

CASE STUDY: Microsoft Retail Stores**Introduction (Caparros, Austin Jan)**

In 1975, a technology company emerged and is now one of the top leading software developers in the world which is known the Microsoft. It was founded by Bill Gates and Paul Allen and this technology company is known for developing computer software, vendor of computer hardware, and gaming systems. In 1980, Microsoft has dominated the market of operating systems, but just like any business there would be an emerging rival or competitor. Microsoft's top competitor was Apple Inc. and from 2008 to 2009 Microsoft's market share has decreased and it is a sign of stepping up their game in the market. Microsoft, in doing their best to bring back its decreased market share, the company has decided to launch its retail store in recognizing a new path of another channel strategy.

Research Questions (Caparros, Austin Jan)

1. Why has Microsoft decided to change its long-established channel strategy by opening its own retail stores?
2. How will the opening and operation of company-owned retail stores allow Microsoft to deliver the level of customer service and experience that its customers have been looking for over the years? Why or why not?
3. How do you think has Microsoft employed a "me too" strategy to imitate Apple by opening its own retail stores?

Purpose (Caparros, Austin Jan)

The purpose of this case study is by Microsoft to give their market different choices, better value and to provide a good customer relationship to its market. They opted to open a retail store to provide their market the freedom of choosing their own gadget to buy and it is also a way to be close with their consumer. Apart from that its purpose is to turn tables with Apple's channel strategy, as competitors are rising fast, Microsoft must think of ways on how to remain on top in the OS market. Lastly to Discover a new track of channel strategy in bringing back their decreased market share.

Case Study Design (ALAM, Reema)

In this case study, the researchers have utilized the single-case holistic design wherein the occurrences are limited into a single event which is seen with the opening and development of Microsoft's retail stores as a way to secure or increase its market shares especially against its competitor, Apple. Since this case revolves around Microsoft alone, the researchers opted to this design as analysis of the provided data and the situations within reach (Yin, 2003 as cited in Gustafsson, 2017).

Data Collection (ALAM, Reema)

To acquire and collect the necessary data for this case, the researchers used documentation and archival research data. Documentation is defined as a means to monitor or guide the whole research process by following the foundation set on how research will be perceived and the research's objectives (IMPOFF, 2020). On the other hand, archival research data are data that has been collected from companies, and in this case, it is based on Microsoft's documents—verbal or written, numerical records which were presented information or data that have already preexisted and was collected by previous researchers or scholars (Gardner, Haeffele & Vogt, 2012).

Findings (De Guzman, Dianne & Valenzuela, Nicole Anne)

To present the findings, explanation building is utilized. Microsoft has decided to change its channel strategy to be able to adapt to the changed needs and wants of their target market after the rise of Apple stores. Apple stores have generated large values, the largest in the retail sector, for selling their products in retail stores. Microsoft also wanted to reach out to their market to get to know them more and build a good relationship with them, that is why they opened their own retail stores.

Opening and operation of Microsoft-owned retail stores will allow them to deliver more value. It is possible if Microsoft will establish its own "self" in retailing because they are accused of copying Apple. If they can position themselves as a provider of a different kind of experience while reeling in profits, it is more than likely that it will allow them to deliver the desired customer service and experience that the customers want out of their

stores. If they continue being at par with how Apple store operates, the likelihood of being in the shadows of Apple is exceedingly high, but with further research and development to tailor their stores to be one of their trademarks, customers are going to enjoy being in their store and be loyal to their brand eventually.

As the Apple Company experiences success during Microsoft's downfall, it is obvious that the Microsoft company needs to defend itself from its major competitor. According to Bhasin (2021), the “me-too” marketing strategy is used for a variety of reasons and that includes, the stated reason in the case study which is Apple has all the opportunities to take all the potential market of Microsoft because of their new and unique products. This imitation is not intended to solely copy the success of other competitors, it is made to utilize and keep up with the phase of innovation because when all else is equal, your audience's decision is based on pricing. And patently, Microsoft's affordability is higher than Apple's company, which can be their competitive advantage if their functionalities and accessibilities are the same. Amplifying the mentioned point of similarities of Microsoft and Apple which are (1) the retail store itself, (2) the recruitment of Apple's store employees and store management, and (3) the objective that both companies use the store to engage with customers are just proof that Microsoft is doing the "me-too" marketing strategy for the growth of retail stores.

More than that, according to the study of Fruhlinger (2019), in comparing the store locations of both Microsoft and Apple, it results that Microsoft is opening retail locations near the Apple stores. It divulges in the study that although there are approximately 274 Apple stores and 85 Microsoft stores, there is still an average of Microsoft stores within one mile of every Apple store. Specifically, there are 82 Microsoft stores within a one-mile radius of every Apple store. The researcher assumes that this is one of Microsoft's retail location strategies called clustering. In the game theory called "Hotelling Model of Spatial Competition" (Osborne, 1987). The closer your sites are to your competition, the more likely you are to draw potential buyers. Hence, that could be the reason Microsoft opened their retail stores.

Limitations (De Guzman, Dianne & Valenzuela, Nicole Anne)

This study has only considered the context of the case. Any information relevant to the case after the body of the case has been made is not deeply examined in the analyses made. The data that are gathered are solely based on the body of the case and some existing data only, not expounding into more relevant information to keep and analyze the whole context of the case as it is.

Conclusions (De Guzman, Dianne & Valenzuela, Nicole Anne)

In the course of analyzing the case study on Microsoft, it was made apparent by the researchers that Microsoft's decision to open its own retail stores and how it adapted a new strategy to keep up with Apple is because they aim to increase their market shares. With this new strategy, the level of customer service and experience can help improve the organization and how their service is carried throughout.

References

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