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Subject: More MacDonalds

Posted by [chuck duffy](#) on Wed, 19 Sep 2007 21:21:35 GMT

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In response to this article:

<http://www.247wallst.com/2007/09/apple-keeping-m.html>

Analysts are so short sighted it borders on the absurd.

What's the production cost of an Armani suit? 50 bucks? Do you think Armani is going to get in bed with WalMart. No freaking way.

As tech heads we continually are mystified about component cost vs sale price. "I can build such and such for 300 dollars, and apple wants 1000". Apple doesn't play that game. There are thousand dollar iPod holders for christ sakes. They realize the cool factor, and in a recent exchange between the titans Gates freely acknowledged that Jobs has it (cool), and he (bill) never will.

Dells margins are non-existent. Do the math, a 16% world market share at 2% margin or a 3% world market share at 20% margin.

1000 boxes @ 500 per @ 2% = 10,000 profit

200 boxes @ 1000 per @ 20% = 40,000 profit

Chuck

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