

Case study on mnc

Business



However, the population is quite large in this country.

It has about 30 million people. The per capita income in terms of APP in this country is \$ 10, 000 and the population which is interested in clay-ware is willing to spend an average of 5 percent of their annual income on clay-ware. The market for these items in this country is almost steady. Country - 2 Here a large section of the population is eager to use earthen pottery, which is about 20 percent. Many prefer to use table and kitchen ware made from this natural ingredient.

However, this country has a small population, only about 10 million. The per capita income in terms of APP in this country is \$ 35, 000. Of those who are willing to spend on such earthen products are willing to spend an average of 12 percent of their annual income on these items each year. These earthen potteries have short lives and usually they have to be replaced annually or bi-annually. Also the people are inclined to purchase new sets of items each year and they are open-minded about purchasing products from home and abroad.

The market likes to see variety in products.

The market for these items is gradually growing as more and more of the newer generation prefers to use environment friendly products for home and office use. Country - 3 Here the population is quite large (about 27 million), but the people do not appear to have the same type of taste towards earthen products. About 20 percent of the population are interested in earthenware. Majority seem to use clay tiles for decorating roofs of their bungalow like homes.

They like to pave pathways with designed clay blocks and also like to build nicely decorated terracotta walls.

A small segment does like to use pottery for tables and kitchen. Although about 10 percent of those preferring to use clay-ware for building purposes did not care much about rice of products, the others were cost conscious and preferred to balance between design, quality, and price. Only the 10 percent that was not so price sensitive cared Tort unlike products to cult tenet special needs.

I nee remaining AT ten market usually used standard products with some variation in design. The per capita income in terms of APP in this country is \$ 30, 000.

The population which is interested in these kinds of earthen products is willing annually to spend an average of about 8 percent of their annual income on these products. The market in this country is almost steady. Country - 4 Here the population is very large. It is about 50 million. The people have need for earthen products because they have been using them traditionally for household necessity.

About 40 percent of the population, therefore, uses such products. They care for design and beauty, but they care for price the most. Now-a-days, the people here are turning to plastic and synthetic products that are more lasting. The per capita income in terms of APP in this country is \$ 400. The population which is interested in these kinds of earthen products is willing annually to spend an average f about 1 percent of their annual income on these products.

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The market is still growing in this country for these products due to high rise in population.

Now that you have read the case answer the following questions in chronologically: 1 . What would be the dollar value of the potential annual revenue from each country (Use fully only the given information to answer this question.)? 2. Which strategy (cost leadership or differentiation) would be best for each country? Why? 3.

Can you think of substitute products that can meet many of the needs and demands of the markets n each country? (You are encouraged to think beyond the information provided in the case. 4. Draw up the integration-responsiveness grid and put each of the types of clay products that you have read about in the case in an appropriate place of the grid. 5. Depending on the nature of the clay-products which international strategy (from the four you have learnt about in terms of local or global responsiveness) would be best suited if you were planning to export to as many countries as possible? 6.

If you were to choose only one country to export to, which country would you choose? Why?