in Figure 1, and world market size is forging ahead, from 28.3m tablets in Q2 2012 to 47.6m units in Q3 2013. Source of all the data: IDC Analysts, quarterly reports

1. Calculate the % change in iPad sales between 2012 and 2013:
 - a) by volume and
 - b) by value. (4)

 2. Explain the implications for Apple in the difference between your answers to Question 1. (4)

 3. Use Figure 2 to help explain why the price of iPads was falling in 2013. (4)

 - 4a) From the text and Figure 2, calculate actual sales of iPads in i. Q2 2012 and ii. Q3 2013. (4)

 - 4b) Experts say that the reason Apple's market share is declining is because it has refused to launch a lower-priced tablet computer. Evaluate whether now is the time to launch one. (10)
- Yes, now's the time because:
- No, it's not time because:
- In conclusion: