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**RESEARCH REPORT**

**The Microsoft’s Potential in IoT and Its Development in the Future**

**INTRODUCTORY SUMMARY**

Last month you asked us to conduct a research on Microsoft’s Potential in IoT. At the first month in our search, we searched amount of information on the Internet, which took us about half a month. And based on these information, we made some analysis.

As you know, people’s passion on the product of Microsoft is decreasing in recent years, which is agree with our information. But, by our search, the situation of the Microsoft is still not bad now. It has is power in other areas except Windows operating system. That gives the Microsoft capability to move into the IoT area.

**INFORMATIONS FROM THE INTERNET**

The Microsoft have merged some companies and purchased some product from other companies. That is a good news for Microsoft to move into a new area. They get more power and partners by merging and purchased.

* “Microsoft acquired Nokia Devices and Services, on April 25, 2014,”
* “Microsoft acquired the video game development company Mojang for $2.5 billion, on September 15, 2014.”
* “Nokia is a Finnish communications and information technology multinational corporation” “Under the terms of the agreement, Microsoft will pay EUR 3.79 billion to purchase substantially all of Nokia’s Devices & Services business”

**STRATEGIC ANALYSIS**

By our information above, we conduct some analysis. The main method we used is SWOT analysis.

### **Strength**

#### Ceaselessly innovation

#### Ripe Operating System which can be reused in the IoT.

#### Microsoft’s Windows is famous, which makes its product easier to be known by customers.

### **Weakness**

#### Microsoft moved into the IoT recently. Its experience in IoT is not enough.

### **Opportunities**

#### Microsoft merged Mojang and Nokia. They has abundant of experience on software and hardware’s development, which can help Microsoft in the development of IoT.

#### The accelerating growth of the global economic makes people can afford more on the high-technology product.

#### The increasing population all over the world broaden the market of Microsoft.

#### The industry of software and hardware with high technology produce few pollution.

#### People are interested in the new-born product, which is good for the advertisement of the new product.

#### Microsoft has a number of suppliers. They can supply almost component it needs.

#### Few of its competitors has moved into the IoT. Microsoft has few competitors in it.

#### Microsoft has steady finacial institutions which allow it’s innovation in technology.

#### Microsoft’s stakeholders can help it to cope with its competitor.

### **Threats**

#### The antitrust act in some countries may block the development of Microsoft there so that the new product can’t enter those countries, because of the huge scale of Microsoft.

#### The IoT industry may bring out more carbon dioxide which can cause the greenhouse effect. This extra carbon dioxide may be objected by some people, blocking the development in the new area.

#### A huge number of Microsoft’s competitors may move into the IoT area to share the market of intelligent furniture.

#### In case Microsoft can’t get enough profit in IoT, its stakeholders may turn into its competitors.

**STRATEGIC PLANNING**

In this stage we made a simple planning on its development in IoT area. Our planning is derive from the Porter’s 5-force model.

### Threat of potential entrants

* + Microsoft’s competitors, such as Google, Apple and so on are also preparing to move into the IoT. And some of them has develop some product in IoT, such as Apple’s iOS 8 and some products of Google.

### Bargaining power of suppliers

* + Because of the long term cooperation, Microsoft’s suppliers can give a stable price for its component. At the same time, Microsoft is difficult to merge its suppliers.

### Bargaining power of buyers

* + IoT is a new-born area. So there are not many people realize the use of it and few people has the desire to buy the product of it.

### Threat of substitutes

* + As a new-born area, the organization moved into the IoT is minority. The substitutions customers can choose is little.

### Degree of rivalry

* + In summary, because the industry of IoT is new-born, the competitors and the demand are both little, and there is almost no barrier to exit. At the same time, it needs a large cost to do advertisement for its IoT products.

By the analysis above. There is a vast space for Microsoft to develop the IoT product. It can develop its new product freely with few threat from its competitors. But Microsoft need a large amount of cost to advertise its new product in the two-year future.

**CONCLUSION**

According to my investigation and analysis, we found that there are both chances and challenges for Microsoft’s development in the future. Microsoft possesses great advantages in software and hardware for computer industry which can ensure its excellent technical innovation for the next coming years.

In the next month of research, we will conduct a further analysis and planning on Microsoft’s potential and development in IoT area.