

The merger between the american chrysler corp and the german daimler benz essay S...

[Business](#), [Company](#)



Introduction

Merger refers to is a mutual agreement reached by two or more companies to combine into one bigger legal entity (company). When a merger occurs, the acquiring company offers the stockholders of the other company securities in exchange for their stock. In a merger, the companies could be of equal magnitude or one might be smaller compared to the other. For example, in 1998, an American automobile company, Chrysler Corporation merged with another German automobile company, the Daimler Benz and formed DaimlerChrysler, which is bigger than both the former companies are as single entities (Martelin, 2012). An acquisition on the other hand refers to a situation where a bigger company buys a smaller one. In this case, it does not necessarily mean that there is a mutual agreement between the companies, in some cases; a bigger company might instigate a hostile acquisition of a smaller one even if it does not consent to the purchase by the larger company. Both the merger and acquisition usually yield equal results since the reasons for these actions are correlated.

International strategies refers to the initiatives taken by a company in ensure that its products adapt to the international cultures in order to adjust to the requirements of these target markets by aligning the product with the target market while maintaining its global direction. In considering such initiatives, the company has to conduct an analysis of the determinants of culture.

These determinants include peoples' motivation, perspectives, learning process, perceptions and information regarding the limitations of the market among others.

The mutual agreement reached between these two companies reached a mutual agreement to merge into one big company. The reason for the merger was the potential benefit that the two equal companies thought would benefit them. Daimler was stronger in Europe compared to the other while Chrysler was stronger in America, and since Europe and America were major markets, both companies considered it beneficial combining into one big company in order to explore these markets. Daimler-Benz had a proper global distribution compared to Chrysler. Both companies viewed Daimler's reputation for good engineering and Chrysler's creative styling and product development as proper complementary efforts. Chrysler also had an experience in dealing with investors in the United States that they both viewed would help Daimler-Benz set the pace in introducing modern concepts in corporate governance and shareholder value to the German market.

Chrysler's freewheeling techniques of vehicle development would improve the bureaucratic Mercedes-Benz. Introducing brand diversity helped reduce the risks associated the dependence of Daimler-Benz on premium section of the automobile market. Daimler had a good financial and technical competency, which helped boost Chrysler in managing Auto-wars. The merger in general provided a bigger financial base for the company to venture into the automobile market.

More importantly, the merger was geared towards improving Daimler-Benz's development time and reduces costs associated with development and to improve engineering and quality of Chrysler. Daimler spent 5% in research and development while Chrysler only spent 3%. Among the first initiatives to

commence at the merger were global sales, purchases and marketing though their brands were still separate. In relation to engineering, DaimlerCrysler would be in the fore-front of innovation, the new merger, though it had separate plans would provide for the transfer of manufacturing process systems and technologies. It could control its unit volume to streamline its systems and get additional savings. The companies had very different ways of conducting operations, this was the major setback, in the merger, and it was not easy to incorporate the diverse systems. Both sides had to realize the benefits associated with a new way of operation.

In my opinion, the merger was a wise decision. The companies had different strengths in different markets. This helped the merged company to explore these markets more than as individual entities. The companies had several individual constrains which they managed to solve as a merger. Their different reputations in different disciplines like engineering, creativity in styling and product development became a collective strength since these strengths were incorporated in one large legal entity.

The Company That Has Never Been Involved In Any Merger

The Scientific American is one of the American's oldest brand producers that have never been associated to any merger since its founding in 1845 by Rufus Porter when it also launched its product: magazines. It is associated with science and technology. When the company was founded, it was a weekly magazine with subtitle, " The advocate of Industry and Enterprise and Journal of Other Improvements." In 1850, it found the first branch of the United States Patent Agency that gave technical and legal advice to potential

investors. History has it that more than 140 Nobel laureates have written for the Scientific American. The company today serves over 3.5 million readers worldwide and 3.88 million people are visiting its website monthly, ScientificAmerican.com (Issue 3 of Scientific American, 2013).

This company, in my opinion could merge with any corporation for improving profitability; the most desirable option could be The New York Times. Its first edition was published on September 18, 1851 while its Sunday issue was published in April 1861. Its present motto, "All the News That's Fit to Print", was adopted in 1896 when Adolph S. Ochs acquired it. This paper was the first to report on the sinking of the Titanic. From the time of product launch in 1851, the paper has been awarded 108 Pulitzer prizes and citations.

The New York Times have a wide range of readers in the United States and worldwide.

Scientific American has its firms in the international economies including its Spanish-language edition called La America Cientifica, French Le Scienze and the Japanese Nikkei Science. Another edition of the Spanish edition (Investigacion y Ciencia) was established following banning of the previous edition of the same. The New York Times has a digital version called the Times Reader, which applies the principles of print journalism in online reporting techniques (General Books, (2012)). These are diverse strengths for both companies that when incorporated in a single entity would serve as efforts of increasing market share of the merger.

The Scientific American has equally a good market share. In my opinion, a merger of these two corporations would result in a good profit making business. The cost of merging these two companies would be considerably

low since they are in the same industry. They both have international reputation though Scientific America has a wide reach since people from all over the world utilize its magazines and website as compared to The New York Times, which has its major readers in the United States. The Scientific American worldwide editions are majorly read for the purposes of gaining scientific knowledge while the readers of The New York Times are news oriented. Incorporating a scientific magazine in the news newspaper would eventually increase sales at reduced costs of production such as the costs of running separate websites would be reduced.

International business-level strategy and international corporate-level strategy for Scientific America

The company introduced an award that recognizes the contributions of science and technology in its 2001 calendar year. This magazine covered several groups such as communication, defense, agriculture, medical diagnostics, and environment. The winners appeared in the December release of the magazine and on its official website. The company also adapts to the technological advancements in order to keep up with competition. For example, it has a mobile version of its official website that helps the customers who use mobile technology to access the internet. In its strategies, the company introduced a television program called Scientific American Frontiers in 1990.

Its business-level strategies include the low cost of its products. The company offers its journals at affordable rates to the readers both in print and online on its website. Compared to its competitors, the company supplies its editions in several languages that best fits the interest of its

readers. This was reached after the company could not maintain its international market share, especially in countries that English was not the first language. The company also puts major emphasis on its strategies for research and development and much focus on promotion in order to deal with the competition. It ensures that its products are of distinct quality and contains features that most interests its readers.

Recommendations

Despite the company's efforts and strategies above, there is still need to adjust on the brands. The company only provides scientific journals that only restrict the readers to certain issues, however, as an organization that deals with print media, the company needs to improve on its brands and release articles that also cover different issues such as news. The industry has diverse options that include several kinds of journals that the company can venture into, without having to abandon its original purpose.

In my opinion, I would recommend that Scientific America merge with another reputable organization in order to accomplish the above recommendation. Mergers have several advantages that include cost sharing and better production with better strategies. This would help increase its international market share.

Corporate-Level Strategy for The New York Times Proposal Starting Up a Complementary Businesses

The New York Times needs to start up a complementary business. The complementary business that is most desirable for a newspaper company such as The New York Times would be exclusive magazines. The readers of

this newspaper most definitely read magazines and journals. It would be desirable if the company incorporates these in its production, or merge with a company that offers this product and of good reputation in order to reduce the costs involved in this new business, retain its original purpose of formation and increase its market share by beating competition.

Business-Level Strategy Proposal

Focus On Promotion

Product promotion is an essential unit of business success. For any business to have proper command the market, proper promotional methods have to be put in place. The New York Times is not an exception. There are several competitors in the market, who produce the same products as this company. Persuasive promotions such as advertisement should be a central focus for the company since not all readers would prefer its products if they are not properly informed about the products that the company offers and their costs.

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