**Pricing Analytics report on Microsoft Windows**

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**Introduction: -**

Microsoft is a multinational technology company that primarily operates in the software industry, developing and selling computer software, consumer electronics, and personal computers. Microsoft's software products include the Windows operating system, Microsoft Office suite, and various enterprise software solutions.

**Pricing Models: -**

In terms of pricing models, Microsoft utilizes a variety of approaches, depending on the product and market segment. Some of the common pricing models used by Microsoft include:

**Perpetual License:** This pricing model involves the customer paying a one-time fee for a software license that they can use indefinitely. This model is commonly used for Microsoft Office and Windows operating system.

**Subscription-based:** This pricing model involves the customer paying a recurring fee for access to a software product or service. Microsoft Office 365 is an example of this pricing model.

**Freemium:** This pricing model involves offering a basic version of a software product for free and charging for advanced features or a premium version. OneDrive, Microsoft's cloud storage service, offers a freemium model.

**Volume Licensing:** This pricing model is aimed at enterprise customers and involves offering discounts based on the number of licenses purchased.

Overall, Microsoft uses a combination of these pricing models to maximize revenue and provide value to its customers.

**Windows Pricing Breakup: -**

Microsoft offers various versions of the Windows operating system, each with different features and pricing. Here is a breakdown of the pricing for some of the commonly used versions of Windows:

**Windows 10 Home:** This is the basic version of Windows 10 designed for home users. It includes features such as Cortana, Microsoft Edge, and Windows Hello. The retail price for Windows 10 Home is $139.99.

**Windows 10 Pro:** This version of Windows 10 is designed for small businesses and power users. It includes all the features of Windows 10 Home, as well as additional features such as Remote Desktop, BitLocker, and Hyper-V. The retail price for Windows 10 Pro is $199.99.

**Windows 10 Enterprise:** This version of Windows 10 is designed for large organizations and businesses. It includes all the features of Windows 10 Pro, as well as additional security and management features. The pricing for Windows 10 Enterprise varies depending on the size and needs of the organization.

**Windows Server:** This is the server operating system from Microsoft. It is designed for businesses and organizations that need to manage and share resources across multiple computers. The pricing for Windows Server varies depending on the edition and the number of licenses required.

**Windows 11:** This is the latest version of the Windows operating system. It is designed to be faster, more secure, and more intuitive than previous versions of Windows. The pricing for Windows 11 is similar to the pricing for Windows 10, with a retail price of $139.99 for Windows 11 Home and $199.99 for Windows 11 Pro.

It is worth noting that Microsoft occasionally offers discounts and promotions on their Windows products, and prices may vary depending on the region and the retailer.

**The impact of macro and micro factors: -**

The pricing of Microsoft Windows products is influenced by a combination of macro and micro factors. Let's examine some of these factors in detail:

**Macro factors:**

**Competition:** The level of competition in the market affects the pricing of Windows products. If there are many competitors offering similar products at a lower price, Microsoft may have to lower its prices to remain competitive.

**Economic conditions:** The state of the economy can affect the pricing of Windows products. In a strong economy, Microsoft may be able to charge higher prices for its products, whereas in a weak economy, it may need to lower prices to stimulate demand.

**Government policies:** Government regulations and policies, such as taxes and import/export duties, can impact the pricing of Windows products. For instance, if there is a tax increase on computer hardware or software, it could lead to an increase in the price of Windows products.

**Micro factors:**

**Cost of production:** The cost of producing Windows products is a key factor in determining the pricing of the products. If the cost of production is high, Microsoft may have to charge a higher price to make a profit.

**Brand image:** Microsoft's brand image plays a critical role in determining the pricing of its products. The company's reputation for quality, reliability, and innovation can justify higher prices.

**Customer demand:** Customer demand for Windows products can also influence pricing. If there is high demand for a particular version of Windows, Microsoft may be able to charge a higher price.

**Marketing strategy:** Microsoft's marketing strategy can also impact the pricing of its products. A successful marketing campaign that creates a high demand for a particular product can justify a higher price.

In conclusion, the pricing of Microsoft Windows products is influenced by a variety of macro and micro factors. While some factors, such as competition and government policies, are outside of Microsoft's control, the company can use other factors, such as its brand image and marketing strategy, to influence pricing. Ultimately, Microsoft must balance these various factors to determine the optimal price for its Windows products that maximizes profit while also satisfying customer demand.

**ROI on marketing: -**

Some of the marketing activities that Microsoft has used for Windows include:

1. **Television and online advertising campaigns**
2. **Promotions such as discounts, bundles, and free trials**
3. **Public relations activities, such as media tours and press releases.**
4. **Social media campaigns, including influencer marketing and user-generated content.**
5. **Sponsorships of events, conferences, and trade shows**

The ROI on Microsoft's marketing efforts for Windows will depend on a variety of factors, such as the specific goals of each campaign, the target audience, and the success of the marketing tactics used. However, overall, marketing is an essential aspect of Microsoft's business strategy, and it is likely that they invest significant resources into their marketing efforts for Windows in order to generate a positive return on investment.

**Different approach to Microsoft Windows pricing strategy: -**

The best new approach would be a **FREEMIUM MODEL** Microsoft could offer a basic version of Windows for free but charge for premium features or upgrades. This would allow customers to try the software before committing to a purchase, while still generating revenue for Microsoft. This would also help with reducing the piracy of the product due to it being paid always so most of the users would generally pirate the windows product which would ask for a windows activation key which is also very easy to pirate.

**Some of the alternative new pricing approaches could be: -**

**Usage-based pricing:** Microsoft could charge customers based on how much they use the software. This could be measured in terms of the number of users, or the amount of data processed. This would allow customers to pay for only what they use, while giving Microsoft a more accurate way to charge for their services.

**Dynamic pricing:** Microsoft could use algorithms to dynamically adjust the price of Windows based on market demand, customer behaviours, or other factors. This could help ensure that Microsoft is charging the optimal price for their product at any given time.

**Subscription-based model:** Instead of selling a one-time license, Microsoft could offer Windows as a subscription-based service. Customers would pay a monthly or annual fee to use the software, which would give Microsoft a steady stream of revenue.