

# Case study arcelik

Business



The advanced market has less population but the per capita income average is way higher than in the other markets. Emerging markets have most population and middle capita income when the developing markets have less per capita income and also less people than emerging market. The trade volume is high both in advanced and developing markets, where as in emerging it's low.

Education level is high in advanced, moderate in emerging and low in developing markets. Trade barriers are also minimal in advanced, rapidly liberalizing in emerging and moderate to high in the developing market.

Industry is poor in developing markets and improving in emerging markets as well. Country risk is low in advanced markets, variable in emerging and usually pretty high in developing markets. Emerging and developing economies are more attractive to recall due their high population, more customers, fast-growing competition, increasing arbitration and low competition.

These markets usually have also low cost labor and the industrialization is increasing as well as the development in general.

The benefits for advanced markets are that the population is well educated, they have high income so the companies can gain high profit margin in most cases. Also the industry is already saturated. In emerging and developing markets the cost of labor is low, but the people also have low incomes. Though, the per capita income is increasing rapidly so it should be adjusting cost and price, which results as little gain profit margins.

In these markets the industry is just opening up, starting to grow and be more technologically improved. . Recall management is keen on entering some emerging market or developing economies. What types of risks and challenges does Arcadia likely face in doing business in emerging markets? What should management do to identify the most promising markets? How should the firm adapt its products? The risks challenging in ME are the non-reliable business environment because they have political instability with corruption and weak legal framework. They don't have enforcement laws so the intellectual property protection is pretty weak as well.

In these countries there's usually lots of red tape, bureaucracy and transparency, lots of requirements for licenses and other paper work.

In ME there might be problems with the partner availability and qualifications as well. The societies are usually highly diversified; they have government protection and support, superior market knowledge and control of the majority of economic activities. The best management to identify most promising markets would be marketing the company to governments in ME; they usually buy lots of products, and they usually have economic development plan.

Also partnering with large conglomerates might be a good idea to reduce the per capita requirement. It would also help to target market opportunities more effectively and overcome infrastructure hurdles and it would help to have local contacts. They should also challenge skillfully emerging market competitors.

To identify the most promising market would be per capita income as an indicator for the market potentials. They could also use comprehensive index to measure market potential like; market size, intensity, GAP, consumption capacity, receptivity, economical freedom and country risk.

They should also think the middle class as an indicator of market potential. They should also adapt the product by producing potential product base on customer wants, merging and acquisition with other companies in ME. On top of that collaborate technology, knowledge, distribution channels etc. Also APP in ME is pretty low and it should be kept in mind.

3. Originating from an emerging market, Arcadia may be better poised to cater to the economic development needs of emerging market and developing economies. In what ways can Arcadia skillfully fulfill its corporate social responsibly in such countries?

Suggest specific approaches that may include: developing simpler, less expensive appliances; arranging for multiple installment purchases; encouraging the development, of local suppliers;, and designing products that conserve water and energy. There are two main trends as a form of corporate social responsibility; they re micromanage to facilitate entrepreneurship and fostering economic development with profitable project. Firms display good CARS by engaging in activities, which facilitate economic development in emerging and developing economies.

In fostering economic development with profitable projects firms serve low income countries with specially-designed products and services and community involvement which are inexpensive. Other ways firms can

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manage to do that is by creating jobs and contributing development, transferring technology know how, by taxes for improving living standard and specified programs for community development. With coordinating on the other hand companies emerge financial institutions that serve emerging markets entrepreneurs with small loans.

Small loans can help them pulling people out of poverty. Many firms also offer other forms of small-scale financial services, including mortgage lending and insurance.

Thinking about the two main trends from Arcadia's corporate social responsibility in emerging markets point of view can be seen that in fostering economic development with profitable projects firms create jobs and contribute to development. Firms also create innovation and quality products which meet local demand with adjusted price.

Arcadia also entered the market and started manufacturing with a plan to plant it into the market. They also established distribution centers throughout the market/country and made a strong after-sales service network. The firm organizes trainings for employees to raise their awareness of environments and has projects with government organizations and NGOs. Arcadia also performs their operation by going with the laws, moral standards and human rights.

In micromanage to facilitate entrepreneurship Arcadia offers some financial services, which provide installment purchase for its customers.