

A Level Business Studies students SWOT up on companies



In Lower 6 A Level Business Studies, students have begun looking at strategic direction. This includes assessing the current position of a business to develop strategic choice – so looking at where a firm is now and the possibilities for its future development as well as potential constraints any such development. As part of this topic the students have been learning about SWOT analysis and its applications in the business context.

Students carried out their own SWOT analysis on a firm of their choosing and you can have a look below at the work of Tilly Rose Cundale on Apple and Sadie Gray on Shein.

Mrs Rosemary Haynes

SWOT Analysis: Apple

	Positive Factors STRENGTHS	Negative Factors WEAKNESSES
Internal Factors	<ul style="list-style-type: none"> • Uses careful study and extensive research to help fully understand customer needs and market trends e.f Apple spends \$26.25 billion on research and development. • They use Liam which is a recycling robot which breaks down the phone to a single bolt allowing many phones to be reused. • Apple has been expanding its services portfolio e.g. 20% of Apple's annual revenue came from its services including iCloud, AppleCare and payment services. • Brand of choice with offering big performance technology for everyone's needs. • High quality and brand loyalty • Extremely innovative which Apple introducing many products which changed the world e.g. iPhone and Ipad • Most valuable brand with a brand value of \$408 billion 	<ul style="list-style-type: none"> • High priced products due their luxury products which means that only middle or high-earning individuals can buy their products. • Entering new areas where they may lack competencies such as Netflix and Disney. • Incompatibility with other software which means that customers have to exclusively purchase apple apps or accessories which may put some customers off from their purchase. • Limited advertisement • Allegations of tracking through the phones has led to people considering Apple as untrustworthy.
	OPPORTUNITIES	THREATS
External Factors	<ul style="list-style-type: none"> • Consistent customer growth with a customer retention rate of 92% • Planning to expand its music streaming services to 53 emerging markets in Africa. • Utilise AI to increase profit margins. • Kia Motors has partnered with Apple to build a driverless electric car and will begin production in 2024 • Expanding into chip manufacturing competing with intel and Broadcom. This boosted its total market value close to \$3 trillion • Buy Now pay later service allows customers to pay in instalments. • Expanding into Indian market with substantial growth due to a record number of people switching from Android to IOS devices • Dominating in Smart Speakers with home pod with a 10.2% market share after selling 4 million speakers • Lack of green technology • Qualified professionals that have years of experience and therefore can continuously build new opportunities 	<ul style="list-style-type: none"> • Covid has had aftereffects as Apple is very dependent on China for its manufacturing and supply chain and so it has significantly affected and disrupted its operations. • Air tags used for malicious intent can put people off from purchasing the product and brand. • Increasing competition with companies such as Samsung using android software to create new smartphones. • US government has imposed a high tariff on imports from China increasing the overall costs of the products and therefore increasing costs for customers. • 60 Lawsuits have been filed against apple and may decrease brand reputation. • General Motors phasing out CarPlay by 2035 • EU has passed a new law requiring all electronic devices to have USB-C chargers by the end of 2024 despite apple using lightning chargers in all its iPhone devices.

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I think that the most important strategy for Apple would be expanding and investing in developing green technology as this would increase customer demand as it would give the brand a USP as not many brands have expanded into this market. Also, it aligns with the present customer needs of people valuing more ethical products which will benefit the environment and therefore will increase sales, thereby increasing revenue and profits.

	Positive factors STRENGTHS	Negative factors WEAKNESSES
Internal factors	<ul style="list-style-type: none"> - Will ship anywhere in the world. SHEIN will deliver to the customer's doorstep, no matter what country the order is from. - A massive collection of products. Choice brings mental satisfaction. - Competitive prices. Stands out amongst competition firms as the lowest budget business. - Personalised mobile app. Only shows products with a use-friendly interface which makes customers prone to buy goods from there. 	<ul style="list-style-type: none"> - Time-consuming delivery. It can take up to 2 weeks which is a massive set back for a business. - Unavailability of warehouses. The availability of proper warehouses makes the entire delivery process fast and reliability because the information is available for customers at every step. - Vague origin history. Customers cannot have continuous assurance about their products.
	OPPORTUNITIES	THREATS
External factors	<ul style="list-style-type: none"> - The recent rise of the fashion industry through e-commerce. The new trend is to buy every fashionable product. So, when this is the trend, the popularity of the sites providing good services is high too. - Selling high price products to consumers who can afford them. Keeping lower prices increases popularity amongst customers but there are opportunistic where the company can target an audience with a higher disposable income. - Virtual ambassadors. They need to choose the right person to make them the grace of the whole business as they depend a lot on virtual marketing. - Social networks. Marketing through different social networks helps reach a maximum number of consumers from various parts of the world. Social media marketing can be crucial for shein to grow and sustain itself in the competitive market. 	<ul style="list-style-type: none"> - The mishandled data. Data breach is a recurring issue. SHEIN's whole business is based on a computer, so it is a considerable threat to the business. - The shift in consumer taste. It is impossible to predict what customers want at specific periods. So, businesses like these always need to be on their toes and ready to put certain products aside. - Influential competitors. Companies like Amazon are big deals in this market. So, to make an impression on these companies is hard work. - Increase in the number of competitors. The competition has also increased with the increased in the popularity of e-commerce. So, to stand out amongst so many businesses can be difficult

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I think the most appropriate strategy is to use virtual ambassadors because the target market for SHEIN is mainly young women. Virtual ambassadors can access young people through social media and customers may look up to them for inspiration which may raise profits.