# Factors Influencing IBM Stock Price: 1968-1989

This document explores the various factors that contributed to the fluctuations in IBM's stock price from 1968 to 1989. The period was marked by significant technological shifts, economic conditions, strategic decisions, and competitive dynamics.

## Technological Shifts and Innovations

IBM dominated the mainframe computer market with its System/360 and System/370, driving significant profit growth until the early 1970s. The shift towards personal computers in the late 1970s posed challenges as IBM initially struggled to adjust its business model, impacting its profitability and stock prices.

## Economic Conditions

Economic recessions during 1973-1975 and 1980-1982 led to reduced IT spending by businesses, negatively affecting IBM's sales. The economic recovery in the mid-1980s provided a temporary boost to IBM's stock as spending on IT infrastructure increased.

## Strategic Decisions

IBM's introduction of the IBM PC in 1981 briefly solidified its market position, but the company struggled throughout the 1980s to adapt to a rapidly changing technology landscape, impacting its financial performance and stock prices.

## Market and Competitive Dynamics

IBM faced increasing competition from companies focused on personal computers, such as Apple and Microsoft, and from PC clones, which eroded its market share and profitability.

## Management and Cultural Shifts

Leadership changes, including the appointment of John Akers as CEO in 1985, aimed at restructuring the company, but IBM faced challenges in shifting its corporate culture and strategy.

## Global Economic and Political Factors

The oil crises of the 1970s and high inflation rates led to increased operational costs and pressured profit margins, impacting IBM's financial performance.