

# Countrywide

[Business](#), [Management](#)



Countrywide Countrywide Buyer power Buyer power is very critical in the policies of a company. Buyers collectively develop a bargaining power that organizations have to abide by if they wish to continue staying in the market. The force plays a critical role in price decision making (Kaplan, 2011). Buyers usually struggle to bring prices down to what favors them. According to the law of demand and supply, the lower the prices, the higher the demand. The company has to put much emphasis on buyers' decision.

#### Financial aim

The Dupoint profit margin has been fairly stable during 2003-2006 at about 25%. In 2003, it was 29.4% and had dropped to 23.43% in 2006. Otherwise, the ratio dropped to -11.61 in 2007 due to the general depression that affected the global economy (Kaplan, 2011). We can attribute the drop to predatory lending prices and slow housing market. The company was involved in the strategies only to lead it into problems. It is important to recognize that the company experienced a low return on assets.

#### Unethical practices

Ethics is a major determinant for the success of any business organization. The company's poor performance can be partly attributed to unethical practices that it engaged while trying to maximize profit and introduce new products (Kaplan, 2011). For instance, subprime mortgage is a loan given to people with low income taking advantage of their lack of understanding of terms of the loans. The company misled the borrowers that it had a fixed rate in order to attract more clients yet they new that the people could not afford. The strategy lowered reputation of the company.

#### Reference

<https://assignbuster.com/countrywide/>

Kaplan, H. R. (2011). *The myth of post-racial America: Searching for equality in the age of materialism*. Lanham, Md: Rowman & Littlefield Education.