Vauxhall motors | pest and swot

Alexander Wilson was the founders of Vauxhall. Vauxhall Motors is one of the British car manufacturer in UK.. Its owned by general motors' (GM) and headquarter in Luton, United kingdom. In 1857 it was founded and in 1903 began manufacturing cars. Vauxhall Motors was acquired by General Motors1925. In the UK for over three decade it has been second largest selling car brand. Nearly 80% of Vauxhall product is exported. Vauxhall Agila, Vauxhall Ampera, Vauxhall Astra are some famous model of Vauxhall cars. From 1903 with a vision and philosophy Vauxhall started making cars that has remind with the company through over 100 years of change.

Organisation:

Mission: Vauxhall has some mission statement. Such as –

Build their business through our core values of honesty, integrity, and professionalism.

Do all of the things best and properly and take responsibility of their actions.

Make outstanding relationships with their customer, their colleagues and their suppliers.

Vision: To grow a maximum profitable automotive business with long term customer loyalty and committed passionate staff.

Philosophy:

Forward thinking is the philosophy of Vauxhall’s. Forward thinking has always defined Vauxhall as a company and it remains their energy and driving force now a days. Vauxhalls always looking to the future for better way. Vauxhall always try to making environmentally friendly cars.

Forward thinking philosophy of Vauxhall’s is exemplified by four core value. There are Passion, Innovation, Quality and Responsibility. Vauxhall’s ensure their products and services provide real benefits for their customer.

Company size:

Vauxhall is a automotive and limited company. 4700 employee s worked Vauxhalls company(2009).

Product market characteristics:

Product analysis: Vauxhall is number one manufacturer for fleet managers 2010. Vauxhall one of the coveted titles in fleet industry. Vauxhall determination to provide customers a great choice of vehicles, as well as best support network in the industry from their fleet sales and after sales team and retailers.

ecoFLEX philosophy of Vauxhalls reflects a genuine desire to address the environmental challenges of how cars are designed, built and operate in the real world.

Sustainability,

Recyclability,

Bespoke fuel saving technology,

The reduction of CO2 emission to the absolute minimum etc.

Is the base of the Vauxhall philosophy?

At now Vauxhall offer a greater choice of ecoFLEX models across a wide variety of automobile product lines. Like the sub-100g/km Corsa variants . on the other hand all new Astra 5 doors hatchback ecoFLEX models -with co2 emissions of just 109g/km. Some feature like model striking design, inbuilt quality, innovative technology and dynamic driving are the better character for Vauxhall automobiles.

PART: B

INTERNATIONAL MARKETING PLANNING

Internal and external analysis

Internal environment:

Employee

Vauxhall motors are one of the oldest motor car manufacturing organization in UK. They have been very much consistent with their production and legacy. Statistics shows Vauxhall has 4700 employees in 2009. The increasing number of employees has been deducted over the years of crisis when the recession hit the UK economy.

If we look at the international market we will see that employees are one of the most important factor that will put an impact of the marketing and the setting up for the whole organization.

Inventor

If we look at the history of this very organization we will see that they have a nature of inventing new fuel efficient models all the times. They have a very good nature of keeping it consistent.

Organization

For international marketing planning organization plays a vital role and they will have to mobilize their strategies for the international marketing. In some cases this is the best step to be taken by an organization. That's why it has been considered to be the priority 1 fact in case of international marketing.

Resources

Before taking a leap for international marketing and entering a new market the organization will have to consider few key things under consideration and the first thing will be the availability of the resources for keeping the operation smooth without any hiccups.

Structure

The structure of the organization puts a huge impact on the initial planning for entering new market. The marketing structure will need to be aligned around the products and are focused on the delivery of the products for specific customer groups.

These dedicated cross-functional teams tend to include product-expert vertical teams, such as a cross-functional group including product management, manufacturing facilities, call centres, direct sales teams, and customer service groups, all focusing on a specific product or group of products and a global customer base. This marketing structure is aligned around product expertise and is focused on providing the best product to meet the needs of the most customers. While there is usually a company headquarters and management staff, the group is often multi-national with offices dispersed around the globe.

External element:

1. Customer

If we look at the history of business we will be able to figure out that this is the one and the most important factor that will determine the success of a business. That’s why an organization will have to make sure they analyse the market according to the need of the customer needs of that particular product they are planning to launch in the new market.

Customer loyalty remarks an organizations success rather than looking at it from any other aspect. They are the main factor to determine whether this very organization is going to establish a great business development in the market and the globally.

2. Suppliers

This would be asking about one of the organs of an organization without which its almost not operational. In this case we are discussing about a car manufacturing organization and which depends mostly on its supplier of the raw materials. They will have to think this forward about the possibility of the materials they are going to use in that new place to manufacture their products.

3. Competitors

Than it comes down to the competition in the market the organization is planning to enter. If they are very popular in one country doesn’t have to happen somewhere else. That means in the market they are planning to enter can have an champion already that means they will have to work on their planning by keeping that in mind that they are going to face powerful opponents in the industry who already captured the market and they will also have work on to find out the weak points of the current car manufacturers in the market.

4. goverment

Different country has their own way of doing things. They have different legislations in place to regulate the businesses in the country and they have their own policies, tax regulations for the foreign investors that means they will have to find out a country that will appreciates foreign business organizations to set up business in their country and will help the organization by supporting from different perspectives.

5. Intermediaries

There is a variety of intermediaries that may get involved before a product gets from the original producer to the final user. These are described briefly below:

Retailers

Retailers operate outlets that trade directly with household customers. Retailers can be classified in several ways:

- Type of goods being sold(e. g. clothes, grocery, furniture)

- Type of service (e. g. self-service, counter-service)

- Size (e. g. corner shop; superstore)

- Ownership (e. g. privately-owned independent; public-quoted retail group

- Location (e. g. rural, city-centre, out-of-town)

- Brand (e. g. nationwide retail brands; local one-shop name)

Wholesalers

Wholesalers stock a range of products from several producers. The role of the wholesaler is to sell onto retailers. Wholesalers usually specialise in particular products.

Distributors and dealers

Distributors or dealers have a similar role to wholesalers – that of taking products from producers and selling them on. However, they often sell onto the end customer rather than a retailer. They also usually have a much narrower product range. Distributors and dealers are often involved in providing after-sales service.

Franchises

Franchises are independent businesses that operate a branded product (usually a service) in exchange for a licence fee and a share of sales.

Agents

Agents sell the products and services of producers in return for a commission (a percentage of the sales revenues)

PEST

Political

Economical

· Legislation (current and pending)

· Laws relating to the industry

· Tax laws

· Regulation of transfer for capital and labour

· Stability of the political system

· Membership in free trade areas

· Development of relevant economic indicators

· Business cycles

· Unemployment

· Availability of relevant resources

· Key industries, industrial clusters

· Industry structures

Socio-Cultural

Technological

· Population and demographics

· Distribution of income

· Mobility

· Level of education

· Customer behaviour

· Savings rates

· Preferences for branded / unbranded products

· Technological level of

· The economy

· The own industry

· Supplier and customer industries

· State and private R&D expenses

· Lifecycle phases of relevant products

SWOT

Strengths

Branding

Worldwide Presence

Weaknesses

Diminishing Dealer Network

Insufficient Liquidity

Inadequate Performance among Some Business Segments

Low Debt Ratings

Opportunities

Growth Potential in India and China

Increased Global Truck Market

Rising Demand for Hybrid Vehicles

Threats

The Continuing Global Recession

Weakness in Global Automobile Industry

Intense competition

Marketing Goal and Objective:

ANSOFF matrix analysis

http://tutor2u. net/business/images/Ansoff%20Matrix%20w500. gif

Market penetration

Market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets.

Market penetration seeks to achieve four main objectives:

- Maintain or increase the market share of current products – this can be achieved by a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling

- Secure dominance of growth markets

- Restructure a mature market by driving out competitors; this would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors

- Increase usage by existing customers – for example by introducing loyalty schemes

A market penetration marketing strategy is very much about “ business as usual”. The business is focusing on markets and products it knows well. It is likely to have good information on competitors and on customer needs. It is unlikely, therefore, that this strategy will require much investment in new market research.

Market development

Market development is the name given to a growth strategy where the business seeks to sell its existing products into new markets.

There are many possible ways of approaching this strategy, including:

- New geographical markets; for example exporting the product to a new country

- New product dimensions or packaging: for example

- New distribution channels

- Different pricing policies to attract different customers or create new market segments

Product development

Product development is the name given to a growth strategy where a business aims to introduce new products into existing markets. This strategy may require the development of new competencies and requires the business to develop modified products which can appeal to existing markets.

Diversification

Diversification is the name given to the growth strategy where a business markets new products in new markets.

This is an inherently more risk strategy because the business is moving into markets in which it has little or no experience.

For a business to adopt a diversification strategy, therefore, it must have a clear idea about what it expects to gain from the strategy and an honest assessment of the risks.

Market analysis for foreign country and choice:

Gathering Information

This is really the essential aspect of analyzing markets. You have to gather as much information as possible about those markets where you might have an opportunity to do business. In spite of the fact that there are many free or low cost information sources available to you, there is a significant cost in time and resources in gathering information about foreign markets. The following sub-headings are both relevant topics and sources of information.

Communicating with International Business Professionals

International trade intermediary. This is by far the most familiar international business professional to people who really do not understand global business. Unfortunately, this specialist is also the most misunderstood. Typically, trade intermediaries perform their function as part of a global trading company. Actually, a global trading company is the intermediary or serves the intermediary function, that is it facilitates the sale and distribution of goods and services from its client to foreign customers.

Essential Factors To Consider

There are some very basic factors that must be considered in making your decision about going global:

1. Size of the market. This is simple enough. Is the demand in a specific market for your product large enough to act as an incentive to enter?

2. Are there significant barriers to entry? Are there regulatory issues that make the cost of entry prohibitive? Is the market easily accessible for transport? Do the channels of distribution add too many layers and make the price non-competitive?

3. What is the competition? How many other companies sell similar products and with what amount of success? How skilled are local distributors in penetrating the market?

4. Can you sell to other markets nearby? Some markets are going to present thin profit margins, but compensate for this fact by being gateways to other local markets. This is also true of transport issues as well for landlocked markets.

5. Product/service localization issues. Is your product or service OK to sell as is or do you need to invest in localizing it for local tastes?

6. Business infrastructure. Is there a sufficient business infrastructure to support sale and distribution of your product and/or services? Are there good port facilities? How are the highways? Is there easy access by air? What kind of telephone service is available and how good is it? Is there local Internet access available? If you are buying or selling perishables, how good are port area refrigeration facilities?

7. Local business customs. In spite of our continued head-in-the-sand attitude in the United States, petty bribery is a fact of life in many parts of the world. How does this fact affect your ability to do business and compete with foreign companies who are not hampered by anti-bribery laws? Are there any local customs that could be perceived as a particular competitive advantage for your company?

8. Political risk. Is the government stable? Is there unrest there because of income distribution inequities or other similar factors? Is the government friendly to our country?

9. Banking and financial institutions. Is the central bank stable? Does it have a history of measured behavior or does it intervene often? Are currency rates stable or fluctuating within a reasonably small range? Are local banks trustworthy enough and capable enough to handle letter of credit transactions or documentary drafts?

After taking much information into consideration and the analysis of the data I have came to the conclusion to consider India as the prospective country to expand the business of the Vauxhall.

PART: C

MARKET ENTRY STRATEGIES

Introduction

Initiation of efforts to sell a new or existing product to a group of consumers not previously targeted by that marketer. Mc Donald’s entered the Moscow market by establishing a retail outlet in Moscow. Radio Shack entered the personal computer market by introducing its own brand. Entry may be achieved through innovation , acquisition of another company already in that market, or expansion of current distribution channels. Entry might also be achieved through cooperation with other business entities in an arrangement called a virtual corporation in which the skills and assets of one company are combined with those of another to achieve a shared goal. The existence of strong competitors, patented technology, or the necessity for large initial capital outlays, act as barriers to market entry.

Vision and Mission

Objectives

Overall Strategy

Positioning

Value proposition

Brand

Target segments

Strategic directions

Pricing Products and services Customer service Launch phasing

Brand and communication

Sales and distribution

Market entry method:

Traditional method:

Joint venture

Own operating

Licensing

Franchise

Strategic alliance

Selected country profile: India

Location:

Southern Asia, bordering the Arabian Sea and the Bay of Bengal, between Burma and Pakistan

Geographic coordinates:

20 00 N, 77 00 E

Map references:

Asia

Area:

total: 3, 287, 263 sq km

country comparison to the world: 7

land: 2, 973, 193 sq km

water: 314, 070 sq km

Area – comparative:

slightly more than one-third the size of the US

Land boundaries:

total: 14, 103 km

border countries: Bangladesh 4, 053 km, Bhutan 605 km, Burma 1, 463 km, China 3, 380 km, Nepal 1, 690 km, Pakistan 2, 912 km

Population:

1, 173, 108, 018 (July 2010 est.)

country comparison to the world: 2

Country name:

conventional long form: Republic of India conventional short form: India

local long form: Republic of India/Bharatiya Ganarajya

local short form: India/Bharat

Government type:

federal republic

Capital:

name: New Delhi

geographic coordinates: 28 36 N, 77 12 E

time difference: UTC+5. 5 (10. 5 hours ahead of Washington, DC during Standard Time)

Administrative divisions:

28 states and 7 union territories*; Andaman and Nicobar Islands*, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh*, Chhattisgarh, Dadra and Nagar Haveli*, Daman and Diu*, Delhi*, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Lakshadweep*, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Puducherry*, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand, West Bengal

PART: D

IMPLEMENTATION:

Introduction

Your marketing plan must do more than just say what you want to happen. It must describe each step required to make sure that it happens.

The plan should therefore include a schedule of key tasks. This sets out what will be done, and by when. Refer to the schedule as often as possible to avoid losing sight of your objectives under the daily workload.

Resources

It should also assess what resources you need. For example, you might need to think about what brochures you need, and whether they need to be available for digital distribution (by email or from your website). You might also need to look at how much time it takes to sell to customers and whether you have enough salespeople.

Cost

The cost of everything in the plan needs to be included in a budget. If your finances are limited, your plan will need to take that into account. Don’t spread your marketing activities too thinly – it is better to concentrate your resources to make the most of your budget. You may also want to link your marketing budget to your sales forecast. See our guide on how to forecast and plan your sales.

Control

As well as setting out the schedule, the plan needs to say how it will be controlled. You need an individual who takes responsibility for pushing things along. A good schedule and budget should make it easy to monitor progress. When things fall behind schedule, or costs overrun, you need to be ready to do something about it and to adapt your plan accordingly.

From time to time, you need to stand back and ask whether the plan is working. What can you learn from your mistakes? How can you use what you know to make a better plan for the future?

8 P'S

The 8 p's

What they mean

Product

The actual product, providing the desired benefits, features and qualities.

Price

The lower the price or effort, the more likely people will act: or the more the audience is convinced of the benefits / rewards, the more one is prepared to pay.

Promotion

The effort and activity to promote the product. How to promote the message and make people use the product.

Place

The point of access to the product: its accessibility, its user-friendliness, its clear information and contact details.

Public

All stakeholders, internal & external. Each stakeholders group has its own interests in the IR. Each group should be understood and addressed in terms of its own interests and in its own language.

Partnership

The parties that co-operate.

Policy

Inclusion and involvement of the policy makers.

Purse string

Funding for the product, its development and its sustainability in the long run.

Table : Marketing Mix (8 Ps)

Select price method:

There are few objectives that has to be considered very important for the pricing of an product. This is one of the most important factor for a new entrant in an industry for different region. The factors are:

Current profit maximization,

Current revenue maximization,

Maximize quantity,

Maximize profit margin,

Quality leadership, cost leadership,

Partial cost recovery,

Survival,

Status Quo.

In this case of this particular industry the new entrants marketing policy should be about survival and the status Quo.

Conclusion

Perhaps the most surprising finding is that success is substantially and significantly lower in India that in China. One possible reason is the immense diversity of India relative to China, characterized by inconsistent policy across Indian states and pockets of varying demand across the India market. A second possible reason is that India had an early history of capitalism with many entrenched private firms and brand names. Thus, entrants had greater native competition in India than in China. A third reason could be that China's infrastructure has been substantially superior to India's, making operations much easier for new entrants.

Another surprising finding is that smaller firms tend to be more successful than larger firms in entering emerging markets. This result is contrary to research findings which show that higher firm size correlates with higher success (e. g., Anderson and Gatignon 1986; Luo 1997).

Examples may clarify the result. GM, the largest auto maker in sales and Toyota, the largest in market capital, have struggled in India while smaller rivals like Hyundai have been quite successful. One explanation for this result is that the mere size of resources by itself may not be the chief factor behind success. Control of resources along with how they are deployed may lie at the heart of success in China and India, because these are markets characterized by rapid environmental changes requiring continuous adaptability and learning (Yan 1998). Small firms with a less bureaucratic burden may thus be able to adapt much faster (Hitt, Ireland and Hoskisson 2003). Indeed, researchers in international marketing have found that smaller firms, given their smaller budgets, tend to collect first hand information rather than sponsor third party data collection (Hollensen 2004). Another explanation is that larger firms may be more confident or even arrogant about their resources, strengths, and prior successes, and may not try as hard to succeed as smaller firms do (Chandy and Tellis 1998).