



Ford uses a globalised marketing mix

Ford was one of the first companies to develop into a transnational corporation, producing and selling vehicles all over the globe, wherever it was most profitable to do so.

In recent years it has also adopted a globalised marketing mix for many of its products. For example, its best-selling Mondeo model was designed by teams of engineers and designers spread across the USA, Europe and Australia, all working together using information and communication technologies (ICT).



Using this approach, Ford developed a common model of car that could be sold all parts of the world without variation. By building a single model for all markets globally, the corporation was aiming to maximise its economies of scale. The success of this approach has encouraged Ford to reorganise its global business to allow other vehicles to be developed in a similar way.

1. Explain the underlined terms.
2. What alternative could Ford use to a globalised marketing mix?

Global Business - Summary

One major effect of the spread of free trade, along with easier and faster international communications and transport, has been the globalisation of business. Globalisation refers to the emergence of the globe as a single _____ where goods can be produced in one part of the world and sold in another, regardless of the distances involved.

With globalisation has come the growth of transnational corporations (TNCs), such as McDonalds, Coca Cola, Shell and Ford - global companies that treat the world as one single, giant production location and marketplace. They produce goods in countries where costs are low but sell the goods globally in order to maximise profits.

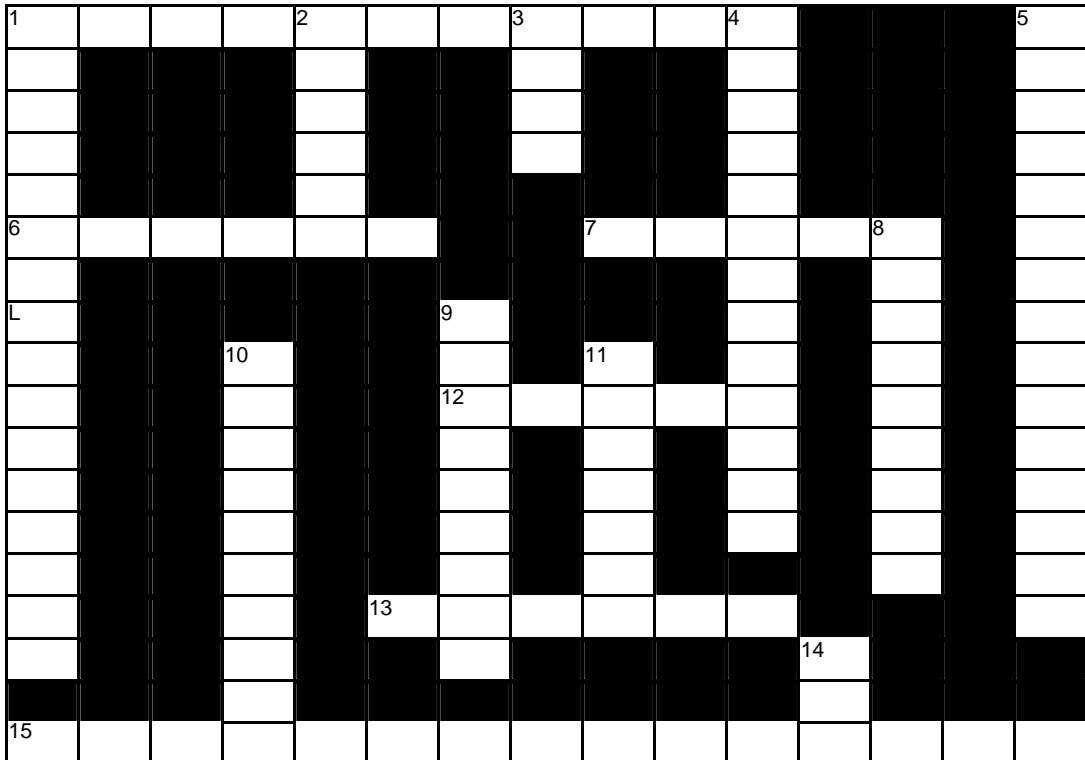
Operating in a global marketplace means using a suitable global marketing _____. Some firms prefer to follow a largely standardised marketing mix while others adapt it to accommodate differences between countries.

Even though Ireland is a relatively small market in global terms, many TNCs have chosen to set up operations in Ireland because of the low corporate _____ rates and availability of a highly educated workforce. The goods and services produced by TNCs are mainly exported to other countries, especially within the EU. However, if they can find a more profitable location to operate from, such as Eastern Europe or India, then, as global businesses, they will move their production to the locations that will yield the greatest profits.

Score: _____ out of 3



Crossword 26 - Global Business



CLUES

Across

1. McDonald's has expanded globally using this method (11)
6. This type of company treats the world as one single, giant production location and marketplace (6)
7. _____ national - another name for 14 down (5)
11. An independent person or firm acting on your behalf to sell your goods in the target market (8)
13. Selling without going through any "middlemen" (6)
15. When companies buy and sell goods between their own subsidiaries to ensure that they pay most of their tax in the place with the lowest rate (8, 7)

Down

1. An agreement that gives permission to a foreign firm to manufacture your product or use your brand name for payment (7, 9)
2. A business that shows movies for profit (6)
3. A place that sells products (4)
4. The emergence of the globe as a single market where goods can be produced and sold anywhere regardless of distances involved (13)
5. Pepsi Cola uses this to sell their products around the world (6, 9)
8. _____ to contract means that the parties to a contract must have intended to create a legally-binding contract (9)
9. A business exhibition where suppliers in a particular industry display their products to potential customers (5, 4)
10. _____ sharing is where part of a product is made in one country, finished in another and sold in a third (10)
11. A joint _____ is a partnership with a foreign company to produce or market your goods abroad (7)
14. Unilever is this type of business (3)