Marketing Case Study III: Microsoft

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**Introduction**

Microsoft is a technology giant that produces software and hardware related to the IT industry involving Internet, computers, and mobile devices. It is a multinational company that has production plants in different countries of the world. Founded in 1975 by Bill Gates, it is headquartered in Washington. The company has employed 130,000 employees and it generates a yearly revenue of 110 billion USD. Windows Operating System is the most prominent product of the company, whereas it is engaged in developing other products as well, including MS Office Suite, Internet Explorer, Skype, Outlook, gaming consoles, laptops, and smart phones. The main competitors of Microsoft are Apple, Google, and Cisco.

**Discussion**

Microsoft’s marketing strategy has evolved moderately through all the working years of the company according to the needs of business environments. In a broader sense, the strategy is customer driven that enables the company to develop products to surpass customer expectations. Products are developed such that customers could integrate the products in their everyday life effectively, thereby making an enhanced connectedness with the company. At the beginning, Microsoft charged market skimming prices being the sole provider of the unique innovation, Windows (Foley et al., 2017). During the later years, the company continued to release upgraded versions of the software, which were all well-received by the users. Certain long gap of product release can be noticed in the company’s history before the release of Windows 7. This was a relatively low-yielding period. Microsoft sells its products through different channels of distribution including online stores. The promotion efforts focus on creating awareness of its products’ salient features and distinguishing characteristics. The billion dollar business of the company is backed by promoting efforts done on print media, electronic media, and direct marketing.

Several political issues were confronted by Microsoft during its history, however, most of them held trivial importance. Among those, the anti-trust issues held significance. The way Microsoft sells its software has been a topic of discussion in many circles (Haucap & Stühmeier, 2016). Besides, expensive political lobbying by the company has also been criticized. Though the company has ever been making profits on high scale, the loss incurred in 2007 during the financial crisis has affected the company to great extent. At that time, the company had to fire more than five thousand employees. Microsoft has proved to be a little slower in responding to the changing trends of the industry. For instance, it could not adapt to the emerging gigantic trend of smart phones. The company has still not developed a market-leading software for mobile phones due to its excessive focus on the computer products (Buckley, 2019). Microsoft lost another huge opportunity to succeed in continuing its affiliation with ‘Nokia’ because the latter could not yield expected profits due to incompetency of software provided by the former.

Apple was established much later than Microsoft, yet it has succeeded to achieve the top ranking in the industry. The reason is Apple’s vision of innovation and strategy to deliver highest possible value to the customers (Dolata, 2017). Microsoft’s business expansion by offering smart phones to customers is too late in the industry to create a significant impact. Google has surpassed Microsoft by implementing a strategy that is based on the concept that making ease for customers will enable the company to carry out best business practices. Google’s search engine has consistently been catering to the changing needs of consumers.

**Conclusion**

Microsoft has done well in the early periods through innovation and creativity. However, the company could not succeed in maintaining the same position over time due to its indifference to the changing industry trends. The company needs to revise its policies and preferences at the strategic level.

References

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