

# [Altria group inc. (mo) and philip morris international, inc. (pm)](https://assignbuster.com/altria-group-inc-mo-and-philip-morris-international-inc-pm/)

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Altria Group Inc. (MO) and Philip Morris International, Inc. (PM) Altria Group Inc Altria Group Inc. is one of the leading tobacco companies in the world. It is a multinational corporation based in Henrico County, Virginia in United States. Since its inception the company has been able to acquire several other companies with the aim of diversifying its operations and improving its competitive advantage in the market. For instance, in 2009, the firm acquired UST Inc, which is a smokeless manufacturer (Freudenberg 69). The company was created from Philip Morris Companies Inc. This was meant to expand the market base to different parts of the country.
Over the years, the company has introduced different product lines with different brand names in order to attract different types of customers. This aspect has played a significant role in reducing the risks and uncertainties associated with concentrating on a single product. Beside tobacco it has focused on wine production. Some of the wine brands include; Chateau Ste Michelle, Snoqualmie, Erath.
The company has a definite structure led by the board of directors. In addition, the company is divided into different departments depending on the area of specialization. This is to ensure that each sector specializes on a specific task. For instance, marketing and financial sectors operate differently. This has enabled the subordinates to work independently and maximize on their areas of specialization. This aspect has been critical in the overall success of the company.
Philip Morris International, Inc. (PM)
Philip Morris International, Inc. (PM) is a global multinational firms based in United States that deal with cigarette and tobacco production. The company’s products are sold in over 200 countries across the world. The company is mainly known for its best selling product of Malboro (Luo 352). With over 15% of its products being sold outside the United States, the firm has been able to penetrate and segment the global market. This is despite the increasing levels of competition which has emanated from the entry of multinational companies which have a huge financial base to position their products strategically in the market and create a barrier of entry for other interested investors.
Before, 2008, Philip Morris International, Inc. (PM) was an operating company under the Altria Group. The idea behind the formation of the company was to provide the firm with an opportunity to pursue the emerging markets. This was aimed at increasing sales and revenues of the firm and enabling the company to avoid the challenges faced by companies in relation to US corporate ownership. The firm’s headquarters are in New York but it does have any operations in the country (Luo 351). With the increasing concerns over the contribution that tobacco has on the health of the people, the company has faced intense condemnation for its adverts that mislead young people in relation to cigarette smoking. The campaigns by non-governmental organizations against the company’s products have played a significant role in reducing the growth of the firm. This has made it hard for the firm to accumulate funds to enable it to expand to other markets across the world.
Works Cited
Freudenberg, Nicholas. Lethal but Legal: Corporations, Consumption, and Protecting Public Health. N. p., 2014. Print.
Luo, Yadong. Multinational Enterprises in Emerging Markets. Copenhagen: Copenhagen Business School Press, 2002. Print.