

Microsoft opens the gates: patent, piracy and political challenges in china



The case study, ' Microsoft opens the Gates: Patent, Piracy and Political Challenges in China' reveals the myriad aspects of expanding business in emerging markets like India and China. It has especially exposed the priorities of American software leading company, Microsoft's business strategy of exploiting the market potential of fastest emerging economy like China. Its foray into Chinese market was met with huge opposition, both from the government and Chinese people. But, the Chinese need to keep abreast with technology helped it to forge business relationship with Chinese firms vis-a-vis operating system for its indigenous computers, software development for various government and private organizations for improved productivity etc. Microsoft was faced with huge problems of piracy and infringement of intellectual rights. The Chinese government favored domestic industry against foreign firms by promoting the interests of local industries. They protected and encouraged domestic technology based companies to forge alliances and joint ventures with foreign firms for transfer of knowledge and technical know how. AML or anti monopoly law was designed to suit the interests of domestic companies. Though China's entry into WTO forced the government to create favorable environment for foreign investment, Chinese nationalism remained major obstacle for foreign firms. China was rapidly expanding economy with huge market. Microsoft anticipated the vast potential of Chinese market and invested heavily into various areas of socio-economic interests of China so as to gain confidence of the people. Thus, despite antagonistic environment, Chinese market remained the major revenue source for Microsoft from 2002-2007. Bill Gates has summed Microsoft's presence in China by stating that ' people don't pay for software... as long as they are going to steal it, we want them to steal <https://assignbuster.com/microsoft-opens-the-gates-patent-piracy-and-political-challenges-in-china/>

ours. They will sort of get addicted and then we'll somehow figure out how to collect'. The statement clearly highlights the importance of Chinese market and Microsoft's intention to gain from it. (words: 310) Reference Case study: ' Microsoft opens the Gates: Patent, Piracy and Political Challenges in China'.