

Project volkswagen



The present paper is the instance survey of the Volkswagen New Beetle from the selling position. The thesis will analyse the merchandise construct. and analyze the New Beetle in footings of the construct in inquiry.

The intent of the paper is to place the issues in the application of theory with respect to the New Beetle as a merchandise. depict the map and operation of this component of the selling mix in Volkswagen. every bit good as to reexamine the position of the identified issues in the reviewed company. The paper will see the debut of the New Beetle to the market and analyze the several stages of the merchandise development.

The thesis will besides analyze the acceptance of the New Beetle as a merchandise. overview the merchandise lifecycle and the issues with respect to the Beetle trade name. Overall. New Beetle is alone from other autos and can be the good illustration of the successful merchandise development and acceptance. The Beetle Brand is a successful trade name that enjoys customer's trueness. perceived quality and trade name name consciousness.

Introduction

The Volkswagen New Beetle is a freshly developed version of the original Volkswagen Beetle that was on the market between 1938-1975. The New Beetle was successfully launched into the market in 1998 and was successfully adopted from the really get downing. The United States and Nipponese market are considered to be the largest New Beetle markets for the last decennaries.

We begin the paper with the general overview of the Volkswagen Group. We farther review the merchandise construct. and analyze the New Beetle in footings of the analyzed construct. We continue with the reappraisal of the debut of the Volkswagen New Beetle to the market and analyze the several stages of the merchandise development. We farther analyze the acceptance of the New Beetle as a merchandise and overview the merchandise lifecycle. In the last subdivision of the paper we analyze the Beetle trade name.

We conclude that New Beetle is a alone auto that exemplifies successful merchandise development and acceptance. The Beetle Brand is a successful trade name that enjoys customer's trueness. and trade name name consciousness.

Volkswagen Group

The Volkswagen Group is one of the world's taking car makers and the largest car manufacturer in Europe that sells its vehicles in 153 states. The figure of vehicles delivered by the Group to clients in 2010 is 7. 203 million. that corresponds to a 11. 4 percent portion of the universe rider auto market. In Western Europe every fifth new auto (21. 0 per centum) comes from the Volkswagen Group. The Group consists of nine trade names from seven European states: Volkswagen. Audi. SEAT. Skoda. Volkswagen Commercial Vehicles. Bentley. Bugatti. Lamborghini and Scania (Volkswagen. 2011) .

The Group operates 62 production workss in 15 European states and seven states in the Americas. Asia and Africa. Approximately 400. 000 employees around the universe produce 30. 000 vehicles each twenty-four hours.

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The Company developed the New Beetle in response to the tremendous demand of the USA market for the auto with retro – expression. and introduced the New Beetle to the market in 1998. After more than twelve old ages of the being of the New Beetle on the market. in May. 2010.

Volkswagen announced that production of the current New Beetle will discontinue in 2011.

The history of the New Beetle auto day of the months back to the early 1930 s. when Ferdinand Porsche designed the first paradigm of the Beetle. followed by developing the vehicle in conformity with Hitler order. The old Beetle was the biggest-selling auto design in history (Meredith. 1998) .

The original Beetle produced in 1938 had a monetary value of USD 1800. The monetary value of the Volkswagen New Beetle today ranges from USD 15. 000 to USD 22. 000.

Merchandise Concept

Harmonizing to the Solomon et Al (2011. p. 183) . merchandise is everything good that a client receives in an exchange.

In conformity with general categorization of merchandises the Volkswagen New Beetle shall be considered as consumer. lasting. forte merchandise (Solomon et al. 2011. p. 185) .

New Beetle. as a nucleus merchandise provides for the transit benefits. As respects. to the 2nd degree of the merchandise. the existent merchandise. the New Beetle shall be considered as metal engine with the following features non limited to:

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Body manner: 2 door exchangeable O hitting brake ;

Transmission: 5-speed. 6 –speed manual. 4-speed automatic. 6-speed automatic. tiptronic ;

Class: little household auto.

The list of the back uping characteristic of the New Beetle. such as guarantees. after-sales service. known as augmented merchandise differs from trader to dealer. When purchasing a auto. a lasting good. consumers spend a batch of clip and attempts during the determination devising procedure (Solomon et al. 2011. p. 186) . Volkswagen sellers. when establishing the New Beetle to the market. understood the importance of guarantees. service and client support. and in order to ease the procedure of the several information seeking. they have launched a particular web site. which is capable to our farther reappraisal in the subdivision dedicated to the acceptance of the merchandise.

Development of the Volkswagen New Beetle

The development of Volkswagen New Beetle passed through the several stages. such as Idea coevals. Product construct development and showing. Marketing scheme development. Business analysis. Technical development. Test selling. and Commercialization. Due to the reasonably narrow range of the thesis we will further analyse in item the Marketing scheme development. Technical development and Commercialization of the New Beetle.

Marketing scheme development

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The selling scheme is used to present the merchandise to the market. The scheme requires the sellers inter alia to place the mark market. to be after the pricing. to place publicity schemes for presenting the new-product (Solomon et al. 2011. p. 191) . At the phase of the selling development Volkswagen sellers decided to continue with the scheme. that subsequently turned out to be really successful and effectual. In order to do consumers cognizant of the New Beetle it was decided to establish the particular web site World Wide Web. turbonium. com. showcasing new vehicle and advertisement run. We will analyze the launching of the web site in inquiry as one of the effectual mass media publicizing Volkswagen run. in the subdivision dedicated to the acceptance of the merchandise.

Technical development

In discoursing the proficient development measure. Solomon et Al (2011. p. 191) indicates that during that phase the company's applied scientists along with the sellers refine the design and the production procedure. As a regulation at this measure of development the paradigm of the merchandise is created in order to be evaluated by the prospective clients. Volkswagen had launched the paradigm of the New Beetle – “ the Concept 1” at the 1994 at the North American International Auto Show. Strong positive public reaction to the Concept 1 vehicle convinced Volkswagen to develop a production version of the vehicle which was launched as the New Beetle in 1998.

Commercialization

The last measure in the merchandise development is commercialisation. Establishing the New Beetle into the market was really successful for Volkswagen. In the first months after presenting the new auto, the demand exceeded the supply of the New Beetle, and the clients had to order the autos without the impulsive trial.

Continuous invention

Harmonizing to Solomon et Al (2011. p. 192) . from marketing position, a merchandise that consumers perceive to be new and different from bing merchandises is determined as invention. In conformity with bing categorization of invention the launching of the New Beetle auto in 1998 shall be considered as uninterrupted invention, i. e. alteration of an bing merchandise that can put one trade name apart from its rivals (Solomon et al. 2011. p. 193) .

New Beetle acceptance

The New Beetle was successfully adopted, partially due to the effectual selling scheme of Volkswagen. The company spent over \$ 560 million on the advertisement run for the New Beetle. The Portland Business Journal (1999) studies that the advertizement, and the work of the advertizement bureau behind it, changed the very nature of advertising— from the manner it's created to what the consumer can see today. In order to do consumers cognizant of the New Beetle Volkswagen besides launched the particular web site World Wide Web, turbonium. com, showcasing new vehicle and advertisement run.

“ We’re life in a selling environment where amusement is critical. ” said Arnold Communications Creative Director. Alan Pafenbach. “ For our consumers to link today. we have to spread out on and heighten the Television experience. With turbonium. com. the Television experience is merely the tip of the iceberg. ” (Eric. 1999) .

Promotion of the New Beetle through the web site run. have been truly successful. The advertizement run launched by Volkswagen for the New Beetle has had one of the greatest advertizement runs in history. Therefore. mass-media advertisement of the New Beetle. executed by Volkswagen sellers shall be considered as the good illustration of the consciousness phase. in the acceptance procedure of the new merchandise.

Marketing throughout the merchandise life rhythm:

Harmonizing to Solomon et Al (2011. p. 202) every merchandise has a life rhythm and depending on the phase of the merchandise life rhythm. the selling scheme should change to run into the altering conditions. Besides the selling mix (the merchandise. publicity. monetary value. and topographic point) should be adjusted in order to keep in the market.

Introduction Phase

Introduction Phase is the first phase in the every merchandise life rhythm. as shown in Figure1. 1. gross revenues and net incomes are in an early phase. In the debut phase. the product’s invention and deficiency of competition dominate the selling scheme. The costumiers are non cognizant of the

merchandise and do not recognize what benefits it offers them. Merchandise scheme is focused on presenting one theoretical account.

Since the New Beetle auto is new, carrying the market to purchase the merchandise is of secondary importance to informing the populace that the merchandise exists. It is the pioneers who will get down to purchase the auto as a merchandise, and they need to be informed. With merely one company offering the alone features for the new auto, those pioneers that decide to buy the merchandise have merely Volkswagen Beetle from which they can buy the new Beetle. Consequently, the publicity attempts concentrate on informing the populace of the merchandise benefits and the company bring forth the merchandise. Persuasion to purchase a peculiar trade name is not needed in the debut phase. Subsequently there are few buyers in the debut phase; the distribution does not necessitate to be widespread. Furthermore, the pioneers are risk takers and desire to buy something new and the auto industry is the best illustration.

Growth Stage

Growth phase is the 2nd phase in the life rhythm of the merchandise, and in this phase the early adoptive parents, followed by the early bulk, get down to devour the new merchandise in turning numbers. Harmonizing to Solomon's Marketing 2 book, the increasing gross revenues consequence in the outgrowth of net incomes instead than losses.

During the early portion of the growing phase, Volkswagen Beetle can go on its merchandise policy of offering one basic theoretical account. However, the new Beetle group was successful, and finally rivals offered their aim

similar autos to vie in the new class. for illustration. the Mini Copper. At that point. the Volkswagen Beetle needed to offer more theoretical accounts with more extraordinary customisation. The theoretical accounts should be differentiated from one another so that the company can go on to pull the new clients coming into the market. Even with competition get downing to offer their autos in the new class. the Volkswagen Beetle Company still dominates the market. However. as the market leader instead than a monopoly. the Volkswagen Beetle Company will necessitate to alter its publicity policy of informing the populace and their costumiers about their new Beetle. Consequently. the Volkswagen Beetle must increase its merchandise distribution to keep its leading in the auto industry. Generally. gross revenues in this phase will increase and will make the extremum. as it is shown in figure 1. 1.

Maturity Stage

Maturity phase is the 3rd and the longest phase in the life rhythm of any merchandise and with the big figure of companies bring forthing merchandises. the competition for clients becomes rather intense. net incomes diminution and gross revenues extremum (Solomon. Hughes. Chitty. Fripp. Marshall & A ; Stuart. p. 203_204) . The scheme for houses during the adulthood phase becomes one of endurance. as many rivals will finally retreat from the market. Furthermore. with the intense competition. direction keeps the monetary value of the merchandise to its lowest possible degree. For illustration. the competition for entry the autos market has now shifted to offering the lowest monetary value and all of the other autos companies in a mature market must now watch costs carefully.

Sometimes, the absence of a company's merchandise in a peculiar location may ensue in lost gross revenues during the adulthood period. Widespread distribution is indispensable. For illustration, if the new Beetle is non in a peculiar location, one or more of the competitors' merchandises are likely to be at that place and the company can non put on the line losing gross revenues merely because there is deficiency of autos and that specific design was non available.

Decline Phase

Decline phase is the concluding phase in the merchandise life rhythm. during this phase, gross revenues and net incomes begin an even sharper bead, and the figure of rivals is reduced even further (Figure1. 1) . With costumiers penchant and demands alteration for the merchandise, the diminution phase continues until the company can non do a net income, and the merchandise class dies. Products' monetary values are should be kept every bit low as possible during the diminution phase. And merely because a product's gross revenues begin to worsen does non intend that the merchandise life rhythm has reached the diminution phase. However, if the company believes that the merchandise is in a diminution, the execution of the diminution phase schemes may take to the decease of the merchandise long before its clip. Before the schemes for worsening merchandises are tried, the company should decidedly set up that the merchandise is in diminution. The company should foremost follow schemes to hike gross revenues and non vacate themselves to the cost-cutting schemes of the diminution phase.

The merchandise life rhythm maintains that merchandises and industries move through the phases of debut, growing, adulthood, and diminution. By using a merchandise from the position of its product-life rhythm place, hopefully direction can utilize the merchandise life rhythm as a valuable determination doing tool. For the Volkswagen Beetle Company, new Beetle, the brand-loyal clients have to seek out the limited locations and delay for their autos so continue buying it. At the same clip we can reason that for some markets, for illustration Australia, the diminution phase for the New Beetle have started several old ages ago (Carsales web, 2010) .

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Beetle Brand

Harmonizing to Solomon et Al (2011, p. 205) trade name is a name, term, symbol or any other alone component of a merchandise that identifies one company's merchandises and sets them apart from the competition.

Volkswagen (VW) is a celebrated international trade name name that has traditionally been associated with the frame market, its most celebrated theoretical account being the Beetle. Volkswagen managed to surprise it's costumiers when it reintroduced the Beetele trade name in 1998.

The trade name equity of the Beetle to the Volkswagen is truly high, since the trade name has a long history, dating back from 1938, every bit good as important customer's trueness to a trade name.

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It should be mentioned that at the same clip Brand trueness was an issue to be considered by Volkswagen Group in the beginning of debut the autos to the market. since. harmonizing to the statistics about 80 % of Americans would prefer to purchase an American auto instead than a foreign trade name.

The significance of Beetle trade name for the client has a high value and evokes nostalgia. The launched in 1998 New Beetle had all its old appeal. with its bantam size. bold colors. and curvey forms. Additionally. it had wholly new high powered engine and new installations such as air conditioning. stereo system. and air bags. It looked like the old Beetle. but had the power of the new. It brought back feelings of nostalgia. merriment. and freedom.

For Volkswagen the trade name equity in inquiry accordingly provides a competitory advantage. The fact that Volkswagen purchase Beetle brand's equity with the trade name extensions: establish the new auto in 1998 with the same trade name name. confirms strength of the Beetle trade name equity.

Solomon et Al (2011. p. 201) confirms. that because of the bing trade name equity trade name extension will pull clients instantly. That is has happened to the New Beetle auto. when it was launched into the market in 1998. Particularly but non entirely. due to the well-known trade name the demand. exceeded the supply and outlooks of Volkswagen Group in several times. Scott Heimer (1999) studies that in the first eight months. Volkswagen

could not acquire adequate autos and people who wanted a bluish auto would take the white merely to acquire one.

Therefore, taking into history the above, we may reason that Beetle Brand is a successful trade name that enjoys customer's trueness, perceived quality and trade name name consciousness.

Findings

The provided analysis of the merchandise construct, and scrutiny of the New Beetle in footings of the construct in inquiry allow to find the undermentioned findings:

Volkswagen New Beetle is a consumer, lasting, forte merchandise, and nucleus merchandise that provides for the transit benefits.

Establishing by Volkswagen the paradigm of the New Beetle – “ the Concept 1” at the 1994, is an illustration of the proficient development phase, when Volkswagen applied scientists and sellers wanted to measure the attitude of the prospective clients.

Establishing of the New Beetle auto in 1998 is considered as uninterrupted invention, i. e. alteration of an bing merchandise.

Mass-media advertisement of the New Beetle, executed by Volkswagen sellers shall be considered as the good illustration of the consciousness phase, in the acceptance procedure of the new merchandise.

Beetle Brand is a successful trade name that enjoys customer's trueness, perceived quality and trade name name consciousness.

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Decision

Developing the New Beetle by Volkswagen. the world's taking automobile maker and the largest car manufacturer in Europe. in response to the tremendous demand of the USA market for the auto with retro – expression. and introduction the New Beetle to the market in 1998 is a good illustration of the successful selling merchandise development in acceptance.

The designation of the issues in the application of theory with respect to the New Beetle as a merchandise. and reappraisal of the position of the identified issues in the Volkswagen Group confirmed that from marketing perspective New Beetle is a alone auto in comparison with other vehicle.

At present clip the New Beetle is at the concluding phase of it's merchandise life rhythm. where gross revenues and net incomes begin to drop. After more than twelve old ages of the being of the New Beetle on the market.

Volkswagen announced that production of the current New Beetle will discontinue in 2011. At the same clip. since the Beetle Brand is a successful trade name that enjoys customer's trueness. the Company planning to leverage Beetle brand's equity with the trade name extensions: and establish the new auto in the nearest hereafter with the same trade name name. This new auto shall go on the Volkswagen Group successful line in the market along with the New Beetle and the original Beetle.

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