International financial management - group work in (microsoft and nokia)

Finance

The rationale reached upon by Nokia and Microsoft to partner al affiliation)

The rationale reached upon by Nokia and Microsoft to partner

Microsoft and Nokia can up to a partnership when Microsoft developed an operation system. The operating system is to be used in the in the Nokia's Lumia phone. After registering low sales of the phones Nokia saw it wise to come up with a competitive device. It is the response to the company to the other smart phones developers. The rival competitors are Samsung and Apple (Mery, 2003).

On the other hand, Microsoft created windows phone 8 in order to counter the android application which is mostly used by Nokia's rival company. The deal benefited both companies as one is a software developing institution while the other is a phone manufacture. By partnering, the companies are able to beat their competitors respectively. Nokia gained a market niche in the smart phone market (Millar, Millar & Choi, 2000). For instance, in a sub Saharan market where the Gross Domestic product is low an increase in sales was registered. It improved the Nokia's sale. Windows phone assumes the format of windows operating system used by personal computers. Since most people have built trust in their window's computers, they want to replicate the same on their smartphones (Dunn, 1999).

Reference

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