

External and internal environmental analysis

[Business](#), [Company](#)



External and Internal Environmental Analysis Shannon Roundtree STR/581
November 26, 2012 University of Phoenix Arthur Close External and Internal Environmental Analysis The vision created by the late Steve Jobs is aimed toward reaching the diverse global community. Changes in the external environment determine the decisions the company will make. Apple has prominent frameworks that have been implemented to evaluate the external environments of the company. Domains that affect the company externally have been identified and will enable the operations to be influenced. Apple has a strong brand image that leads to strong relationships between the company and customers. The company focuses on research and development, which in return creates new products in the market. Apple has a powerful financial performance that maintains the operations of the company. This financial performance ensures the sustainability for Apple. Apple has services that improve the operations of the PC's, the company offers network solutions, and its main function consists of developing personal computers and related software. " The United States in the main operating place for the company as the company offers its portfolio composed of the Mac computing system, iPods, iPhones, iPads, and the specific servers. " The operations of Apple Inc have been narrowed down so as to appeal to a specific group of people with the need for effective personal computers" (p. 2). External Analysis Expansion of e-commerce in the business is one of the external factors that hinder the company. As a result, Apple will have adjustments made to its systems to keep up with the e-commerce industry. The company interacts with its external environment to help achieve goals. The vision of the company is aimed toward " creating

value and competition that is sustainable for the company to attain great profit maximization levels" (p. 1). Apple can remain a top competitor in the market through their internal competitive environments. " The external operating environment is an arena in which the operations of a business entity are carried out. This environment has profound influence on how an organization is run. Though complex, the relationship that exists between the external environment and the company yields positive as well as negative outcomes" (p. 3) " Through the external market, the organization will be able to remain competitive and reach out to the diverse markets that have not been tapped into yet. The most important factors that affect Apple Inc are as follows: the intense competition from rival companies that have similar products" (p. 3) This high intensity in the business market makes the company lose out on potential consumers who will increase the profits of the company. The declining PC sale in the market is another external factor that affects the operations of Apple Inc. This lowers the revenue incomes of the company and decline in the profit margin of the organization. Internal Analysis Among its competition, Apple has been recognized for its brand, customer loyalty, and innovation. The company has always " used user-friendly computers with its own proprietary operating system, creating highly brand loyal Apple users. The Apple and iTunes brands are both well respected and trusted by customers" (p. 4). " Apple's innovation with iTunes and iPod, is another important factor; an innovative product, combined with a user friendly, encompassing service covering both a means to keep and organize music on one's computer as well as to purchase new music easily" (p. 4) Logistics is neither rare, or an inimitable resource for the company.

Strengths and Weaknesses Apple has great competitive advantage in the market because of its unique products. The new Smart Phones have captured great market value, along with the launch of the new Ipad Mini. Another major strength for the company is its retail stores. Apple can build relationships with its customers and all of its products are sold in the same capacity. The company has also set high standards in the market to meet customer satisfaction. Apple is faced with a challenge to ensure consistency and quality with its products because technology is constantly changing. The company has experienced several glitches in its products of the last couple of years that have been resolved, however, those products are not perfect. It is imperative that Apple solve the technological errors in their products to remain competitive because there are other companies making similar products. The last thing Apple wants is to lose sales to Samsung or any other competitor for technological errors in products. Another major weakness for the company was restricting the Iphone to a operator. Even though other competitors such as Sprint can now sell the Iphone to its customers, it was not like this in the beginning. Before the restriction ended, the Iphone was only available for AT&T customers. This decreased the market share because it excluded half of the world the opportunity to purchase this device.

Conclusion Apple is never afraid to take risks, which allows them the ability to lead its industry. Internally, the company is one of the best concerning customer loyalty. Regardless of the price, Apple ensures that customers are satisfied with their products. Even though they lead the world in technology and design, the company is still challenged with the prices of their products. Everyone is cannot afford an Apple product, which keeps the imitable

companies in business. The company has begun to focus on the mainstream of the consumer rather than those who are knowledgeable with technology. This will increase the number of consumers and revenue. Reference Investor Relations. (2012). (n. d.). Retrieved from <http://investor.apple.com/>.