INT 640 9-1 Final Project: Strategic Global Marketing Report

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I. Introduction

A. Brief overview of Ford

Ford Motor Company designs, manufactures, markets, and services a full line of electrified passenger and commercial vehicles, such as Ford trucks, utility vehicles, vans, and cars, and Lincoln luxury vehicles. Ford prides itself on being g a family company that spans the globe. Ford is very adaptable and continues to grow development and innovation in technology, design and engineering to meet the needs of their consumers around the world.

The product line chosen for this project is Ford and the vehicle is a fully autonomous Electric Bronco collaboration with a luxury brand.

The industry segments for this product are automotive and mobility. Automotive segment includes the process of creating through manufacturing and servicing Ford and Lincoln vehicles. The mobility segment includes Ford's development of autonomous vehicles. The product I chose would fall into both of these segments.

Some of the global industry characteristics of Ford that are valued by its consumers are price, features, selection, reliability, responsiveness and the cool factor (Team, 2022).

B. Brief overview of your selected international target market and explain why it is appropriate for your company and product line.

The consumer market that I am looking to learn more about in China is the Gen Z market. Currently, there is a trend to buy "g*uochao"* amongst Gen Z which is a nationalistic trend to buy

Chinese. That group currently has a 13% discretionary household spend compared to the 4% of their European counterparts. In China those buying premium luxury cars are 10 to 12 years younger than those purchasing premium vehicles in the United States.

The Gen Z consumers not only want to buy Chinese, they want their vehicles to be technologically advanced and capable enough to interact seamlessly with their digital lives. The Chinese brands are offering more bang for the proverbial buck by offering lower prices, better design and more features that the Chinese consumer wants and needs. They are not only giving the consumer what they want, they are marketing to those targeted consumers where they are on video platforms like TikTok to appeal to the Gen Z buyer. Chinese manufacturers are producing cost effective vehicles that are still cool and have all the technology that Gen Z wants. In order to be competitive, Ford needs to pay attention to what the Chinese manufacturers are doing and go a step beyond in order to get that business.

II. Situational Analysis

A. Assess your company's product line.

Some of the global industry characteristics of Ford that are valued by its consumers are price, features, selection, reliability, responsiveness and the cool factor (Team, 2022).

Value chain includes all the steps of manufacturing a Ford vehicle from planning through production, sales and service. It includes any stage that adds value to Ford. These include primary and support activities. Primary activities are those that directly create value and secondary activities support the primary activities. Ford has figured out a way to optimize both and eliminate stumbling blocks that slow down operational performance.

Ford's global value chain structure is as follows:

Primary activities:

- Inbound logistics

Ford's manufacturing network makes sure that raw materials get to their plants throughout the world so manufacturing doesn't suffer by contracting DHL as its Lead Logistics partner, (Pratap, 2023b).

- Outbound logistics

Assembled Ford vehicles are shipped from manufacturing plants to dealerships via a collaboration with logistics partners while focusing on reducing road miles and optimizing efficiencies apart from environmental sustainability, (Pratap, 2023b).

- Operations

As a worldwide brand, Ford has separated its business into 5 geographic segments which include North America, South America, Europe, Middle East and Africa and Asia Pacific. As of 2019, Ford had eight regional engineering, research, and development centers, and 55 manufacturing and assembly plants (Pratap, 2023b).

- Marketing and Sales

To stay competitive in the industry, Ford invests in online and offline sales channels spending an annual advertising budget of $4 billion or higher. Ford also attends events like auto shows and hosts influencer events to promote Ford products.

- Products and services

Ford is more than just cars. With its strong focus on research and development, Ford keeps improving and expanding its product portfolio. Not only does Ford manufacture cars, but it also manufactures SUVs, trucks, electric vehicles and the Lincoln luxury brand globally.

Support activities

- Technology

Ford uses superior advanced technology to promote higher productivity rates in its supply chain and manufacturing network. Ford also continuously works on improving manufacturing efficiency through technology and a world-class IT system.

- Infrastructure

Ford manages business operations globally as well as regionally. Each region has its own head who oversees business operations. Ford Motor Company management is broken down into various functions and departments from marketing and sales to production, product design, government relations, finance and etcetera (Pratap, 2023b).

- HRM

According to Pratap, as of 2019, Ford had 190,000 employees. Ford believes in "strategic HRM" and continually invests in its employees via financial, nonfinancial rewards and training programs to help employees grow within the company.

- Procurement

Ford works with thousands of suppliers globally to procure raw materials needed to manufacture its products. This practice has allowed Ford to not only contribute to the local economies where it is manufacturing, adding value to the communities where it operates and contributing to the livelihoods of the people where suppliers are located, but also secures Ford a continuous supply of raw materials, goods and services through sustainable local sourcing, (Pratap, 2023b).

Ford's main competitive advantage is that it focuses on innovation, research and development and new technologies. Thanks to Ford's continued high sales, stable finances, brand reputation

and recognition, customer loyalty and its focus on innovation, it will continue to stand out amongst its competitors.

B. Target market's demographic and composition

The target market space for my final project product, a fully autonomous Electric Bronco collaboration with a luxury brand, would be China's Gen Z market. According to Frontiers, in China Gen Z play a big role in determining marketing trends because they will be part of the population shaping the consumption pattern. It is indicated that 42% of China's Gen Z population intended to buy novel products and services which is higher than the Americans, Japanese and Europeans (Wang et al., 2022). This same behavior is happening in the green energy vehicle industry. According to J.D. Power, Gen Z has the highest purchase intention and they want to buy green. They are more educated and aware of global environmental issues than previous generations and they want to live sustainable lifestyles which include green innovation and technology. Currently, there is a trend to buy "g*uochao"* amongst Gen Z which is a nationalistic trend to buy Chinese. That group currently has a 13% discretionary household spend compared to the 4% of their European counterparts. In China those buying premium luxury cars are 10 to 12 years younger than those purchasing premium vehicles in the United States.

C. Describe the sociocultural environment of your target market.

The Gen Z consumers not only want to buy Chinese, they want their vehicles to be technologically advanced and capable enough to interact seamlessly with their digital lives while being green. The Chinese brands are offering more bang for the proverbial buck by offering

lower prices, better design and more features that the Chinese consumer wants and needs. They are not only giving the consumer what they want, they are marketing to those targeted consumers where they are on video platforms like TikTok to appeal to the Gen Z buyer. Chinese manufacturers are producing cost effective vehicles that are still cool and have all the technology that Gen Z wants. In order to be competitive, Ford needs to pay attention to what the Chinese manufacturers are doing and go a step beyond in order to get that business.

D. External Macro environmental risks and opportunities

- Political

Currently, since the government is in support of technological innovation and promoting transportation infrastructure the conditions are favorable for Ford to do business in China. This will allow Ford to take advantage of government incentives for innovation, including environmentally friendly products and sustainability. With current trade agreements in place, China has allowed many opportunities for Ford to grow and expand into the Chinese market. Lastly, as China currently has a sturdy political climate, that makes consumers within China feel safer to spend their money and invest their disposable income in luxuries like automobiles. Politically conditions for Ford in the Chinese market are favorable.

- Economic

International trade policies in China allow for other countries to market to the Chinese consumer however, this allows for hearty competition which can be good for pricing but bad for sales as the market becomes saturated with competitors. The economy in China is stable which is conducive to consumers feeling secure enough to spend. China has experienced a growth of

disposable income in the last few years which means there is more income to be spent on luxuries like vehicles. There is a nationalistic trend in China to buy Chinese but Ford has already established a foothold and a good brand reputation in China so they can still be competitive, especially if they listen to what the consumer wants and manufacture in China. While the open international trade policies can be a bit of a double-edged sword, overall, the economic conditions in China are favorable.

- Social

Socially, China is very conservative and functions within a very traditional, hierarchical system. Customs like Gaunxi (gifts to show respect in personal and business settings) and Mianzi (showing respect by giving respect to those in business or personal lives by "giving face" or "saving face" on their behalf) can mean the difference between a company's success and/or failure in China. It is imperative for companies doing business in China to be aware and adhere to these traditions. Knowing how to behave within the Confucianism hierarchical system, how to address people and knowing what is culturally appropriate and inappropriate is very important when doing business in China. Lastly. Chinese people value luxury products but the wealth gap in China is such that by making a product too exclusive, it can actually price itself out of the system therefore causing a drop in potential sales. There are lots of opportunities to expand Ford's business in China if Ford takes the time to learn the culture and what the Chinese people want in their vehicles rather than marketing the same way Ford products would be marketed to Ford's American consumers. Therefore, social conditions could be unfavorable if proper market research is not done and applied to the Chinese market.

- Technological

The world is quickly becoming the future and Ford's efforts in autonomous vehicles, efforts to produce alternative fuel vehicles and the use of mobile computing will definitely score points with Gen Z. However, the global shortage in semiconductors slowing down production and a limited number of alternative fueling stations to fuel those new vehicles will definitely cause an issue. Autonomous vehicles are the future and the Chinese love innovative technology, so Ford's $1 billion investment in green technologies could be a win for Ford in China. Currently, the technology that Ford is using could be better and it could be worse so technological conditions are null; the good and bad effectively canceling one another out.

- Environmental

Currently, there is a high need for environmental sustainability and renewable energy initiatives in vehicles. If Ford continues to build out its line of green vehicles they can increase sales while meeting a need of consumers, especially with the constantly rising gas prices. Even consumers who are not particularly environmentally aware are feeling the effects of high gas prices and considering electric and alternate fuel source vehicles. Hybrid and electric vehicles are in high demand especially in countries with high population and pollution levels like China. While the environmental conditions are not favorable they are prompting consumers to buy more environmentally friendly vehicles.

- Legal

Ford is doing everything that it is supposed to be legally compliant with current regulations and current intellectual property laws. Ford is taking into consideration the Chinese consumer and safety regulations when manufacturing for the Chinese market. They are also adhering to all environmental regulations with strict emissions standards. Current intellectual property laws help keep competitors from stealing Ford's tech and designs, effectively boosting sales. However,

Ford is known for producing faulty parts and, worse still, having issues producing replacement parts for faulty parts. This leaves a negative taste in the consumers' collective mouths. However, overall, legal conditions are more favorable than not.

E. International Trade Environment

In 2021, 3.4 million electric vehicles were sold in China. On March 31, 2023, the Biden administration put in place new rules that will shorten the list of electric vehicles that qualify for the $7500 federal tax credits. This was done to encourage carmakers to get their batteries supplied in the United States or from one of its allies rather than from China which produces most of the world's electric vehicle batteries. This could cause backlash for Ford in China.

China is the top trading partner to over 120 countries. According to World Integrated Trade Solutions, in 2020, China's major trading partners for exports were the United States, Japan, Vietnam and Korea. For imports, they were Japan, Korea, the United States and Australia.

In 2020, the U.S. and China reached an historic trade agreement on a Phase One trade deal that will require structural reforms and other adjustments to China's economic and trade regime regarding intellectual property, technology transfer, agriculture, financial services and currency and foreign exchange.

III. Situational Target Market Summary

A. Identified strategic marketing options derived from your TOWS analysis

- **Build brand awareness in China.**

Ford is a world leader in the auto industry however, they have a lot of competition from not only European and other American auto makers but from Chinese auto makers. While Ford may appear to have more bells and whistles, they are not particularly aligned with what the Chinese people want or need in a vehicle. Therefore, Ford needs to build Ford China's brand awareness and make it as big, well-known and respected as Ford is in the United States.

- **Use strong R&D capabilities to produce more advanced technological and eco-friendly vehicles.**

Ford can gain a stronger foothold in the Chinese market by knowing exactly what their Chinese consumer wants and needs in a vehicle and giving it to them, while in the process exceeding any expectations. Ford is a powerhouse and has the money to not only do the market research and know who their Chinese target demographic is but also to do the research and development to produce an electric vehicle more closely aligned with what the Chinese consumer more specifically looks for in a vehicle; more technologically advanced, seamless integration into the Chinese consumer's digital life and green.

- **Produce eco-friendlier vehicles to establish stronghold in emerging markets**

Green technology is still a fairly new technology but it is highly sought after, especially from Gen Z consumers. Ford has the market cornered on quality vehicles with all the technological bells and whistles but it has some competition from local Chinese brands who are more aggressively green. Ford needs to make green vehicles that are not only good for the planet but cool and technologically advanced enough to fit the Chinese market's wants in a vehicle.

B. Prioritize the strategic marketing options and explain how your prioritization best balances the risks and opportunities between the company and international target market.

Strategic marketing options would be prioritized in the following order, use strong R&D capabilities to produce more advanced technological and eco-friendly vehicles, build brand awareness in China, and produce eco-friendlier vehicles to establish stronghold in emerging markets. Opportunities are producing eco-friendlier vehicles, increase digital marketing to connect with consumers, keep working to grow in emerging countries and producing a fully automated self-driving vehicle. The risks are lots of competition, inflation and the rising cost of material, regulations and environmental compliance issues and market uncertainties after the pandemic. By prioritizing the strategic marketing options in the order above, it will most address the risks and opportunities between the company and the international target market.

IV. Marketing Strategy Framework

A. Buyer personas of the major consumer segments within the international target market

Three buyer personas

Buyer Persona One

Persona Name

Chinese Gen Z female young professional

Characterize your persona by giving it a distinctive name in the blank cell below.

Xiu

B. Indicate Persona Type (Use check box to indicate.)
C. ☒ Positive
D. ☐ Negative

	Concise Trait or Descriptor
Personal Background	Only child, married, 2 children

	Concise Trait or Descriptor
Professional Background	College graduate, full-time marketing director
Demographics	Age 27, lives in Shanghai, mom, wife, affluent
Sociocultural Identifiers	Gen Z, tech savvy, world traveler
Optional *(please title)*	Connoisseur of Luxury brands

Section One: "Who"

Section Two: "What"

	Concise Trait or Descriptor
Goals *(primary and secondary)*	To live well
Challenges *(primary and Secondary)*	To have nice things even with small children
Solutions From Firm *(to help persona achieve their goals or overcome their challenges)*	This vehicle seats 8 and is very exclusive to get. It provides comfort and clout.
Optional *(please title)*	
Optional *(please title)*	

Section Three: "Why"

	Concise Trait or Descriptor
Real Quotes	
Created Quotes *(things the customer would likely voice about challenges and goals)*	"I need a vehicle that gets my family to where they need to go in style and comfort"
Common Objections *(why wouldn't they consider or buy product/service)*	"This vehicle is awesome but the price point is too high."
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research	Comfort and luxurious style at a cost but don't break the bank.

Section Four: "How"

	Concise Trait or Descriptor
Marketing Core Message *(what main benefit[s] must a message cover?)*	With the luxury partnership of this fully autonomous electric Bronco you will surely be the envy of the drop off line.
Elevator Pitch *(sell the persona on your solution[s] to their problems)*	Being a parent does mean you can't be cool, Ford can give you the style and luxury you deserve.

Buyer Persona Two

Persona Name

Single, young male IT professional

Characterize your persona by giving it a distinctive name in the blank cell below.

Lixin

Indicate Persona Type (Use check box to indicate.)

E. ☒ Positive
F. ☐ Negative

Section One: "Who"

	Concise Trait or Descriptor
Personal Background	Oldest of 3 sons, very filial, from Beijing
Professional Background	Studied abroad at MIT works in IT
Demographics	Age 25, lives alone in Shenzhen, casually dating a coworker, very close to family
Sociocultural Identifiers	Gen Z, social media savvy, loves all things Gucci
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	Single Chinese professional living in Shenzhen values luxury and high tech.

Section Two: "What"

	Concise Trait or Descriptor
Goals *(primary and secondary)*	To drive a vehicle that is cool, high tech and no one else has.
Challenges *(primary and Secondary)*	Finding a vehicle as unique as he believes himself to be that he can feel proud of driving friends and family around in.
Solutions From Firm *(to help persona achieve their goals or overcome their challenges)*	This Ford Bronco is the epitome of luxury and technology
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	Single, young professional with disposable income to burn craves exclusivity and luxury.

Section Three: "Why"

	Concise Trait or Descriptor
Real Quotes	
Created Quotes *(things the customer would likely voice about challenges and goals)*	"I want a vehicle that makes me stand out amongst the rest; something I can show off to my friends and family"
Common Objections *(why wouldn't they consider or buy product/service)*	"There are 29 more on the road and it's hard to get one of these vehicles"
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	For the man who has everything but wants something no one else has

Section Four: "How"

	Concise Trait or Descriptor
Marketing Core Message *(what main benefit[s] must a message cover?)*	The Ford Bronco is more than an SUV its a once in a lifetime experience like no other you've ever had.
Elevator Pitch *(sell the persona on your solution[s] to their problems)*	This Ford Bronco fully autonomous electric vehicle is one of the most unique vehicles that you'll ever own befitting of the unique star that you are.

Buyer Persona Three

Persona Name

Divorced dad of 4

Characterize your persona by giving it a distinctive name in the blank cell below.

Lei

Indicate Persona Type (Use check box to indicate.)

G. ☐ Positive

H. ☒ Negative

Section One: "Who"

	Concise Trait or Descriptor
Personal Background	Born and raised in Duoyishi, has 3 siblings, wife ran off to Beijing with best friend, lonely
Professional Background	Lifelong rice farmer
Demographics	33, lives in Duoyishu in same house he grew up in with his parents and children
Sociocultural Identifiers	Doesn't use social media, Millennial
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	Divorced millennial dad living in countryside with children doesn't see a need for a luxury vehicle

Section Two: "What"

	Concise Trait or Descriptor
Goals *(primary and secondary)*	To get his 4 children and elderly parents around his village
Challenges *(primary and Secondary)*	The vehicle is too flashy and too expensive for occasional use around village
Solutions From Firm *(to help persona achieve their goals or overcome their challenges)*	This Ford Bronco can hold up to eight people, parents and children included.
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	Filial Dad needs SUV big enough for the entire family

Section Three: "Why"

	Concise Trait or Descriptor
Real Quotes	
Created Quotes *(things the customer would likely voice about challenges and goals)*	"This SUV is beautiful but doesn't fit my image or my budget."
Common Objections *(why wouldn't they consider or buy product/service)*	"This SUV attracts too much attention for my liking."
Create a single sentence that definitively characterizes the buyer segment for targeting your marketing mix based on your research:	Low key dad who doesn't like too much attention

Section Four: "How"

	Concise Trait or Descriptor
Marketing Core Message *(what main benefit[s] must a message cover?)*	The Ford Bronco makes it easy to be filial and treat your family the way they deserve to be treated.
Elevator Pitch *(sell the persona on your solution[s] to their problems)*	You can't take money with you but true happiness is priceless.

Ford's target demographic is not "everyone". Through segmentation, targeting and positioning, marketers can niche down the buyer persona in effect, making it easier to deliver a more relevant

and personalized message to the consumer. With a little research into who the target demographic is it made it easier to create relevant buyer personas. The STP proposal targeted China's Gen Z market for this product into different groups of consumers that differ in their responses to the firm's marketing mix program because by doing the research and knowing the target demographic, the marketer can effectively appeal to each buyer persona by marketing in a way that promotes the product as an answer to what the consumer needs, in the way that they need it and where they need it.

C. Entry mode

The entry mode chosen to pursue is product innovation by way of incremental changes of existing products. The Ford Bronco already exists and is very popular in the United States, however, Chinese consumers have different priorities. Green vehicles are a top priority not only of the Chinese government but also of the Chinese people. They are more aware of how internal combustion engine vehicles effect the environment because, according to WHO, outdoor air pollution in China causes over 2 million premature deaths each year (World Health Organization: WHO, 2019). The two largest sources of this air pollution are coal-powered electric plants and petroleum fueled cars. Power plants may be the worst offenders but the internal combustion engine vehicle is a major source of air pollution in urban areas. By giving the Chinese consumer what they want, a fully autonomous electric luxury Ford Bronco, it will help Ford be competitive with local green automotive manufacturers and be better for the air quality of the Chinese people. Taking that a step further and making this green vehicle fully autonomous fulfills the Chinese want for technologically advanced vehicles and by partnering with a luxury brand, it also gives them the luxury quality so many Gen Z Chinese consumers are

wanting. At the same time, by Ford partnering with a local manufacturer in China, that will also help build trust between the Chinese people and Ford. It is not enough to simply have an established reputation in the West. China is all about buying "g*uochao"* amongst Gen Z and by partnering with an established name in China it will fast track popularity amongst consumers.

V. Marketing Mix

A. Identify the product and explain how its design effectively addresses the needs of the target market segments

China is the world's second largest auto market and China is going green and the EV market is growing. Chinese Gen Z consumers want luxury with a luxury label but they also want to feel like they are not superficial. The Chinese Gen Z consumer wants to have nice things but still feel like a good person who is doing the right thing. Branding is everything; the more exclusive the better. Luxury brands are directly congruent with their self-esteem. Currently, there is a limited edition ultra-luxurious (only 30 units being manufactured) Lincoln Navigator One made exclusively for the Chinese market.

The product I'm proposing is a fully autonomous Ford Electric Bronco and is perfect for the Chinese Gen Z market but it could have even better positioning. If it were manufactured in China rather than exported to China it would tick the *"guochao"* box which is currently the trend in buying amongst the Chinese Gen Z population.

The product-related challenge is that Ford is still building its EV reputation in China where there are so many other competitors. Another challenge is there is that strong push to buy Chinese right now and Ford has just recently started manufacturing in China. According to Ford, in 2021,

Ford's EV Mustang Mach-E, Ford's first global pioneering SUV built on an all-new, all-electric platform, began being manufactured in China by Changan Ford for local customers (*Ford to Manufacture Mustang Mach-E in China for Local Customers | Ford Media Center*, 2021). The manufacturing of Ford EVs in China is a 50/50 joint venture between local Changan Automobile and US-based Ford Motor Company.

Another issue for Ford, as with the Navigator One, is the cost and exclusivity. In the case of the Navigator One, Lincoln suggested a retail price of 1,888,000 yuan ($265,410. USD). Even with China's economy growing that is a high price for a luxury SUV. Ford could see similar challenges with a luxury brand collaboration on a fully electric Ford Bronco.

By manufacturing an EV that fits the needs and expectations of the GEN Z buyers while fulfilling their taste for the finer things in life (luxury brands), Ford will be producing a top-of-the-line green vehicle built to satisfy the discerning taste and style of the Gen Z market while fulfilling the trend to buy "guochao." At the same time, Ford needs to keep the price competitive while the quality of the vehicle and the driver experience exceeds its competitors.

According to Mei-Wei Cheng, the vice-president of the Ford Motor Company and the Chairman and Chief Executive Officer of the Ford Motor China, "The Ford Motor Research & Engineering was recently given approval by the Chinese government. He said that the facility will give the Ford Motor China significant boost in engineering. The institution will also help Ford Motor in the global scale as Ford China will be in a position to help its parent company in designing future models," (*Ford to Expand China Operations*, n.d.) Thus, making the proposed fully autonomous

Ford Electric Bronco fully “guochao.” It’s a win-win for Chinese Gen Z consumers and Ford Motor Company.

B. Describe the pricing strategy to successfully sell the product. [INT-640-03]

Ford follows a market-oriented competitive pricing strategy. Due to high competition in the market, it sets the price of its products after taking into consideration the demand for a particular product, competitor's price, and cost & profit margins, (Shah, 2023).

According to Street Directory, “China has become the world’s largest market for electric vehicles and plug-in hybrids after introducing incentives for buyers in 2010. While sales of those vehicles grew 23% in the past two months from a year earlier, that wasn’t sufficient to offset the almost 30% plunge in purchases of vehicles with internal combustion engines (*Ford to Expand China Operations*, n.d.).

Some EV manufacturers are currently offering promotions ahead of April’s Shanghai car show, when many companies will be launching their latest models. Ford and other vehicle manufacturers are offering deep discounts and promotions on electric vehicles after the Chinese government phased out its nationwide subsidies for EVs and tax cuts for EV car buyers. Many auto manufacturers around the globe have realized that they need to lower prices to consumers and manufacturing costs to stay competitive. Tesla Inc. recently lowered prices of many across the U.S., Europe and China, where it was among the first to cut prices and Ford followed suit and cut the price of its electric Mustang Mach-E in both the U.S. and in China, Cheng (2023).

C. **Describe the logistics of placement and distribution**

Ford should not need to coordinate cross-border prices for the fully autonomous Ford Electric Bronco. Currently, the Mustang Mach-E starts at $45,995 in the United States. Earlier this month, Ford Motor Company introduced a discount of $5,750 (40,000 yuan) on its Mustang Mach-E electric SUV in China in order to stay competitive with Tesla's markdowns. According to Inside EVs, "the Mustang Mach-E now starts at around $30, 200 (209,900 yuan) in China after the discount, a company representative at Ford China told Reuters. With the discount, the electric SUV, which is made in China for the local market, is significantly more affordable than the US-spec model that's made in Mexico." (Mihalascu, 2023).
The Chinese government is known for setting minimum prices in industries. This is done to prevent price wars and protect the Chinese economy against deflation. Companies that do not adhere to the pricing rules are punished with hefty fines for failure to comply.

Cultural differences can influence pricing decisions. Those cultural differences can affect how consumers judge fairness when the price of the same product differs across different consumer demographics (i.e., cross-border differences in prices posted on the internet). If a Chinese consumer realizes that they are charged a higher price than another customer elsewhere in the world, they might find that pricing unfair. In a global market where anything can be Googled, it would be unwise to adjust for cross-border prices. The target demographic in China may be offended and boycott Ford EVs. The EV manufacturer competition is too tight to risk it.

Distribution of the Ford Bronco Electric vehicle would be Ford China dealerships.

D. Promotional strategy

According to Chinese Marketing Corp, “Chinese consumers use social media platforms to share their experiences with brands and products. Products with lots of positive reviews are usually more trusted by consumers. Influencer recommendations can hold a lot of clout with consumers. The promotional strategy to successfully advertise the Ford Bronco fully autonomous electric vehicle to consumers in the Chinese target market would start with digital advertisement placed on social media and through brand partnerships with leading influencers who are popular and respected by Gen Z.

According to Statista, 68% of Chinese households use social media (*China: Most Popular Social Media Platforms 2022 | Statista*, 2023), which is even higher than the United States and Japan. In 2019, the number of active mobile social media users in China was over 1 billion people making China the largest social media population in all of the Asia-Pacific region. The Chinese are highly engaged and mobile-savvy netizens.

Social media is a little different in China than in the United States. In the United States, when we hear social media, we almost immediately think of YouTube, Instagram, Facebook, Twitter and TikTok. But YouTube, Twitter and Facebook are banned in China. Currently, the social media apps that marketers should be using when marketing in China are WeChat, Sina Weibo, Youku/Todou, Douban and RenRen.

According to Statista, in China, influencer marketing was estimated to be worth about 100 billion yuan in 2021 and the entire influencer economy is expected to swell to almost seven trillion yuan by 2025 (*Topic: Influencer/KOL Marketing in China*, 2022). Moving from text and photos to live streaming, social commerce, and short videos, China’s influencer marketing is booming.

Influencer marketing involves effective endorsements and product mentions from influencers who have sizable followings. In China, influencers cover bloggers, online content creators, live streamers and celebrities. Another type of influencer is a "Key opinion leader" (KOL) an influencer marketer who can command their followers to help brands gain exposure or sell the products directly to their followers. KOL is the preferred marketing channel in China.

In addition, the following would be included in the promotional mix: advertising, personal selling, direct selling, sales promotions and public relations.

VI. Strategic Global Marketing Plan Summary

A. Provide a summary of strategies

When using the strategies of advertising, personal selling, direct selling, sales promotions, public relations and influencer marketing the key in China is to go a local approach. Chinese culture and values are different than those of the United States. The Chinese people are very guarded against outsiders and don't trust people they don't have a relationship with so marketing needs to be done in a way that is very specific to China from the language to the culture, all marketing strategies needs to be tailored to China's Gen Z.

The benefits of local responsiveness will strengthen the reputation of the Ford and Lincoln luxury brand in the Chinese market and that outweighs the cost because it will give Ford and Lincoln a strong foothold in the market as China is predicted to be the world's largest economy by 2030.

This new fully autonomous Ford Electric Bronco is going to cost more to produce because it is more luxurious and exclusive than other Broncos. However, in a country where luxury is the

gold standard, the consumer needs to be given what they want and the product needs to exceed expectations to be competitive in the market. Ford and Lincoln already build some of its models in China so building the fully autonomous Ford Electric Bronco in China should not be very much more expensive and while this would make it built in China and satisfied the nationalist trend amongst Gen Z, it would also lower the cost to purchase.

Marketing, product development and manufacturing can collaborate to maximize integration benefits while remaining responsive to the target market by considering the target market home country's culture, people and language before introducing the product and/or service. Thorough marketing research via a local Chinese marketing agency should be done before anything else and once the product is ready to be brought to market it needs to be presented in a way that is attractive to the people of China. Every market is not the same and each geographical location has different wants and needs according to their local culture.

In China being first to the market is an important success factor. That being said, if the research is done and efforts are made to meet the needs of the local people, the product's time to launch, take-off, penetration and diffusion process will be faster but with that knowledge, the product could evolve and stay relevant longer.

B. Governance and budgeting policies

Ford has broken down its company into two distinct vehicle manufacturing divisions; Ford Blue and Ford Model e. Ford Blue includes traditional internal combustion engine vehicles which Ford has over a hundred years of experience in manufacturing. This is what Ford is known for and what will finance Ford Model e.

According to Ford, the Model e division will be dedicated to creating exciting new EVs that everyone will want to drive (*Ford Blue™ & Ford Model E™ | ICE & EV Evolution | Ford.com*, n.d.). The plan is to do this by developing technology that outperforms current EV technology including longer lasting batteries and easier charging options.

C. Overall impact that the international expansion will have on the marketing efforts of the company

The overall impact expansion into China will have on the marketing efforts of Ford is that it will experience immense growth. To speed up Ford's vision of "Smart Vehicles for a Smart World," Ford is partnering with a number of China's leading technology companies, including Alibaba, Baidu, China Unicom, Iqiyi, Microsoft and others. Not only will these partnerships, speed up progress to make the world's best EV, it will give Ford credibility with locals and it will also qualify the Ford Bronco electric vehicle as "*guochao"* which is currently very important to China's Gen Z.

Metrics that should be put in place to continually measure and monitor performance after the product has entered the Chinese market would be sales of the Ford Bronco EV compared to other local Chinese manufacturers of EVs. Also, analytics on digital marketing strategies should be kept a close eye on.

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