



Electronic Arts SWOT Analysis

STRENGTHS

- **Strong brand awareness due to the popularity of games in EA's portfolio:** EA is widely known for its most popular games such as The Sims, Apex Legends, Plants vs. Zombies, Battlefield and more. EA cultivated a strong cult following over the past two decades which has generated a loyal fan base and followers of its brands who continue to come back for the latest games in the industry.
- **Experts in the latest game technologies:** EA has a strong community of engineers, researchers, game developers and creative individuals. EA's research has delved into AI and machine learning, animation, speech and language, and rendering and lighting which has contributed to the development of its recent game releases. Through this research and a strong team, EA can stay updated with the latest trends and advances.
- **Large, broad target audience and market:** Since EA develops games that rely heavily on consoles or platforms such as PlayStation, Xbox, Nintendo, Microsoft and more, this allows EA to have an expansive audience with several different demographics that can be hyper-targeted.

WEAKNESSES

- **Reliability on franchises:** While EA is widely known for its historical and long-running list of video games within its portfolio, this could eventually cause consumer fatigue as these games have been around for decades. EA needs to continuously push the envelope when introducing new games or concepts to remain relevant and a global leader.
- **Launched Games Issues/Quality Control:** EA's consumers have reported glitches and lagging images when games are launched or updated. On EA's HQ ask and answer page, consumers have reported technical issues, mods issues, bugs and more on several games including FC, NHL and FIFA.
- **Non-innovative approaches:** Due to the heavy reliance on EA's popular brand portfolio names and the long-time success of several franchises, EA lacks fresh and innovative approaches when it comes to new releases developed in-house. Instead, EA continues building on former games with different versions or outsources from an independent studio.

OPPORTUNITIES

- **Partnerships with streaming sites or streamers/gaming influencers:** Streamers have a large influence within the gaming community. Partnering with streamers or streaming platforms (such as Twitch) on a specific launch would garner the attraction of EA's desired target audience and potential new fans/gamers who are likely to purchase the game after watching a demo from their favorite streamer/influencer.
- **Expansion into new markets:** The rise of virtual reality and augmented reality has opened up new markets for brands to immerse themselves in. EA could create products or launches surrounding these new markets to further build and capitalize on new audiences.
- **Acquisitions of independent studios:** EA has acquired strong, lasting partnerships over the years via video game collaborations. Through an acquisition, EA could expand its audience further and introduce new concepts tailored to the new audiences.

THREATS

- **Highly competitive industry:** The gaming industry is highly saturated as it has been around for decades. New video game companies, whether focused on consoles or games, are being introduced yearly with 47,000 new companies in 2023 alone. Although EA is a leader within its market, competition can still have an impact whether large or small.
 - Source: *Statista*.
- **Inflation impact/Fluctuating consumer spending habits:** The impact of inflation greatly influences consumers' spending habits. One of the first things that consumers cut is goods and services. If a recession were to hit and/or inflation was to progressively worsen, EA's revenue would greatly decrease.
- **Social, Political, and Cultural Criticism:** A few games with cultural influences that EA has produced include FIFA, Unravel and more. While these games entail inspiration drawn from cultures, EA risks appropriating and receiving backlash for it.