

International business - meli

Business



Meli Case Study al Affiliation: Meli Case Study Question Political and economic forces have a major impact on the attractiveness of the shipping industry. These forces affect the fuel prices, an aspect that makes it hard to predict the future profits of the industry. In addition, the operating and maintenance of the latest technology requires a huge capital (Hamermes & Yong, 2012). This affects the overall profitability of the business.

Question 2

Meli has mainly focused on a narrow customer base. As a result, the firm can use this market as its competitive base even as it ventures in other new markets through its acquisition strategy. The firm has also focused immensely on the differentiation strategy. This has enabled it to increase its perceived value among its loyal customers. This is through offering superior services. This has made the customers to be willing to pay a premium for the new services to be offered. Lastly, the company has integrated the value chain through offering door-to-door services. Therefore, it can capitalize on these strategies in order to increase its competitive advantage in the market (Hamermes & Yong, 2012).

Question 3

Meli has performed effectively especially with the limits on the routes that its vessels can cover. The competitors have a wider range of route and vessels with high capacities. Therefore, when putting these constrains into consideration, the firm can be said to have performed above average (Hamermes & Yong, 2012).

Question 4

I would recommend that Tim approve the decision to acquire Teeh-Sah Holdings. This is because the new strategies will open up new routes for the <https://assignbuster.com/international-business-meli/>

company. In addition, the firm will acquire more assets and human resources that have an experience in different markets across the world especially in the trans-pacific route. This will strengthen the company's position through reducing the risks and uncertainties associated with concentrating on few markets (Hamermes & Yong, 2012).

References

Hamermes, R. G., & Yong, H. (2012). Meli Marine.