

Volvo marketing strategy assignment

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Bachelor Thesis (15pt) Does Volvo Cars' marketing strategy differ according to consumer behavior in Sweden and in France A study of how Volvo Cars adapts its marketing strategy in France compared to Sweden Deborah Samama Jessica Vega Supervisor : Owe R. Hedstrom Spring Semester 2010 Umea School of Business Acknowledgments We would like to thank our supervisor Owe R. Hedstrom who, with his experience, has helped and guided us in the writing process of our Bachelor thesis.

Our thanks also go to our Swedish acquaintances who have helped us translating some of our sources concerning Volvo Cars from Swedish to English. They also gave us precious information about the Swedish culture and values and allowed us to understand better the signification of the results of our questionnaire by explaining us how they and most Swedes they know perceive Volvo Cars. Finally, we believe we should thank Umea University, the University library and all the librarians for having made available to us interesting and rich literature for our project.

Abstract There is a great diversity in marketing strategies that brands can use to develop their name, image and products. The selection of the appropriate strategy is the basis of the image a brand wants to present and how it will be perceived by the market it attempts to approach. However when a brand aims at different segments of a market it has to adapt its marketing strategy to suit better the new segment compared to the first one. Hence in this thesis our interest has brought us to compare Volvo's marketing strategy in Sweden and in France as we study in the first country and we come from the second one. We tried to identify the similarities, the differences, and understand how Volvo manages to evaluate and adapt to

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the needs and expectations of the different consumers in those two countries. One of the first things we noticed when arriving in Umea was the number of Volvo cars in the street in contrast to what we are used to seeing in Paris. We understood that the brand was famous and even natural for the Swedes living here, whereas it seemed that the French were not truly aware about the brand's products. Thus to comprehend this difference we decided to carry out our researches on what defines the brand in the consumer's mind: marketing. The method we used to conduct this study was based on the objectivist ontological position and on the positivist epistemological assumption combined to a deductive approach ??? implying a quantitative study in our case. We used secondary data to create our theoretical framework and then we distributed 100 questionnaires in both countries ??? 50 each.

The observation and the analysis of the results have been divided into two parts in order to elucidate the similarities and differences between the two countries studied. These separated parts then lead to a cross-case observation and analysis. Our conclusion mostly corroborates our assumptions as we observed that the majority of our Swedish respondents had a good idea of what represents Volvo, whereas it is still seen as an outdated car manufacturer for our French sample which does not spot enough advertisement about the new models of the brand and which is more demanding on design.

This is why, among other recommendations, we suggest Volvo to advertise more on certain values like ecology which is not well recognized and to focus more on some channels of communication, depending on the location. Key <https://assignbuster.com/volvo-marketing-strategy-assignment/>

words: Marketing strategy, Volvo, Adaptation, Brand image, Consumer perception, France, Sweden. Table of contents 1.

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..... 64 1. Introduction Our study will focus on comparing Volvo Cars? marketing strategy in France and in Sweden.

Indeed, from one country to another, people may have different perceptions of a brand and react in different ways to marketing campaigns, but they may also have different expectations. Our purpose is to study Volvo Cars positioning in both France and Sweden and how their potential customers perceive this positioning. Does Volvo manage to impact its potential customers with the marketing strategy it has chosen for each of the two countries or not, how do the targets react, and how does Volvo adapt to their expectations.

To begin with, we will introduce Volvo and its marketing strategy in a background section; then, we will present our methodological considerations (2. Methodology chapter) and detail the theories we will use to carry our study (3. Theoretical framework chapter). After having collected our data in both France and Sweden – through self completion questionnaires – and processed it in SPSS, we will present our findings in the Empirical study chapter. Eventually, we will compare our findings with the theories presented in the theoretical framework in order to analyze Volvo Cars? ositioning and marketing strategy in both countries, how the brand is perceived, and how well it has managed to adapt to its targets? needs and expectations. 1. 1.

General background In this section, we will first present Volvo Cars focusing on the company? s history and its values, and then explain briefly how we came with the idea of studying Volvo Cars? marketing strategy. 1. 1. 1. Volvo

Cars: History and values Volvo Cars is a Swedish upper-scale automobile manufacturer from Gothenburg which was created in 1927 by Gustaf Larson

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and Assar Gabrielsson (Volvocars. om 2010)¹. Volvo was owned by Ford Motors Company from 28th of January 1999 to the 28th of March 2010 when it was bought by Geely – China's first private automobile manufacturer (LesEchos. fr 2010)². The fact that Volvo now belongs to Geely will allow the Swedish automobile manufacturer to be more visible on the Chinese market (which is a very important one) and maybe finally become profitable again: last year, Volvo made a deficit before taxes of \$-1, 465 million USD (Volvo 2008)³. Nevertheless, Geely promised that Volvo Cars' strategy and conception would remain controlled by Volvo AB which has been in charge of the control and protection of the brand's use. The car production should not be delocalized to China either (LeParisien. fr 2010)⁴. Indeed, most Volvo cars are currently mainly manufactured in Belgium (Ghent for the regular models such as the C30 or the S60) and in Sweden (Gothenburg for the bigger models such as the XC 70 and the S80). It is a very important fact that Geely plans to let Volvo remain independent because Volvo Cars' reputation worldwide as a trusted upscale automobile manufacturer would certainly have been impacted if the company had become completely controlled by Geely and if the production had been delocalized to China. So far, this take over does not seem to have affected Volvo sales since Volvo Cars is the automobile manufacturer that has seen its European market share grow the most in 2010 with a progression superior of 35% (European Automobile Manufacturers' Association 2010) ^{32 - 1} only overpassed by Nissan.

This raise is probably to be linked with the renewal of the design of Volvos and to the efficiency of Volvo Cars' marketing strategy: we may indeed assume that they have managed to convey their values (and that these

values are perceived as good by the customers) and to promote their products in a way that has convinced customers that Volvo is a good choice for a car. Volvo's reputation relies on very strong values: quality, safety, ecology and design (Volvocars. com 2010)⁵. Moreover, the Swedish origin of the automobile manufacturer is synonym of quality and security.

Safety has always been one of the most important values for Volvo Cars since the creation of the brand and Volvo is seen as a precursor in terms of security: Nils Bohlin, engineer for Volvo invented the three point seat belt and since 1959, and Volvo was the first automobile manufacturer to equip their cars with it. Other examples include the fact that Volvo has also been the first to equip its cars with head rests in the front (to reduce risks of breaking one's neck in case of an accident), the central survival security cell (that protects the passengers even more from the shock) and the seat belts on rear passengers' seats (especially the middle seat). These are only a few examples to illustrate how security is and has always been very important for Volvo Cars, but many other examples can be found on its corporate website in the section dedicated to safety (Volvocars. com 2010)⁶. Moreover, Volvo has also developed a new system to protect pedestrians which will be available in the new S60 model: the car will be able to detect the pedestrian and according to the distance from him or her, either stop or strongly slow down the car increasing by 80% the chances of survival of the victims (DHnet. e 2010)⁷. The protection of environment is also a very important value for Volvo who has developed new models which have been found to emit very low amounts of carbon dioxide. It is obvious for Volvo that people still need cars, but on the other hand, as an automobile

manufacturer, it is aware of the concerns for the environment and the need to reduce the emissions of carbon dioxide when driving. Volvo has developed several models which cope with governments' expectations regarding the reduction of carbon dioxide emissions. For instance, Volvo's

Hybrid models or cars that work with ethanol have been found to release less than 105 grams of carbon dioxide per kilometer (Volvocars. com 2010).

Quality and design are the two other main values that are characteristic of Volvo: the Scandinavian design and the high quality of the Swedish steel allow Volvo Cars to lay emphasis on the sustainability of its cars over time and under extreme conditions – Volvo cars have indeed been submitted to the same tests as anti seismic buildings in order to test their quality-

(Volvocars. com 2010)⁸. Finally, as mentioned earlier, design is important for Volvo, but according to Volvo's Swedish philosophy, a car which is not practical cannot really be beautiful. This is the reason why it favors sober designs that are both elegant and functional. Nevertheless, being conscious that a car cannot only be practical and that design is an important factor of choice when buying a car (for instance, as we will see it later, it is the first feature that French people consider when buying a car), Volvo has renewed the design of its cars. 2 1. 1. 2. Finding an interesting subject for our thesis: How did we come up with the idea of studying and comparing Volvo Cars' marketing strategy in France and in Sweden?

When we arrived at Umea last August, we have both been struck by the amount of Volvo cars we saw. Indeed, we were expecting to see many Volvo cars because it is a Swedish car manufacturer, but we were surprised to see as many because in France, even though Renault and Peugeot are French, <https://assignbuster.com/volvo-marketing-strategy-assignment/>

we also have lots of cars from Germany, Japan, Italy, America, Spain and so on. Moreover in France, few people own a Volvo, and the few Volvo we had seen so far were rather old, big and owned by old people.

Besides, in France, Volvo cars have a brand image associated to family, Sweden, quality and safety, but definitely not design. In Sweden, on the other hand, Volvo cars are very popular (they are the most sold cars), and we discovered that some of them actually had a very good design. After having talked with Swedish people and explained them that in France, Volvo were not so well known and do not benefit of a very good brand image, some of them were surprised. They indeed explained us that Volvo cars are among the best cars in the world as far as safety and quality are concerned, and that to them they do not have an image of old unpractical cars, on the contrary, there are cars that are resistant to extreme temperatures and provide a lot of space without having the size of an SUV (Suburban Utility Vehicle). As marketing students we found it interesting to see the differences of perception between France and Sweden on the same brand. We did not know yet that it would soon become the subject of our bachelor thesis. Indeed, a few months after, we needed to find an interesting subject that would correspond to our field of study.

We are both students in marketing and both oriented towards international marketing. We thought that studying the management of a brand internationally would be very interesting and would bring us valuable knowledge for the continuation of our studies. We came up with several topics involving amongst others Carrefour and its adaptation to the Chinese market, and Volvo, and the adaptation of their marketing strategy in <https://assignbuster.com/volvo-marketing-strategy-assignment/>

both France and Sweden since we are French students in Sweden. We submitted our different ideas to our supervisor Owe R. Hedstrom who advised us to choose the topic about Volvo Cars' marketing strategy and adaptation according to the different cultural features of the countries. We therefore decided to study this subject for our thesis, and more precisely, we are going to focus on Volvo's marketing strategy and perception of the brand in Paris (where we come from) and Umea (where we study). By choosing this subject we expect to find very interesting results knowing that Paris is a big capital city (with more than 2 million inhabitants in Paris itself, and a rather tempered climate) and Umea a city from Northern Sweden (with a very cold climate most of the year and around 100 000 inhabitants).

Moreover, the two cities present differences of concentration of their population, Umea being very spread (with a surface of 2. 317km² for around 100. 000 inhabitants ??? precisely 112. 732 inhabitants (Paris' Official website 2010)²⁹) and Paris being very concentrated (105 km² for more than 2. 200. 000 inhabitants ??? precisely 2 201 578 inhabitants (Umea ??? s Official website 2010)³⁰). Therefore the needs as far as cars are concerned will be different. Indeed, as Parisians, we can say that when choosing a car, we think about how easy it will be for us to drive and to park it in Paris, because it is always very hard when having a big car to find a free place to park. Moreover, we do not really need a car within Paris since it would cost us more than the public transportation and probably take longer since we have a metro every 3 minutes and a bus every 5 to 15 minutes. On the other hand, in Umea, we realized how useful a car is, especially knowing that the temperature can go down to -30?? C in winter and that if you miss your bus,

you will have to wait another half hour in the cold for the next one.

Moreover, as Umea is a very spread city, it is more difficult to walk from one point to another if you miss your bus.

Finally, we may mention that here, in Umea, whenever we have taken the car, we have never had any trouble in finding a place to park, therefore, the size of the car might matter less in comparison to Paris, and the ability to resist to extreme temperature might on the contrary be more important. Those factors might probably be part of the explanation of why there are more Volvo cars in Umea/Sweden than in Paris/France because they influence the consumers' choice of a car.

We wanted to understand how Volvo managed with those differences and how it adapts to these two unlike cultures. Indeed, cultural factors can be added to the ones proper to the country since we suppose that many French people see design as a very important factor when buying a car whereas the Swedes that we have had the occasion to talk to when arriving in Sweden usually give more importance to environmental factors and practicality. We will of course see if those statements are confirmed in our empirical observations in both countries.

The information that we had about Umea and Paris and the fact that we realized that our perception of Volvo was very different from Swedish people's one definitely comforted us in our choice to study Volvo cars' marketing strategy and adaptation in both France and Sweden. 1. 2.

Theoretical background In this sub chapter, we will focus on presenting the different theories that appeared to be relevant for our study and which will

help us formulate our problem. We will first deal with brand image, then we will broach consumer perception, and finally, we will speak about adaptation.

1. 2. 1.

Brand image Brand positioning In order to position itself in France, in Sweden, or on any other market segments, Volvo has established four main values ??? quality, safety, environment and design. Indeed, according to Keller (2008), the establishment of strong values is crucial in brand positioning and in creating “ brand superiority in the minds of consumers” and showing them “ the advantages or points of difference a brand has over competitors” (Keller 2008: 38-39) in order to allow them to classify the brand in comparison to its competitors according to their values and personal images.

In this study, we are going to examine if Volvo Cars has the same brand positioning in France and in Sweden, and we will deepen this notion of brand positioning in the Theoretical framework chapter. 4 Volvo also need to make sure their initial marketing strategy has the expected effects on its target and if they perceive Volvo Cars in the way the brand had aimed to be perceived as when elaborating their marketing strategy. Moreover, Volvo Cars will need to check if their targets are conscious that Volvo Cars focuses on reaching them with its marketing strategy and how they react to it.

This relates to Keller? s CBBE (customer based brand equity) model which gives a notion of brand equity from the customers? point of view. We will therefore study more in depth this notion of CBBE in our theoretical framework since we are going to observe Volvo Cars? marketing strategy

and how it is perceived by French and Swedish potential customers. In addition to its values, Volvo is identified by its logo and its slogan. Those two characteristics of Volvo Cars correspond to what Keller (2008: 433) names “brand architecture”, and as this is an important part of Volvo’s marketing strategy, we are going to broach it later in our paper. Moreover, for Volvo Cars marketing strategy to be effective, they need to define their target segment so as to make sure that the values and the image they want to convey correspond to the target customers. Indeed, if Volvo Cars’ positioning is well adapted to its chosen market segment ??? in our thesis, those will be France and Sweden ??? its marketing strategy will be more effective. As Aaker (2001: 46-47) states, segmentation is often the key to developing a sustainable competitive advantage based on [...] a focus strategy”. We will therefore throughout this paper try to explain which segments Volvo Cars targets and how it managed to adapt its marketing strategy to reach them. Furthermore, we know that in Sweden, Volvo Cars has a very good reputation as a brand and is trusted for producing very safe cars, whereas in France, all the people we have talked about Volvo Cars so far do not really have a good image of the automobile manufacturer, mainly because they associate it with “old/ugly vehicles”.

We can therefore see from the start that the corporate reputation of Volvo differs between both countries. Yet, if we refer to Souiden, Kassim and Hong (2006: 825)¹, the corporate image plays a role in the consumer’s evaluation of the product based on the corporate image he perceives. Loyalty In the researches we have carried so far about Volvo Cars, we have noticed that they have developed several forms of loyalty programs which is a very

important part of a brand? marketing strategy since loyalty programs create value for both the brand ??? whose clients will renew their purchase if they are loyal ??? and for the client ??? who will be more satisfied with his product since the company will grant him or her with advantages with the intention of increase his or her loyalty. This relates to what Keller (2008) calls personalized marketing or “ relationship marketing” (Keller 2008: 194). This is confirm by Rust, Zeithaml and Lemon (2000)² mentioned by Souiden et al. (2006: 832).

Hence, we are going to study how Volvo cars have implemented their loyalty programs and how those have been perceived by their customers.

Communication As we have been able to notice it from the beginning of our researches about Volvo Cars? marketing strategy, the company uses several channels of communication in both France and 1 2 Will be referred to as Souiden et al. (2006) when quoted Will be referred as Rust et al. (2000) from now on 5 Sweden. The use of several medias is a good way of building consumer? awareness of the brand (Duncan 2002: 506-507), but it can be very expensive to use several means of communication at the same time. This is why we will study how effective each means of communication has been on Volvo Cars potential customers in order to formulate suggestions on which ones are worth spending money on or not. This relates to Keller (2008)? s argument about the evaluations of costs compared to the efficiency of the communication channels used by a brand (Keller 2008: 234-241) that we will study in detail later. . 2. 2. Consumer perception Definition of a consumer According to Malcolm McDonald in his book Les plans marketing, 2002 (5th edition), consumers are the people who finally use the

goods or services that are bought by the customer. Hence the necessity for us as the authors of this thesis to emphasize the difference between consumer and customer since we are going to use both words: the customer is the person that buys the product or service and the consumer is the one that uses it.

Moreover, we would like to clarify that when we write “ potential customers”, we mean anyone who would be susceptible of buying a Volvo: someone who is old enough to consider buying a car and who could perhaps be interested in buying a Volvo amongst other alternatives if they have the budget to do so. About the values In our empirical study, we are going to focus on how Volvo Cars and its values are perceived by the Swedes and the French through specially designed questions of our questionnaire. In fact, consumer? perception is an important feature for Volvo Cars marketing strategy since as stated by Rust et al. (2000) “ consumers? expectations and perceptions affect the value of a brand” (Holehonnur et al. 2009: 166)3. Seeing the importance of consumer? s perception for a brand, we have collected several theories related to this issue that we will expose in a while. About the name According to Gregory and Wiechmann (1999 cited by Souiden et al. 2006: 830), the name of the company influences the consumer? s opinion on its products and “ strongly affects the corporate image”.

In our study, we will therefore need to focus on how Volvo Cars? name is perceived by French people in comparison to Swedish people and explain to what values it is linked in their minds. About the exposure A good way of knowing about consumers? perception of a brand is to organize events
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during which marketing agents from the company can be in contact with their clients and evaluate directly their perception of the name. According to Duncan (2002: 145) a brand has to be aware of its perceived image to be able to send adapted signals to the consumers to confirm or change his/her perception. Will be named Holehonnur et al. (2009) when quoted 6 Through our study, we are going to be able to see how Volvo tries to improve its brand awareness, what the name of Volvo is related to in their mind and we will also evoke the different kinds of events either organized or sponsored by Volvo. Indeed, events are an important point in Volvo Cars? marketing strategy, and they are even more central since according to Taylor and Shanka (2008: 954), events increase brand awareness and the values conveyed by the event are linked to the brand? values by the consumer ??? which makes them a useful tool of communication for Volvo Cars. 1. 2. 3. Adaptation One of the most important aspects of our thesis will be the evaluation of Volvo Cars? adaptation of their marketing strategy to France in comparison to the one they apply to their country of origin: Sweden. Volvo is an automobile car manufacturer and according to Keller (2008: 285-286) the origin of a brand may imply different associations in the consumer? s mind hence impacting on his perception of the brand.

Consequently Volvo needs to adapt itself as much as possible to the specificities of its targeted market in order to attract and satisfy as many customers as possible ??? by providing them with products adapted to their needs – hereby increasing sales and revenues. Souiden et al. (2006: 832; 840) along with many other researchers have explained the importance of adaptation in a brand? s marketing strategy, and we will detail the theories

concerning that issue that we found relevant for Volvo Cars in our theoretical framework. 1. 3. Research question Does Volvo Cars' marketing strategy differ according to consumer behavior in Sweden and in France, and how does Volvo Cars adapt its marketing strategy in France compared to Sweden? 1. 4. Purpose In order to formulate our problem and our research questions, we started to ask ourselves what we wanted to know about Volvo Cars' marketing strategy in both France in Sweden and what findings would be interesting to show. We went through the differences in Volvo Cars' marketing strategy and brand perception that we had been able to notice by living in both countries -more specifically in Paris and Umea.

After brainstorming we wrote down all our ideas, and we came up with the following research questions: ? ? ? ? How does Volvo Cars communicate in both countries? What are the external aspects of its marketing strategy? What are the similarities and the differences? Has Volvo Cars reached its target in both countries? Has it managed to convey the message it wanted? What did the potential consumers perceived? What brand image does Volvo Cars have in France and in Sweden? What is to be improved and what is to be kept the way it is? 7 By answering those questions, our objective will be to understand the impact of Volvo's marketing strategy on both French and Swedish people, and see how the consumers' perception is or is not in equation with Volvo's initial strategy. This will allow us to answer our research question for this thesis. In this study, we will aim at representing how Volvo Cars' has adapted its marketing strategy in France and in Sweden. In other words, we will try to identify the similarities, the differences (between both countries), and understand how Volvo manages to evaluate

and adapt to the needs and expectations of the different consumers in those two countries. 1. 5. Scope We will focus exclusively on Volvo Cars? arketing strategy in Paris/France and in Umea/Sweden. Therefore, our study will not involve any elements from Volvo Group since it does not include Volvo Cars anymore. Nevertheless, Volvo Group and Volvo Cars still share the same brand name. This is the reason why Volvo Cars? marketing strategy still belongs to Volvo AB; the use of Volvo as a trademark and the marketing strategy have never really been controlled by Ford (during the 10 years when Volvo use to belong to Ford) and will remain controlled by Volvo? s headquarter in Gothenburg, Sweden now that Volvo Cars belong to Geely.

Indeed, the Swedish aspect of Volvo Cars is its main strength and proof of reliability and Geely is very well aware of this. Concerning the population sample, in both France and Sweden, we are going to ask people who are old enough to own a car (from 18 to more than 60 year old people) and who ideally have an interest in the car industry. 1. 6. Limitations Financial: As Bachelor? s students, we will not be granted with any funds from the university, and we will therefore not be able to carry a research as broad as we would if we had had academic funding.

We will for instance only be able to carry a survey distributing quantitative questionnaires. Moreover, the fact that we will only be two people to process the data doesn? t allow us to use more than a certain amount of questionnaires since we do not have a lot of time to do so and we cannot afford to pay someone to help us with this task. Time: We are submitted to a limitation in time and we need to carry this at the same time as our Swedish

classes and obligations that we need to fulfill in France for the next steps of our education.

This will compel us to leave for two weeks and therefore, shrink our time even more; moreover, we will need to leave Umea by the end of May in order to pass oral examinations in France which is another important element of time pressure. This is the reason why we decided to organize differently and start our thesis earlier, even though we were following two classes at the same time and that we had to prepare for exams we have to pass in France. Language: We have planned to carry our survey in both Sweden and France, and, as the rest of our study, our questionnaire will be written in English.

This might be a difficulty as far as the response rate is concerned because, even though almost everyone in Sweden is bilingual, they might still be more reluctant to answer to a survey written in English than to a survey written in their native language. In France, this problem has been even more important since very few people speak fluently English; this is the reason why for some of our respondents, we have had to translate our questionnaire in French.

Replicability of the findings: Our study focuses on the marketing strategy of Volvo Cars in both France and Sweden, and therefore, it would be difficult to use the findings of this study for another topic than marketing strategy, for another company than Volvo Cars and for other countries than France and Sweden. 9 2. Methodology chapter In this chapter, we are going to deal with the methodological issues concerning our thesis, and try to explain how our

choices are consistent. First, we will focus on how we came with our research questions and how they led us to our main research question.

Then we will deal with the methodological assumptions we will follow and determine which ontological and epistemological approaches we are going to use for our study of the Marketing strategy of Volvo in France and in Sweden. We will then explain which research design we have chosen and how it suits to our study. We will also expose which research strategy we have chosen and why, and we will detail what methods we are going to use to collect our data. Finally, we will deal with ethical considerations and how we plan to avoid being unethical.

The quality criteria will not be dealt with in this chapter but it will rather be treated after our conclusions.

2. 1. Practical preconceptions In France, we were both students in marketing and international business. Therefore, even though in Umea we have studied management, finance and entrepreneurship, our knowledge in marketing is more advanced and this is the reason why we decided to write our thesis in this field. Moreover, as mentioned previously, the study of Volvo Cars' marketing strategy and its adaptation in France in comparison to Sweden appeared to be interesting to us.

After having found our topic, we also wrote the different marketing theories that we could directly link to our research and we decided if we were going to be able or not to carry a qualitative study, a quantitative study, or a combination of both. We first thought that, according to our research questions, a combination of both would be more appropriate, but our

supervisor strongly advised us to focus on either one or the other method. We therefore decided to follow a quantitative research strategy that was the most suitable one regarding our research questions and objectives.

After having exposed our supervisor our final research question/problem – Does Volvo Cars' marketing strategy differ according to consumer behavior in Sweden and in France, and how does Volvo Cars adapt its marketing strategy in France compared to Sweden? ??? and the main theories we would like to use, we started our researches mainly at the University library (of Umea) and on the Internet. Concerning our research on the Internet, we first carried global researches about Volvo in order to learn more about their history and values, and also to see what current events or news were related to the brand.

We gathered a massive quantity of information ??? seven pages of Internet links in total ??? and we then selected the most relevant ones for our study. Our Internet sources have constituted our main source of information concerning Volvo and its marketing strategy, but we have not really found any article or such detailing their marketing strategy per se. Therefore, according to what we have been able to observe on Volvo Cars' corporate websites for both countries 10 and the from the gathering of the many sources we have found – including videos of Volvo Cars' dvertisement, we have analyzed how well they managed ??? or not- to adapt their marketing strategy in France and in Sweden. Later on, in our analysis, we will also focus on how much the factors that we had been able to notice in our empirical study – about the specific features of consumer perception in each country – had been taken into account by Volvo when adapting their marketing

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strategy. Furthermore, our internet sources along with the results of our empirical study allowed us to evaluate how well Volvo Cars had communicated on their values resulting or not in a clear perception by their targets of the values conveyed.

On a final note concerning our Internet sources, we may mention that we have chosen to reference them with footnotes (in addition to the USBE standards) in order to make it easier for the reader to check the link that we refer to. Some of the links having been consulted in February or March, we also indicated the date of consultation (in case the webpage would have been updated) and sometimes, we have several links for different section of the same website in order to help the reader finding our source more easily than if he had to go through the whole website to find it.

We also believe it is important to mention why we have chosen to use Volvo Cars? corporate website as one of our main sources of information because it is in our opinion a reliable source since it is the company? s own website. Moreover, the website has allowed us to evaluate how Volvo Cars market their products and services on the Internet which -we believe- is also an important aspect of a brand? s marketing strategy nowadays. 2. 2.

Methodological preconceptions to come up with our research problem and our research questions

According to, Saunders, Lewis and Thornhill 4 in Research Methods for Business Students (2000 : 14), before starting working on a thesis it is very important to chose a field of study that one has an interest in and also in the field in which one would like to work in later in one? s career. For us, it was

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marketing, as it is our main field of study, and more precisely international marketing in which we would potentially be interested in working in later. We first focused on finding topics that would be interesting to study in this area.

Bryman and Bell (2007: 82-85) underline the importance of defining a general research area and narrowing it down to find research questions that we will aim at answering in our thesis. After our supervisor agreed with the idea of studying Volvo's marketing strategy in France and in Sweden, we needed to be more specific and narrow our research field. Indeed, according to Saunders et al. (2007), it is important to narrow the research idea and “turn it into research questions and objectives” (Saunders et al. , 2007: 19).

To do so, we had to come up with research questions that would lead us to our main research question which would be the topic of our thesis. Also, according to Saunders et al. (2000: 13-14), it is important to know from the start what theories will be worked on and to make sure that one can handle the subject he or she has chosen. Moreover, according to Bryman and Bell (2007: 90), it is important to think about sampling issues and access one might or not have to the data that would allow him or her to answer his or her research questions.

Bryman and Bell (2007: 8889) advise to go through the process of asking oneself the questions “ what”, why”, “ how conceptually” and “ how practically” (Bryman and Bell, 2007: 87) which respectively relate to what we want to know, why would it be interesting to know for others, how we will use the 4 Will be named Saunders et al. when quoted 11 theories and

concepts related to our topic to answer our questions and how we will practically carry our research, with which research strategy.

Research questions should also “ be linked to each other”, be “ neither too broad nor too narrow”, be “ clear”, and “ be researchable” (Bryman and Bell, 2007: 87). Taking all those factors into account, we formulated the research questions – exposed previously in this chapter ??? that will help us answer our main research question and solve our problem in this research: Does Volvo Cars? marketing strategy differ according to consumer behavior in Sweden and in France, and how does Volvo Cars adapt its marketing strategy in France compared to Sweden? 2. 3. Methodological assumptions

We have to decide what approach of reality we are going to adopt in our study and how we are going to analyze this reality. This implies that we need to deal with ontological and epistemological assumptions. “ Questions of social ontology are concerned with the nature of social entities” (Bryman & Bell, 2007: 22). In other words, ontology deals with what reality is. Scholars have different visions concerning what organizations are: Constructionists asserts that “ social phenomena and their meanings are continually being accomplished by Social actors” (Bryman and , 2007: 23).

This statement implies that if we chose to adopt a constructionist position – which advocates the constant change of reality as a result of actions and interactions of individuals for our study about Volvo, we would consider the company as being a constantly changing entity which would be the result of the actions and interactions of people working for the company. On the other hand, if we chose to adopt an objectivist consideration of reality which is

described as an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors [...]” by Bryman & Bell (2007: 22).

This means that the reality exists independently from people’s actions, and in our case, this would imply that we consider Volvo as being an established social entity which has its own rules, and hierarchy that define the actions of people who work for Volvo and not the contrary. In our case, Volvo can be considered as both a social entity that exists independently from the people who work in it and as a social entity that is the result of constant interactions and relationship with people.

As it will be mentioned in the section “ Research Strategy”, we are going to carry quantitative study which is most of the time linked with the objectivist assumption. Nevertheless, even if Volvo is a social entity that exists with its philosophy, its values, its rules, which all impact on the people working for Volvo, we also think that Volvo has become the company it is today because it has been constructed through the years by the people working for it, who have brought their values to the company, and have made Volvo change progressively to become what it is now.

Indeed, the values were not inherent to the company before people started to work for it, before its founder decided that those values had to be the ones for Volvo. It is the choices from people working for Volvo that have made the company what it is today: for instance, the choice to focus their brand image on safety, quality and environment rather than on the power of the engine or the price makes Volvo different from Ferrari who rely on

different values because the company has been constructed by different people. 2 Regarding to our research question, and how does Volvo adapt its marketing strategy in France compared to Sweden, we are going to adopt a rather objectivistic point of view as we are going to focus on the external perception of Volvo as its own social entity and its value as a company. More precisely, as we will broach the perception of the brand in both countries which also implies seeing the company as an independent entity, the objectivist approach appears to be more appropriate.

Another important notion that we have to consider in our study is how we are going to study it. In other words, according to what epistemological assumptions we are going to carry our study. Bryman and Bell (2007: 16-21) mention positivism and interpretivism as the two main epistemological assumptions. According to Bryman and Bell (2007: 16), positivism is an epistemological assumption according to which reality should be studied following the methods used for natural sciences and apply them to social reality.

In other words, positivism has to do with explaining a phenomenon and find its causes. On the other hand, interpretivism is an epistemological assumption that distinguishes Social sciences from natural sciences and therefore assumes it should be studied in a different way. Bryman and Bell (2007: 19) “ an alternative to the positivist [approach]” [...] which “ requires the scientist to grasp the subjective meaning of social actions”. In other words, they believe that social phenomena cannot be studied as scientific ones.

Contrarily to positivists, interpretivists try to understand Human behavior rather than explaining it. They focus on human beings and their behavior rather than on the factors that impact them and cause certain actions.

Weber's Verstehen quoted by Bryman and Bell (2007: 18), is one of interpretivism's "Intellectual Heritage" (Bryman & Bell, 2007: 19). Weber defined Verstehen as "a science which attempts the interpretive understanding of social action in order to arrive at causal explanation of its course and effects (1947: 88)".

This notion gathers the explanation and the understanding of a social phenomenon which can be applied to Volvo: indeed, they try to understand how the potential consumers perceived the campaign and the brand in order to explain their reaction (positive or negative). By using Weber's Verstehen to study reality, Volvo might find a causal explanation of the consumer's reaction to their marketing campaign and understand that they have to change or not, and what they have to change or keep on doing.

As we are going to carry a quantitative study with figured results that are perceived in the same way by everyone and cannot be interpreted, we will employ a positivist approach. Moreover the positivistic method is best suited for our case since we aim at describing and explaining how and why the marketing strategy of Volvo varies and adapts to both the French and the Swedish markets. Indeed, Volvo adapts its marketing strategy according to its own understanding of its potential consumer's expectations and it wants to understand how the brand is perceived by the consumer in order to adapt itself. For instance if the consumer reacts positively to a marketing campaign Volvo might deduce that its initial assumptions concerning the consumers'

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expectations were right, and continue in the same way. On the other hand, if its assumptions were to be proven wrong ??? that is if the marketing campaign does not have a positive impact on sales – Volvo might reconsider its initial assumptions and modify its marketing strategy. 2. 4. Research design

As we are going to focus on the marketing strategy of Volvo in both France and Sweden, we are going to use a comparative design which can ??? according to Bryman and Bell (2007: 66) – 13 be used in both quantitative and qualitative research. This is perfectly adapted to our case since we have chosen to carry a quantitative research. Moreover, we would rather focus on Cross national research. According to Bryman & Bell (2007: 66), that type of comparative design implies data collection for two nations or more, which also suits our case since we are focusing on Volvo? marketing strategy in more than one case -for both France and Sweden. On another note, Bryman and Bell (2007: 66), assert that when using a comparative design, the data is collected following a cross sectional design which implies focusing on more than one case ??? here, we are focusing on Volvo? s marketing strategy in more than one case since we are going to study it for both France and Sweden- and we are going to collect our data rather simultaneously (between the months of February and April).

We are going to compare the marketing strategy of Volvo Cars in both countries and explain how and why it differs. By carrying a cross sectional study of the two cases, we expect to bring out their similarities and differences. Moreover, we are going to explain how the particularities of both the French and the Swedish culture impact on Volvo? s marketing strategy.

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As stated by Bryman and Bell (2007: 67), “ Cross cultural research in business and management tends to presuppose that culture is a major explanatory variable that exerts profound influence on organizational behavior”. . 5. Research strategy As our research concern a large company, Volvo Cars AB, we are looking for a well adapted method to improve the validity and reliability of our findings: the quantitative one. Indeed, since our research is based on the observation of the established marketing strategies in France and in Sweden it is logical to use a quantitative strategy, whose data are “ based on meanings derived from numbers” (Saunders et al. 2007). Moreover we also want to know the potential consumers? erception of Volvo and why they would choose this brand more than another, but we are not going to interview our respondents using a semi structured interview for instance (which is a way of surveying usually associated with qualitative researches): we are going to distribute self completion questionnaires in which the possible answers will be the same for all the respondents, and this method of survey is rather used in quantitative studies. Last field that interest us there is the way the firm adapt its marketing from Sweden to France. We will consequently use a deductive approach to relate our findings from the theories to the empiricism.

In fact we will not produce any theory from our findings and on the contrary will compare these findings to already known theories, it is why we consider employing a deductive method throughout our thesis. The fact that we are French students living in Sweden who make assumptions about a global brand allows us to observe consumer behavior faced to Volvo? s cars and marketing, the advertisement and choices made by the firm and the

differences between the two countries with more facility and discretion than if we were researchers writing a book with a special issue about it.

It gives us the opportunity to record what Volvo markets and how they have marketed it at different moments in time and places (in previous years until now).

14 2. 6. Specific data collection methods and literature review 2. 6. 1.

Primary data Of course what we see cannot always reflect what consumer's behavior means and it is why we also plan to use a structured questionnaire in asking persons interested by cars in France and in Sweden, more precisely around Paris and Umea, to get a convenient sample of who purchases, when and why Volvo or not, and how they perceived the brand. This sample will not be the most representative possible as we are not looking for a generalization of our findings but an explanation of the consumer's attitude toward Volvo and how this brand attracts them and keeps them brand loyal. This information called " primary data" will so be exploited for the first, with as main goal to confirm or infirm the theories collected in the secondary data ??? which was created in another purpose. We chose to distribute the survey to 100 persons ??? 50 in France and 50 in Sweden ??? which is a minor percentage of our census nevertheless which will be enough for the analysis we want to work on in this study.

This questionnaire will give us the reasons about the choice of cars bought and the link with Volvo's marketing operations. With the statistics coming out from the answers we will be able to obtain a consumer profile and to explain the triggers of his/her attraction to the brand and to understand his/her vision of Volvo and his/her choice's criteria. Moreover, we will be

able to analyze what is the perception of the brand Volvo in both countries.

2. 6. 2.

Secondary data As explained previously, secondary data is data available to the public and which is used as complement of the primary data to verify this last one (Saunders et al. 2000). To establish our theoretical framework, we have been looking for different kinds of articles and textbooks that belong mostly to the marketing and management areas of brand strategy, which is our core research topic in this study, and deepening we have established some different links with theory and studies corresponding to more specific areas related to brand marketing and management, adaptation of its strategy and consumer perception.

We have found our set of documents mainly from the news on the Internet and by the electronic database of Umea University Library ??? such as EBSCO source premier ??? defining for this such keywords as “ brand marketing strategy”, “ Volvo marketing”, “ Volvo strategy” or “ automobile industry marketing” among others. Thousands of articles were available for such keywords, even when we reduced the research to a period from 2000 to 2010, however we managed to find the ones who were the most appealing for our thesis.

We have also borne in mind in our research some specific articles focused on our research topic such as “ The effect of corporate branding dimensions on consumers? product evaluation: A cross-cultural analysis” from Souiden et al. , published in the European Journal of Marketing in January 2006 or “

Increasing shareholder value through building Customer and Brand Equity” written by Bick in the Journal of Marketing Management.

Furthermore, we have followed seven textbooks, one of them called “ Strategic Brand Management: Building, Measuring, and Managing Brand Equity” written by Kevin Lane Keller in 2008, which deals largely with such issues as brand management, brand positioning 15 or marketing programs designing. We selected this author as his book was composed of most theories we desired to use in this thesis. Moreover Keller is one of the most famous researchers who have written about management. Another one is named “ Consumer Behavior: A European Perspective” written by Solomon M. Bamossy G. , Askegaard S. , and Hogg M. K. in 2007 5 , which is concerned by matters like consumer perception or brand exposure. We used this book as we already knew the author from a previous research we made. Four textbooks published Aaker D. A. between 1991 and 2002 about brand management have been a true help as well to compare and apply the diverse theories. Finally Duncan T. with his researches and IMC: Using Advertising & Promotion to Build Brands published in 2002 brought us a further aspect to deal with our assumptions and findings.

We employed as well official statistics from both countries along with secondary data from previous researches. Our research period extended on several days and weeks, and until the end, we have needed to go through the books and visit the websites again. We found most of our theories in the library and in the books we owned from our research methodology course – that we followed during spring 2010. The main theories we used were related to brand image, consumer perception and adaptation.

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We chose to deal with theories related to brand image in order to understand how a brand asserts its value and convey them to its target, and how this theory would be applicable to Volvo: this theory would allow us to understand Volvo Cars? positioning and its way of communicating on its products and values. Theories about consumer perception also appeared to be suited to our study since it is important for us to understand how Volvo is perceived in both countries in order to be able to analyze later how they did or did not manage to adapt to the differences of perceptions – of the brand ??? and to the expectations of the customers in both countries.

Adaptation is the third main theory that we are going to deal with in this study since it is of course very important to understand how a brand adapts its initial strategy ??? here, the initial strategy will be assumed to be the strategy applied to the Swedish market since it is Volvo? s country of origin ??? to a new market in order to be able to analyze Volvo Cars? adaptation to the French market in comparison to Sweden. 2. 6. 3. Criticism of secondary data Secondary data is the main knowledge resource in this research. A classical problem with the use of secondary data is the double interpretation.

Indeed, the original writer has made an initial interpretation of his/her findings which we then interpret, using them for a special aim. There is therefore a risk that we comprehend the written material in our own way and consequently, differently than the writer had meant originally. For instance the article, quoted in our theoretical framework, written by Taylor and Shanka (2008) had for main goal to speak about Not-for-Profit organizations creating events and the reaction of participants, however we kept in mind

our own objective and selected the only parts related to our topic. Our intention has been to use scientific sources which allow a certain “ safety” of theories and novelty in the current situation. The essential of the information exploited in this thesis has been achieved in a scientific way in intend to minimize inaccuracy. Nevertheless we also obtained plenty of information concerning Volvo, the car events and so on, on the web by mean of articles written by non scientific people but by car specialists or other types of 5 Will be named Solomon et al. (2007) when quoted 16 ournalist which are considered as less serious sources however we used them in the historical part and to confirm our ideas. For instance, the presentation of the S60 at the Geneva’s motor show and the success the car received there. Thus we compared various theories and writing about the same subjects connected to our main topic: marketing strategy. We conclude that the authors picked in this theoretical framework agree on their researches. What is mostly stressed is the importance of a reliable positioning, passing y an adapted segmentation of the target market and the meaning of a true beneficial relationship with it; the impact of a good comprehension of the customer? s perception which add value to the brand; and the significance of a appropriate adaptation indispensable if a brand seek out different segments. From what we study previously, we concur with the researchers and their findings as it reflect our own thought concerning what should include a brand high-quality marketing strategy to affect its customers and attract new ones in accordance with their values shown and perceived and