

Marketing- fedex corporation assignment

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**ASSIGN
BUSTER**

Fed acquired Kink in 2004 for \$2. 4 billion, ‘ expand[inning] its presence among small and mid-sized businesses that have long been Kink’s main customer base’. Fed Chairman stated “ it [was] supremely logical for [them] to offer services to the white-collar and office segment that are analogous to what [they] offer [their] corporate customer base” (Deutsche, 2003). Fed has a more defined white-collar customer base, mainly consisting of “ fast-cycle logistics shippers seeking time-definite morning deliveries” (Richer, 2009).

Their services will meet demands for time-definite morning deliveries to wholesalers,’ (ibid.) manufacturing businesses, retail stores, and high-value goods. 10 Recommendations Although Fed has been successful in moving into the international arena, it still does not have a competitive advantage in the shipping industry. Its chief competitor, UPS, controls the ground shipping market (see Appendix A), guaranteeing them a large portion of the domestic market share.

Fed should maintain a controlling stake in the express delivery market while increasing their market share in domestic ground delivery, by further differentiating itself from UPS through innovation and service offerings. Securing more business partnerships, even at slightly lower margins, will help develop brand loyalty. This is especially true of long-term contracts with large firms. Studies predict the international package market will grow by 5-6% in the coming years, nearly double the expected annual growth in world GDP (Waistlines, 2014).

Fed should continuously invest capital in Asia, whilst penetrating into foreign markets by partnering with local carriers. This will give them valuable insight

into a relatively foreign and unknown market. Acquiring smaller shipping companies, such as Excel (I-J) or Suppose (France) also increases their international reach. Fed could seek alternative energy sources to reduce their operating costs. Investing in solar power or bio-fuels could help counter additional costs due to increased fuel prices.

Fed should utilize economic aircrafts to increase their carrying capacity, thereby reducing the number of operating planes. Lastly, by forging strategic alliances with oil and gas suppliers, they could bargain for discounts, whilst curtailing the negative effects associated with volatile oil supplies. Looking forward, Fed has positioned itself for growth opportunities in the domestic and international arena. It has exhibited an exceptional track record of international expansion and good financial restraints during times of easy credit, proving it can operate successfully even in a tough economic climate.