

# [Car buyers dilemma](https://assignbuster.com/car-buyers-dilemma/)

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Car Buyers Dilemma Process of buying a car Determine automotive needs a. The first process is to determine the automotive specifications to establish whether the suit personal needs. Such includes purpose of the vehicle and its features.
2. Budget
a. The second step is considering the budget for the vehicle.
3. Just-in-time buying
a. The third process is the JIT buying, which involves the following
b. Establishing agreement with the seller on the best price and delivery
c. Certifying the quality, schedule and price
d. Inspection of the vehicle
e. Utilization of little space during inspection
Capital budget
The capital budget for the vehicle is $ 17, 000. Thus, the negotiation process focused on getting the price of the car below the capital budget.
Activity-based management
The technical aspect of activity-based management is that it ensures that one focuses on the usability of the car in terms of its purpose and features. Such includes inspection on the quality of the vehicle. The behavioral aspect is in terms of engaging in a negotiation, which seeks to give the lowest price for the car possible. The cultural attribute is on the language and communication strategy, which are adopted in the process of negotiating for the lowest price of the car possible.
Target costing
Target costing indicates a strategy, which is driven by the market forces. Thus, the pricing of a product is based on competitive advantage of the given levels (Currie 2). As such, a firm uses target costing as a means of pricing products based on time, cost and quality of such products.
In this simulation, target costing would be used by focusing on the quality of the car being sold.
Works Cited
Currie, John. Target Costing: A tool for strategic performance management. United States, 2012.