

# [Competitive advantages](https://assignbuster.com/competitive-advantages/)

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Competitive Advantages Paper School: Riordan manufacturing is a plastic molding company, which processes polymers into plastic substrates. Thecompany’s main production plants include that based at Albany, which manufactures plastic beverage containers; a plastic parts center located at Michigan; and a plastic fan plant in Hangzhou, China (University of Phoenix, 2006). The San Jose center is the corporation’s research and development and company headquarters.
The global market is characterized by two main characteristics. In this case, Riordan has to compete at world markets in order to survive, and its competitive advantage is determined mainly by economies of scope and economies of scale at the different markets. Therefore, Riordan will have to produce highly standardized products so that it can compete with other producers of plastic products. It will have to adopt a global or a multi-domestic outlook, where it will either compete globally or compete at different national markets in a manner differentiated from that at other national markets. In the case of Riordan, it will have to adopt a global strategy at the target global markets, and a multi-local strategy at markets that are principally multi-domestic.
The market drivers of its strategy will include customer needs uniformity, developing global networks of distribution, and ensuring that its marketing is transferable. The cost drivers to guide Riordan include those of transport, economies of scale, economies of scope, and product development. The government drivers to guide the business strategy include segmenting markets on the basis of the favorability of trade policies, the compatibility of technical standards, universal marketing control, as well as privatization.
The global business strategy will be focused around increasing sales levels to existing customers, expanding sales to emerging markets and new customer groups, and the development of value-added services, which can compete globally. The company can maintain its cost-plus pricing strategy while at the same time increase segmentation on the basis of customer regions and locations.
Riordan is a plastic manufacturer operating at different countries around the globe. The global market will affect the business strategy of Riordan in a number of ways. These ways include expanding economies of scale and scope, adopting a global and a multi-domestic market outlook, developing global distribution networks, and cultivating strategy drivers like product homogeneity.
References
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