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SWOT Analysis of Apple

**Company Overview**

Known as the biggest name in the world of Information Technology, Apple Inc. operates as American multinational cooperation that is headquartered in California. The company designs develop its own products and sell them as consumer electronics including electronic gadgets for daily use, computer software, and other online services. Apple comes in the Big Four of the technological world standing with Google, Facebook, and Amazon. The company has a wide range of both hardware and software products in which the most profitable are the iPhones, IPad and MacBook series.

Apple came into formation in 1976 by the efforts of its founders i.e. Steve Jobs, Ronald Wayne and Steve Wozniak. In the beginning, Apple used to have focused on the development of personal computers for daily use but later the company expanded its operations vertically. At the time of its formation, Apple rapidly captured the attention of the consumers for its products and reached the heights of success during the 1980s. Apple's marketing also received global recognition and helped in the selling of its products (Castro, 2016). Under the leadership of Steve Jobs, the company opened new doors of innovation and made it to the top of the list in the provision of high-quality smartphones (Pisano, 2015). In the last few decades, Apple expanded its operations horizontally as well by increasing the number of retail stores in all the countries possible. Apple has now approximately 506 retail stores covering 25 countries.

The company also faced many tough times in the 1990s when Steve Jobs was forced to resign from the company. After witnessing many downfalls, Steve Jobs was requested to rejoin the company as the CEO by the Top management and after that Steve Jobs took entire charge of the cooperation. In 2011 Steve Jobs died after giving resigning from the post of CEO giving the responsibility to the Tim Cook to further assist the company as the leader.

Apple was always in the list of Fortune 500 companies list and came on 3rd position in 2017. But for 2018, Apple took one step backward by securing on the 4h position instead of 3rd despite the record-breaking sales at the end of 2017. The sales were boosted to 6 % gain in the annual sales of the company in 2017 with the net worth of more than$48 billion in annual net income. Apple is still dominating the global technology industry with its extraordinary performance and strategies.

**Strengths, Weaknesses, Opportunities, and Threats (SWOT)**

Looking at the case analysis of Apple, the popularity of apple enjoys is enormous due to its high tech and innovative products. Apple serves as the key player in the development of smartphones and laptops for consumers as well as the corporate sector. Although the laptop industry witnessed a bit slower growth in the last few years the smartphone industry managed to compensate for it and increased the growth of the company. The latest models of iPhones like iPhone X became the smartphone of the year by bringing many new features for the customers. MacBook Pro also managed to revive the growth of Apple laptops with its launch and increased the sales from this end. Currently, Apple is in a very strong and powerful competition with many leading smartphone companies like Samsung, Huawei, Oppo and many other Asian companies that have recently emerged as a new entrant to the market. Apart from that, Apple is also giving a tough competition with companies like HP, Dell in the laptop industry that is way ahead of Apple in market share and sales. Below is the SWOT analysis performed for Apple in terms of Strengths, Weaknesses, Opportunities, and Threats to analyze the position and standing of the company in the global market.

**Strengths**

Coming to the Strengths part of the leading cooperation, it is seen that Apple enjoys a lot of qualities as strengths due to which it has edge over its competitors in the business. Features like brand recognition, global expansion, financial stability, supernormal profits, customer's preference, and innovation are one of the biggest strengths Apple has. Here, only two qualities will be discussed for the Strengths part i.e. Innovation and Brand Image.

*Innovation in Products*

The feature of innovation is the one that makes all the difference for Apple. From the very start, Apple focused more on the innovation part than on any other feature and this investment paid very well for the company (Pisano, 2015). Apple is the company with a very strong vision and has plenty of innovative ideas at the back end to make a mark in the global market. Apple takes time in the Research and Development of the product but after detailed confirmation launches the product to leave every brand behind in the matters of quality and uniqueness. Applying differential strategy to its products, Apple has managed to place its products on top for the customer’s requirements and needs. The idea of iTunes, IPad, IPod and many other successful initiatives were the most successful innovative ideas from Apple's side. Apple invests billions of dollars on the research and development of each product to make sure that they bring the best to the global market.

*Brand Image/ Recognition*

Brand recognition is another plus for Apple as not many brands enjoy this feature. There is something in the name of Apple that makes the customers always prefer Apple products (Ross, Bearh & Sebastian, 2017). Steve Jobs spent years in building the name of Apple and in few cases also reshaped the brand name in the time of crisis. Other competitors in the market suffer the most when it comes to brand recognition as they do not have any unique features that are connected to their brands. Although new entrants are coming in the market and are rapidly capturing the shares of the market it will require years for them to reach such a level of brand recognition. It can be considered as one of the biggest strengths Apple has. The brand image makes the customers stay loyal to apple as they are confident that Apple is reliable enough to fulfill their demands.

**Weaknesses**

Unfortunately, Apple also possesses many weaknesses like every other brand that is the premium image, limited range of products and relatively low compatibility with other brands. Among them, only two weaknesses will be analyzed below.

*Premium image of Apple*

Apple follows a premium pricing strategy which enables the customers to realize the worth of Apple's products in terms of quality. This strategy made Apple popular in terms of high pricing and also attracted many elite class customers to buy its products for public display and attention. But, this feature is now becoming a weakness for a brand like Apple when there are many competitors in the market that are offering the same products at low prices in the market. Although the competitors cannot acquire the same level of expertise as Apple when quality is concerned but they managed to attract the middle and lower middle class of the society. These customers are not much concerned with the premium image apple gives and instead opts for cheaper smartphones for daily use. This strategy is ruining the sales for the apple now as the element of affordability comes here from the customer's point of view. This becomes problematic to manage when there is a recession going on in some countries.

*Limited range of diverse products*

Apple is failed to bring variety to its products from the past many decades. Looking closer look, the iPhone seems to be the only smartphones Apple has to offer for its customers. Due to this limitation, many customers are withdrawing from buying apple products as they want something different now which the apple failed to provide (Khan, Alam et al.,2015). The range is very limited and does not have enough room to choose from various products whether it is in case of laptops or the smartphones. Other competitors are having this advantage to their names as they keep on adding diverse products in their long list of products. The reason might be more focus on innovation and quality due to which Apple compromises on this element.

**Opportunities**

Even after the entry of new brands in the market, Apple still has many opportunities that it can avail to remain dominant in the market. They are the launch of new products, joint ventures in some products and investment in environmentally friendly products etc. They are as follows:

*Bring diverse products*

Apple can easily make its weakness as its opportunity by launching new products in the market that are different than the existing ones (Mas, 2018). Apple is already spending enough on the research and department; this is why the company should take the risk by further researching on diversity in products it can bring. With the launch of new and diverse in the market, Apple will become unbeatable and it will become hard to acquire the top place from Apple.

*Investment in eco products*

By contributing to the latest concern of environmental degradation in a positive way, Apple can extend its customers base through green technology. Sustainability is the real issues many countries are facing these days and Apple can turn this issue as an opportunity for itself if strive hard enough in the right direction.

**Threats**

The company is under a series of threat for the past few years now as the competition is getting stronger in the global market. The threats include heavy competition, economic recession and legal pressures the company faces in regulation. Some of them are explained in detail below:

*Competitive market*

Previously there were only a few brands in the market to give competition to apple but now the number is increasing and this matter is getting more serious as far as heavy competition is concerned. The competition in laptops, as well as smartphones, has intensified to such a level that now Apple has no choice but to cover its weaknesses to stay in the market.

*Legal pressures*

Due to strong legal actions taken for environmental protection, the technology industry has come under pressure on legal matters and regulations (Kim et al.,2015). Whether it is labor or product safety, the criticism was always made on the leading brands like Apple. There are issues or data privacy faced by many customers in recent years due to which authorities have accelerated strong legal action against these companies. This legal pressure is limiting their ability to fully compete in the market especially for Apple.

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