

International Business



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Short Description

International Business case study

Description

The case looks at Germany based automobile manufacturer Audi's successful run of 25 years in China, and some of the factors that were responsible for its success. Audi entered China in 1986 through a joint venture with a Chinese company First Automobile Works Group Corp (FAW). From 1988, it started manufacturing and selling cars in China. Over the years, the company introduced several of its popular models in China and also made changes to its vehicles to suit the needs of Chinese customers. The company developed a huge distribution network in the country, which also contributed to its success. By 2011, China had become Audi's largest market.

Audi gained popularity in the country as a vehicle for bureaucrats and government servants. But the changes in government policy that encouraged the use of vehicles manufactured by the local manufacturers to give a boost to the local automobile industry could impact Audi adversely. Over the years, the use of Audi's cars by bureaucrats gave it the image of a vehicle for the wealthy and the old. Audi therefore needed to revamp its image in order to appeal to the youth and youngsters. Though Audi took several steps in this direction, it remains to be seen whether it will be able to appeal to this segment, and continue its successful run in China.

Answer the following question.

Q1. Discuss the strategies followed by companies from developed countries when they enter developing countries and emerging economies.

Q2. Explain the issues and challenges confronted by established companies in the face of changing market conditions and customer demands.

Q3. Analyze how political and bureaucratic decisions can influence the strategies of companies.

Q4. Give an overview of the case.

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers