**Apple SWOT Analysis 2018**

ABOUT Apple Company.

**Industries served:**

• Computer hardware (Mac, iMac, Mac Pro, MacBook, MacBook Air)

• Computer software (iOS, OS X, Safari, iLife, iWork, iMovie, iPhoto)

• Consumer electronics (iPod, iPhone, iPad, Apple TV and Mac products)

• Internet (iTunes store, iCloud, App Store, Mac App Store)

**Geographic areas served:**

Worldwide (retail stores in 20 countries and online stores in 38 countries).

**Headquarters** Cupertino, California, United States

**Current CEO** Timothy Donald "Tim" Cook

**Revenue (US$)** 229.234 billion (2017) 6.3% 215.639 billion (2016)

**Profit (US$)** 48.351 billion (2017) 5.8% 45.687 billion (2016)

**Employees** 123,000 (2017)

**Main Competitors**:

Samsung Electronics Co., Ltd., Amazon.com, Inc., International Business Machines Corporation, Cisco Systems, Inc., Google Inc., Microsoft Corporation, Dell Inc., LG Electronics, Lenovo Group Limited, Hewlett-Packard Company, Sony Corporation and many other computer hardware, computer software, consumer electronics and Internet companies.

Business description:

Apple, Inc. business overview from the company’s financial report:

“The Company designs, manufactures and markets mobile communication and media devices and personal computers, and sells a variety of related software, services, accessories, networking solutions and third-party digital content and applications. The Company’s products and services include iPhone®, iPad®, Mac®, Apple Watch®, Apple TV®, a portfolio of consumer and professional software applications, iOS, macOS®, watchOS® and tvOS™ operating systems, iCloud®, Apple Pay® and a variety of accessory, service and support offerings.”

Our sales channels include:

• retail stores

• online stores

• direct sales force

• third-party cellular network carriers

• wholesalers

• retailers

• value-added resellers

Our customers are:

• consumers

• businesses

• enterprises

• education institutions

The Company is committed to bringing the best user experience to its customers through its innovative hardware, software and services. The Company’s business strategy leverages its unique ability to design and develop its own operating systems, hardware, application software and services to provide its customers products and solutions with innovative design, superior ease-of-use and seamless integration. The Company believes a high-quality buying experience with knowledgeable salespersons who can convey the value of the Company’s products and services greatly enhances its ability to attract and retain customers. Therefore, the Company’s strategy also includes building and expanding its own retail and online stores and its third-party distribution network to effectively reach more customers and provide them with a high-quality sales and post-sales support experience. The Company believes ongoing investment in research and development (“R&D”), marketing and advertising is critical to the development and sale of innovative products and technologies.”[1]

STRENGTHS

1. Unique ability to design and develop proprietary hardware, software, applications and services

Many of Apple’s competitors have tried and still try to imitate the success of Apple’s product ecosystem, but fail due to not having strong capabilities in designing, manufacturing and developing both hardware and software, applications and services.

WEAKNESSES

1. Over-reliance on iPhone sales as a major revenue source

The iPhone generated 55.8% of the company’s total revenue in 2014.

This number grew to 61.6% in 2017.

OPPORTUNITIES

Augmented and virtual reality markets will be worth US$100 billion by 2023

In 2017, the AR market is valued at US$11.4 billion while the VR market is expected to generate US$7.9 billion, making the combined market worth US$19.3 billion.

Both markets are expected to be worth around US$100 billion combined by 2023.

AR and VR will become very profitable growth markets and Apple should take advantage of this opportunity.

THREATS

Smartphones and tablets are becoming a commodity, which could impact the company’s gross margins.

Smartphone Differentiation Points

Hardware: No longer offers

Design: enough differentiation for iPhone

Software: Main iPhone differentiator

Offers: some differentiation.