

Apple Inc. is an American multinational company that designs, develops, and sells consumer electronics, computer software, and personal computers. In the past five years, the cumulative total return on Apple stock has increased by 331%. The reason for this growth is two-fold: the technology sector has transformed and Apple has capitalized on this wave of technological dependence; and Apple has captured the computing market through improving existing technology and creating demand for new products through pervasive transformative innovation. While Apple is enjoying market dominance in the United States, its growth depends on the production of new and improved technology for emerging and developed markets.

Apple has yet to demonstrate true multinational flexibility; however, Apple's iPhone 5C is an initial attempt to penetrate emerging markets with a product aligned with local customer demand and buying power. Forecasts show that the iPhone is where the international growth opportunity exists. But Apple needs to open its software to outside hardware to compete in the global market. This control on software and hardware has allowed Android a further reach. Until Apple bends on its strategy, it is going to leave unrealized global opportunity on the table.

Unless Apple addresses the needs of middle and bottom of the pyramid markets, scaling, and market penetration will be challenging. Apple needs an array of models from low to high-end to compete in emerging markets. Apple should disrupt these markets by leveraging its core capabilities to come up with "frugal innovations."

Alternatively, Apple could just offer its software to the emerging markets. This allows Apple to penetrate with lower risk, greater reach, and a lower cost to the end consumer. This would be targeted at emerging markets only as Apple would not want to cannibalize its own hardware sales in developed markets. These are not just options for Apple, rather oxygen for sustainable, global growth.