

# [Current market conditions competitive analysis](https://assignbuster.com/current-market-conditions-competitive-analysis/)

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Ford Motor Company was established in 1903 by Henry Ford (www. history. com, 1996-2013). This company has been a leader in the automobile manufacturing industry for over 100 years. The first vehicle ever sold by Ford Motor Co. was the Model A passenger vehicle. It was a two cylinder, eight horsepower, gas driven vehicle that could carry up to four passengers. Five years later (1908) Mr. Ford introduced the Model T passenger vehicle which was intended to be an affordable vehicle for everyone.

Since then Ford Motor Co. has been an innovative genius by developing some of the besttechnologyrelated to assembly lines and universal automobile parts. Today, Ford Motor Co. offers 34 different styles of vehicles that are intended for a variety of purposes (www. ford. com, 2013). The manufacturer suggested retail price for the most basic compact vehicle is just over $13, 000. 00 (www. ford. com, 2013). The fleet is made up of cars, sport utility vehicles, pickup trucks, full-sized vans, hybrids, and commercial vehicles (www. ford. com, 2013).

Ford also possesses the means to help customersfinancea vehicle through their Ford Credit Department. Here the customer can apply for credit, estimate payments, or even build a household budget (www. ford. com, 2013). These tools protect both the customer and Ford Motor Co. from defaulting loans and loss of revenue. Factors that affect Supply and Demand The factors that affect the demand for car seats are lower birth rates, safety, and price. Lower birth rates affect the demand for car seats because there will be less people that need to purchase car seats.

Safety can affect the demand for car seats because many people shop for the safest car seat that will protect their child in case of a car accident. The demand for car seats can also be affected by price because people shop for the safest but affordable car seats they can find. One factor that can affect the supply for car seats is the increase in cost for producing car seats from government regulations. The increase in cost can decrease the amount of car seats that are produced. This can affect the equilibrium price because a decrease in supply and increase in demand can cause the equilibrium price to increase.

However, on the other hand if there is a decrease in demand and a decrease in supply, the equilibrium price can decrease. The car seats that will be sold at Ford will be considered to be in a perfectly competitive market. Our main competitors are Britax, Chicco, and Graco. Our potential customers are those who purchase or own Ford vehicles. Our car seats are specially designed to fit Ford vehicles to make it easier and safer for the children of our customers. It saves them time andmoneybecause they do not have to shop around for a car seat that best fits their vehicle.

Our safety ratings and prices are comparable to other top rated car seats. Long-Term Profitability Being that Ford has in the past only dealt with the manufacturing of only vehicles the production of car seats for children may have a different impact on the economy. Companies such as Evenflo, Graco, Chicco, and others are the names that people are used to hearing when it comes to car seats for their children. Knowing that Ford does have a good reputation in the United States with giving consumers the feeling of safety developing a car seat that fits comfortably in the vehicles can only help this.

At the start up of producing car seats by Ford there will be some challenges on deciding the details because they will be competing with some large brands that people have learned torespect. Parents only have the concern for safety of their children and if they feel that Ford can give this to them they may opt for purchasing not only a safe vehicle, but a car seat that has been developed to fit in the vehicle better. In the long-term profitability with technological change Ford will have an edge over their competitors and the cost will only be marginal.