Free case study about cases

Business, Company

- The main reason that causes differences in market expansion strategies is the peculiarity of markets. In the United States, where the company owns about two thirds of the outlets, the market is well known for the company’s executives, so they can easily operate the business. They know the consumer, know his preferences and tastes, so different operating decisions are made easily, without any help from outside. However, when it comes to other markets (international), things are much more complicated there. Every country, even every region within the country is very different from each other, therefore, in order to be successful there, the Starbucks’ leaders have to take all the cultural aspects into deep consideration. And that is why, in my opinion, it is easier to pass on the rights to own and operate the business to people, who know how to do it in that particular region. So, that is why, outside of the United States, Starbucks owns only one third of its outlets.
- The decision to launch a new line of instant coffee and a breakfast value meal is great, as it corresponds to company’s values and believes. And here is why. Starbucks has never been cheap, especially in Europe; therefore it was loosing a relatively big market share to small family cafes. With the launching of the new line of coffee (which will be cheaper, as it is instant coffee) and breakfast value meal, that costs less than $4 the company has a big chance to attract more customers.
- In my opinion Starbucks should not enter Italian market. Everyone knows that Italians are snobs, especially when it comes to gastronomy. They know everything about coffee, and, moreover, they are convinced that Italian coffee is the best out there. Also, there are a lot of small family cafes, where

Italians have been drinking coffee for decades; therefore they will not change their habits, especially when we are talking about switching from native neighbor café to an outlet of a global chain. It will never happen, so I do not see any practical reasons for entering Italian coffeehouse market.

- If Starbucks does not change its pricing policy, I think that McDonald’s is more likely to win the « coffee war». People do not like to pay more, if they can pay less, especially when the quality of the product is the same. And considering the fact that McDonald’s is cheaper, I believe that it has more chances.

- The Smart car has several competitive advantages. The first advantage is its diminutive size. In my opinion, this itself is quite a unique advantage. The next advantage is its unique design. And the last one, but not the least is the fact that Smart is an economy car, with the “ crash security of Mercedes”.

- I believe that the US market is not ready for these tiny cars, with the speed restriction of 80 m/h. People in America prefer big, comfortable cars, and, unlike Europe, low gasoline prices make big cars affordable for Americans. Also, Americans do not care about the car size, as they usually do not face problems with parking spots. Only those Americans who care about the ecological misbalance can be the projected buyers of Smart cars, but the number of such potential buyers is quite small.

- Smart, Honda Element, Toyota Scion, and Kia Soul target the same consumers, as all of them have the same positioning on the market. The Smart launch is not too late, as gasoline prices go up, and the ecological issues become more and more acute.

- The future of Smart cars depends on a couple of issues, which have nothing to do with the distributors. If the gasoline prices go up, the company will have a chance to increase its market share. However, in order to be successful on American market, the Smart Company has to think about launching some new products, as “ the product has barely been changed since the first car rolled into showrooms over a dozen years ago”.

- I think that Smart USA’s social media strategy will not work in the long run. The strategy, in which all Americans, who drive big cars, are called “ dumb”, is doomed. To increase the Smart car sales, the company needs to come up with ways of increasing the sensitivity of Americans on environmental issues.

- The strategy of brand developing is quite evident here. The strategy is to diversify the LVMH’s product range, in order to make a cost-cutting approach.
- After launching a TV commercial, the Louis Vuitton might be perceived as a mass-market brand, which is not exclusive and luxury any more. And in my opinion, that is the main risk the company might face.
- If we convert the price of a $8, 000 suit to euros, we will have a 10, 000 euro suit (at the $1. 25 / 1 rate). If the price of the suit is cut by %10, the $8, 000 suit will cost $7, 200, but 9, 000 euros. The seller lost 1, 000 euros ($1, 250), for a $800 price decline.
- It mainly says that the demand curve of the typical Louis Vuitton customer is upward sloping.
- LV brand positions itself as the one that is “ selling dreams”, while Coach’s brand makes the luxury accessible. LV is much more expensive that Coach, therefore, it’s markets are small, and LV is a niche brand for very rich, unlike

Coach.

- The localization of advertising campaigns is crucial in emerging markets. Especially, when it comes to alcohol. The perception of alcoholic drinks is tremendously different from country to country; therefore, a very “ personal” approach is needed, to win the customer.

- The consumption habits for products such as Scotch whisky wary from country to country, and there are a lot of reasons behind that. First of all the consumption depends on the size of the market, on the demographic composition, average income, age, and, of course culture. For example, in China people usually drink alcohol to celebrate some kind of happiness in their life, when in Western countries, drinking alcohol is more of a communication tool.

- In my opinion, there are scores of reasons behind that, such as: culture, historical factors, natural conditions, incomes, etc. Let’s take, for example, calvados, French apple brandy. It is a true French drink, which is not popular outside of the country. Why? Maybe because the manufacturers did not see any reasons for popularizing this specific, Normand drink, or, maybe it would be very expensive outside France (due to the scarce resources).

- Standardization and the more use of visual, instead of informative.

Works Cited

Keegan, Warren J., and Mark Green. " Mark Green Textbooks." Rent. N. p., n. d. Web. 12 Nov. 2013.