Strategic Evolution and Competitive Analysis of Apple Inc.: Embracing Business Model Innovation and Technological Advancements in the AI and VR Era

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Abstract. With the rapid development of science and technology, the update speed of consumer electronics products is also changing rapidly. As a leading consumer electronics product enterprise, Apple has also attracted a lot of attention. In the past decade, Apple has led the development of the whole market through its strong core competitiveness, including advanced design concepts and excellent products. Now it has stepped into a new era, and VR and AI products will be the trend of the future. Therefore, this paper will discuss whether Apple can use the SWOT model and the Porter five-force model in the new era.

Keywords: Apple, core competitiveness, SWOT model, Porter five force model.

1. Introduction

After Jobs returned in early 1997, Apple opened a new era of rapid development of Apple, which became the benchmark of the whole industry in many fields and was imitated by its peers. After 27 years, Apple's computer, Mac and Macbook Smart, and iPhone are still popular among people, but now the high-tech companies are blooming, the speed of iteration is also changing rapidly, and many excellent products have become Apple's strong competitors. However, in recent years, consumers have found that Apple's new products are all slightly updated and improved on the basis of the original. Many people believe that Apple's innovation ability is declining, and it can no longer produce revolutionary products. Utilizing the SWOT model to guide its strategic choices, Apple's core competitive strengths are primarily: 1. Product advantage: the distinctive iOS system enhances usability and convenience while continuously evolving in response to consumer needs; 2. Brand recognition: as of 2019, Apple's brand was valued at $205.5 billion.

This makes it difficult for Apple brands to be imitated and replaced in the long run.3. Emphasis on research and development: the company produces its own software and hardware equipment, and some products bring about revolutionary changes in some way. Many articles have analyzed Apple's competitiveness and business model, but as a technology company, Apple's competitiveness has changed with the rapid development of technology. Therefore, this article will discuss Apple's competitiveness and business model at present. This paper analyzes the core competitiveness of Apple company through the SWOT model and other models, deeply explores the core of the company, analyzes the business model of Apple company, and extracts some inspiration from it.

The core competitiveness of enterprises is defined as " the ability of an enterprise to develop unique products, develop unique technologies and invent unique marketing means. Prose knowledge and information are the core competitiveness. The enterprise is like a big tree: the product is the fruit, the service is the leaf, the branch combines the product and the service, and the trunk and the main branch are the core products that provide nutrients for the tree to stabilize the tree, which is the core competitiveness. In general, core competitiveness is the unique advantage of the enterprise and can support the enterprise's competition and enable the enterprise to achieve the core competitiveness of sustainable survival and development in the competition.

The core of the business model is to understand the needs of the users and meet it, which is also the goal of the company. The evaluation criteria of whether the company is excellent is also judged by customers. To put it simply, the ultimate goal of the company is to attract and retain customers

constantly, and the process can only be solved by marketing. Therefore, the business model needs to start from the perspective of consumers and create value from the perspective of consumer interests. Excellent companies have shifted from competition on products and price to customer service and value competition. For example, Apple, which has almost the ultimate detail design and excellent service, has gained many loyal customers. In general, the foundation of business model innovation is how to create value for customers.

This article will apply Porter's five-force model to conduct industry analysis and SWOT analysis to analyze whether the business model innovation can adapt to the environment and the core competitiveness of the company.

2. Analysis

2.1. Porter Five-Force Model Analysis

The Porter Five Force model believes that there are five forces in the industry, including: new competitors, the threat of alternatives, and competition between suppliers, buyers, and existing competitors. This tool can discuss the competitiveness of the business model. Therefore, in the subsequent article, I will select the main factors from the above five aspects to analyze Apple's competitiveness and evaluate its current competitiveness.

2.1.1. Existing competitors

There are many strong competitors in the market, such as Huawei, Samsung, Xiaomi, etc. The number of rivals is increasing and growing, such as Huawei's market share for high-end phones in 2023 went from 3% to 5% in 2022, Samsung's market share rose from 16% to 17% with S23 and foldable models, and Xiaomi from 1% to 2% due to the success of its high-end strategy. These are the big rivals that Apple needs to focus on.

2.1.2. New competitors

Because the development of technology enterprises needs a certain amount of capital and technology accumulation, the new competitors will not bring too much threat to Apple. It is also because Apple has occupied a certain market and gained many loyal users, and it is difficult to surpass Apple in technology. However, if the industry changes greatly in the future, for example, for mobile phone products, consumers will pay more attention to the interaction between AI and mobile phone and AI capabilities in the future, while Apple cannot have a strong strength in AI, then Apple's position in consumer electronics will decline.

2.1.3. The threat of alternatives

As technology advances and Iter accelerates, Apple must constantly develop new technologies and consider the threat of alternatives. Apple's vision pro release in 2023 is a good proof that it still has strong innovation ability and produces new leading products. In terms of mobile phones, computers and tablets, Apple's advantages are gradually decreasing, but in terms of VR, the company's alternatives are now less of a threat. For the Al track, Apple is lagging behind. If AI is fully popularized in the future, Apple's market share will be lower.

2.1.4. Supplier

Apple's products are basically given to OEM factories all over the world, but there are many OEM factories, and the company has the core technology, so Apple has a great advantage in terms of cost negotiation with suppliers.

2.1.5. Buyers

Apple has a large number of customers and loyal fans of "apple fans", especially in China. Apple used hunger marketing to sell its new products, with many fans willing to line up or even buy them at a higher price. In addition, Apple's unique Apple ecosystem makes it more expensive for users to

replace other brands. Many customers are used to buying the brand over and over again, so the company's ability to bargain with its customers is undoubtedly extremely high.

2.2. SWOT Model Analysis

SWOT analytical method. The four English letters of SWOT respectively represent advantage (S), disadvantage (W), opportunity (O) and threat (T), among which S and W are internal factors of the enterprise, while O and T are external factors. After the clear analysis of these four aspects, the conclusion of enterprise competitiveness can be drawn through the systematic analysis of rectangular arrangement. This model can be used to analyze the core competitiveness of the company. The SWOT analysis method to find out the company's current problems and core competitiveness.

3.2.1. Strengths

High brand awareness: Apple has a high reputation in the world, and most people think that Apple represents high quality and high quality. And the original generation of Apple products led the whole industry, and the current mobile phones and tablets have learned from Apple products. Therefore, Apple has great advantages as a product leader and high-quality spokesperson. Moreover, when it comes to Apple products, Apple's ecosystem is an unavoidable topic. Apple integrates mobile devices, computers, operating systems, software, and applications to provide users with an excellent integrated experience of using the solution. Apple is also a pioneer in this respect, so its unique business model gives Apple a great advantage.

Apple products are often rich in a design sense, and simple and simple and easy to use. The reason is that founder Jobs attaches great importance to the design's beauty and simple style, paying attention to the consumer experience and polishing the details of the product. Unabandoned the tech companies' consistent goal of maximizing profits. Also, Apple products in the past, but in recent years apple in mobile phones and tablet computers no revolutionary innovation, but in terms of AI and VR and have new innovation progress, and AI, VR is the new trend of the development of technology products, can say apple's future is still the industry leader.

Apple has mastered the tricks to excite consumers, and then started guiding them step by step. Apple rarely talks about the features and technology of its products, even though the technology is already far ahead. It talks more about the user using the product to change their lives. The signs on Apple's products are on the laptop and the back cover of the phone, and are in the center of the display. This makes the user feel the premium of the product. And most of Apple's product signs even glow. Apple's understanding is that signs are not intended for people who have bought them, but for people who plan to buy them. As a result, Apple has always attracted a large number of consumers, habitually queuing up all night only to get products a little earlier, and it's hard to see that Apple's specialty marketing is obviously more effective.

3.2.2. Weaknesses

Over-reliance on outsourcers for the manufacturing of products: To rely entirely on outsourced suppliers will bring greater product supply risk. Although Apple has the core technology and design, and many outsourcing manufacturers want to be the suppliers of Apple Inc. The company has a strong bargaining power, which can reduce the cost of product manufacturing to a certain extent, but if there are special circumstances and they rely too much on the outsourcers, there will certainly be product supply problems.

Moreover, the system closure is both an advantage and a disadvantage, and the disadvantage is that the MACOS system has much software can not be installed, sometimes because the work needs to install software or plug-in, only the windows system computer can be used, so this makes Apple lose a lot of customers.

In addition to this in the past Jobs era, Apple's main problem was to focus too much on products and technological innovation, putting profits second. Now Apple, under Cook, has improved the problem, but now focuses too much on profits, such as fewer new product updates each year, with many consumers nicknamed "squeeze toothpaste", mainly expressing dissatisfaction with the lack of

annual product updates. Although Apple still attaches great importance to research and development innovation and has made achievements in new AI and VR tracks, it is not sincere to pay too much attention to the profitability of products and pay minimal technical updates to consumers. In the long run, there is no guarantee that consumers will be as enthusiastic about Apple's products as they are now.

3.2.3. Opportunities

With the continuous growth of GDP, the economic level of residents improves accordingly, and people pay more attention to the brand and function of the products. Apple is the leader in the consumer electronics industry, and its position and reputation are beyond doubt. In the hearts of many loyal Apple fans, Apple is the symbol of high-end perfection, and this brand effect can retain many customers. So, Apple needs to maintain its brand image. Also, the consumer electronics industry has entered a new era with AR and VR AI emerging. Currently, Nvidia has immediately surpassed Apple to become the second-largest company in the world in terms of market value, which proves that AI and VR should be the main direction of consumer electronics in the future. Apple has already deployed both VR and AI. Apple's recent Vision Pro is not a revolutionary product, but it has redefined the VR product. Apple's AI part is also in research and development, and Apple has cut its car division and moved it into AI departments.

3.2.4. Threats

Apple's competitors are growing stronger. Although Apple is still the leader in consumer electronics, it will lose its position without new innovations, or without other manufacturers. Some outsourcing manufacturers have a low-qualified rate of products, so it is possible that customers may receive defective products. This situation greatly affects Apple's brand value. After all, Apple's label is perfect. Also, the possible economic crisis will spread to the real economy, the real estate industry downturn, and the lack of new economic growth points in the world, and the global economy will show significant cooling. With the dollar remaining weak, oil, grain and other primary product prices are high, and excess world liquidity remains. The above environmental and economic problems will affect the consumer market and may affect the development of Apple and its receivables.

3. Conclusion

As one of the most famous companies in the world, Apple's development has received attention and evaluation from many parties. This paper, through the definition of the enterprise core competitiveness and the characteristics of business model theory, combined with the actual case of Apple's success, deeply analyzes the important factors of Apple's success, using SWOT analysis and port five force analysis, summarizes Apple’s four core competitiveness and advanced business model. The analysis with Apple can bring some enlightenment to Chinese consumer electronics companies. However, it cannot copy Apple's successful business model. In different enterprise ability and development environments, the business model is not static, any business model can only be under certain conditions of a successful market environment, even if the enterprise business model before great success, but the change of the market is changing, as the market environment changes, the original business model can create value for the enterprise will gradually reduce. Therefore, Apple should not stick to its business model but should evaluate the market in advance, adjust and innovate again in time to keep its original business model competitive.

In the context of the new era, new variable elements are added to the model. Unlike other articles analyzing consumer electronics companies, this article focuses more on the future development of enterprises and the possible risks in the future. This paper also analyzes the core competitiveness and business model of the company, and most of the articles are studied separately. Therefore, these two points influence each other and achieve each other. Therefore, a company and an industry should be analyzed at the same time to draw a more comprehensive conclusion.

The new era of consumer electronics has arrived, and the future trend should be that AI and VR products should be widely integrated into people's lives. For consumer electronics enterprises, we should pay more attention to whether the company has a layout of VR and AI technology, which will judge the future value of the company. As for Apple, I think we should pay more attention to the development progress and innovation degree of AI and VR products, which will affect the future development of the company and the company's position in the industry.

The deficiency of this paper is that there is no complete study of the entire Apple system. Because there are too many factors affecting the success of a company, including the company's management ability, corporate culture, leadership, technology and product development ability and other factors, so only the more important part is selected as variables for analysis in this paper.And for the current global economic environment, has a greater impact on electronic consumer enterprises, this paper does not discuss much about this factor.

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