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## What can Apple do to crunch down on competitors?

Experts from Northumbria University's [Newcastle Business School](#) have found how the success of major product innovations is becoming hindered by the growth of the second hand market.

In a significant business dilemma which has gained little research attention to date, Northumbria University professors have explored ways in which multi-national corporations such as Apple and Cisco can continue to succeed whilst facing rising competition from second-hand market retailers.

[Professor Yu Xiong](#) and [Dr. Gendao Li](#) of Newcastle Business School, which joined the top 1% of business schools worldwide by gaining double accreditation from AACSB (The Association to Advance Collegiate Schools of Business), found that the increasing trend of purchasing second hand products is significantly influencing the success of technology company's new products, no matter the level of innovation. The professors' findings suggested that although it is presumed by manufacturers that more innovation leads to higher prices, many consumers are becoming unwilling to pay more and will instead prefer to buy a used product in the second market.

Professor Yu Xiong said: "In their efforts to encourage sustainability through the reuse of old products, many tech giants have fallen victims to their own success as a large number of third party retailers trade products in a secondary market whose scale is too large to be ignored.

To counter this phenomenon, which is common in many industries, companies have adopted various methods, including product upgrading to stimulate demand."

Although product upgrading and the secondary market can coexist, this research is the first to show how they interact with each other proves the upgrading strategy is a 'double-edged sword'. Whilst purchasing upgraded products can deter consumers from buying second hand products, it can also motivate them to sell their older, used products, which hinders the new product market.

Important in understanding how this interaction will help or hinder companies in the future, the research, which has been conducted in partnership with researchers in Chongqing University and funded by China's Nature Science Foundation, has been published in the prestigious European Journal of Operational Research.

To find out more about the research conducted by experts at Northumbria University, visit: [www.northumbria.ac.uk/research](http://www.northumbria.ac.uk/research)

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