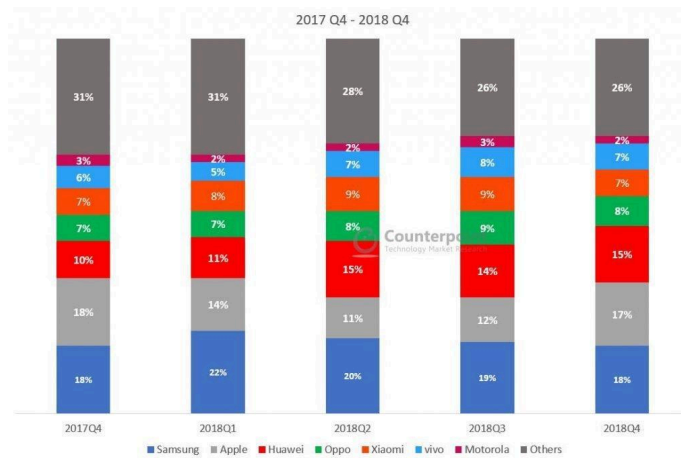


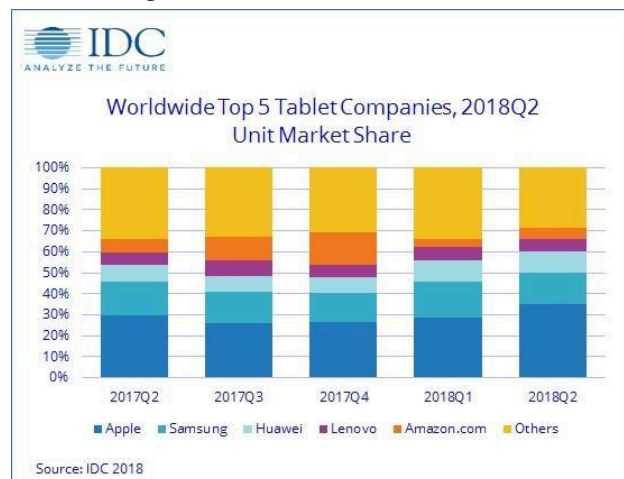
Competitor Analysis

Currently, the smartphone market is highly competitive, with 355.6 million units shipped globally from all smartphone vendors at the end of the third Quarter of 2018 (“Smartphone Market Share - Vendor.” *IDC, 2018*). By the fourth quarter, Apple held a 17% market share, thanks to its flagship iPhone, with its largest competitor Samsung and their flagship Galaxy S series holding an 18% market share, and their second largest competitor, Huawei, holding 15% of the market (“Global Smartphone Market Share: By Quarter.” *Counterpoint Research, 13 Mar. 2019,*) Other competitors include Oppo with an 8% market share, and Xiaomi and Vivo, both with 7% market shares.



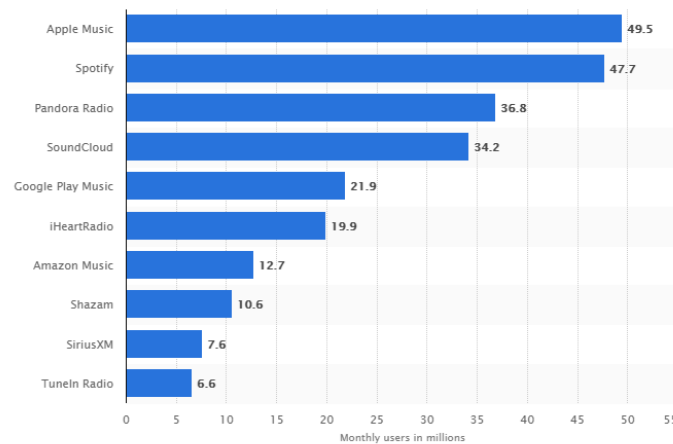
Source: [Counterpoint Research](#)

In the tablet market, Apple maintained the largest market share by far by the end of the Second Quarter of 2018, that being 34.9%, thanks to its flagship iPad. The main competitors in this market are Samsung, at a 15.1% market share, and Huawei, at a 10.3% market share. Even with a global tablet market decline of 13.5% during the second quarter of 2018, Apple maintained its majority (“Tablets Shipments Continue to Decline” *IDC, 2 Aug. 2018*).



Competitor Analysis (Contd.)

As of the first quarter of 2018, Apple Music had the most streamers in the United States monthly, at around 49.5 million users per month. Second was Spotify, with 47.7 million users, while Pandora Radio came third at 36.8 million monthly users, and SoundCloud had 34.2 million monthly users (Statista, Top U.S. Music Streaming Services by Users). According to Reuters however, as of April 5, 2019, Apple Music has Surpasses Spotify in paid subscriber count, although it still remains second in overall users (Li, Kenneth. "Apple Music's U.S. Subscriber Count Overtakes Spotify: Source").



© Statista 2019

Source: [Statista](#)

In the PC marketplace, Apple ended the fourth quarter of 2018 with a 7.1% market share, trailing behind the three largest PC suppliers in the world, being Lenovo, with a 21.9% share of the market, HP Inc. with a 22.4% share of the market, and Dell, with a 15% share of the market (Gartner).

Company	4Q18 Shipments	4Q18 Market Share (%)	4Q17 Shipments	4Q17 Market Share (%)	4Q18-4Q17 Growth (%)
Lenovo	16,628	24.2	15,697	21.9	5.9
HP Inc.	15,380	22.4	16,092	22.4	-4.4
Dell	10,915	15.9	10,763	15.0	1.4
Apple	4,920	7.2	5,112	7.1	-3.8
ASUS	4,211	6.1	4,716	6.6	-10.7
Acer Group	3,861	5.6	4,726	6.6	-18.3
Others	12,710	18.5	14,590	20.3	-12.9
Total	68,626	100.0	71,696	100.0	-4.3

Source: [Gartner](#)

Apple Inc. SWOT Analysis

Strengths

Apple is a company with a large multitude of strengths to help it remain a key player in multiple different markets for years. These strengths include:

- The Seamless and user friendly operating systems of many User Interface's
- Strong brand loyalty to apple
- Financial safety when investing with Apple (strong quarterly reports over the last few years)
- Large focus on the development of new technology

Apple's high cash flow has opened up opportunities to invest that money wherever it chooses. Lately, this money has gone to R&D for its products that currently exist, and potential future products, examples being yearly releases of new iPhones and self-driving cars respectively.

Weaknesses

Simultaneously, Apple also has weaknesses that exist within the company too. These weaknesses are:

- Lower than expected iPhone sales (as technology lasts longer, especially smartphones, people buy less new hardware)
- Apple has been criticized for not being very innovative
- High prices for technology
- Recent drop in apple stock value due to lower earnings

Apple has faced many struggles in the final quarter of 2018, even with a strong year all around. The new iPhone's sold under expectations and following this, Apple released a memo stating it would no longer report on hardware unit sales, worrying investors. Apple also has an issue with the accessibility of its products, with its newer iPhones retailing above the \$1000 mark.

Opportunities

There are many opportunities Apple has access to expand its horizons, especially considering the large amounts of revenue generated by iPhone sales. These opportunities include:

- Expansion of services outside of the iPhone
- Chances to partner with other companies
- Finding markets to expand in outside the US

Apple already offers many services outside of its flagship smartphones. Apple Pay, AppleCare, Apple Music, etc. are all large moneymakers for Apple as well, and if trends continue, many of Apples services will continue to expand and provide larger revenue for Apple outside of its

smartphone business. Recently, Apple also partnered with Amazon to sell iPhones and iPads on their marketplace, providing an entirely new venue for apple to sell its products.

Threats

Although Apple is still seeing large revenue gains and new partnerships emerging, there is a large threat looming over the business. These being:

- US-China Trade War
- Legal issues with older iPhones

Strengths	Weaknesses
<ul style="list-style-type: none"> ● User-friendly seamless UI ● Brand Loyalty ● Financial safety ● Technological development 	<ul style="list-style-type: none"> ● iPhone X undersold ● Lack of innovation ● Expensive products ● Lower earnings
Opportunities	Threats
<ul style="list-style-type: none"> ● Expansion of services outside the iPhone ● Partnership with Amazon ● Non-US Markets 	<ul style="list-style-type: none"> ● US-PRC Trade War ● Legal patent issues with older models of iPhones

With the increase of the trade war between the United States and China, Apple could be impacted by any tariffs imposed. This also causes Apple to face pressure to manufacture in the United States, which is incredibly expensive, and suppliers of Apple hardware could be impacted from closed Chinese markets. Older iPhones have also been banned for sale in Germany and China due to legal issues with Qualcomm.

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