

Chevrolet europe



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The General Motor Corporate Chevrolet Europe marketing plan 1. Company Description General Motors, one of the world's largest automakers, traces its roots back to 1908. With its global headquarters in Detroit, GM employs 204,000 people in every major region of the world and does business in some 140 countries. GM and its strategic partners produce cars and trucks in 34 countries, and sell and service these vehicles through the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Opel, Vauxhall and Wuling. GM's largest national market is the United States, followed by China, Brazil, Germany, the United Kingdom, Canada, and Italy. GM's OnStar subsidiary is the industry leader in vehicle safety, security and information services.

2. CASE SITUATION AND GOALS This section covers two aspects of corporate strategy that influence the marketing plan: the company's mission, and the company's goals. Mission: As General Motors' corporate strategy to market GM Daewoo vehicles under the Chevrolet brand in Asia (except South Korea), South American, and North American in 2003, the Project Midas team was assigned responsibility for marketing the brand conversion from GM Daewoo to Chevrolet in the European passenger car market. Patricia Messar, the director for brand and marketing at Chevrolet Europe, assembled the Project Midas group and first take respond to the Chevrolet brand positioning. Goals: * Nonfinancial goals To launch Chevrolet brand in Europe, we have to be accomplished with the existing GM Daewoo policy and capital, which include the production line, carry-over names for individual product models, and the same dealers and operating policies and practices. In this Chevrolet positioning, first we need to resonate with European car buyers. Second, as

corporate global marketing strategy, we need to complement General Motors' multi-brand portfolio in Europe and third, we need to be consistent with the global perception of the Chevrolet brand.

* Financial goals The financial goals are simple for Chevrolet. First, we need to achieve 1% for the Chevrolet brand in the European market in 2005. Second, we have a 75 million euro media budget. 3. Marketing Analysis and Situation A. The size, scope and share of the market Europe is the largest passenger car producer in the world Main market: Total new passenger car registrations in Europe in 2003 were 4. 4% lower than 2000.

The 2003 the total European passenger car market size was 15, 520, 755 units. Industry analysts in Europe were forecasting a 1-2% annual increase in new car registrations for 2004 and 2005. So we can assume the market size will at least increase to 15, 675, 962. 55 units. Fig 1. 1 Manufacturers and Brand Market Shares in Europe: 1999-2003 2001 and 2002, in these two years, because of the economic situation, automobile industry facing a very strong impact and keep declining. However, in chart 1.

1, we can see that two kinds of car manufacturing company have a distinctly increase market share in 2001 and 2002. These two kinds of car companies are French-based company- Peugeot Group and Renault, and Japanese Manufacturers. In the long run, the European passenger car buyers believe that French-based company's brands stand for innovation and comfort. While their competition of Japanese's brands of automobiles stand for cost-effectiveness, and dependability. So we can get a hint that consumer tend to purchase a car with more innovations, comfort and cost-effectiveness.

Competitor: Our exit-target customer group for Daewoo brand is the traditional blue collar segment includes skilled blue-collar workers who are flexible in their brand selection and willing to spend money on cars. In this area, our main competitors are Ford, Fiat, Peugeot, Renault, and Volkswagen's Skoda.

Fig: Brand market share (%) Ford: Ford's market share keeps dropping from 8.9-8.6%. According to European car buyer perceptions of cars, American cars are too big, huge, large shape, less appealing design, and big engines have less attraction in the European market. Peugeot, Renault, Volkswagen: Through many years operating in Europe, these three manufacturers have a very good reputation and loyalty from consumer groups. The middle class group market is highly competitive and has very little price range. Potential market analysis: According to market statistical data of General Motor Europe Market share by country and Brand 2001-2003, we have two main conclusions: A.

Our best areas of sales are from less economically developed countries. The top five countries in sales of our brand Daewoo are Southeast Europe 2.77%, Greece 2.4%, Netherlands 1.76%, Spain 1.63, Italy 1.5%, and Czech/Slovak Rep 1.

41%. From this data, we can find that the countries with the best sales of Daewoo's brand are less economically developed in Europe. The GM Daewoo brand unit sales increased to 132,200 units in 2003, which were the most sales in southeastern European countries. This also indicates that most of the Daewoo brand customers belong to lower middle class. B. Highly

developed and strong brand dependency areas. In 2003, according to Daewoo brand market share data, Daewoo brand has the lowest market share in these five countries: France 0.

22%, Norway 0. 33%, Sweden 0. 35%, Germany 0. 39%, and Austria 0. 4%. * Daewoo is not suit for a high quality of life area for like France, Norway, and Sweden. Germany consumers have a strong brand dependency.

4. Consumer behavior analysis: A. Who is our consumer for the Daewoo brand? The consumer for our Daewoo brand is the lower middle class. Those customers have an acceptable income, and also spend money on cars. The core customers of GM Daewoo were loyal to the brand, and tended to be traditional in their value orientation. B. What is the image of GM Daewoo in our customer's mind? Since the launch of the Daewoo Matiz in 1998, most of our customers think Daewoo is reliable, a very good value for what you spend, and most of all beautiful.

But Daewoo was also a symbol of cheap imported products. C. What kind of cars are our customers are expecting? GM Daewoo customers wanted a cost-effective, but expressive means of transportation. As such they wanted something practical, but distinctive from a car. A car is not a status for them.

5. Media advertising analysis: The most heavily advertised consumer products in Europe are passenger car.

One of the reasons why the Peugeot group is able to keep increasing their market share in the previous two years is their large advertising budget. In 2002, Peugeot spend 859 million dollars in advertising and gained 15. 45% share of voice (not sure what you mean). In 2003, Peugeot spend 791 million

dollars in advertising and gained a 14.11% share of voice. With these large advertising expenditures, Peugeot market share increased 3% in the past four years. Share of voice represents the media spending of a particular brand or company when compared to others in a product category or industry.

The percent of share of voice is directly related to the advertising expenditure. See Fig 1.3 Fig 1.3 (money in millions, US dollar) Through this chart, we can distinctly find a linear relation. The media budget for Midas project group is 75 million euro (\$84.75 million). We can optimistically expect a 1.

52% share of voice in 2005 6. SWOT analysis Internal factor: GM Chevrolet
 Strengths: * Good design/distinctive. * Great value for the money/Good equipment at a low price * Various product ranges. * Offer diesel-powered engine models in each car segment. * Improve workmanship(compare to Daewoo) * Comfortable design style GM Chevrolet weakness: * Hard to repair * Poor dealership European passenger car buyer perceptions of American cars * Relatively poor workmanship (Daewoo's product line)* No diesel engines(Daewoo's product line) * The lack of any significant marketing or product development initiatives. * Lack of brand advertising * Low product awareness GM Chevrolet opportunities: * Japanese brands trading up-leaving room on the lower price end of the market * The GM umbrella * Market share available in lower middle class level * A clean slate upon which to position the Chevrolet brand * Loyal Daewoo customer resource GM Chevrolet threats: Erosion of value for the money * Transition from Daewoo to Chevrolet creating confusion and poor satisfaction among current customer

base Positioning analysis: GM has three different brands of cars in the European passenger car market. Those brands cover different levels of income, classes, and combine a strongly competitive strength 1) Saab was positioned as a brand that offers modern independent-minded customers an alternative premium embodied in cars that are progressive, sporty, and surprisingly practical.

2) Opel/ Vauxhall focus on the middle class with a traditional value orientation) Daewoo, which we are going to replace, is targeting the lower middle class. To avoid conflict with the other two GM brands. We need to enhance our market position in the lower middle class and use the new brand awareness advantage to develop a new customer group. Targeting customer level: Chevrolet's brand targets different customers and should be different with Saab and Opel/ Vauxhall. The brand should also pay close attention to those areas open to foreign brands. Moreover, based on the lower middle customer need, develop different styles for different customer value chains.) Lower middle class (Daewoo customer) In this level, we have a certain number of customers from Daewoo and we keep a certain market share.

If we use an appropriate advertising strategy, we can keep those customer resources and develop our potential customer. 2) Lower middle class tend to post materialism Younger or middle-age people who are educated have a lower income or live with their family. They do not have too much money that they can spend on car, but they tend to purchase a car which is practical and also can present individual character. 3) Middle class tend to post materialism In this level, conventional modern mainstream is targeting

potential customer groups. This segment consists of younger, middle class car owners who are mostly well educated with above-average incomes, and bridges the modern and postmodern value orientation. They tend to spend more money on cars and are open to considering new or “ other brands”. Other brands, which include American brands such as Chevrolet, have an opportunity in this level.

We can also use our advantage in price to gradually enter this level. *

Uniform car preferences across national boundaries: Action plan: Chevrolet replaces Daewoo in Europe market Advantage: * A clean brand image to create * Do not have the brand image of bankruptcy. * Not related with all Korean brands depreciation * Valuable customer information and channel which gain from Daewoo * Join the GM Europe brand strategy Disadvantage: * Transition to GM creating confusion and poor satisfaction record among current customer base * Risk of losing core customers * Lack of brand awareness 1) Interior factors to improve: Based on exiting Daewoo product line, improve workmanship, product line. Enhance car reliable. Style design more focus on European buyer's need. E. g.

reduce fuel consumption, and small or compact car style. Develop and perfect dealership, establish ahealthdistribution channel. Retraining dealer staff, enhance service and introduce the different between Daewoo and Chevrolet. 2) Develop different style car for our target customer : One very important weakness of Daewoo is limited product range. Based on the Daewoo exiting model, improve style, design, and develop more style to meet our potential customers' needs. For tradition lower middle class: (Daewoo customer group) First, design a car similar to the most popular

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Daewoo Matiz style. This allows the Daewoo core customers to realize that the new Chevrolet brand is still keeping the smart, beautiful style that was seen in the Daewoo Matiz.

Make little different and add some innovation. Second, the lower middle class style of this car should focus more on cost-effectiveness, comfort, and offer diesel-power and gasoline-power. Third, advertising strategy should focus on our improved workmanship, and that we are still a GM corporate product. For lower and middle class tend to post materialism: In this level requirement, we offer two different sized car styles: This level requirement of car first is comfort and has enough interior space for family. Second, the outlook of the car should enhance the personal character which is post materialism, offer diesel-power as well as gasoline-power, and also offer a small compact version as well. This would allow for two different sizes of cars for different ages of consumers- younger and middle-age * For middle class tend to post materialism This is a very important potential market customer group. Conventional modern mainstream customer, they are younger, middle middle customer, and variable brand selection include American brand.

We can focus on the style need of this level of customers. A challenger style which is breaking through is possible for post material value orientation, but has a cost-effectiveness, and decent quality design. Advertising strategy: 1) For Daewoo customer: Focus advertising areas: less economically developed countries. Customer trait: blue-collar worker, lower middle class, lower income, brand loyalty. Advertising ways: For those lower income or blue-collar workers, we can put our advertising on those normal TV show, beside

that, we have a advantage of customer information which from Daewoo. So, we can directly send a try-driving invitation which can let they feel the different and better quality compare to Daewoo. Television, try-driving invitation directly mail, broadcast, national try-driving action in local dealer store.

Advertising title: " time to upgrade! ", " you try, you know difference! ".

Notices to Daewoo customer group that Daewoo now upgrade to Chevrolet.

Focus on telling customer that the essential Daewoo parts still remain and we upgrade its quality. This is the car which is more practical and cost-effective.

2) For new marketing customer: Focus advertising areas: Europe

but focus on middle economically developed countries. Customer trait:

middle class, middle income, post materialism, younger, personal

expression. Advertising ways: Because our targeting customers are tend to different with tradition middle class.

They are younger, and sensitive to fashion. Television, internal web advertising, professional magazines and papers, and national try-driving action in local dealer store. Advertising title: " express yourself! ", " individual desire ", " change! ".