SWOT Analysis and Strategic Position of Apple

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Introduction

Apple is a pioneer in the personal computer market. ("Apple Annual Report," 2018) It sells a variety of software and related services, including networking solutions and applications. It offers a wide range of products and services, including iPhone, Mac, Apple TV, and a portfolio of other professional and consumer applications. The company's digital content is also sold through various platforms. To sum up, it attempts to offer the best user experience for its customers. Its competitive advantage lies in its unique ability to create its own systems. However, as it has to deal with a competitive environment, the company also faces various different hurdles in order to remain competitive. The SWOT analysis thus is done to analyze the probability of threats and opportunities and the weaknesses and strengths that a company might go through during its operations in the business.

Discussion

Strengths

Firstly, the strength of the company lies in the innovative products it offers to its customers. The company, in the past, had presented many products that had been unique and had remained popular among customers. It started with the Mac Book, then the iPod, and the list goes on. Thus, Apple seems to aim to provide customized solutions and to cover individual desires through its products.

Secondly, Apple has maintained its undisputed design excellence and the loyalty of its core user base. ("Best Brands," 2018) This has caused it to maintain a strong market share in the presence of other strong competitors as well. The company's leadership position, which it has remained successful in maintaining, and the brand equity in this competitive environment has been one of its unique strengths. According to studies, in 2014, the company crossed 700 billion dollars in business. Further, having a number one brand, its value is estimated to be 118.9 billion dollars.

Thirdly, design and technology are the best parts of the company. The elegant designs of its products are also a reason it has remained in a position to maintain its competitive advantage. Not only the designs, but the company has also never compromised on the efficiency level of its products; thus, it has maintained its efficiency levels.

Fourthly, one of the biggest advantages of the company's success and its strength lies in its distribution channels. The data of the company shows that it has 470 of its own stores. Further, it also sells through various trade partners who help the company to expand its reach throughout the globe. In addition to its stylish design, the products of the company were also characterized by attractive displays, a post-industrial feel, and clean lines. Product diversification has also been a major strength of the company, fueled by the company's ability to maintain a strong customer focus.

Finally, the company invests heavily in research and development initiatives to remain competitive and to remain ahead. ("Apple Annual Report," 2018) It helps the company to build its brand and to design a competitive pricing strategy. Also, the customer focus in designing their products is a major strength of the company.

Weaknesses

Internal conflicts and managerial issues were some of the major causes of the company's tough times as well. Also, the delay in the adoption of Intel microprocessors caused the company to grow in frustration in order to align itself with the industry standards.

Moreover, the thin product line was a concern for Apple.

Further, the lack of universality can also be seen as a weakness of the company as the company's products are only compatible with the software offered by the company and are incompatible with software outside the Apple universe.

Finally, the overdependence of Apple sales on one product can also seem to be a weakness. The data from the company suggests that the company relies heavily on the sales of iPhones and has targeted wealthy customers through this product. This fact may not only cause the company to face hurdles in exploiting the other opportunities available in the market but might give an edge to the competitors over the company. The figure below affirms the claim.

Threats

The delay in adopting the industry standards posed a threat to the old application users when the company adopted these standards. However, the company offered various boot programs to facilitate its customers.

Further, the strategic move the company made resulted in opening its first retail store; although this move had strong potential and was an opportunity for the company, it also contained the risks of backlash from Apple's long-standing retail partners as the industry trend in the past were the strong and long-term reliance on the third-party retailers.

Moreover, the company is surrounded by a handful of competitors who collectively constitute half of the market. They also constitute a huge range of small enterprises that produce products that are either branded or unbranded and often attract customers throughout the globe by using discounts.

Finally, for the company, market penetration is a compelling threat, considering the circumstances in which the company operates and the internal situations the company has gone through and may encounter. For instance, Android is taking the company's market share. Also, the competition for laptops is burgeoning. These facts must be taken into consideration by the company well before time.

Opportunities

The strategic shifts of the company, such as opening its first retail store, have proved to be an opportunity and a new avenue for expanding its business successfully.

On the one hand, the offering of new products was the strength of the company, and the experiment of launching different products of other categories, such as iPod, iPhone, etc.

Finally, the expansion in the emerging markets has also remained and is still one of the biggest opportunities for the company. Thus, the quest for further technological advancements to remain ahead of the competitors and to explore new markets is an opportunity for the company.

Conclusion

In a nutshell, the company has seen various ups and downs since its inception as a pioneer. The company possesses many strengths and weaknesses. However, the strengths of the company are more than its weaknesses, and the company is also in a strong position to work on its weaknesses once they are identified. Further, with the passage of time as the new competitors are also struggling hard to compete in the market, the threats are looming for the company, however, there are variousfor the company as available as opportunities to be utilized in order to maintain sustainable competitive advantage and to maintain its position in the market.

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