

Case Study: Ford Motor Company

While other American car companies contract during the global recession, Ford is actively pursuing opportunities in the international market, with the aid of proven expansion and optimization tools from getchee.

Challenge

During this time of waning global auto sales, Ford is not only aggressively looking to increase market share but also consolidate their distribution & retail networks.

Solution

Using getchee's online demographic data, GeoPro will locate clusters of Ford's target customers throughout Taiwan.



Summary

Company

Ford Lio Ho, the Taiwanese subsidiary of Ford Motor Company, began operations in 1972. While originally set to assemble only Ford branded cars, since the 1980's Ford Lio Ho has since expanded to include the production of Mazda, Jaguar, and Land Rover. Additionally the company produces several cars special for the Taiwanese market and also acts as a hub for Ford and Mazda cars sold throughout Asia. Ford Lio Ho is currently 70% owned by the Detroit-based Ford Motor Company.

Challenge

During this time of waning global auto sales, Ford is not only aggressively looking to increase market share but also simultaneously consolidate their distribution & retail networks. With eight direct competitors presently in Taiwan, Ford needs detailed and current population demographics along with consumer behavioral data in order to better understand how to reach their customers and avoid competition.

getchee's location intelligence online combined with GeoPro's market analysis will help Ford better manage their distributors and showrooms.

Solution

Using getchee's online demographic data, GeoPro will locate clusters of Ford's target customers throughout Taiwan. By then analyzing each current trade area for cannibalization and competition, GeoPro will identify optimized market segmentations and consolidate the distribution network. From this Ford will be able to lower costs while maintaining the same level of sales coverage.

Result

GeoPro analysts began by using getchee to overlay age, income, marital and professional status demographic data in order to form a map locating concentrations of target clients throughout Taiwan. Accounting for district-level population growth and competitor locations, GeoPro was able to identify regions of high economic potential for Ford.

With the customer concentrations and understanding of consumer behaviors, GeoPro then forecast future sales for each type of Ford car. By segmenting Taiwan into regions based upon natural geographic barriers and aiming to balance total car volume sales, GeoPro was able to define eleven new distribution regions for Ford. Consolidating the prior sixteen distributors down to eleven will help Ford lower costs and improve efficiency by removing overlaps in trade areas.

Using Ford's in-house sales per showroom data and GeoPro's forecast of future sales, GeoPro established an optimal number of showrooms for each distribution area. Finally, GeoPro

With intense competition from Asian auto companies and shrinking global car sales, to succeed in the Taiwanese market Ford will not only need to capture market share but also increase efficiency by consolidating their distribution network.

benchmarked current showroom performance and analyzed trade area overlaps to identify multiple locations underperforming relative to their benchmarks. Reducing their overall showroom count by 18% allows Ford to consolidate twelve underperforming stores and reach the market-optimal number of showrooms per region. Ford's reduction in the total number of distributors and showrooms may result in a minor 2% loss in sales coverage but the larger gain in cost-sales efficiency will make Ford Liu Ho more competitive in the Taiwanese auto market.