**Unit 6.0: International Marketing Strategies Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**6.1: International Competitive Advantages (All individual Activities. All due by the end of the period)**

* Read the following story regarding Toyota
  + Draw at least six pics on the side of the box that support the main topics presented.
  + Highlight no more than 20 words that are key to the story given.
  + You will have two questions at the end of the class. If you did the top part well, the two questions are cake

**Read Racing to the Lead**

In 1937, Toyota Automatic Loom Works started a news division, Toyota Motor Co. Ltd. This company began by manufacturing trucks for the Japanese army. The trucks were direct copies of the US Chevy trucks. After World War II, Toyota began producing small cars. In 1959, Toyota started its international expansion with the production of vehicles at a small plant in Brazil. By 2005, Toyota was the second largest manufacturer of automobiles in the world. In less than 50 years, Toyota rose from being a small manufacturer to being a global leader. One of the keys to Toyota’s growth has been the production of high-quality cars at a low cost. Under the leadership of Taiichi Ohno, Toyota developed just-in-time manufacturing. This process is designed to minimize inventories and control waste. Toyota also applied a process of continuous improvement called kaizen. These manufacturing processes were copied by other Japanese manufacturers and later by American manufacturers. In the 1970s, American auto manufacturers lost market share to Japanese manufacturers because of low-quality products.

Toyota has also succeeded by introducing new products. It was one of the first to introduce a hybrid car, the Prius. Toyota has not been able to keep up with the demand for the car. Toyota runs 47 plants in 26 overseas markets. Seventy percent of its profits come from outside of Japan. Toyota has had a tradition of localizing production for local markets. It is now looking at the world as a global marketplace. It is building products and platforms that it can use around the world.

To continue expanding, Toyota will have to push into new markets. One of the new markets that Toyota is considering is China, where it is currently behind Volkswagen, GM, and Honda in sales. Toyota even plans to manufacture Prius hybrids in China. Toyota plans to expand in Japan with its Lexus luxury cars. In the United States, Toyota is now competing against American automobile manufacturers in the truck market.

**Part II: Competitive Advantage**

* What is competitive advantage?
* Name one competitive advantage that Ardrey Kell has over \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ school in CMS.
* What is a value relationship of attending college?

Look at page 131, and complete the chart below based on the information given. The book discusses decade events between China, Europe, Asia, & America. One country is given to you. Write the accomplishment for that decade in the third column.

|  |  |  |
| --- | --- | --- |
| **Decade** | **Country** | **Accomplishment / Status** |
| 1940’s  (End of WW II) | United States | Only country benefiting economically. The business infrastructure was undamaged, the GI Bill had created an educated work force & International Competition was limited. |
| 1960’s |  | Attempted to create an ideal society through  large amounts of social spending. |
| 1970’s | Japan, Hong Kong, South Korea, Singapore & Taiwan |  |
| 1980’s | China |  |
| 1990’s | Europe |  |
| 2000’s | Asia |  |

**Which decade do you think led to the biggest change in how competitive the International Market is today? List the decade & two supporting reasons.**

**Compare & Contrast the three types of Generic Competitive Advantage Strategies.**

|  |  |
| --- | --- |
| Strategies | Definition & Advantages |
| Differentiation | To create value a company will try to differentiate their products as much as possible.  Higher quality, stronger brand image, better features, better service, & meet needs faster.  Companies attempt to offer products with unique features & benefits to separate them. |
| Low Cost | Implement Economies of Scale Concept. This occurs when large amounts of a product are produced lowering final cost. An Increase in productivity, Research & Development, & technology will occur with this strategy. Additionally, countries will typically have Low Labor Costs. China uses this method to gain a competitive advantage. |
| Focused | Focus on a single market in a single country. If done well, it usually minimizes competition faced. |

**Find a magazine ad that uses a differentiation strategy & a magazine ad that utilizes a low cost ad approach. Using your IBP company, create a focused ad that promotes your company in your IBP country.**

**Analysis of International Competitors**

**Direct Competition:** Competitors working in the same industry

**Indirect Competition:** Competition that occurs from the sale of products that provide similar benefits.

**List a direct competitor & an indirect competitor of your IBP product.**

* A direct competitor of McDonalds would be Burger King
* An indirect competitor of McDonalds would be Pei Wei

**Find 2 magazine ads that depict direct competition & two ads that indicate indirect competition.**