

Chapter 11 and 12 essay



**ASSIGN
BUSTER**

Industrial and Commercial Bank of China 1. Why did ICBC feel it was necessary to issue equity in markets outside China? What are the advantages of such move? Can you see any disadvantages? * They feel it was necessary because they want to attain global equity. This is to win overseas corporations to invest in China Commercial Bank. 2. What was the attraction of the ICBC listing to foreign investors? What do you think are the risks for a foreigner associated with investing in ICBC? ICBC was attracted to the considerable interest from foreign investors. These investors saw it as a way to invest in Chinese economy. However, foreigner associated with investing in ICBC should adhere to the strict reporting and governance standards expected of top global companies. Coca Cola 1. Why do you think that Roberto Goizueta switched from a strategy that emphasized localization towards one that emphasized global standardization? What were the benefits of such strategy? It is to increase profitability and to pursue a low cost advantage on global scale. It is also to standardize the products worldwide. It will make coke make profit and adhere to different countries tastes and preferences. 2. What were the limitations of Goizueta's strategy that persuaded his successor to shift away from it? What was Daft trying to achieve? Daft's strategy also did not produce the desired results. What do you think this was the case? * The one size fits all strategy failed.

More nimble and smaller competitor beverages began to stop the Coke growth that's why Daft created a 180 degree shift in strategy. Power should be in the hands of local country managers. Strategy, product development and marketing should be tailored to local needs. 3. How would you characterize the strategy Coke is now pursuing? What is the enterprise trying

to do? How is this different from the Daft and Goizueta strategy? What are the benefits, potential costs and risks? * Transnational strategy because Coke differentiate its products it offer to different localizations.

However, this strategy is not easy to implement since it places conflicting demands on the economy. Also, differences on local demands increase cost.

4. What does the evolution of Coke's strategy tell you about the convergence of consumer tastes and preference in today's global economy? * Consumer tastes and preferences in today's global economy vary from one country to another. It varies from one culture to another. Economic and political demands should be taken into consideration, and also, distribution channels and traditional practices.