

SWOT ANALYSIS ON APPLE INC.: A STUDY

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Abstract

The aim of this paper is to critically analyze the governance and social responsibilities of Apple. It is also intended to draw a critical conclusion on the leadership techniques of Apple and to resolve conflicts between business strategies. To evaluate the internal and external environment through SWOT analysis, PESTLE analysis, BCG matrix, a variety of tools were used. At last Samsung has a drawn out procedure with increment their piece of the pie. In addition, the organization has numerous weaknesses, the most frequent cost of Samsung is anything but a modest contrast and some home-grown items, and organizational strategies are not sound. Along these lines, as per Xu (2009), the Samsung organization's showcase blend includes products that may be mostly grounded in the company. Just like Samsung's third component, this has a solitary wholesaler through whom they suit throughout a domain. Since the organization has invested a lot in notices, including famous individuals with imaginative association advertising. It also includes recommendations and the limitations faced during the work on this paper, as well as future scope and references.

Key words: SWOT Analysis, marketing, satisfaction of customers, possible methodologies.

1. Introduction

In 1976, Steve Jobs & Co founded a computer corporation, later renamed Apple Inc., famed for its glamorous product design, updated technology and visionary militant pioneer Steve Jobs. It was initiated as a pure I.T company, but due to extreme rivalry in the software industry, it later concentrated on consumer goods. Apple gained name recognition and elevated customer loyalty. Via its related diversification policy, it sells printers, mobile phones, music players, televisions, tablets, and notebooks. Another booster is the ample recognition of Apple as a brand and everything it produces is embraced by the market since it is designed according to the desires of the customer. The object of the thesis was accomplished by the diamond model of Porter and critical analysis. Second, critical study of Apple products/services, industries, branches, subdivisions and how they influence the overall organizational plans, while matching the value of shareholders with the social obligations of companies.

Objectives of the study

- 1) To identify the role of SWOT analysis in the strategic planning.
- 2) To identify the need of SWOT Analysis in the modern companies.

2. Research Methodology

Abstract: The aim of the paper is to examine the influence of business management, governance and ethics on the achievement of the goals of Apple. The most critical element is research methods with a view to carrying out the research for the report. Data was obtained from a primary source for the purpose of the analysis. We evaluate the external as well as internal world of Apple Inc. with the aid of SWOT analysis to achieve the objectives.

3. Literature review

1. Year	2. Author	3. Name / Title	4. Publisher
May 11 , 2020	Melody Yuan	How a SWOT analysis leads to actionable Strategies.	Research Further.
October, 2020.	Jeff Previte	How to conduct a SWOT analysis	Business to community.
December 8, 2020.	Akshaya Chandrasekaran.	Building a contact-less customer experience for Samsung.	B. Loc.
December 13, 2020.	Anita Adroit.	Home media server market SWOT analysis by Key players.	Cheshire Media.

SWOT Analysis of Apple Inc.

Strengths	Weaknesses	Opportunities	Threats
<p>1. Since diversifying beyond personal computers, Apple has enjoyed terrific sales growth and has wisely managed its cash flow which resulted as No. 1 brand at Forbes with a total capital of \$416.62 billion.</p> <p>2. It is showed that Apple is endorsed by a large brand; company</p>	<p>1. To be world's biggest information technology company brings higher responsibilities as well. Apple like other entities is also facing problems in some of its areas.</p> <p>2. Based on</p>	<p>1. Apples iPhone has plentiful result since its invention; recent statistics shows that iPhone still is Hercules (Apple 10-k). iPhone 6 introduction will rewrap market for Apple.</p>	<p>1. The competitive nature of business sector in which Apple Inc. operates brings many potential threats for them.</p> <p>2. Majority of the competitor's ample resource brings a threat that they go for low profit margins, break even or even negative pricing (Apple 10-</p>

<p>has a strong recognition because of its aggressive nature of founder towards creativity and innovation.</p> <p>3. As the existence of innovative culture it had increased investment in R&D i.e. \$4.5 billion in 2013, \$3.4 billion in 2012 and \$2.4 billion in 2011(Apple's 10K).It also had elevated sales as of practiced and skilled sales personals(Apple's 10K).It had positioned its direct sales branches at high traffic locations which contributes towards strengthen company's revenues(Apple's 10K).</p> <p>4. It had significantly controlled its supply chain and publishes its supplier codes of conduct report annually which further enhances brand recognition.</p> <p>5. Since diversifying beyond personal computers, Apple has enjoyed terrific sales growth and has wisely managed its cash flow which resulted as No. 1</p>	<p>internal analysis of Apple, it was found that it had a strong strategy for promotion of direct sales channels but unfortunately they are still lacking behind. As they only had direct sales locations in just 13 countries.</p> <p>2. Apple's dependency on iPhone and iPod, as their contribution towards overall sales is dominant (Biddle 2014).As well, it's hardware products are only supported with iOS, which makes it difficult to use.</p> <p>3. competitors' products are android which doesn't have such issues. It is also researched that its products are luxury products as carries a premium price. Ordinary man would prefer to spend dollars on more productive places rather than to buy (Nair 2014).</p>	<p>2. Further contract signed last year with China Mobile has and will open up abnormal opportunities in growing market.</p> <p>3. Rumors of Apples wearable made up of bending glass material if offered in early 2015 would be an asset for company, as it would be closest substitute to Samsung's wearable and with unique material.</p> <p>4. Apples goodwill worth \$1577 million, one of key cause is talented personals; competitor's attractive offering may pull them which Apple can't afford i.e. to lose human resource (Apple 10-k).</p> <p>5. Opportunity for Apple is if management retained talented human resource which in return</p>	<p>K).One of the reasons of intensive competition among rivals is Apples competitors in order to be cost effective also don't have their own software.</p> <p>3.Moreover, Apple's majority suppliers are from Asian countries. Any or political problem may cause shortage of supplies or increase in production cost (Apple 10-K).</p> <p>3. Apple would be consistently losing market share if they wasn't able to innovate continuously or rather reduce price.</p>
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brand at Forbes with a total capital of \$416.62 billion.	4. Since Apple had a well-recognized manager, Steve Jobs whose death is a big loss for company. More important there is a change of philosophy for iphone between Cooks and Jobs.	connects company to creativity and innovation.	
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Research hypothesis:

- H0- SWOT analysis improves the strategic planning.
H1. SWOT analysis does not improve strategic planning.

4. Research methodology

The primary data has been collected from 100 respondents through Google forms which has been represented using pie charts and bar diagrams.

Critical Analysis of Strategies Used by Apple

Apple Inc. has a limited range of policies to pursue, such as premium pricing, low cost, product differentiated approach, less or more optimized goods, low market share focus, low return policy for shareholders and inexpensive global marketing. Apple Inc., while facing many detractors of its strategies, was among the world's most profitable brands with marked output of applied strategies.

As often and apparent, Apple's frequently debated approach is the luxury price strategy (Nair 2014), Apple's retail market segment is a higher, medium and upper economy tier, making it impossible for ordinary consumers to shop.

In comparison, major rivals are actively working on price minimization policy, such as Google plans to launch less than \$100 smartphone in India and free access to Samsung's intensified rivalry for Android software (Dutton 2014). Apple is not only an inventory, but a trend setter, pursuing their differentiation strategy, they aim to offer something complete and complete (Farber 2013). The integrative approach of Apple's total bundle of mobile hardware and iOS applications is the most valued facility with millions of third-party downloads, but it is not cost-effective, with one out of four handset purchases bought in 2013. (Meyer 2013). In his 2014 paper, Alex Wilhelm criticized Apple Inc.'s lower capital return policies for its owners, although the company has cash reserves of over \$100 billion. Compared to rivals, weaker inorganic growth approach could also be risky for industry as 'Apple had one purchase every year for the past 25 years compared to Microsoft's 45, Google 40 and CISCO 30.

Apple also claimed that the cheapest marketing tactic by patent battles was a trend setter. They will have to invest millions and even billions in regular business to spend on high-profile shows and

scheduling, but thanks to this plan, every channel is free everywhere. While, they won the law suites now, but not all of them, which cost the picture of Apple (Galasoo2014).

Data Analysis

The data representation will show the current scenario of the consumer satisfaction in 2020 for Apple mobile phones.

1. AGE OF RESPONDENTS:

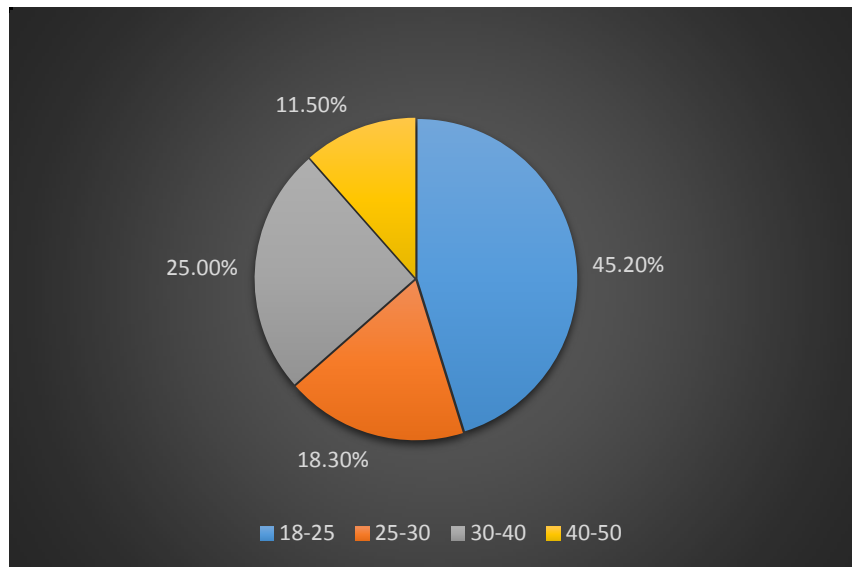


Fig. 1

Fig. 1 represents the data of the age of the respondents. There are 45.20% of respondents who age from the range of 18-25 years, 18.30% of age from 25-30 years, 25% of age from 30-40 years and 11.50% respondents age from 40-50 years.

2. RESPONDENTS OWNING APPLE MOBILE PHONE.

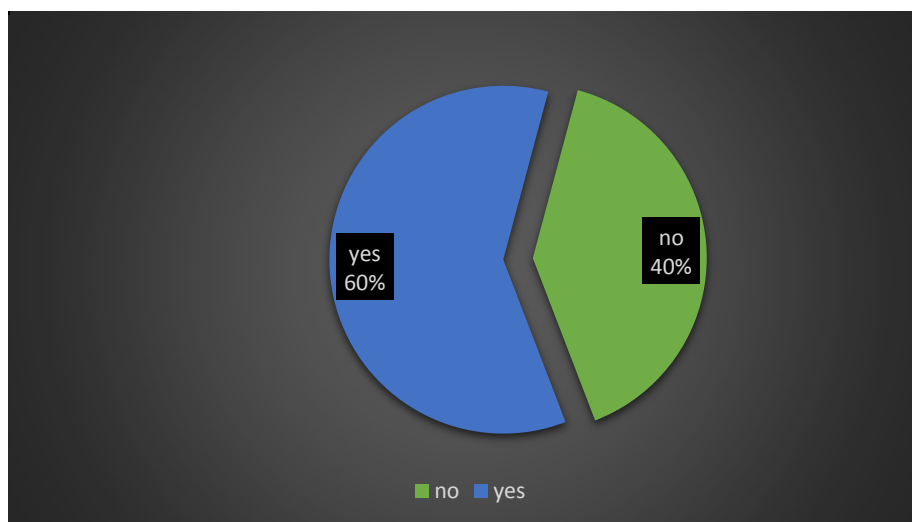


Fig 2

Fig. 2 represents the data of respondents who own and do not own a Apple mobile phone.

60% respondents own a Samsung mobile phone and 40% respondents do not own a Apple mobile phone.

3. REVIEW OF RESPONDENTS

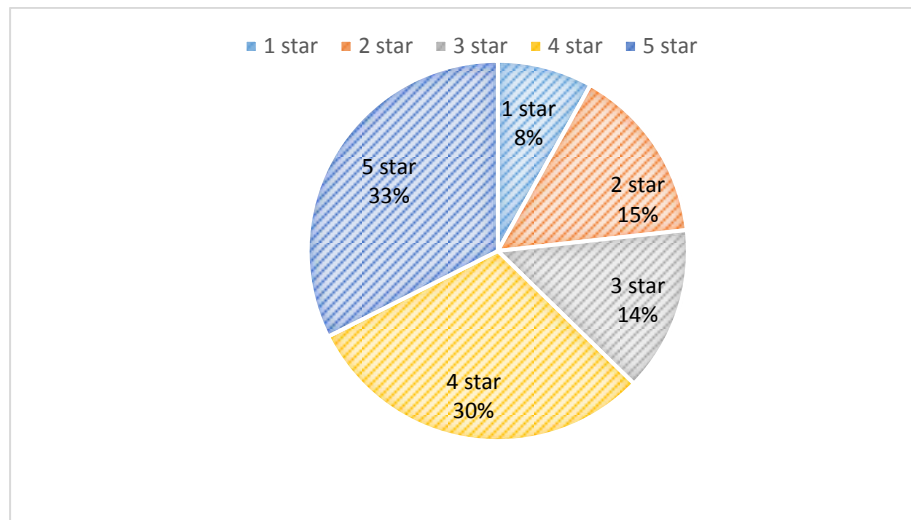


Fig 3

Fig. 3 represents the data of the review on mobile phone of Apple by the respondents. 33% of respondents have rated it 5 star, 30% of respondents have rated it 4 star, 14% of respondents have rated it 3 star, 15% have rated it 2 star and 8% have rated it 1%. Thus, it shows that people give it an average review.

4. OCCUPATION OF THE RESPONDENTS

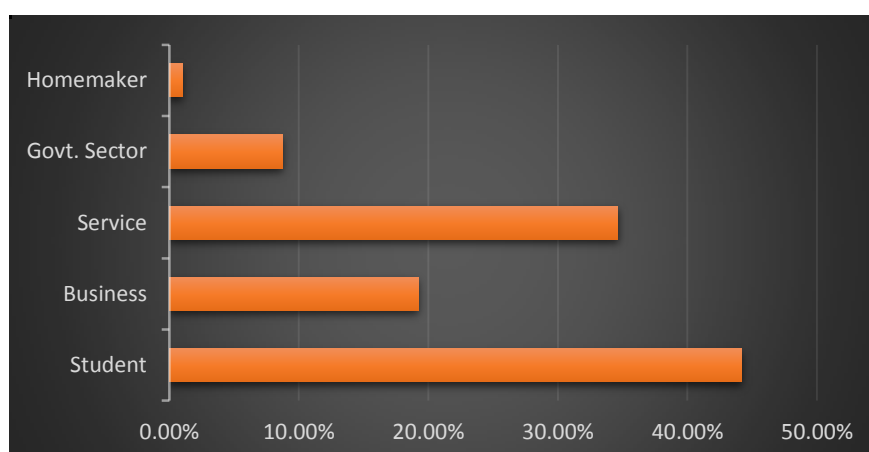


Fig 4

Fig. 4 shows the occupation of all the respondents. So, 1% of them are homemaker, 8% of them are in Govt. Sector, 35% of them do service, 19% are into business and 45% are students. So, overall we can see that the maximum number of respondents is students.

5. RATIO OF RESPONDENTS WHO WISH TO BUY APPLE MOBILE IN FUTURE.

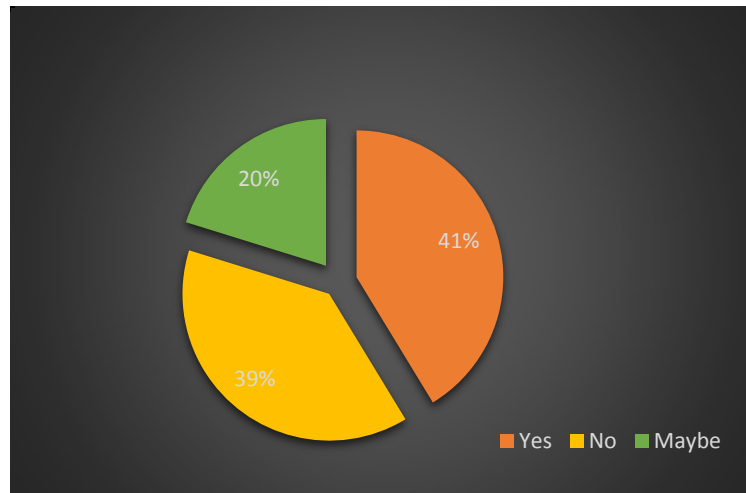


Fig 5

Fig. 5 shows the ratio of respondents who wish to buy or do not wish to buy the mobile phone from this company. So, 41% of respondents wish to buy a Apple mobile phone in future and 39% do not wish to buy a Samsung mobile phone in future and 20% of them may buy a mobile phone from this company in future.

5. CONCLUSION

Apple had this technique of wait and to bring full package for targeting niche market while giving focus to profit margins. They are successful in selling their products and had highest customer satisfaction ratio. Problem with Apple is that major consumers are unable to buy due to higher prices, Apple's don't had more than paper work for supplier codes, indirect reachability to maximum markets, app store is based on third party contractor. It is confronted with possible human resource turnover, criticism on its governance and issues such as not socially responsible corporation.

It is proposed that Apple can focus on price minimization, along with expense minimization. Looking ahead to the Blues Ocean approach will be in favor of the company's benefit maximization target as it is lined up. By - spending, Apple will will its potential hazard, which is actually a billion dollars on an annual basis, which is ultimately not enough.

Companies should rely more on developing markets that have already been dominated by rivals, such as China and India. Apple must extend its board of directors to improve corporate governance; they must be more committed to social responsibility than words; therefore, there is a lack of coordination and understanding of parallels between management and the business of customers from which they have lost a large portion of their market capitalization, so it must enhance communications with its in-house.

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