**Case study: International Trade and Finance**

**American Motor Corporation: International Operation**

**Q.1** To what degree should Jeep vehicles be adopted for world markets?

**Ans.1** Jeep vehicles have already adopted in the world market due to its great significance, but their acceptance differs from country to country. Jeep vehicles have enjoyed several universal recognition and appeal due to their use in Second World War by US. Jeeps are versatile vehicle which are being used by ages across the world. The world market adopted this vehicle as a multipurpose commodity that can serve the entire transporting services. It can also serve as a vehicle of commercial good and passenger traveler as well. In developed countries, jeeps are used, sold, and promoted at large. Moreover, it is used as medium of recreational activities. The developing countries have great utility of this vehicle because it serves multipurpose task for business and in general. So, the jeep should be adopted at substantially high degree in automobile market of the world.

**Q.2** Should Jeeps have uniform international brands in world markets?

**Ans.2** International markets provide a wide range of opportunities compared to the domestic market. There are various brands of jeeps in world market and their utility also differs as per the need of the country. International business firms have fundamental goals of expanding market share, sales revenue and increase in profit. Since international brand offers perfect blend of utility for different segments of society so there cannot be a uniform international brand of jeeps in world market. Usually, brands are developed as per the need of customers and the need of a country may differ from the need of other country so it is better to adopt a strategy which can benefit the customers rather to follow uniform international brands of jeep in world market.

**Q.3** Should the Jeeps warranty be the same in every market?

**Ans.3** As one rule cannot satisfy everyone; same the jeep warranty should not be same for every market. So far it has been discussed that jeeps cater the demand of different people in different sense. Generally developed countries use the jeeps for recreational and for transportation purposes whereas in developing countries people use it for multipurpose activities. When purpose of commodity is different for different people, how the warranty can remain same in every market. Models and features of jeeps are altogether different in different geographical condition so the warranty should be considered the way people use the jeeps.

**Q.4** What should be the service and promotion strategy for world markets?

**Ans.4** The Company American Motor Corporation (AMC) and other automobile companies are expanding their market presence in different part of the world. They are adopting a strategy of merger/ alliance to grab the opportunities of market. By 1980, worldwide sales of Jeep were over 2 Lakh per year with ¾ of that in the US and Canada, which represented the domestic business. Among four wheelers, Jeep was the largest seller. Many companies i.e., Toyota, Nissan and Land Rover are promoting their band at international level. AMC Jeep had equity in plants in Australia, Egypt etc. Altogether, 2 assembly plants in Africa, 3 in Middle East, 12 in Asia Pacific and 4 in Latin America.

Jeeps as vehicles have enjoyed universal recognition and appeal due to their use in recent past. The companies can promote this commodity by adding extra feature or safety and with cost effective advantages in international market. It can be seen that Jeeps are sold in large number in world markets and in countries with difficult economic, environmental conditions. Jeeps are unique kind of automobile segment that has proved its significance in various walks of business and service life of the society. If companies are able to create more utility among customer at affordable price, definitely market share of jeep will come up in due course.