

Informational report comparing 2 companies in the same industry apple and microso...

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



Introduction/ brief company background information

Apple and Microsoft have been two rival companies that have thrived based on differing approaches in their functionality, leadership profiles, product specification and target market. However, thriving in such a market, there are fundamental decisions that have to be made; some that lead to failure while others lead to success stories. Therefore, to many managers, the best they can hope for is to remain a success story, an icon in the marketplace, and competitive market. This might sound to be a far-fetched theme, but in a business empire, the ultimate goal is to make a profit and remain marketable and supreme over one's rivals. Firms, in a quest to gain and/ or attain market dominance, have resulted in cruel and at times malevolent acts that have been deemed heinous in the public domain.

The computer industry has been one that has had a fascinating story with vicissitudes of various companies, some driven on the verge of oblivion while some have stagnated in the market. Specialization, to some, has proved to be the way to go while, in other cases, this has been the worst mistake done. As it stands currently, product and services diversity has been an aspect that has been adopted lately with computer giants indulging in areas previously left for other industry players to thrive.

Important decision in these companies history

Apple Inc. is a company that has gone through ups and downs of the market place mostly driven by improper decisions made by those in leadership. For example, the unsubstantiated firing of the co-founder of Apple, Steve Jobs

led the company to wobble. This was followed by rapid leadership changes that affected the company, one that had a larger market share as compared to Microsoft but had radically degenerated into relapse mode with customers shunning their products amidst increasing expenditure by the company. During this time, the company saw changes in leadership with three Chief Executive Officers being appointed and fired before the company was returned to the hands of Steve Jobs in 1997 (see Chumney & Cowart, 2010, Fernando & Kirtley, 2012; Smith, 2011). Following his reappointment, Steve Jobs' initial action was to restructure the company with massive layoffs following suit. This was then followed by production of novel products that continue to impress users worldwide. As a matter of fact, given its just adopted innovation stance in the industry, Apple Inc. came up with products fashioned for Apple computers and hardware. However, exemplification of this will come later in the paper.

Microsoft, on the other hand, has been a company that has also seen immense investment in the software industry before realizing the need to invest in hardware; although its investment has been perceived as being a late entry in a versatile hardware environment. However, Microsoft's approach and partnerships with various computer companies and its relatively impressive and easy to use operating system fashioned for easy integration with diverse computer types made a name for the company. Renata (2008), Smith (2011), and Mona & Ryan (2002) connote that Microsoft's fortune lay in the hands of its integrate-ability with different manufacturers of computers making it grasp a larger market share. While

Apple was losing its customer base, Microsoft was gaining reaching a record market share of 96 % according to Mona and Ryan (2002). Then, what causes these changes in a dynamic computer technology environment? To understand this question, it is imperative to delineate fundamentals that traverse the through these two computer company giants.

At the helm of Microsoft is its founder Bill Gates, who has for a long time been involved and dedicated to this company, and played a vital role in sustainability Microsoft, in a volatile technology environment. Therefore, unlike in the case of Apple Inc., that has had numerous leadership changes, Microsoft has had a relatively smooth sailing approach in as far as leadership is concerned. This to some extent contributes to customer confidence in the company's products and services; thus its sustainability in the market is relatively assured.

Microsoft is also seen through the eyes of monopolistic approach especially as it relates to the groundbreaking case with Internet Tidal Wave, a relatively fledgling company that made strides in as far as offering internet was concerned (Smith, 2011, Fernando & Kirtley, 2012, McCray, Gonzalez & Darling, 2011, Mona & Ryan, 2002, Renata, 2008). However, sensing an emerging threat, Microsoft indulged in quelling the advancement of this young company utilizing its vast capital reserves in a monopolistic fashion. This is an ideology that sparked rage and seemingly never-ending legal cases following its monopoly with Internet Explorer® (see Smith, 2011, Fernando & Kirtley, 2012, McCray, Gonzalez & Darling, 2011, Mona & Ryan,

2002, Renata, 2008). This approach sparked public outrage with many opting to shun the company's products.

For example, to some extent, it is blamed that the poor performance of Windows Vista® operating system, in as much as nerve breaking delays are to blame, the impending court case on technological monopoly, and bullying of upcoming computer and technology companies led to its failure (Fernando & Kirtley, 2012). However, this is a debatable motion, one that needs substantial and/ or empirical evidence.

Fundamental Philosophical Differences

To Apple Inc., technology is a secret that should not be shared and individuals need to pay heftily for such novel ideologies in order to define their market position (Koen, Bertels, & Elsum, 2011). Silicon Valley, the home to Apple headquarters is among the areas that Apple has its stronghold. According to Apple Inc., as exemplified in the works of Shapiro (2008), it is vital that customers pay, not for their ideologies harnessed through unnecessary interviews and non-synthesized idiotic concepts, but rather by well-harnessed definition of what customers should have based on creativity within the organization's personnel. Absurd as it may sound, Apple makes products that make people yearn for them, a definition of grandiosity in the market niche (Shapiro, 2008).

The launch of Apple's i-Series product line has revolutionized the market starting with the launch of iTunes then iPod, iPhone and iPad, in addition to, iOS and Mac notebooks. These products have set the standard for modern

computing, entertainment, communication and hardware platforms (Koen et al., 2011). The beauty of it is the fact that the products are rolled out when complete; thus customers experience a finished product rather than a bug-filled trial version as is the case with most technology companies, Microsoft inclusive (Koen et al., 2011).

On the other hand, Microsoft's philosophy is to put its products and services in the hands of every customer at the cheapest price possible; thus capturing the market share with enough vociferous strides that continue to resound through its future products (Smith, 2011, Mona & Ryan, 2002).

Microsoft carries out intense market research to know the products and services, in addition to, features that customers intend to see in forthcoming designs and products. This is before indulging into customizing such products and services, fit for customers' needs.

In either case, there are imminent and inherent challenges with either of the approaches that make such approaches vulnerable to consumer hatred. For example, to lovers of Microsoft and its products, an Anti-Apple campaign and critique has been and continues to be a common place with enough blogs subjected to such discussions. On the other hand, to lovers of Apple, security stance of Microsoft and its volatility to attacks has been a subject that resounds in their midst.

Specific competitive advantages for each rival

Apple has been known as a company, which produces products for the elite in the society (Koen, Bertels & Elsum, 2011). As such, products produced by the company are perceived to be superior to products produced by Microsoft

and other archrival companies within the same industry. Another advantage that Apple has over Microsoft is the stability of its operating system and computer in general, in addition to, stability of its products (Smith, 2011, Fernando & Kirtley, 2012, McCray, Gonzalez & Darling, 2011, Mona & Ryan, 2002, Renata, 2008). Also, it is imperative to note that most malevolent and malicious individuals love to use Apple's Mac OS platforms and its successive suites to carry out attacks given the security set up of the platform and its ease of use. Additionally Apples operating system comes with tools that make it easy to customize and create applications with much ease unlike in Windows operating environment where one has to purchase visual studio at a price not less than \$ 1, 000 (Fernando & Kirtley, 2012). As if that is not enough, one has also to purchase the Windows Developers' toolkit, in addition to, windows mobile SDK (Fernando & Kirtley, 2012). It is also essential to note that Apple's novel products that have proved market dominance yet without monopoly is an integral part of its success story with other companies having to emulate its innovations (Fernando & Kirtley, 2012).

On the other hand, Microsoft has a competitive advantage in line with its integrate-ability with diverse hardware computer platforms from diverse manufacturers making it the most used operating systems environment all over the world (Smith, 2011). It is stated that it has been the intention of Microsoft to put its products in every household, an effort that has borne fruits because of its dynamic market share size especially in the developing world. Second, the enormity of its resource bank makes Microsoft stands out

in research and development with heavy investments in that area. Third, Microsoft's products are moderate-to-lowly priced such that ordinary individuals across the globe can afford them. As part of its partisan acts, Microsoft offers individuals trial versions of its software with some selecting to stay with such trial versions if they deem they cannot afford later versions of the software. Additionally, due to security threats and holes within its basic framework of its operating environment, Microsoft constantly creates patches to seal such security holes as identified through threats targeting its operating system's environment (Mona & Ryan, 2002, Renata, 2008).

Company success story

Apple has succeeded in revitalizing its once collapsing market stance during the reign of the three CEO's, who ran the company down prior to reabsorption of Steve Jobs at the helm of the company. Steve's return to Apple resulted in a technological revolution, a success story that echoes in the distance. In addition to this, the launch of the i-series products has helped Apple redefine the technology market paving way for fast development of technologies to keep up with predefined standards of improvement in the technology field (Smith, 2011, Koen et al., 2011).

On the other hand, Microsoft's resilience in the market amidst diverse legal cases that have threatened its operability has been impressive. To a large extent, the ability of Microsoft to create products that are easily integrated in different computers from different manufacturers makes it subtle in a simple way (Mona & Ryan, 2002). Microsoft has been able to captivate the most

remote area with its easy-to-use platform. This makes using the system simple even among populations with basic computer skills.

Strategic moves that might affect the archrival

The move by Apple to diversify its products to phones (iPhone), entertainment (iTunes, iPod), business and pleasure (iPad) computers (Mac) and currently rumored indulgence in the television industry with the anticipated launch of the novel smart Apple TV is a significant influence (see Koen et al., 2011, Fernando & Kirtley, 2012). This may affect Microsoft in that such diversity will yield higher income and coverage of the market with ease as compared to Microsoft's overreliance on its Windows Operating Systems and office suites, in addition to, gaming programs like Xbox 360® (Smith, 2011).

On the other hand, Microsoft's strategic alliance with companies like Nokia to create a newfangled mobile platform is an impressive step; especially given the fact that iOS platform (for Apple's iPhones) is only compatible with Apple's products, which it vehemently protects from being shared at all costs (Smith, 2011). This may affect Apple to the extent that strong strategic mergers may work to the downfall of enthroned companies like Apple (Fernando & Kirtley, 2012).

Past challenges in each company

Apple has suffered under the hands of other CEOs driving the company to the edge of oblivion. It is also pertinent to note that Apple was the first ever computer system to be attacked by a virus called Melissa. To resolve the

crisis, Steve Jobs had to be reabsorbed to the management seat leading to a revolution, not only in Apple Inc., but also in the technology industry. The emergence of the virus threat made Apple emphasize on its security platform such that, little attacks are possible/ have been successful for its products; thus making these products superior compared to other products in the market. Although there are several incidences, their occurrences are miniature as compared to those directed towards Microsoft's platform.

Microsoft, on the other hand, has had challenges especially as it regards to its market dominance and monopolistic approach leading to outrageous legal cases. Additionally, Microsoft's operating platform has been marred by infinite viruses, which are rolled out in the market at over two hundred and fifty viruses every day. However, the ability of Microsoft to create patches to close those loops, in addition to, easy to install antivirus software programs on its platform has worked to its advantage.

Fundamental differences in each company's industry vision

To Apple, the market needs to be defined in stratus form such that, premium products are made for the elite, leaving other lowly products to middle and low-income earners. Otherwise, the industry will water down to a senseless venture (Fernando & Kirtley, 2012).

On the other hand, Microsoft views the future of the industry in such aspect as equipping every household with technology that will aid the world to match to the future on the same technological platform even through levels may vary based on intensity of prowess (Fernando & Kirtley, 2012).

Future Challenges

Apple's high-priced business model may reach a level where its sustainability is no longer viable, as individuals find the difference between such products and other conventional products minimal. As such, making a profit for the company may be problematic. Second, ability for Apple to bridge the vastness of the market share gap on the global front that Microsoft so vehemently lavishes in may remain to be a problem in the future for Apple. Additionally, the recent demise of Apple's founder Steve Jobs may yield unsubstantiated change in customer behavior as was in the past years when the company was run down by inexperienced substitutes.

On the other hand, Microsoft faces challenges with stability of its system, lagging innovation stance and innumerable attacks, hacking, and other malevolent acts done on its operating system. This makes individuals endure the platform instead of enjoying it altogether.

Recap on comparative statistics

Conclusion

In conclusion, it is essential to note that although Apple's strong stance stands out in the market, its viability as an investment destination for future endeavors is marred by inconsistency in its business approaches. This leaves Microsoft as the best option of the two despite malignant challenges inherent with its systems.

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