

Case analysis – microsoft in europe, the real stakes

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There is no doubt that the antitrust case filed against the technology behemoth Microsoft will be the catalyst as to the future of this giant firm in the Information Technology sector. The almost monopoly that this company enjoyed for the last decade in the operating system of every computer that is running around the globe will be put into a test. It is certain that the ruling that the Court of First Instance, the second-highest court in Europe, on September 17 will spell a doom or a blessing (Schenker, 2007) to the financial and operational astuteness of the firm all around the globe.

The prevailing issue that Microsoft faces now is whether it is ready to take the blows in case the ruling of the court goes against it. Microsoft can not just look away and consider this case a small matter considering a negative ruling will surely affect the overall dominance of the company in the industry of computer software technology.

Regarding this matter it is important to reassess the business strategy being used by Microsoft so as to protect itself from its competitors and at the same time take care of its business and financial well-being.

Threats

1. The full entrance of other operating systems in the industry where Microsoft has been the dominant player from the very beginning. One of these operating systems is the open source OS Linux. The complete and unrestricted entrance of this operating system can jeopardize the monopoly being enjoyed by Microsoft.
2. Built-in software systems like Microsoft Office and digital Media Player's existence as the predominant standard software utilities can be put at risk.

At the same time, their ranking as the leading software being used in computers will experience a harsh cutthroat competition unleashed by other software providers.

3. Sharing of proprietary technical information with rival companies in a way will erode the technical edge of the company in cornering the biggest chunk of the pie of marketing software utilities. Another thing is that this gives the competitors of Microsoft to create and design software that will eventually compete with the products of the firm.

Alternatives

1. Lower the price of its OS program - by lowering the price of the operating system offered by Microsoft, it will sure to continually dominate with impunity the OS running in every computer in the world.

2. Introduce OS upgrades to the public - this alternative will surely benefit the company of Microsoft since every upgrade that they will introduce to the market will put their competitors behind as to the advancement in services and technology it offers.

3. Sell bundled software with the OS separately - since Microsoft has already earned brand recognition in the market of technology, it will not be hard for the company to exploit this alternative as a venue where it can earn more revenue.

Chosen Alternative and Recommendation

Any which way the Court of First Instance go, Microsoft ought to embrace the alternatives that have been discussed in this paper. This at any rate will still

make the products of Microsoft the dominant software that people will use for a long time. If it can lower the price of its operating system, the risk of another rival OS entering the market will be minimized. At the same time introducing new upgrades for this OS will leave the firm's rival behind. Then the selling of bundled software separately will open a new door for Microsoft to earn new source of revenue.

The implementation of these alternatives should be global in nature so as to ensure the continuous success of Microsoft as the leading software firm. Just like what the firm has been doing in the aspect of marketing it must continually do it to last against the risks posed by its rivals.

Reference:

Schenker, J. (14 September 2007). Microsoft in Europe: The Real Stakes. Businessweek. Retrieved April 19, 2007 from http://www.businessweek.com/globalbiz/content/sep2007/gb20070914_131373.htm?campaign_id=rss_daily