

CHAPTER 1

THEORITICAL INTRODUCTION

Introduction to Marketing

The objective of all business enterprises is to satisfy the needs and wants of the society. Marketing is, therefore, a basic function of all business firms. When a salesperson sells washing machines, a doctor treats a patient or a Government asks people to take their children for getting polio drops, each is marketing something to the targets.

Traditionally, small firm owners did not give as much importance to marketing as to other functions such as accountancy, production and selling. Training programmers, enterprise development and the current thrust for competitiveness have now given high priority to promoting marketing awareness among small business owners, and marketing is now assuming its rightful place along with the other business functions.

Since early 1990's, there has been a change in the thinking of businessmen from product orientation to consumer orientation. Modern business concerns lay emphasis on 'selling satisfaction' and not merely on selling products. The activities have to be coordinated so as to develop the marketing mix, which provides maximum satisfaction to the customers.

That is why marketing research and product planning occupy an important role in marketing. The other important functions of marketing include: buying and assembling, selling, standardization, packing, storing, transportation, promotion, pricing and risk bearing. Thus, the scope of marketing is very wide and no more restricted to merely selling products.



Marketing Meaning

Marketing may be narrowly defined as a process by which goods and services are exchanged and the values determined in terms of money prices. That means marketing includes all those activities carried on to transfer the goods from the manufacturer or, producers to the consumers.

We shall be learning later that marketing is more than a mere physical process of distributing goods and services. It is the process of discovering and translating consumer wants into products and services. It begins with the customer (by finding their needs) and ends with the customer (by satisfying their needs).

The scope of marketing can be understood in terms of functions that an entrepreneur has to perform. These include the following:

- a) Functions of exchange: which include buying, assembling, packaging and selling.

- b) Functions of physical supply: include transportation, storage and warehousing.

Functions of facilitation: Product Planning and Development, Marketing Research, standardization, Grading, Packaging, Branding, Sales Promotion, The objective of all business enterprises is to satisfy the needs and wants of the society. Marketing is, therefore, a basic function of all business firms. When a salesperson sells washing machines, a doctor treats a patient or a Government asks people to take their children for getting polio drops, each is marketing something to the targets.

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- c) Functions of facilitation: Product Planning and Development, Marketing Research, standardization, Grading, Packaging, Branding, Sales Promotion,
- d) Financing.



The Marketing Concept:

The marketing concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors. Under marketing concept, the emphasis is on selling satisfaction and not merely on selling a product. The objective of marketing is not the maximization of profitable sales volume, but profits through the satisfaction of customers. The consumer is the pivot point and all marketing activities operate around this central point. It is, therefore, essential that the entrepreneurs identify the customers, establish a rapport with them, identify their needs and deliver the goods and services that would meet their requirements.

The components of marketing concept are as under:

- a) Satisfaction of Customers: In the modern era, the customer is the focus of the organization. The organization should aim at producing those goods and services, which will lead to satisfaction of customers.
- b) Integrated marketing: The functions of productions, finance and marketing should be integrated to satisfy the needs and expectations of customers.
- c) Profitable sales volume: Marketing is successful only when it is capable of maximizing profitable sales and achieves long-run customer satisfaction.

Importance of Marketing in Small Business:

Since marketing is consumer oriented, it has a positive impact on the business firms. It enables the entrepreneurs to improve the quality of their goods and services. Marketing helps in improving the standard of living of the people by offering a wide variety of goods and services with the freedom of choice, and by treating the customer as the most important person. Marketing generates employment both in production and in distribution areas. Since a business firm generates revenue and earns profits by carrying out marketing functions, it will engage in exploiting more and more economic resources of the country to earn more profits. A large scale



business can have its own formal marketing network, media campaigns, and sales force, but a small unit may have to depend totally on personal efforts and resources making it informal and flexible. Marketing makes or breaks a small enterprise. An enterprise grows, stagnates, or perishes with the success or failure, as the case may be, of marketing. "Nirma" is appropriate example of the success of small scale enterprise.

Marketing Research:

Marketing research is the means by which the information necessary to run a business is obtained. It helps an entrepreneur to take decisions concerning the type of product, the price policy, the channel of distribution, and sales promotion can be made rightly with the help of marketing information at the right time. It is the gathering, recording, and analysis of all facts about the problems relating to the transfer and sale of goods and services from producer to consumer. For example, a hotel should find out what all services are needed to satisfy its customers and a toy manufacturer making toy cars need to find out if children really want a particular type of toy cars or not and so on. Every company, irrespective of size, must research its market, customers and competition; initially to set it on the right course and then continually to monitor its performance. Small-scale firms are often unable to afford continuous marketing research. However, they can use personal contacts and other informal methods for collecting required information about markets.

Market Segmentation:

A market consists of large number of individual customers who differ in terms of their needs, preferences and buying capacity. Therefore, it becomes necessary to divide the total market into different segments or homogenous customer groups. Such division is called market segmentation. They may have uniformity in employment patterns, educational qualifications, economic status, preferences, etc.

Market segmentation enables the entrepreneur to match his marketing efforts to the requirements of the target market. Instead of wasting his efforts in trying to sell to all types of customers, a small scale unit can focus its efforts on the segment most appropriate to its market.

A market can be segmented on the basis of the following variables:

1. **Geographic Segmentation:** The characteristics of customers often differ across nations, states, regions, cities or neighborhoods. The entrepreneur can decide to operate in one or a few or all the geographic areas, but pay attention to differences in geographic needs and preferences.
2. **Demographic Segmentation:** Variables such as age, sex, family size, income, occupation, education, religion, race and nationality are widely used for market segmentation.
3. **Psychological variables:** Personality, life style, social class, etc., can also be used for market segmentation. For example, some products like pens, watches, cosmetic send briefcases are designed differently for common men and status seekers.
4. **Behavioral Segmentation:** Buyers are divided into groups on the basis of their knowledge, attitude, use or response to a product.

Marketing Mix:

In order to cater to the requirements of identified market segment, an entrepreneur has to develop an appropriate marketing mix. Marketing mix is a systematic and balanced combination of the four inputs which constitute the core of a company’s marketing system – the product, the price structure, the promotional activities and the place or distribution system”. These are popularly known as “Four P’s” of marketing an appropriate combination of these four variables will help to influence demand. The problem facing small firms is that they sometimes do not feel themselves capable of controlling each of the four variables in order to influence the demand.

A brief description of the four elements of marketing mix is as follows:

1. **Product:** The first element of marketing mix is product. A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include physical objects, services, events, persons, places, ideas or mixes of these. This element involves decisions concerning product line, quality, design, brand name, label, after sales services, warranties, product range, etc. Inappropriate combination of features and benefits by the small firm will provide the product with

- USP(unique selling proposition). This will enhance the customer loyalty in favor of its products. Consumer products are bought for final consumption; whereas Industrial products are bought by individuals and organizations for further processing or for use in conducting business.
2. **Price:** The second element is the price, which affects the volume of sales. It is one of the most difficult tasks of the marketing manager to fix the right price. The variables that significantly influence the price of a product is – demand of the product, cost, competition and government regulation. The product mix includes – determination of unit price of thr product, pricing policies and strategies, discounts and level of margins, credit policy, terms of delivery, payment, etc. Pricing decisions have direct influence on the sales volume and profits of the firm. Price, therefore, is an important element of the marketing mix. Right price can be determined through pricing research and by adopting test-marketing techniques. Small firms should think of pricing as a method whereby prices are set with regard to costs, profit targets, competition and the perceived value of products. Because of their simplicity, cost-plus-pricing are attractive to small businesses, though this is not the only mode of pricing utilized by small firms. For example, the profit margin in the cost-plus approach may well be fixed after examining both the nature of the market and the competitor activity within it. It is a mistake for small firms to rely wholly on cost-plus, but very often small firms do that to the detriment of profits and market share.
 3. **Promotion:** Promotion is an important part of the marketing mix of a business enterprise. The purpose of promotion is to inform, persuade and influence the prospective customers. Advertising, salesmanship, sales promotion and publicity are often used to inform the people about the availability of products and create among them the desire to buy the products. No business enterprise can market its products unless it undertakes promotional activities effectively. The prospective customers have to be informed about the product, its features, utility and availability. The need for promotional activities has increased because of stiff competition, widening of market, rapid changes in technology and tastes of customers.
 4. **Place:** This is another key marketing mix tool, which stands for the various activities the company undertakes to make the product available to target customers. Place mix or



delivery mix is the physical distribution of products at the right time and at the right place. It refers to finding out the best means of selling, sources of selling(wholesaler, retailers, and agents), inventory control, storage facility, location, warehousing, transportation, etc. This includes decisions about the channels of distribution, which make the product available to target customers at the right time, at the right place and at the right price. By selecting wrong distribution channels or by using the ones it has traditionally used, small firm could be depriving it of new market opportunities. In a situation where a small firm has only one primary product, the general rise and fall of sales will lead to a rise and fall of the firm, unless the firm learns to consistently adjust its marketing mix to match consumer demand.

Product Positioning

Product positioning involves tailoring an entire marketing program- including product attributes, image, and price, as well as packaging, distribution, and service – to best meet the needs of consumers within a particular market segment. In this way, product positioning is part of the overall process of market segmentation, but involves a narrowing of focus. "Segmentation analysis tells us how the market is defined and allows us to target one or more opportunities," Glen L.Urban and Steven.H.Star wrote in their book *Advanced Marketing Strategy*, "Product positioning takes place within a target market segment and tells us how we can compete most effectively in that market segment."

The key to product positioning understands the dimensions consumers use to evaluate competing marketing programs and make purchase decisions. It may be helpful for small business managers to create a graph in order to map consumer perceptions along several different dimensions. Once consumer perceptions are understood, the next step is to select the best positioning for the product and take steps to align the marketing program behind this positioning choice. Some examples of possible positioning choices include quality, reliability, and unique features or benefits. Before delving into product positioning further, it may be helpful to understand the process and goals of market segmentation.

Suppose a company has researched and selected its target market. If it is the only company serving the target market, it will have no problem in selling the product at a price that will yield reasonable profit. However, if several firms pursue this target market and their products are undifferentiated, most buyers will buy from the lowest priced brand. Either, all the firms will have to lower their price or the only alternative is to differentiate its product or service from that of the competitors, thereby securing a competitive advantage and better price and profit. The company must carefully select the ways in which it will distinguish itself from competitors.

Suppose a scooter manufacturer, say Bajaj, gets worried that scooter buyers see most scooter brands as similar and, therefore, choose their brand mainly on the basis of price. Realizing this, Bajaj may decide to differentiate their scooters physical characteristics. “Differentiation is the act of designing a set of meaningful differences to distinguish the company’s offer from competitors’ offers. May be Bajaj claims its scooters to be different from others because of its highest fuel efficiency and economy. LML claims maximum durability and added physical features, whereas Vijay Super may have claimed higher mileage. Thus, all scooters appeal differently to different buyers. Not all buyers will notice or be interested in all the ways one brand differs from another. Such firm will want to promote those few differences that will appeal most strongly to its target market. Positioning is the act of designing the company’s offer so that it occupies distinct and a valued position in the target customer’s minds. Positioning calls for the company to decide how many differences and which differences to promote to the target customers.

How many differences to promote: Many marketers advocate aggressively promoting only one benefit to the target market.e.g.: Rosser Reeves said a company should develop a unique selling proposition (USP) for each brand and stick to it. Thus, Godrej refrigerators claim, automatic defrost, while Rim claims to have dirt-blasters. Each brand should pick an attribute and claim itself to be “number one” on it. What are some of the “number one” positions to promote? The major ones are “best quality”, “best service”, “best value”, “most advanced technology” etc. If a company hammers at any one of these



positioning points and delivers it properly, it will probably be best known and are called for this strength.

Besides single benefit positioning, the company can try for double benefit positioning- e.g.: Forman's toothpaste claims that it cleans teeth and protects the enamel. There are even cases of successful triple benefit positioning. e.g.: Videocon washing machines claims that the machine "washes, rinses and even dries the clothes." Many people want all three benefits, and the challenge is to continue them that the brand delivers all three.

What differences to promote: A company should promote its major strengths provided that the target market values these strengths. The company should also recognize that differentiation is a continuous process. It would seem that the company should go after cost or service to improve its market appeal relative to competitors. However, many other considerations arise.

1. How important are improvements in each of these attributes to the target customers?
2. Can the company afford to make the improvements, and how fast can it complete them?
3. Would the competitors also be able to improve service if the company started to do so, and in that case, how would the company react?

This type of reasoning can help the company choose or add genuine competitive advantages.

Communicating the Company's positioning: The company must not only develop a clear positioning strategy, it must also communicate ineffectively. Suppose a company chooses the "best in quality" positioning strategy. It must then make sure that it can communicate this claim convincingly. Quality is communicated by choosing those physical signs and cues that people normally use to judge quality. Quality is often communicated through other marketing elements.

A high price usually signals a premium-quality product to buyers. The product's quality image is also affected by the packaging, distribution advertising and promotion. The manufacturer's reputation also contributes to the perception of quality. To make a quality



claim credible, the surest way is to offer “satisfaction or your money back”. Smart companies try to communicate their quality to buyers and guarantee that this quality will be delivered or their money will be refunded.

Market Segmentation

Market segmentation is the science of dividing an overall market into key customer subsets, or segments, whose members share similar characteristics and needs. Because it involves significant market research, market segmentation can be costly. But it is particularly important for small businesses, which often lack the resources to target large aggregate markets or to maintain a wide range of differentiated products for varied markets. Market segmentation allows a small business to develop a product and a marketing mix that fit a relatively homogenous part of the total market. By focusing its resources on a specific customer base in this way, a small business may be able to carve out a market niche that it can serve well than its larger competitors.

In general, customers are willing to pay a premium for a product that meets their needs more specifically than does a competing product. Thus marketers who successfully segment the overall market and adapt their products to the needs of one or more smaller segments stand to gain in terms of increased profit margins and reduced competitive pressures. But the potential gains offered by market segmentation must be measured against the costs, which-in addition to the market research required to segment a market-may include increased production and marketing expenses.

In their book-“The Portable MBA in Marketing”, Alexander Hiram and Charles D. Scheme identified six steps that companies should take in the market segmentation process. The first step is to determine the boundaries of the market. In completing this step, a marketer should use a formal business plan to develop a broad definition of their business, and then consider the offerings of both direct and indirect competitors to gain information about the basic needs of consumers in the market. The second step in the process is to decide which variables to use in segmenting the market. Many companies fall into the trap of collecting data on as many variables as possible and then attempting to sort through it later to draw meaningful conclusions. Instead, Hiram and Scheme



recommend that marketers use their knowledge of the market to select a few relevant variables in advance. This approach is generally less expensive and will likely provide more useful results.

The third step in the market segmentation process is actually collecting and analyzing data, which involves applying market research tools. The goal in analyzing the data is to identify market segments that are internally homogenous, yet are distinctly heterogeneous with respect to other segments. The fourth step is to develop a detailed profile of each market segment, which involves selecting those variables that are most closely related to consumers' actual buying behavior.

The fifth step in the market segmentation process is to decide which segment or segments to serve. In targeting a particular segment, a marketer should look for opportunities (i.e. customers with unsatisfied wants and needs) that provide a good match for the organization and its resources. It is important that the marketer consider not only the size and potential profitability of a market segment, but also whether the company's skills, technologies, and objectives would enable it to meet the needs of that segment better than its competitors.

Understanding Consumer Perceptions

Product positioning-which is the sixth and final step in the market segmentation process-involves developing a product and marketing plan that will appeal to the selected market segment. In order to position a product effectively, a small business must identify the attributes that are most important to consumers in the segment, and then develop an overall marketing strategy that will attract consumers' attention. Positioning can be usefully applied during the earliest stages of product design, when a company first identifies who its target customer will be in terms of demographic, geographic, and behavioral characteristics.

A number of tools exist to help marketers understand the consumer perceptions that underlie purchase decisions. One such tool, a perceptual map, is a graph that can portray various product positioning options in a visual manner. Marketers can create perceptual

maps from market research data in order to identify consumer needs that are not being fulfilled. For example, say that consumers were asked to rate home computers on the following attributes:

- 1) Ease of use,
- 2) Availability of service,
- 3) Processing speed,
- 4) Data storage capacity,

These four attributes could be combined into two perceptual dimensions:

- 1) Utility (considering of ease of use and availability of service), which would appeal to non-experts who needed a basic computer for business or personal use.
- 2) Technical (consisting of processing speed and storage capacity), which would appeal to experimental computer users who wanted the latest in technology.

Then each brand of home computer could be represented on the graph according to consumers' perceptions of the product. If most computer manufacturers touted their products' technical attributes, there might be an opportunity for a new market entrant who emphasized ease of use and service.

However, it is also important to understand the relative importance that consumers place upon the different dimensions. In the home computer market, for example, consumers ultimately want both utility and technical characteristics, but vary in the importance they place upon each product dimension. “The implications of these importance’s for positioning are significant,” according to Urban and Star.” It is necessary to understand preference differences within the targeted market segments because they are important in selecting a position for a brand and in determining the competitive structure within the segment. When preferences vary within a segment, positions and physical product features may vary considerably. If preferences are relatively homogenous within a segment, the positions of competing brands will be relatively similar, and the quantity of advertising and promotion will be the critical competitive weapons.”



It is also important to note that price is not represented in the home computer perceptual map, whereas price definitely has an effect on the final purchase decision made by consumers. Marketers can reflect the importance of price by adding a dimension to the perceptual map, so that it becomes a cube, or by dividing the dimensional coordinates of each brand by its average price. The resulting map would show "utility per dollar" and "technical attributes per dollar," or the tradeoffs consumers make between the original dimensions and price. Finally, small business owners need to consider the fact that perceptual maps show "overall dimensions of evaluation and not detailed features," as Urban and Star noted. "Feature selection is critical in positioning, however, because features are an important determinant of overall perception and choice." In fact, product features influence both consumer perceptions and product pricing.

Positioning Options

Once marketers have mapped consumer perceptions of competing brands and gained an understanding of the target market segment, the next step is to select a position for their products. In positioning a product within a market segment, marketers should try to maximize the share of consumer choices attained by their product in order to achieve long-run profitability for the firm. Strategies that can help marketers to maximize share include adding features desired by consumers or advertising to improve consumer perceptions. Both of these strategies can be costly, however, so it is important for companies to balance the cost of making such expenditures with the payoff.

Marketers have several different positioning options available to them. One positioning option is quality emphasis, which includes not only defect-free production but also product design and customer service that meets or exceeds customer expectations. Another positioning option available to marketers involves offering unique features or benefits that consumers are unable to find in competing products, from environmentally-friendly production aspects to trendiness. Ideally, such features and benefits grow out of the company's unique sources of competitive advantage in the marketplace. This makes it difficult for competitors to match the features and benefits without incurring high costs. "If we develop a unique competitive advantage on a



dimension of importance to a significant portion of the market, we can enjoy a substantial share and high margins," Urban and Star noted. Of course, continued market research and innovation are necessary to maintain such a competitive advantage.

In some cases, rather than selecting a product position within the accepted structure of a market segment, a company may instead try to create a new dimension of importance to consumers. But creating a new dimension is difficult and usually results from major product innovations. Another option available to marketers is to position products across different, yet overlapping, market segments. It is important to note, however, that since some consumers may belong to both segments, positioning claims for a product should never conflict. To avoid confusing consumers, it may be necessary to use a different brand name for the product in each segment, or to make a broad appeal to both segments and then change the positioning slightly with each segment.



TITLE: “A STUDY ON PRODUCT POSITIONING OF VOLVO CARS”

INTRODUCTION:

Volvo Car Corporation, or *Volvo Personvagnar AB*, is a Swedish premium automobile manufacturer established in 1927 in Gothenburg, Sweden which is also currently its headquarters where it operated out of the VAK building. It is a wholly owned subsidiary of Zhejiang Geely Holding Group of China.

Volvo Cars manufactures and markets sport utility vehicles, station wagons, sedans, compact executive sedans, and coupes. With approximately 2,300 local dealers from around 100 national sales companies worldwide, Volvo Cars' largest markets are the United States, Sweden, China and Belgium. In 2011, Volvo Cars sold 449,255 cars globally, an increase of 20.3% compared to 2010.

A positioning statement is not only something to be published but acts as a guide to crystallize a company's unique place in the market and ultimately, a document to refer its present and future growth opportunities in the industry. Product positioning helps a company to know their position in the current market and helps them to understand the customers mind-set. Based on the review received from the customers, a company will be able to bring changes in their products if required so as to keep their sales growing.

SCOPE OF THE STUDY:

- To know where the company or brand stands in the minds of the customer.
- To know how to position the product in the market
- To receive the feedback and try to implement the customers decision.



OBJECTIVES:

- To study the mind-set of the customers
- To know the perception about the product in the customers mind.
- To see whether the product launched is reached to every customers mind.

RESEARCH METHODOLOGY:

1. INTERVIEW METHOD.

The Interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method can be used through personal interview and if possible telephone interview.

Sample:

A part of population, which is selected for obtaining necessary information. Sampling is the process of obtaining information about an entire population by examining only a part of it and hence the sampling procedure used in this study, is random sampling.

Therefore the survey will be conducted in different parts of Bangalore on random basis i.e. questionnaire were given to customers randomly.

Sample Size:

100 respondents is the sampling size that is planned upon. Based on the responses, a conclusion can be achieved.

Method of Sampling:

a) Simple random sampling :



In simple random sampling, each unit of population has an equal chance to be selected as sample. Random sampling is the process of selecting a sample in such a way that all individual in the defined population have an equal and independent chance of being selected for the sample. Here the selection of one unit in no way affects to the selection of any other unit. This procedure is the best method of obtaining a representative sample. Random sampling is very much necessary for inferential statistics. Because in most of the inferential statistics the prime assumption is the randomness of data. The inferential statistics permits the researcher to make inferences about the population on the basis of data obtained from the sample.

Sources of Data Collection:

Primary Data:

Primary data are first-hand information. It is the main source of data for the project. For collection of data, questionnaires are prepared which is the most common instrument to collect primary data. After questionnaires prepared, it is circulated to few selected number of customers, direct contact methods are applied to get the information through questionnaires.

Secondary Data:

Secondary data are second hand or published information data that were collected for another purpose and already exist somewhere. Secondary data provides a starting point for research and offer the advantages of low cost and ready availability secondary data will be collected to acquire more information, which will be helpful in solving the problems. In this project work, secondary data are collected through company brochures and other publications. Internet also plays a vital role in collecting the secondary data.



TOOLS FOR DATA COLLECTION:

Questionnaire:

This method of data collection is quite popular, particularly in case of big enquiries. Private individual research workers, private and public, are adopting it. A questionnaire consists of a number of questions printed or typed in a definite order on a firm or set of firms. The questionnaire is given to respondents who are expected to read and understand the questions. The respondents have to answer the questions on their own. A diagnostic questionnaire will be used to elicit information from the customer about their opinions of Volvo cars. Information like Sales strategies, product positioning, demand, price, quality, future sales etc will be determined through this questionnaire.

PLAN OF ANALYSIS:

The collected data is to be transformed graphically and systematically analyzed for reliable results. Use of Pie Chart, Line Graph etc. will help in clearly understanding the data and categorizing the information.

LIMITATIONS OF STUDY:

- The study planned to be conducted in Bangalore cannot generalize in the whole state of Karnataka as Volvo cars have sufficient hold on the city only.
- Due to a specific time span, the study has been limited from closing satisfactory number of questionnaire and information.
- Some of the respondents would not be aware of the latest products, which made the questionnaire uncompleted.
- Most of the respondents would be interested in the small segment of Volvo cars, which might condense the study.



Overall Scheme

Chapter 1:

It deals with the study of introduction to marketing, meaning of marketing, concept of marketing, marketing segmentation, market research, marketing mix and product life cycle. Brief explanation about the promotional strategies, promotional mix and factors influencing promotional strategy.

Chapter 2:

This chapter deals with the Title of Study, Statement of problem, Scope of study, objective of study, Research methodology, Methods of sample, Source of data collection, Tools of collection of data and limitation of study.

Chapter 3:

This chapter deals with the company which includes about the company, history, list of companies, list of categories, mission and value of the company.

Chapter 4:

It deals with the analysis and interpretation part of the project which includes tables and graphs.

Chapter 5:

This chapter gives you a detailed explanation about the findings, suggestions and conclusion.



CHAPTER 3:

COMPANY PROFILE

About the Company:

The Volvo Group (Swedish: *Volvokoncernen*; legally Aktiebolaget Volvo, usually shortened to AB Volvo) is a Swedish multinational manufacturing company headquartered in Gothenburg. While its core activity is the production, distribution and sale of trucks, buses and construction equipment, Volvo also supplies marine and industrial drive systems and financial services. Although the two firms are still often conflated, Volvo Cars, also based in Gothenburg, has been a totally separate company since it was sold off in 1999. The companies still share the Volvo logo and co-operate in running the Volvo Museum.

Volvo was established in 1915 as a subsidiary of SKF, the ball bearing manufacturer; however the Volvo Group and Volvo Cars consider themselves to have been officially founded on 14 April 1927, when the first car, the Volvo ÖV 4 series, affectionately known as "Jakob", rolled out of the factory in Hisingen, Gothenburg.

Volvo means "I roll" in Latin, conjugated from "volvere", in reference to ball bearings. The brand name *Volvo* was originally registered as a trademark in May 1911 with the intention to be used for a new series of SKF ball bearings. This idea was only used for a short period and SKF decided to simply use "SKF" as the trademark for all its bearing products.

In 1924, Assar Gabrielsson, an SKF sales manager, and engineer Gustav Larson, the two founders, decided to start construction of a Swedish car. Their vision was to build cars that could withstand the rigors of the country's rough roads and cold temperatures.

The company AB Volvo had no activities until 10 August 1926. After one year of preparations involving the production of ten prototypes the firm was ready to commence the car-manufacturing business within the SKF group. AB Volvo was introduced at the Stockholm stock exchange in 1935 and SKF then decided to sell its shares in the company. Volvo was delisted from NASDAQ in June 2007, but remains listed on the Stockholm exchange.



In 1999, Volvo Group decided to sell its automobile manufacturing business and concentrate on commercial vehicles. Ford saw advantages in acquiring a profitable prestige mid-size European automobile manufacturer, well renowned for its safety aspects, as an addition to its Premier Automotive Group. The buyout of Volvo Cars was announced on 28 January 1999, and in the following year the acquisition was completed at a price of \$6.45 billion USD. As a result of the divestiture, the Volvo trademark is now utilized by two separate companies:

- Volvo Group – a manufacturer of commercial vehicles, etc. owned by Swedish interests.
- Volvo Car Corporation or Volvo Cars – a manufacturer of automobiles owned by Zhejiang Geely Holding Group and formerly owned by Ford Motor Company.

When the global economic crisis of 2008 threatened the US automakers, Swedish authorities became concerned about the fate of Volvo if Ford would file for bankruptcy. These concerns mounted after repeated mass-layoffs at Volvo. Ford announced in December 2008 that it was considering selling Volvo Cars. Initially, a sale price of US\$6 billion was reported, Ford reported it was also looking into the possibility of spinning off Volvo as an independent company. The Swedish government was asked to look into a possible state ownership of Volvo, or a financial bailout for Volvo Cars and SAAB of GM. Former parent AB Volvo agreed to help Volvo cut costs through partnerships, and suggested taking part in a shared ownership of Volvo Cars amongst a larger consortium. Other rumored candidates to purchase Volvo Cars included BMW AG of Germany, Investor AB of Sweden, Chinese investors, or Russian investors.

Although it was rumored that Volkswagen would buy Volvo Cars, and despite initial denials, Chinese company Geely Holding Group was ultimately selected to take over the Swedish automaker. Geely Group Holdings Co. allegedly bid about US\$-1.5 billion to take over Volvo, with Goldman Sachs investing HK\$2.59 billion (334 million USD) in the holding company.

History

The Volvo Group has its origin in 1927, when the first Volvo car rolled off the production line at the factory in Gothenburg. Only 280 cars were built that year. The first truck, the "Series 1", debuted in January 1928, as an immediate success and attracted attention outside the country. In 1930, Volvo sold 639 cars, and the export of trucks to Europe started soon after; the cars did not become well-known outside Sweden until after World War II.



Pentaverken, who had manufactured engines for Volvo, was acquired in 1935, providing a secure supply of engines and entry into the marine engine market.

The first bus, named B1, was launched in 1934, and aircraft engines were added to the growing range of products at the beginning of the 1940s. In 1963, Volvo opened the Volvo Halifax Assembly plant, the first assembly plant in the company's history outside of Sweden in Halifax, Canada. In 1999, the European Union blocked a merger with Scania AB.

Volvo Group sold its car division Volvo Car Corporation to Ford Motor Company for \$6.45 billion during 2000; it was placed within the Premier Automotive Group alongside Jaguar, Land Rover and Aston Martin. Volvo engineering resources and components would be used in various Ford, Land Rover and Aston Martin products, with the second generation Land Rover Freelander designed on the same platform as the second generation Volvo S80. The Volvo T5 petrol engine was used in the Ford Focus ST and RS performance models, and Volvo's satellite navigation system was used on certain Aston Martin Vanquish, DB9 and V8 Vantage models.

Ford sold the Volvo Car Corporation in 2010 to Geely Automobile of China for \$1.8 billion, following on from their sale of Jaguar Land Rover in 2008 and Aston Martin in 2007.

Renault Véhicules Industriels (which included Mack Trucks, but not Renault's stake in Irisbus) was sold to Volvo during January 2001, Volvo renamed it Renault Trucks in 2002. Renault became AB Volvo's biggest shareholder with a 19.9% stake (in shares and voting rights) as part of the deal. Renault increased its shareholding to 21.7% by 2010.

AB Volvo acquired 13% of the shares in the Japanese truck manufacturer UD Trucks (the former Nissan Diesel) from Nissan Motor Co Ltd (part of the Renault-Nissan Alliance) during 2006 becoming a major shareholder. Volvo Group took complete ownership of Nissan Diesel in 2007 to extend its presence in the Asian Pacific market.

Renault sold 14.9% of their stake in AB Volvo in October 2010 (comprising 14.9% of the share capital and 3.8% of the voting rights) for €3.02bn. This share sale left Renault with around 17.5% of Volvo's voting rights. Renault sold their remaining shares in December 2012 (comprising 6.5% of the share capital and 17.2% of the voting rights at the time of transaction) for €1.6bn, leaving Swedish industrial investment group Aktiebolaget Industrivärden as the largest shareholder, with 6.2% of the share capital and 18.7% of the voting rights.



Members:

1. Olof Persson
AB VOLVO, CEO

2. Nick Connor
AB VOLVO, MD

3. Muralidharan Angadu
AB VOLVO, PRESIDENT (INDIA)

Brands:

- Volvo Trucks
- Volvo Buses
- Volvo Construction Equipment
- Volvo Finance Service
- Renault Trucks
- UD Trucks
- Prevost
- Mack Trucks
- Eicher (50:50 joint venture with Eicher Motors, India)
- Volvo Penta
- Nova Bus
- SDLG (Shandong Lingong, China)

- Volvo Rents

Cars List:

- S80
- S60
- V40(cross country)
- XC60
- XC90



Vision: To be a world class provider of treasury services, valued as the natural and integrated business partner to the Volvo Group of Companies.

Mission:

- Create shareholder value by optimizing the cost of capital in the Volvo Group.
- Limit the impact, but also take advantage, of macroeconomic development.
- Provide the Volvo Group of Companies with treasury and each management related services.



SWOT Analysis:

Strength:

- Efficient and world class safety standards.
- A high inclination towards maintaining quality of driving experience.
- Offers variants of car models to suit the customer preferences.
- Attracts elite class with its elegant as well as classic style.
- Volvo has over 100,000 employees globally.
- Volvo subsidiaries include brands like Mack Trucks, Renault Trucks, UD Trucks, Volvo Construction, Equipment, Volvo Buses, Volvo Trucks.

Weakness:

- Limited penetration middle income segment due to high price especially in the emerging economies.
- Unable to create a huge market share in high priced cars due to presence of global automobile giants.

Opportunities:

- Expanding Automobile market.
- Acquiring more market share in integrating with current entities involved in automobile business.
- The increasing per capita income and purchasing power.

Threats:



- Dominance of big international automobile companies.
- Improved and innovative features included by competitors.
- Increasing usage of government transport and high fuel costs.

STP Analysis:

Segment:

Sedan, SUV Segment.

Target Groups:

High end young business executives preferring luxurious and safe cars.

Positioning:

Positioned as the safest cars to drive by adding innovative safety features.

Competitors:

While there is globalization taking place there is no chance of any firm or business or establishment run in monopoly terms. The competitors come into play as soon as you implement any new ideas, thoughts, goods or services.

Here are some of the competitors of AB Volvo:

- ❖ BMW
- ❖ Mercedes-Benz
- ❖ Audi
- ❖ Volkswagen
- ❖ Jaguar



Volvo doesn't compete with Ferrari, Lamborghini, Porsche because Volvo doesn't manufacture sports car, where in they only manufacture business class cars.

The competitors increased when they established their outlets in India with other domestic and international car manufacturers.

Awards & Achievements:

- ❖ IIHS Top Safety Pick+
- ❖ Vincentric's 2012 Best Value in America
- ❖ NHTSA 5-Star Safety Rating
- ❖ NEMPA 2011 New England Winter Vehicles Award
- ❖ Vincentric's 2012 Best Value in America
- ❖ An Edmunds.com Consumers' Favorites: Best Family Vehicle (September 2012)
- ❖ Best Luxury SUV, NWAPA
- ❖ The Center for Auto Safety
- ❖ IntelliChoice 2011 Best Overall Value Premium Luxury Crossover/Wagon Class
- ❖ USAA Preferred Best Value Midsize Luxury Sedan
- ❖ International Car of the Year(ICOTY)
- ❖ World's 10 Best Interiors Award
- ❖ World's 10 Best Engines
- ❖ IIHS Top Safety Pick: Large Cars



Milestones:

- **1944** – safety cage
- **1944** – laminated windscreen
- **1957** – anchor points for two-point safety belts, front
- **1958** – anchor points for two-point safety belts, rear
- **1959** – three-point safety belt, standard in front seats
- **1964** – rearward-facing child safety seat, first prototype tested
- **1966** – crumple zones front and rear
- **1966** – safety door-locks
- **1969** – inertia-reel safety belts
- **1971** – reminder safety belt
- **1972** – three-point safety belt, outer rear seats
- **1972** – rearward-facing child safety seat
- **1974** – multistage impact absorbing steering column
- **1974** – bulb integrity sensor
- **1975** – braking system with stepped bore master cylinder
- **1978** – child safety booster cushion
- **1982** – "anti-submarining" protection
- **1986** – three-point safety belt in centre rear seat (740/760)
- **1990** – integrated child safety cushion in centre rear seat (940/960)
- **1991** – Side Impact Protection System (850 and 940/960)
- **1991** – automatic height adjusting safety belt
- **1992** – reinforced rear seats, estate models
- **1995** – front side airbags (seat-mounted) for torso (850), integrated child safety cushion, outer rear seats
- **1997** – Roll Over Protection System (C70)
- **1998** – Whiplash Protection System (S80)
- **1998** – roof-mounted inflatable curtain side airbags (S80)
- **2001** – SCC : Volvo Safety Concept Car



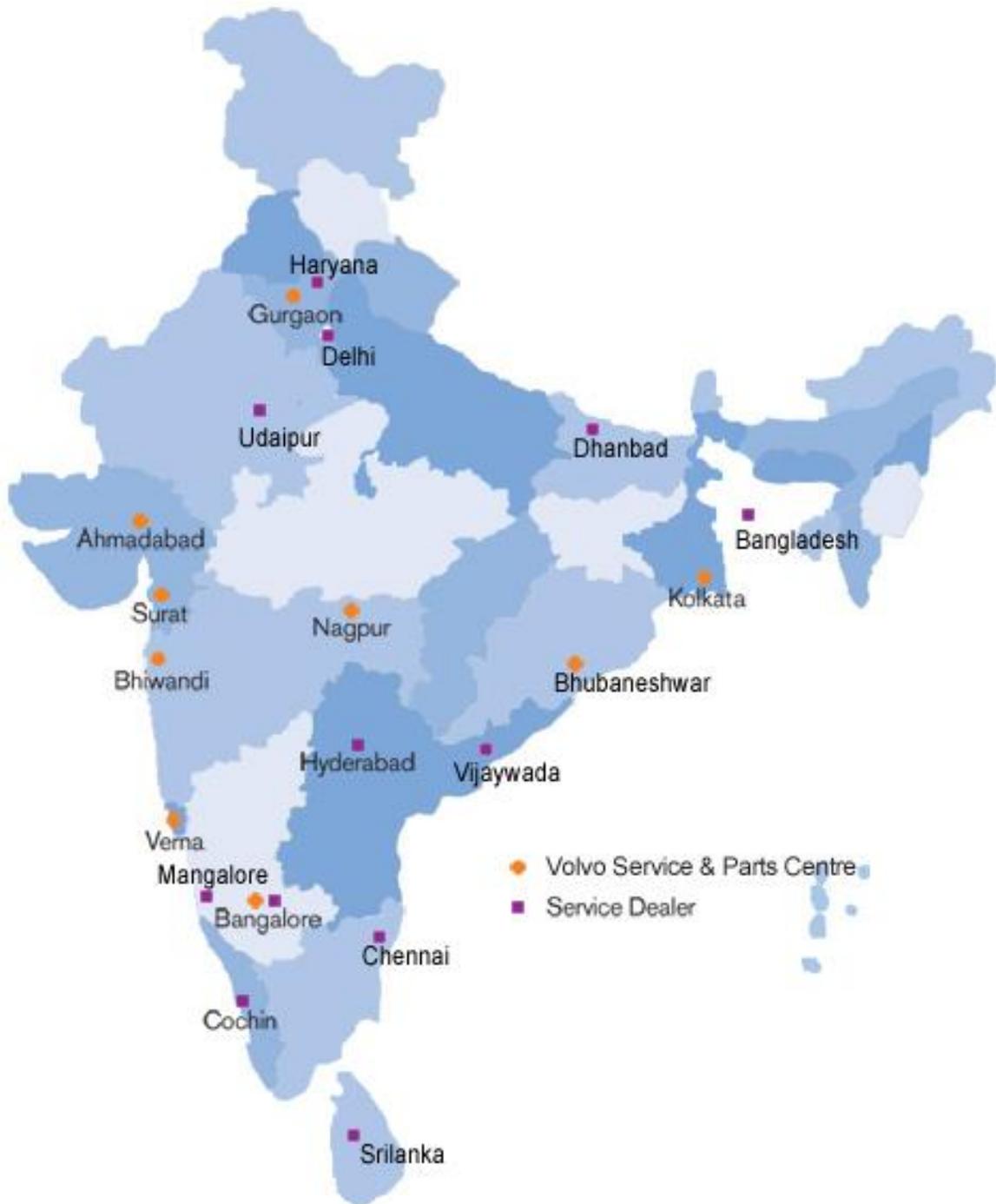
- **2002** – Roll Stability Control (XC90)
- **2003** – Volvo Intelligent Vehicle Architecture, new front structure (S40, V50)
- **2003** – rear seat belt reminders (S40, V50)
- **2003** – Intelligent Driver Information System, a system that selectively blocks information to the driver in complex traffic situations and lets the information through once the situation has calmed down (S40, V50)
- **2003** – Volvo's Traffic Accident Research Team, inaugurated in Bangkok
- **2004** – Blind Spot Information System, informs the driver of vehicles in the blind spots, using a yellow LED in the A-pillars (S40, V50)
- **2005** – door-mounted inflatable curtain airbags (C70)
- **2006** – Personal Car Communicator (S80)
- **2006** – Collision Warning Brake Support, a system that warns the driver and gives brake support when a collision with another vehicle in front of the car is imminent (S80)
- **2006** – Electrical Parking Brake (S80)
- **2007** – Driver Alert Control, a driver drowsiness detection system that alerts the driver when the system detects that they are becoming tired (S80, V70, XC70)
- **2007** – Lane Departure Warning, a system that warns the driver for unintended lane departures (S80, V70, XC70)
- **2007** – Collision Warning with Auto Brake, a system that automatically brakes the car when a collision with another vehicle in front of the car is imminent (S80, V70, XC70)
- **2007** – Distance Alert, a system that helps the driver keeping a safe distance to the vehicle ahead, by continuously measuring the distance and lighting up the vehicle's head up display if the time gap becomes shorter than what the driver has specified (S80, V70, XC70)
- **2007** – Alcoguard, a hand-held device that the driver blows into before they can start the car, mainly aimed for the company-car sector, taxi operators, state authorities and municipalities (S80, V70, XC70)
- **2008** – City Safety, a system that automatically brakes the car at speeds below 30 km/h (19 mph) if an obstruction is detected in front of the car (new XC60)



- **2010** – Pedestrian Detection with Auto Brake, a system that warns the driver and automatically brakes the car when a collision with a pedestrian in front of the car is imminent (S60)
- **2012** – Pedestrian airbag, covering the A-pillars and the lower part of the windscreen in case of collision with a pedestrian (Volvo V40)
- **2012** – Knee airbag, for the driver (V40)
- **2012** – Upgraded City Safety, now working up to 50 km/h (31 mph) (S80, V70, XC70, XC60, S60, V60, new V40)
- **2012** – Lane Keeping Aid, a system that steers the car back into the lane again if it is about to unintentionally drift out of the lane (V40)
- **2012** – Road Sign Information, a system that reads road signs and displays them in the information display, thereby helping the driver to remember speed limits, no-overtaking stretches, low-speed areas, etc. (S80, V70, XC70, XC60, S60, V60, V40)
- **2012** – Enhanced Blind Spot Information System, now able to detect approaching vehicles up to 70 meters behind the car (V40)
- **2012** – Cross Traffic Alert, alerting the driver of crossing traffic approaching from the sides (up to 30 meters away) when reversing out of a parking space (V40)
- **2013** – Cyclist Detection with Auto Brake, a system that warns the driver and automatically brakes the car when a collision with a cyclist travelling in the same direction as the car in front of the car is imminent (S80, V70, XC70, XC60, XC90, S60, V60, V40)
- **2014** - Inflatable Child Seat Concept The innovation, which is still in the development stage, is easy to install and can be tucked away in a small bag when not in use. This means that the child seat can be easily transferred between cars and the bag even fits in carry-on luggage when flying or travelling.

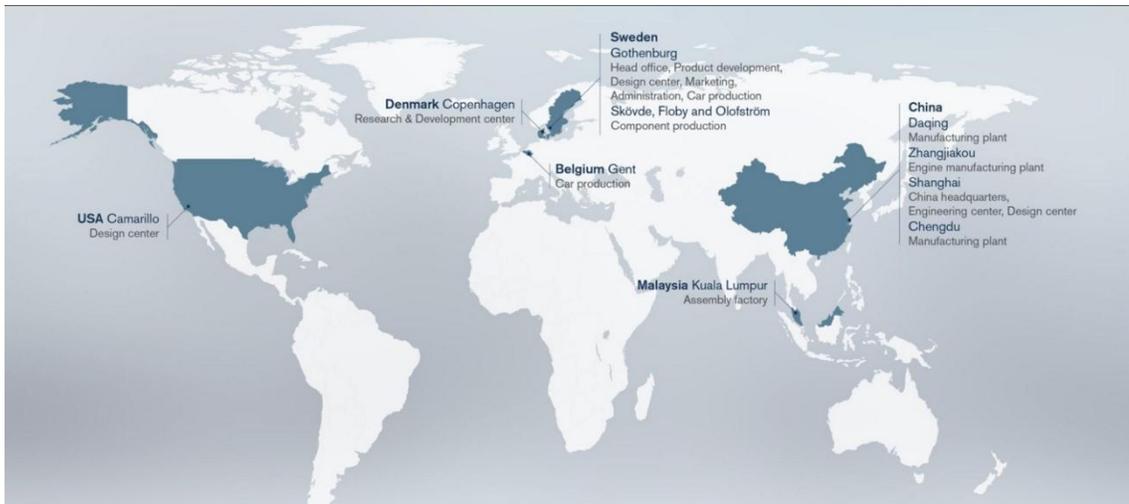


Volvo in India:

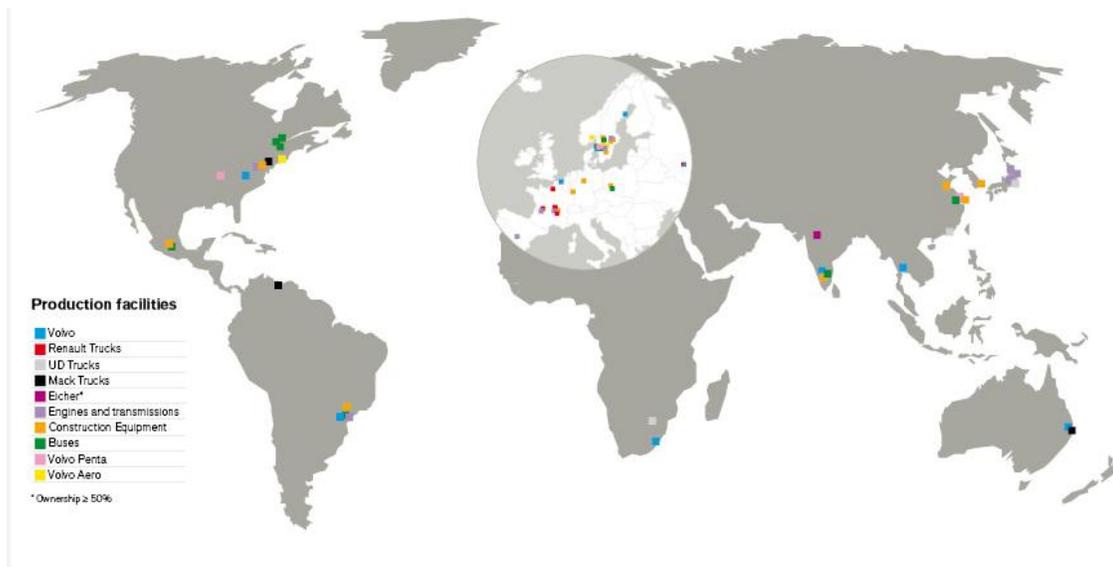


Volvo in the World:

Production Facilities:



Volvo and its subsidiaries:





Chapter 4:

ANALYSIS AND INTERPRETATION

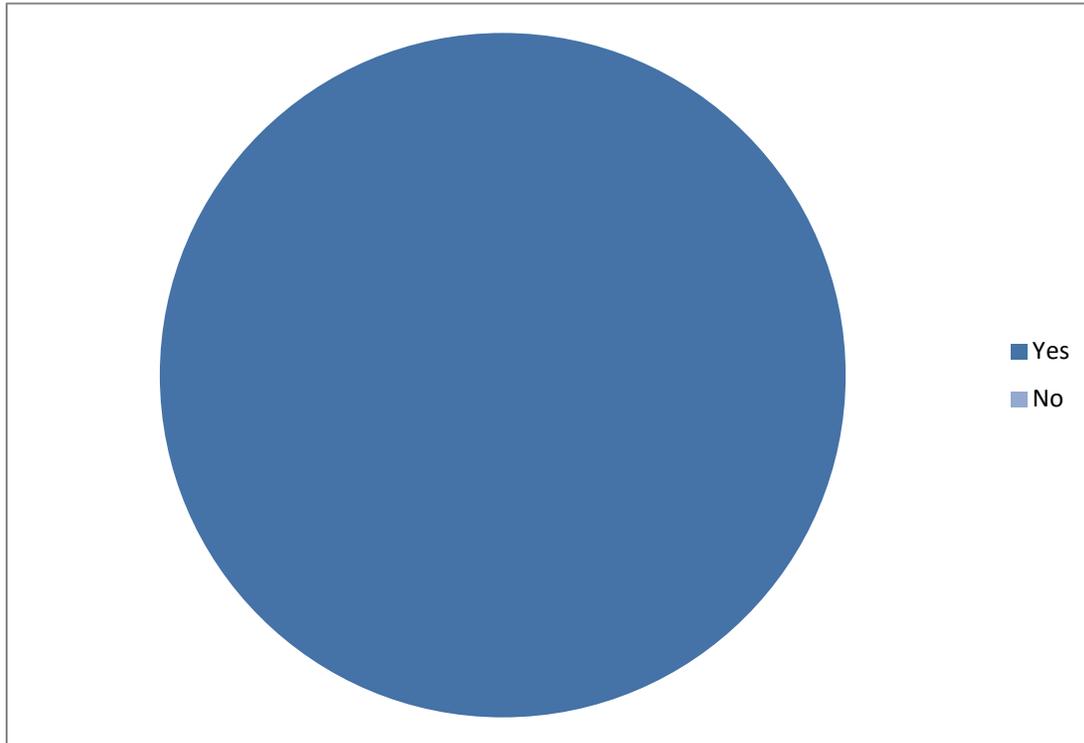
Table 1: Showing awareness of the Volvo Brand

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	100	100%
No	0	-
TOTAL	100	100%

Analysis:

From the above table, we can analyze that all the 100 respondents are aware of the Volvo brand.

Graph 1: Showing awareness of the Volvo Brand



Interpretation:

From the above graph, we can interpret that all the respondents are aware of Volvo cars. This shows that Volvo is a major contender in the luxury car segment and the brand name has been published significantly.



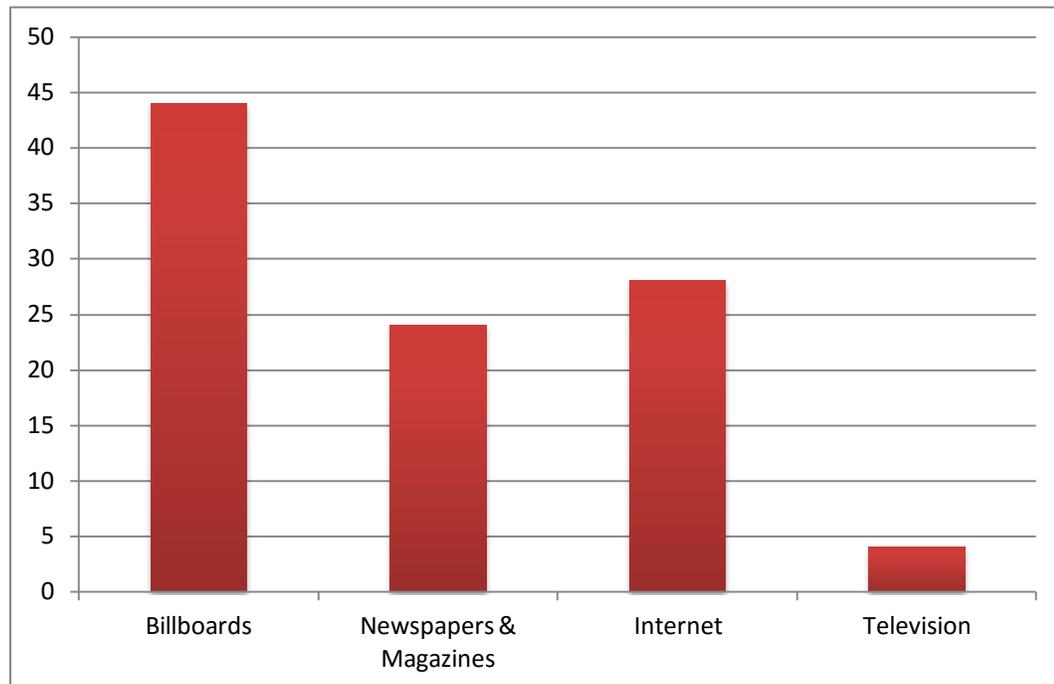
Table 2: Showing the medium of advertising through which the consumers have come to know about Volvo

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Billboards	44	47%
Newspapers & Magazines	24	24%
Internet	28	29%
Television	04	05%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 44 respondents came to know about Volvo Cars through Billboards, 24 of them came to know through Newspapers & Magazines, 28 of them came to know through the Internet and 4 of them came to know through Television.

Graph 2: Showing the medium of advertising through which the consumers have come to know about Volvo



Interpretation:

From the above graph, we can interpret that Volvo has been advertised more through Billboards than the other forms of advertising channels. Newspapers & Magazines have also played a significant role along with the Internet whereas Television advertising has not been given importance. Thus, Volvo should increase its advertising in the Television segment as well.



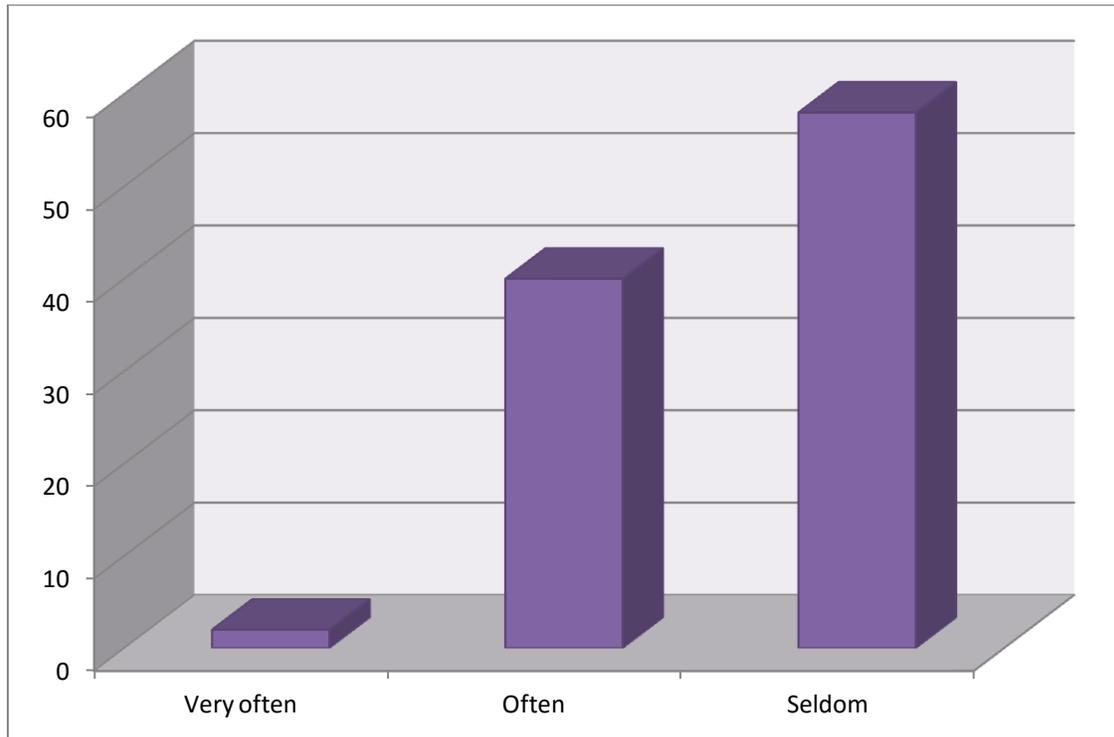
Table 3: Showing the frequency of Volvo advertisements according to the Customers Point of View.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very often	02	02%
Often	40	40%
Seldom	58	58%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that only 2 respondents came across Volvo advertisements Very Often, 40 them came across the advertisements Often while 58 of them Seldom came across the advertisements.

Graph 3: Showing the frequency of Volvo advertisements according to the Customers Point of View.



Interpretation:

From the above graph, we can interpret that most of the respondent’s seldom came across Volvo advertisements which amounts to up to 58% of the population. Thus, Volvo should invest more in advertising their brand to gain attention and interest in their products.



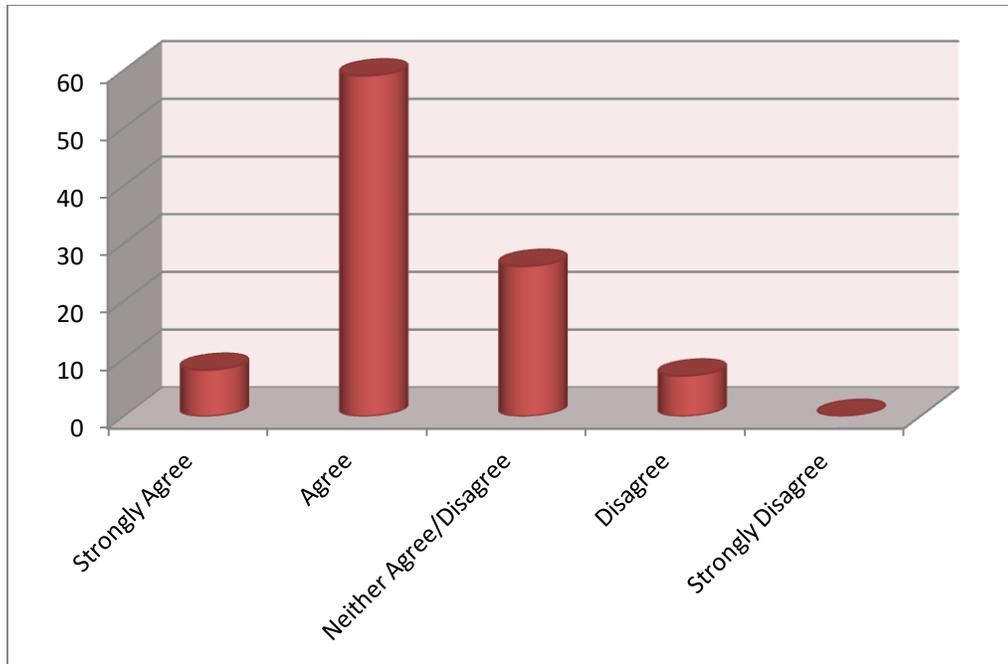
Table 4: Showing the capacity of Volvo’s advertisement’s in positioning their products.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	08	08%
Agree	59	59%
Neither Agree/Disagree	26	26%
Disagree	07	07%
Strongly Disagree	00	-
TOTAL	100	100%

Analysis:

From this table, we can analyze that 8 respondents Strongly Agree that Volvo’s Advertisements have the ability to position the product, 59 of them Agree with it, 26 of them Neither Agree nor Disagree and 7 of them Disagree with it.

Graph 4: Showing the capacity of Volvo’s advertisement’s in positioning their products.



Interpretation:

From the above graph, we can interpret that most of the respondents agree that Volvo’s Advertisements have that ability to position the product which amounts to up to 59 respondents. This shows that Volvo advertisements are effective on consumers making it a positive characteristic of the company.



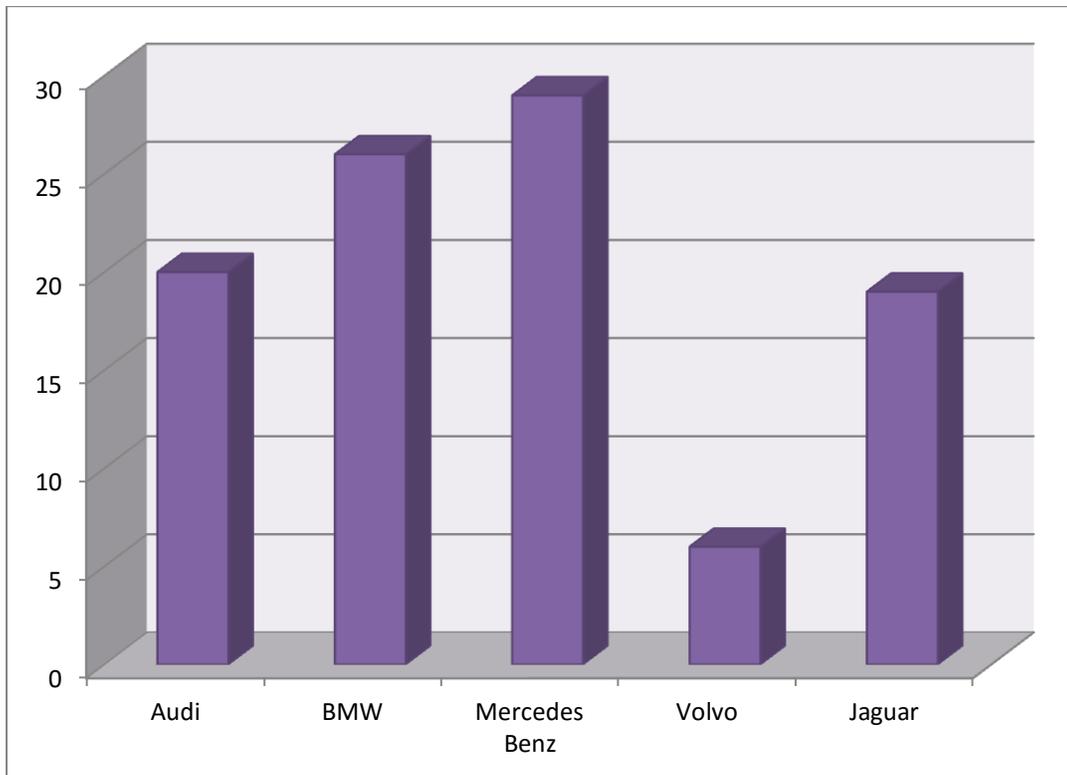
Table 5: Showing which luxury car manufacturer is given the most priority by the Consumers.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Audi	20	20%
BMW	26	26%
Mercedes Benz	29	29%
Volvo	06	06%
Jaguar	19	19%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 20 respondents prefer Audi, 26 of them prefer BMW, 29 of them prefer Mercedes Benz, 19 of them prefer Jaguar while only 6 of them prefer Volvo.

Graph 5: Showing which luxury car manufacturer is given the most priority by the Consumers.



Interpretation:

From the above graph, we can interpret that most of the respondents prefer other luxury car brands over Volvo. Most of the respondents prefer Mercedes Benz with 29 respondents choosing it as their preferred brand followed by BMW, Audi and Jaguar almost along the same lines. This shows that Volvo has to find new methods to penetrate the Indian market, especially the Bangalore luxury cars market by using innovative methods to promote themselves to increase their sales as well as brand value. Hosting events and involving in other social activities can help them in doing so.



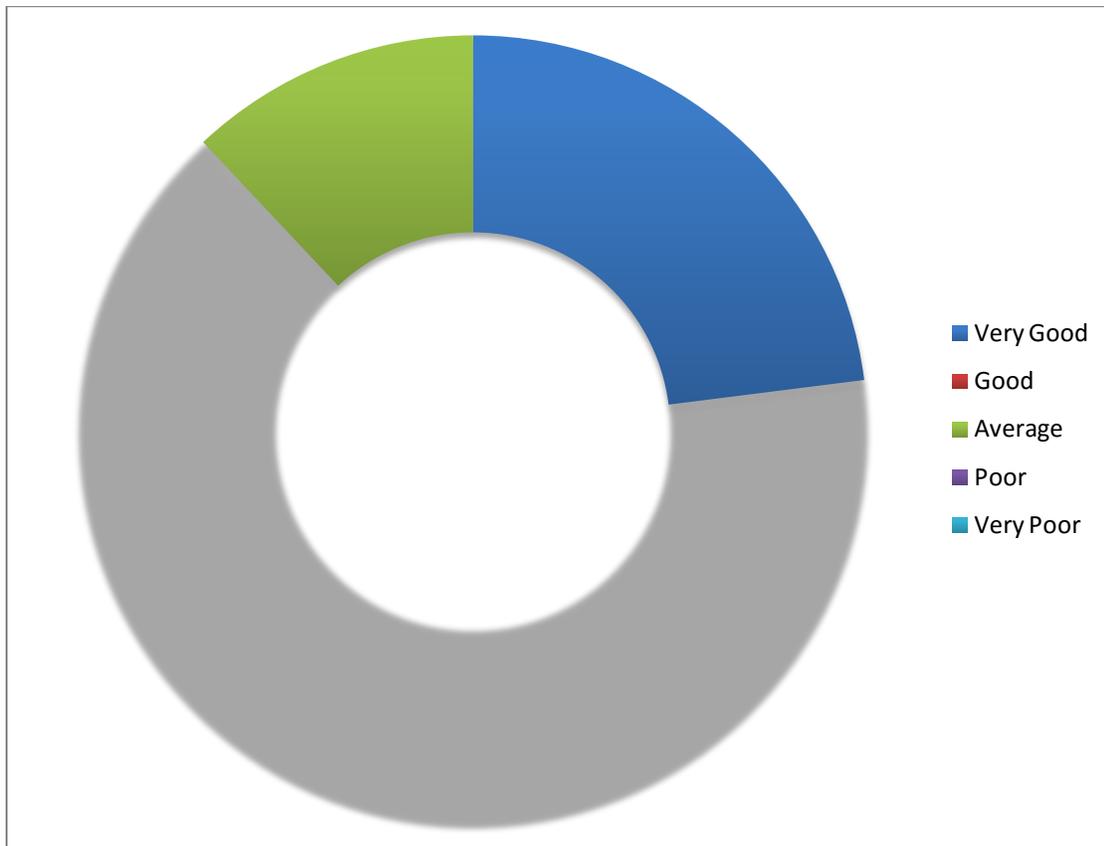
Table 6: Showing the opinion of Consumers regarding the quality of Volvo cars compared to its Competitors.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very Good	23	23%
Good	65	65%
Average	12	12%
Poor	00	-
Very Poor	00	-
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 23 respondents feel that the Quality of Volvo cars are Very Good, 65 of them feel that the quality is Good and 12 of them feel that the quality is Average.

Graph 6: Showing the opinion of Consumers regarding the quality of Volvo cars compared to its Competitors.



Interpretation:

From the above graph, we can interpret that most of the respondents feel that the build quality of Volvo cars are good. While 23 respondents feel that is very good, 65 respondents feel that the build quality is good. This shows that the build qualities of Volvo cars are good compared to its competitors.



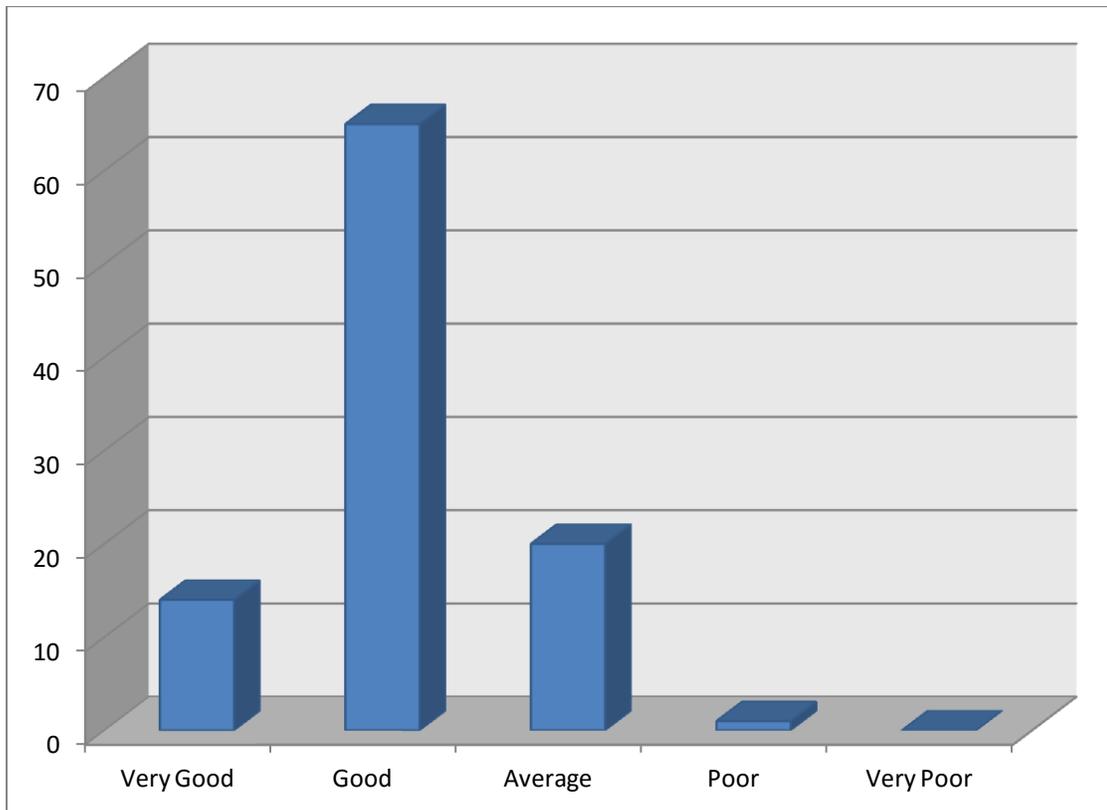
Table 7: Showing the opinion of Consumers regarding the price of Volvo cars compared to its Competitors.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very Good	14	14%
Good	65	65%
Average	20	20%
Poor	01	01%
Very Poor	00	-
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 14 respondents feel that the price of Volvo cars are Very Good, 65 of them feel that the price is Good and 20 of them feel that the price is Average and 1 respondent feels that it is Poor compared to its competitors.

Graph 7: Showing the opinion of Consumers regarding the price of Volvo cars compared to its Competitors.



Interpretation:

From the above graph, we can interpret that most of the respondents have a good opinion regarding the pricing of Volvo cars. 14 respondents feel it is very good while the majority of the respondents feel it is good. This shows that Volvo has strategically priced their cars.

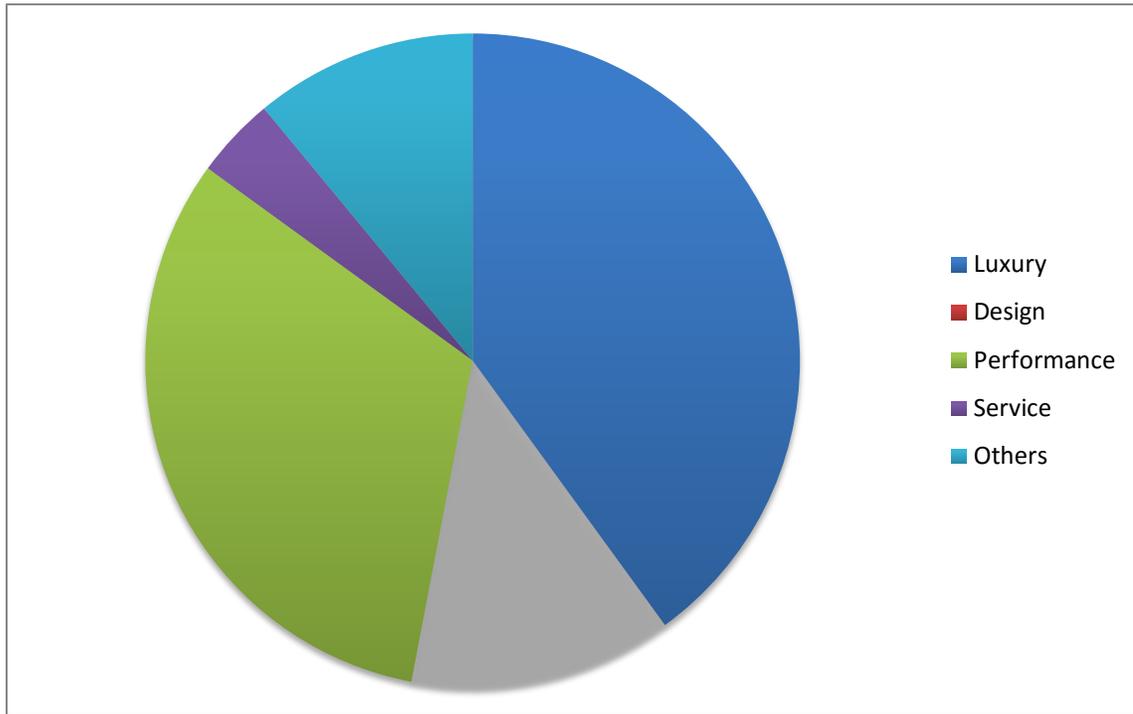
Table 8: Showing the quality that consumers expect the most from a luxury car.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Luxury	40	40%
Design	13	13%
Performance	32	32%
Service	04	04%
Others	11	11%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 40 respondents primarily expect Luxury, 13 respondents primarily expect Design, 32 respondents primarily expect performance, 4 respondents prefer Service Quality while 11 of the respondents expect Other qualities when looking for a car.

Graph 8: Showing the quality that consumers expect the most from a luxury car.



Interpretation:

From the above graph, we can interpret that most of the consumers prefer luxury with about 40 responses from the population followed by performance with a 32 responses and 13 responses for design with minimum interest given to service and maintenance with just 4 responses. This shows that consumers prefer luxury more than any other feature. The younger generation mainly gives importance to performance and design.

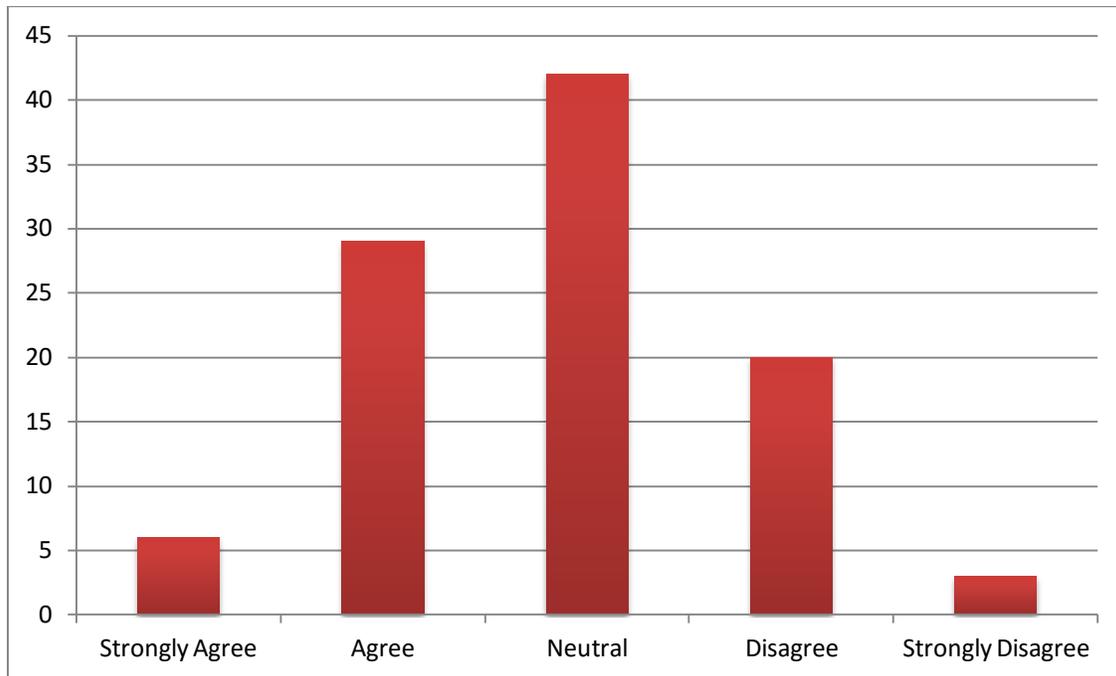


Table 9: Showing the position of Volvo cars in the Indian Luxury Car Market based on Consumer Perception.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	06	06%
Agree	29	29%
Neutral	42	42%
Disagree	20	20%
Strongly Disagree	03	03%
TOTAL	100	100%

Analysis: From the above table, we can analyze that 6 respondents Strongly Agree that Volvo Cars are firmly placed in the Indian Luxury Car Market, 29 of them Agree that it is firmly placed in the Indian Luxury Car Market, 42 of them are Neutral in this concern, 20 of them Disagree that Volvo Cars are firmly placed in the Indian Luxury Car Market and 3 of them Strongly Disagree with this.

Graph 9: Showing the position of Volvo cars in the Indian Luxury Car Market based on Consumer Perception.



Interpretation:

From the above graph, we can interpret that most of the respondents are neutral when it comes to judging the position of Volvo in the Indian Luxury Car Market with 42 responses. Even though most of the remaining respondents Agree with the firm position of the brand, there is a considerable number of respondents who disagree with this. This shows that Volvo has not pierced into the market properly and has to come up with innovative ideas to place themselves in the Indian luxury Car Market, especially the Bangalore Luxury Car Market so as increase their sales. Suggestions from consumers play a vital role in deciding the fate of a company as it gives an insight into the position of the brand in the market according to them. Thus, Volvo should improve themselves to improve their Brand Image.



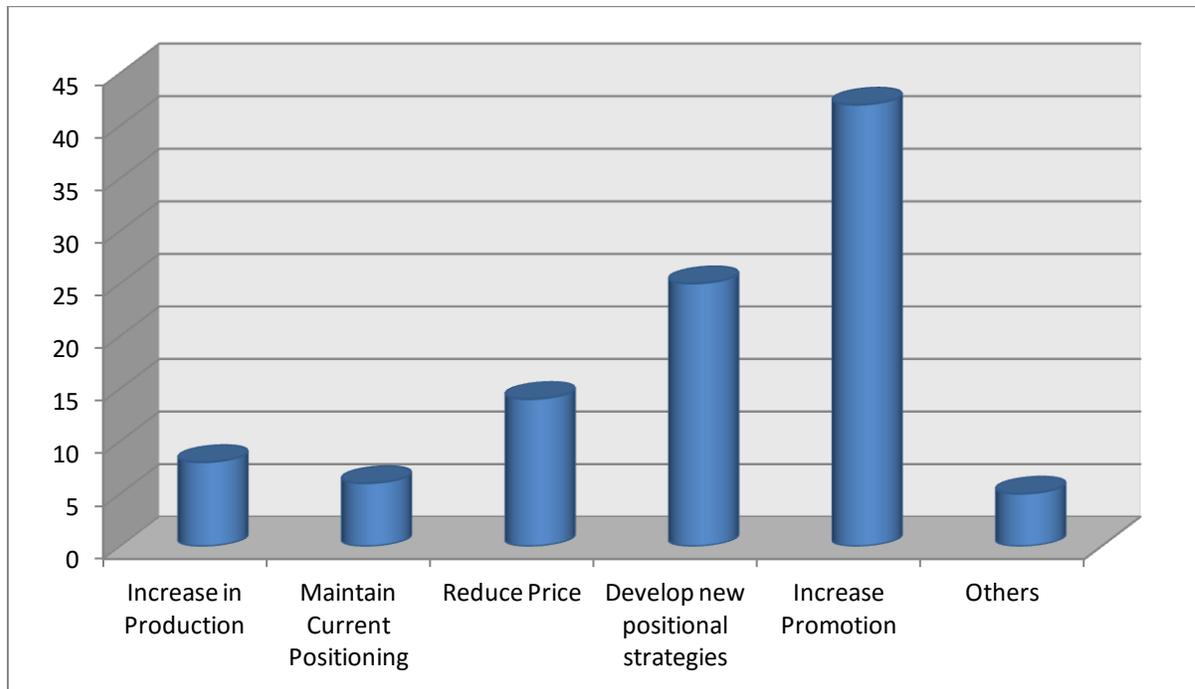
Table 10: Showing the strategy that Volvo should adopt to develop itself in the future based on consumer suggestions.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Increase in Production	08	08%
Maintain Current Positioning	06	06%
Reduce Price	14	14%
Develop new positional strategies	25	25%
Increase Promotion	42	42%
Others	05	05%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 8 respondents suggest that Volvo Increase its Production, 6 respondents suggest Volvo to Maintain its Current Positioning, 14 of them suggest Volvo to Reduce the Price of their cars, 25 of them suggest Volvo to Develop New Positional Strategies, 42 of them suggest Volvo to Increase its Promotions and 5 of them have Other suggestions.

Graph 10: Showing the strategy that Volvo should adopt to develop itself in the future based on consumer suggestions.



Interpretation:

From the above graph, we can interpret that most of the respondents suggest Volvo to increase its promotion to develop itself in the future with 42 responses for the same followed by suggestions to develop its positional strategies and reduce the price of its cars in the future with 25 and 14 responses respectively. This shows that more than the other strategies available to improve itself, Volvo is lacking promotional strategies to be distinctive to its competitors. Thus Volvo should primarily focus on increasing its promotion to develop itself followed by developing new positional strategies and increasing production. With these improvements, price won't be a matter for customers. Respondents also mentioned to increase the number of outlets in the city to develop itself in the future. This should also be kept in mind.

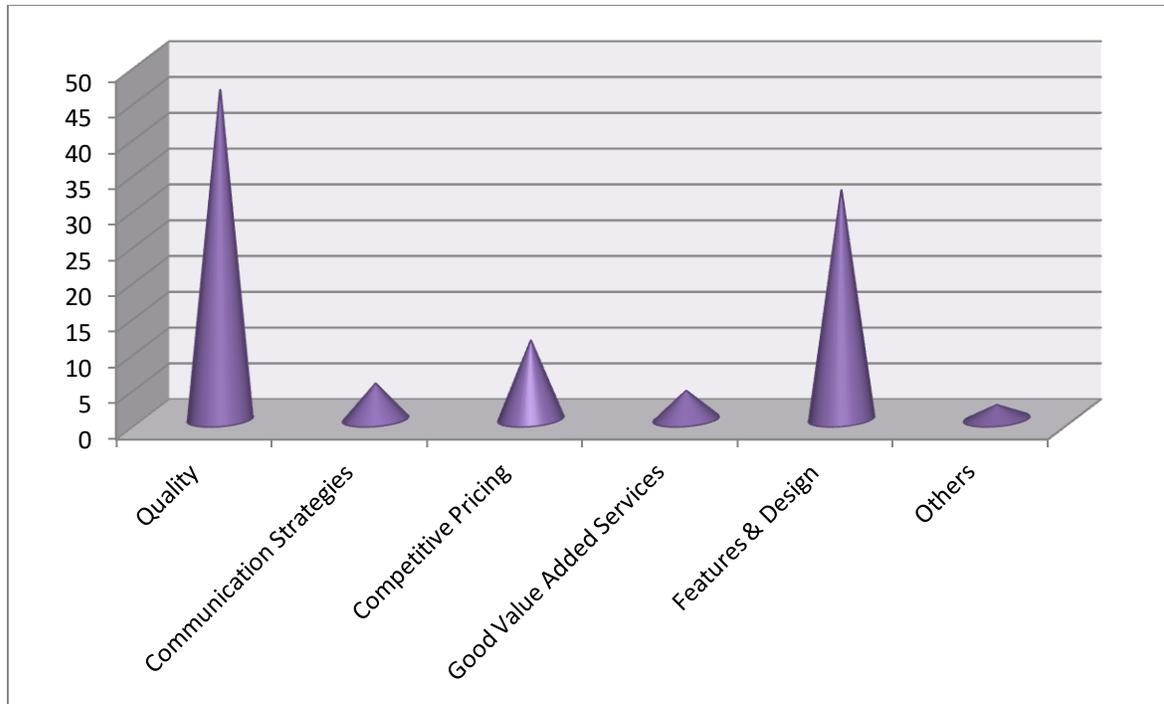
Table 11: Showing the feature that has helped Volvo to build a good Brand Image.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Quality	46	46%
Communication Strategies	05	05%
Competitive Pricing	11	11%
Good Value Added Services	04	04%
Features & Design	32	32%
Others	02	02%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 46 respondent’s feel Quality is the feature that has helped Volvo to build a good brand image, 5 respondents feel Communication Strategies have helped them to build a good brand image, 11 of them feel Competitive Pricing is the feature that has helped in building a good brand image, 32 of them feel Features & Design has helped them build a good brand image and 2 respondents have other Other suggestions to the same.

Graph 11: Showing the strategy that has helped Volvo to build a good Brand Image.



Interpretation:

From the above graph, we can interpret that most of the respondents feel that quality is the main feature that has helped Volvo to build a good brand image followed by the features & design of the car with 46 and 32 responses respectively. Competitive pricing has also been mentioned. This shows that the total ergonomics of the vehicles built by Volvo are of superior quality. Thus, Volvo should improve itself with communication strategies and value added services.



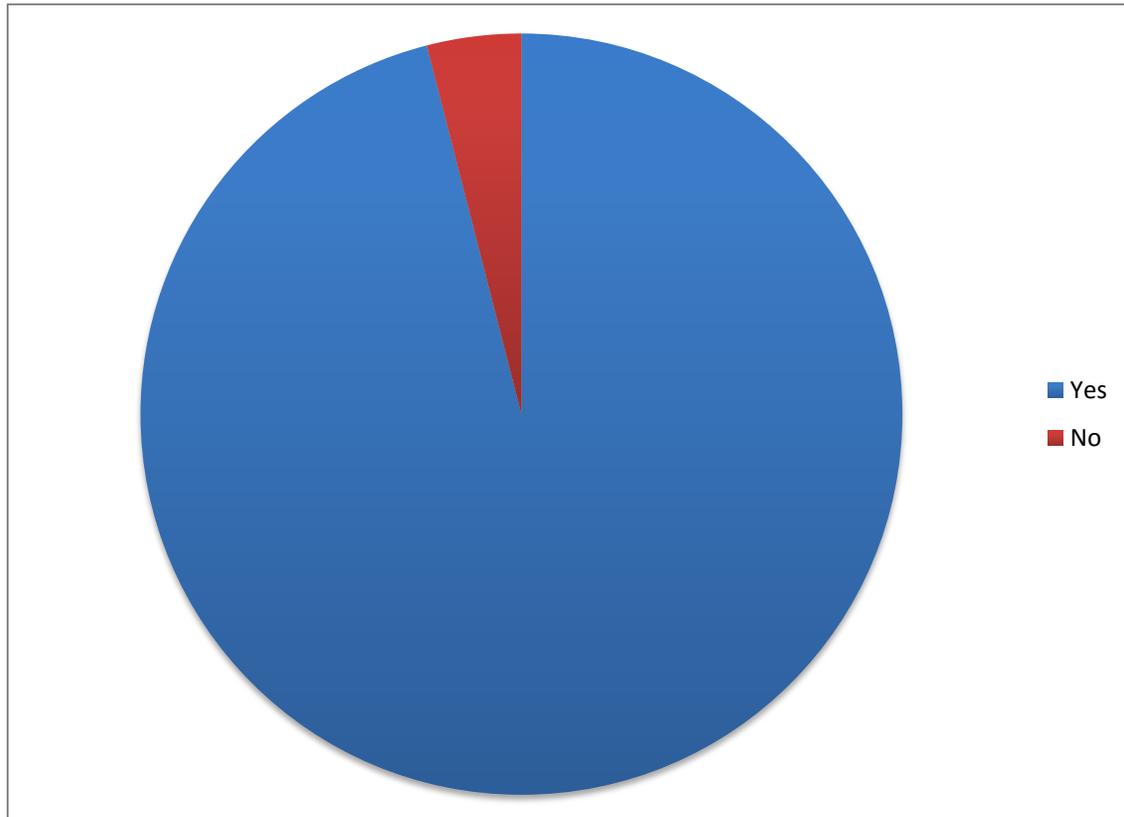
Table 12: Showing whether Volvo products provide a sense of self-esteem to Customers.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Yes	96	96%
No	04	04%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 96 respondents feel that Volvo products would provide them with a sense of self-esteem while 4 respondents feel that Volvo products wont provide them with a sense of self-esteem.

Graph 12: Showing whether Volvo products provide a sense of self-esteem to Customers.



Interpretation:

From the above graph, we can interpret that most of the respondents feel that Volvo products would provide them with a sense of self-esteem with 96 responses for the same while 4 respondents don't feel the same. Overall, this helps in proving that Volvo is a premium car manufacturer in the market.



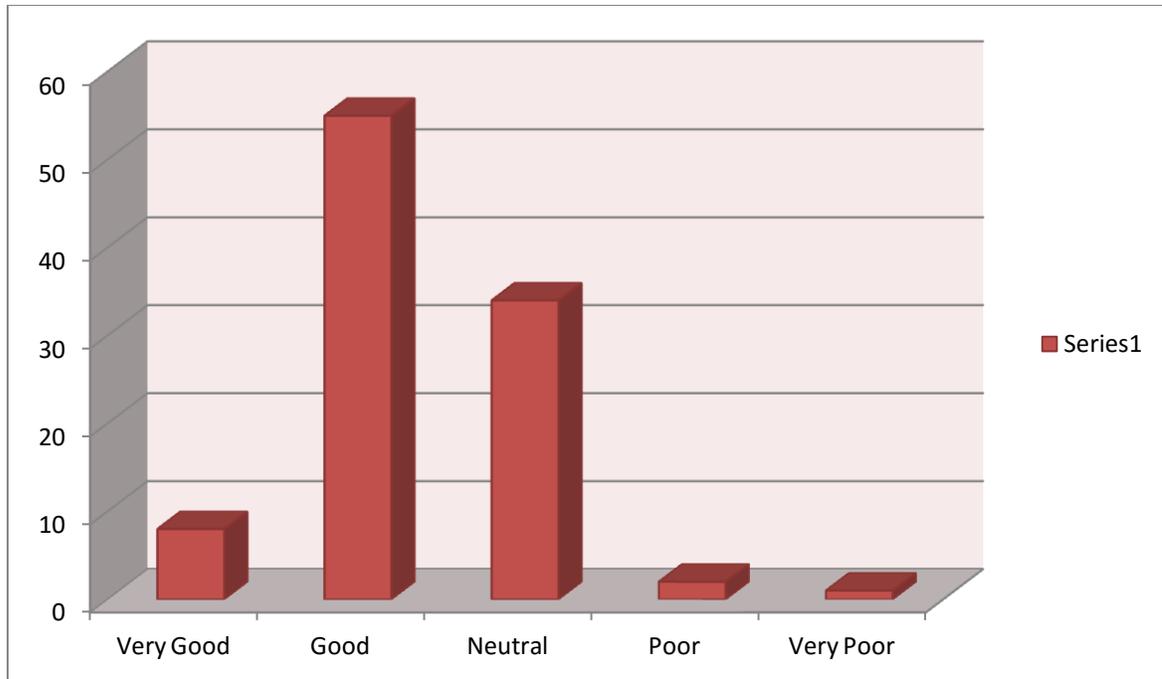
Table 13: Showing the Performance of Volvo Cars based on Consumers Perception.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very Good	08	08%
Good	55	55%
Neutral	34	34%
Poor	02	02%
Very Poor	01	01%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 8 respondents feel the performance of Volvo cars to be Very Good, 55 of them feel it to be Good, 34 of them feel it to be Neutral, 2 of them feel it to be Poor while 1 respondent feels it to Very Poor.

Graph 13: Showing the Performance of Volvo Cars based on Consumers Perception.



Interpretation:

From the above graph, we can interpret that most of the respondents feel that Volvo cars are good performance wise with 8 responses pointing it out to be Very Good and 55 responses pointing it out to be Good followed by 34 responses suggesting it to be Neutral. Only a negligible amount of the population points it out to be poor with 2 responses suggesting it to be Poor followed by 1 response pointing it out to be Very Poor. This shows that the performances of Volvo cars are substantially good compared to its competitors. This should be used by the company to promote itself in the market to attract performance driven customers.

Table 14: Showing opinion of the following brands on the basis of Custome Perception.

PARTICULARS	OPINION	VOLVO	MERCEDES BENZ	AUDI	BMW	JAGUAR
NO. OF RESPONDENTS	Very Good	15	54	62	61	45
	Good	42	31	27	26	38
	Average	26	06	04	05	07
	Poor	16	04	05	04	06
	Very Poor	01	05	02	04	05
TOTAL		100	100	100	100	100

Analysis:

From the above table, 15 respondents rate Volvo to be **Very Good**, 54 of them rate Mercedes Benz for the same, 62 responses for Audi, 61 responses for BMW and 45 responses for Jaguar.

For **Good**, Volvo has 42 responses, Mercedes Benz has 31 responses, Audi has 27 responses, BMW has 26 responses and Jaguar has 38 responses.

For **Average**, Volvo has 26 responses, Mercedes Benz has 6 responses, Audi has 4 responses, BMW has 5 responses and Jaguar has 7 responses.

For **Poor**, Volvo has 16 responses, Mercedes Benz has 4 responses, Audi has 5 responses, BMW has 4 responses and Jaguar has 6 responses.

For **Very Poor**, Volvo has 1 response, Mercedes Benz has 5 responses, Audi has 2 responses, BMW has 4 responses and Jaguar has 5 responses.



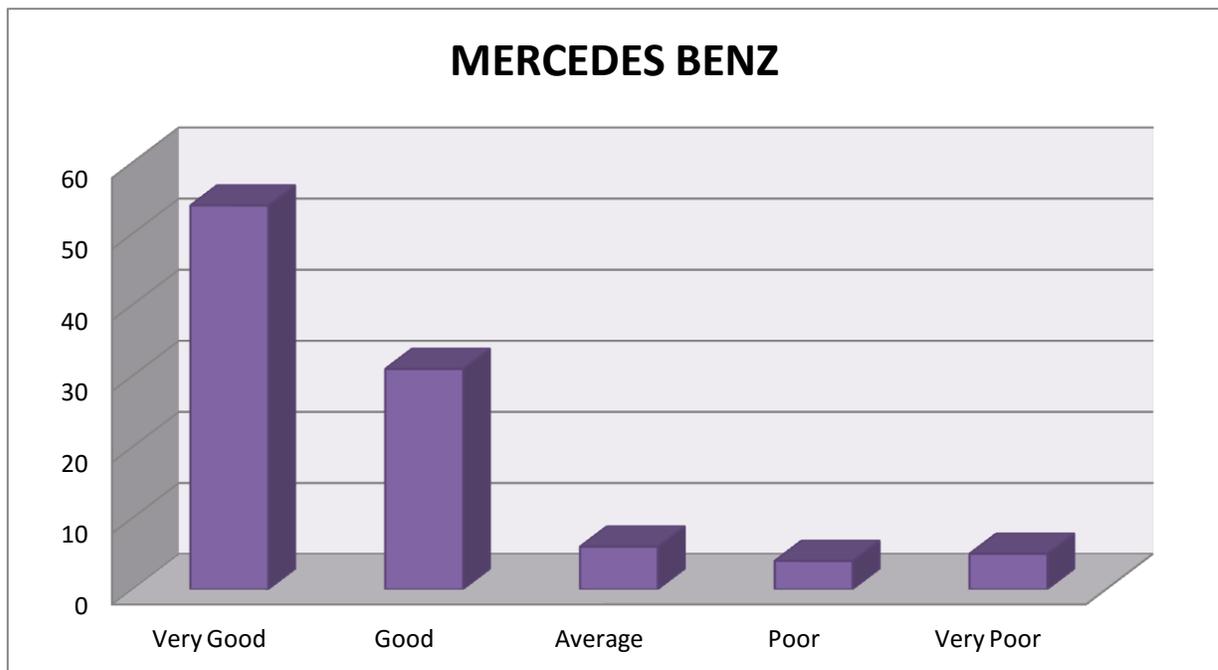
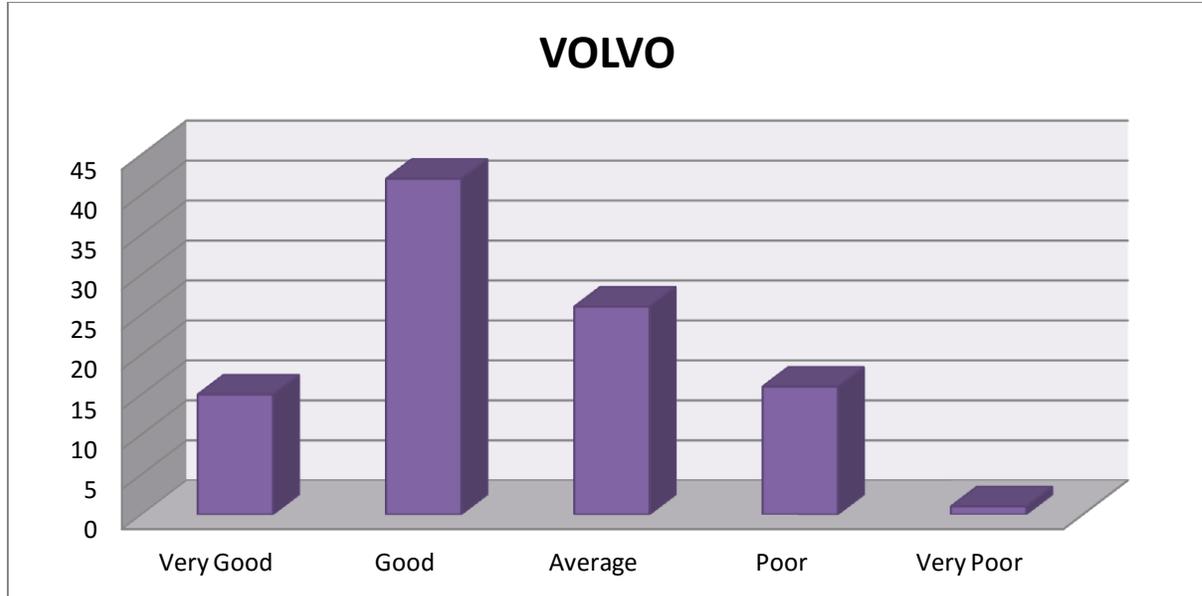
Interpretation:

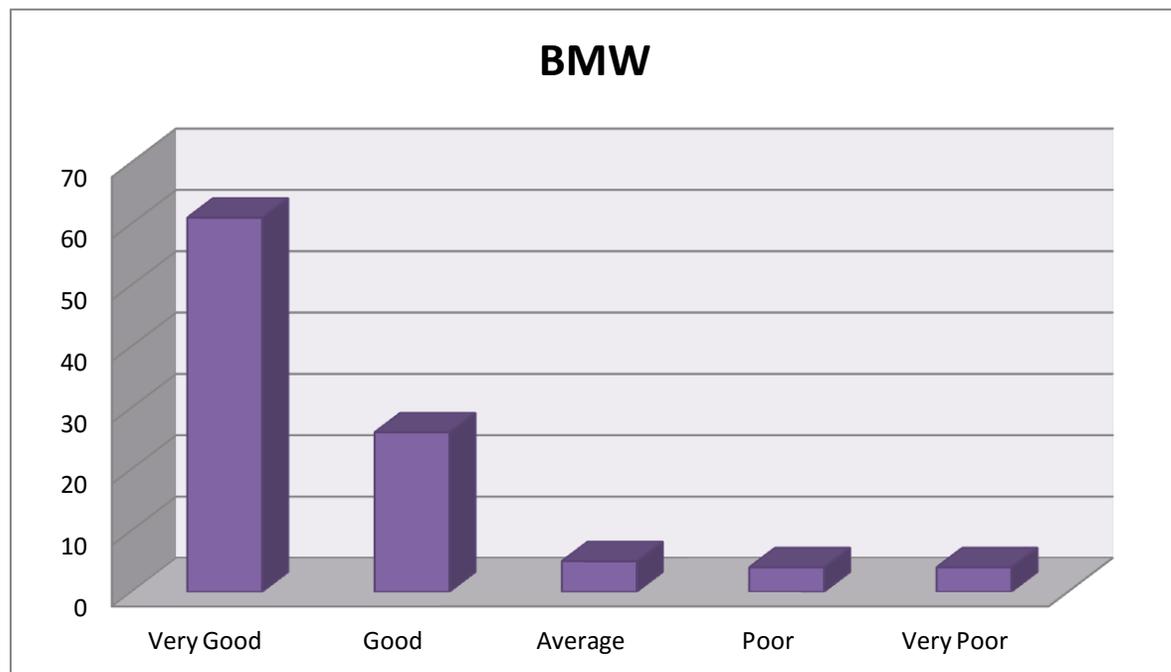
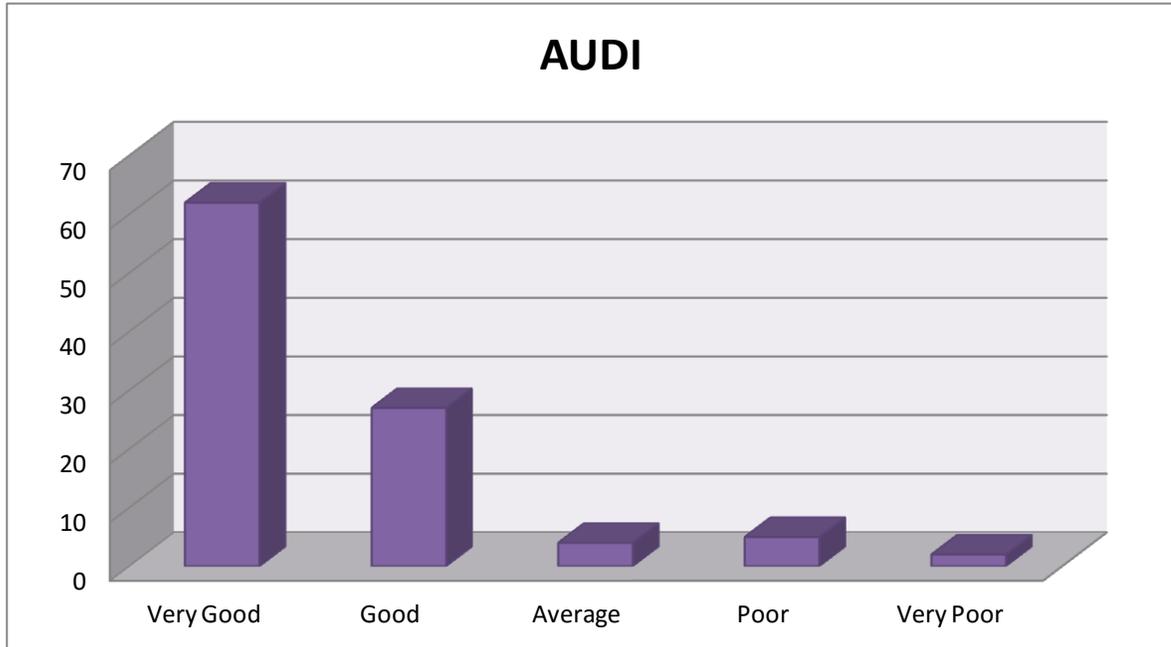
We can interpret this as the perception of respondents towards different competitors of Volvo.

Majority of the respondents choose Audi as the most preferred brand followed by BMW, Mercedes Benz and Jaguar.

Based on the data obtained, Volvo seems to be in the last. This shows that Volvo should adopt new strategies to improve themselves in the future.

Graph 14: Showing opinion of the following brands on the basis of Customer Perception.





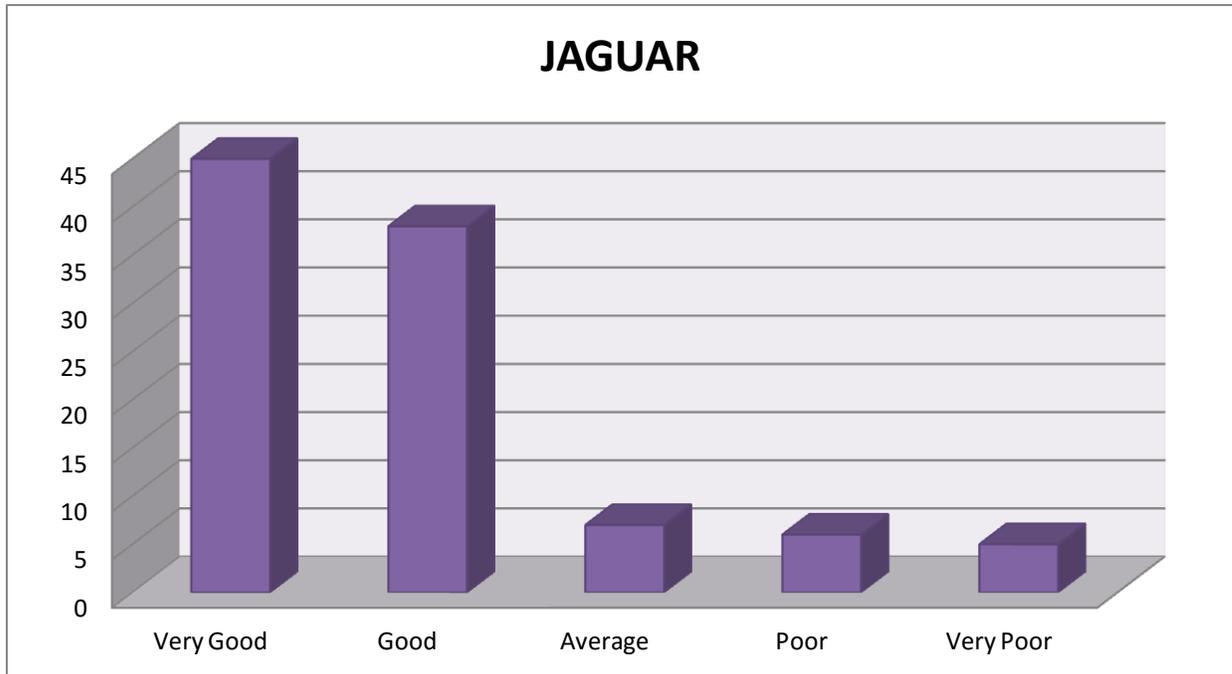


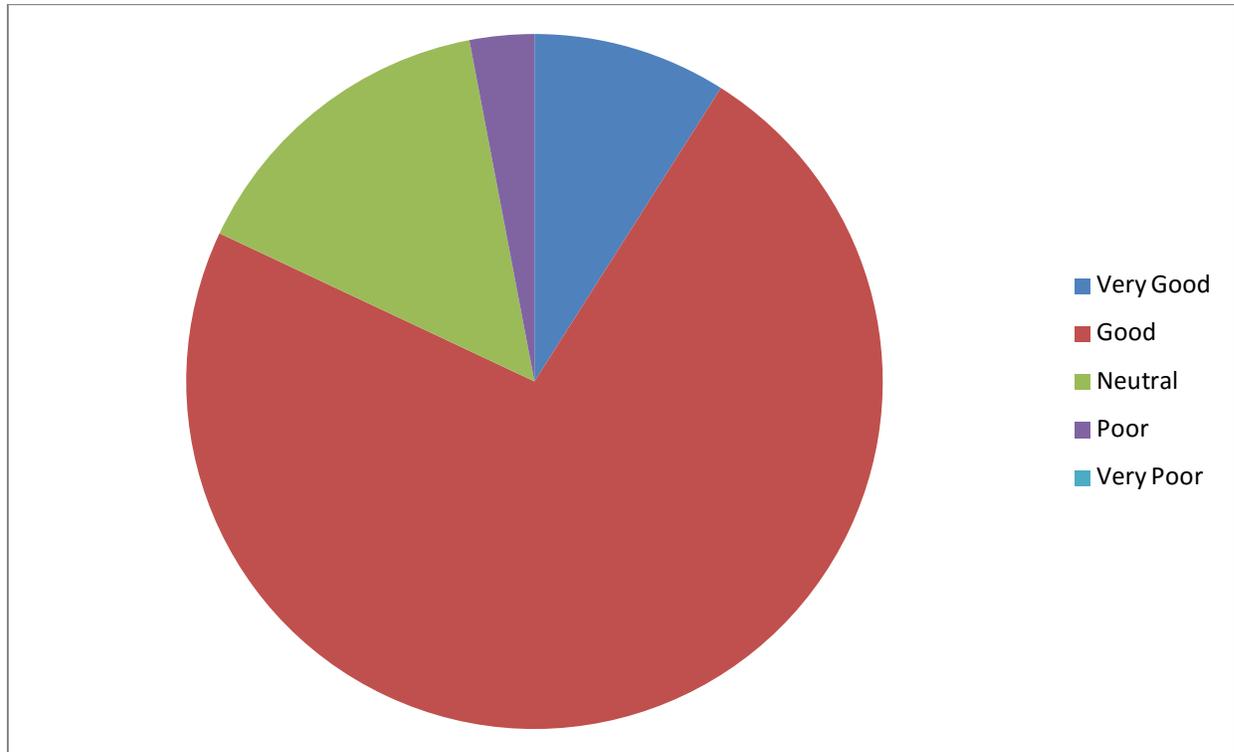
Table 15: Showing the opinion on Luxury of Volvo Cars based on Consumers Perception.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very Good	09	09%
Good	73	73%
Neutral	15	15%
Poor	03	03%
Very Poor	00	-
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 9 respondents feel the luxury of Volvo cars to be Very Good, 73 of them feel it to be Good, 15 of them feel it to be Neutral and 3 of them feel it to be Poor.

Graph 15: Showing the opinion on Luxury of Volvo Cars based on Consumers Perception.



Interpretation:

From the above graph, we can interpret that most of the respondents feel the luxury of Volvo cars to be good with 9 responses pointing it out to be very good and 73 responses pointing it out to be Good. A small amount of people don't feel it be satisfactory with 15 responses pointing it out to be Average and 3 of them pointing it out to be poor. This shows that consumers consider Volvo cars to be very luxurious. This is a positive opinion for the company to take into consideration.



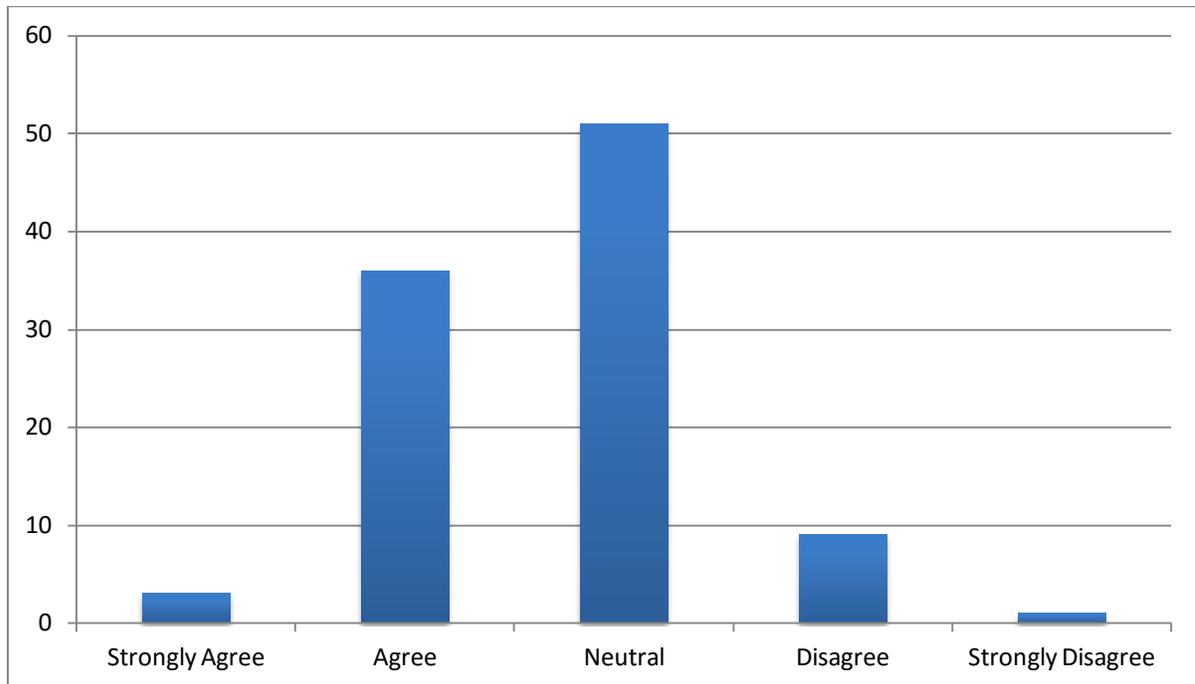
Table 16: Showing whether Volvo keeps up its promise through promotions based on Consumer opinions

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Strongly Agree	03	03%
Agree	36	36%
Neutral	51	51%
Disagree	09	09%
Strongly Disagree	01	01%
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 3 respondents Strongly Agree that Volvo keeps up its promise through promotions, 36 of them Agree with the same, 51 of them are Neutral in this concern, 9 of them Disagree that Volvo keeps up its promise and 1 of them Strongly Disagrees with this.

Graph 16: Showing whether Volvo keeps up its promise through promotions based on Consumer opinions



Interpretation:

From the above graph,, we can interpret that most of the respondents are Neutral in opinion when it comes to Volvo keeping up its promises through promotions with 51 respondents supporting the opinion followed by 36 respondents Agreeing with the opinion and 3 respondents Strongly Agreeing with the same. But there are 9 respondents disagreeing with the opinion and 1 of them strongly disagreeing with the same. This shows that Volvo lives up to the image that it portrays to the public even though some of them disagree with the same. The flaw with the company is that they are not involving themselves with a lot of promotions. This should be corrected in the process.

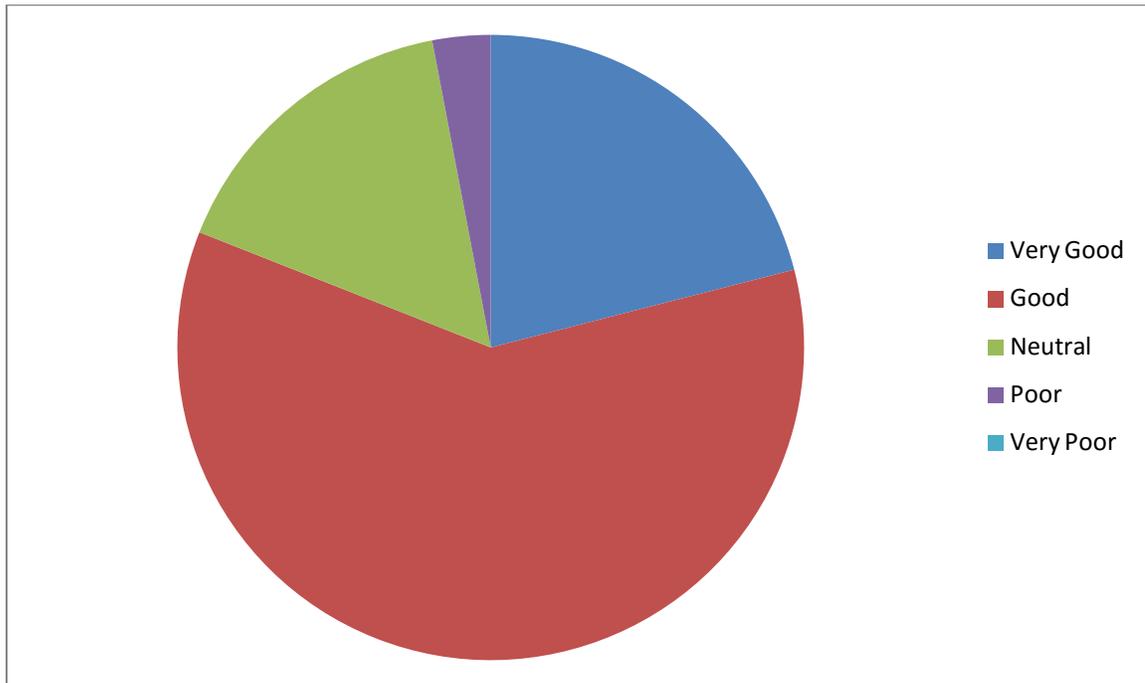
Table 17: Showing the opinion on Safety Features of Volvo Cars compared to its competitors based on Consumers Perception.

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Very Good	21	21%
Good	60	60%
Neutral	16	16%
Poor	03	03%
Very Poor	00	-
TOTAL	100	100%

Analysis:

From the above table, we can analyze that 21 respondents feel the Safety Features of Volvo cars to be Very Good, 60 of them feel it to be Good, 16 of them feel are Neutral in this concern and 3 of them feel it to be Poor.

Graph 17: Showing the opinion on Safety Features of Volvo Cars compared to its competitors based on Consumers Perception.



Interpretation:

From the above graph, we can interpret that most of the respondents feel the safety features of Volvo cars to be Good with 21 responses pointing out to be Very Good and 60 responses pointing out to be Good. 16 respondents are Neutral in this concern and 3 of them feel it to be Poor. This shows that the consumers have a good perception on the safety features of Volvo cars. Volvo is known to be one of the safest cars in the world and this known by most of the people who are aware of the brand. The issue is that this has not been communicated properly to the world due to lack of promotion strategies. Once these strategies are implemented, the sales and turnover of the company will increase accordingly.

CHAPTER 5:

FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS

The data obtained from various sources via survey method among potential customers, future potential customers and present customers with the help of personal interviews questionnaires refers to the findings of the whole study.

The findings are as follows:

- ❖ Most of the customers of Volvo cars belong to the same class of individuals.
- ❖ Volvo promotes its products through various mediums such as Television, Newspapers & Magazines, Billboards, Internet, Radio as well as Word of Mouth
- ❖ Volvo advertisements are seldom seen by the public.
- ❖ Major portion of respondents as well as customers of Volvo cars are Male than Female.
- ❖ Most of the potential customers are businessmen.
- ❖ Volvo should increase its advertising in the Television segment more than the other than the other advertising mediums.
- ❖ Volvo should invest more in advertising their brand to gain attention and interest in their products.
- ❖ Volvo advertisements are effective on consumers making it a positive characteristic of the company.
- ❖ Volvo has to find new methods to penetrate the Indian market, especially the Bangalore luxury cars market by using innovative methods to promote themselves to increase their sales as well as brand value. Hosting events and involving in other social activities can help them in doing so.
- ❖ The build qualities of Volvo cars are better compared to its competitors.

- ❖ Volvo has strategically priced its cars compared to its competitors.
- ❖ Consumers prefer luxury more than any other feature. The younger generation mainly gives importance to performance and design.
- ❖ Volvo has not pierced into the market properly and has to come up with innovative ideas to place themselves in the Indian luxury Car Market, especially the Bangalore Luxury Car Market so as increase their sales. Suggestions from consumers play a vital role in deciding the fate of a company as it gives an insight into the position of the brand in the market according to them. Thus, Volvo should improve themselves to improve their Brand Image.

- ❖ More than the other strategies available to improve itself, Volvo is lacking promotional strategies to be distinctive to its competitors. Thus Volvo should primarily focus on increasing its promotion to develop itself followed by developing new positional strategies and increasing production. With these improvements, price won't be a matter for customers. Respondents also mentioned to increase the number of outlets in the city to develop itself in the future. This should also be kept in mind.
- ❖ The total ergonomics of the vehicles built by Volvo are of superior quality. Thus, Volvo should improve itself with communication strategies and value added services.
- ❖ Volvo is a premium car manufacturer in the market.
- ❖ The performances of Volvo cars are substantially good compared to its competitors. This should be used by the company to promote itself in the market to attract performance driven customers.
- ❖ The perception of respondents towards different competitors of Volvo shows that Volvo has not yet penetrated the market properly.
- ❖ Majority of the respondents choose Audi as the most preferred brand followed by BMW, Mercedes Benz and Jaguar. Based on the data obtained, Volvo seems to be in the last. This shows that Volvo should adopt new strategies to improve themselves in the future.

- ❖ Consumers consider Volvo cars to be very luxurious. This is a positive opinion for the company to take into consideration.



- ❖ Volvo lives up to the image that it portrays to the public even though some of them disagree with the same. The flaw with the company is that they are not involving themselves with a lot of promotions. This should be corrected in the process.
- ❖ The consumers have a good perception on the safety features of Volvo cars. Volvo is known to be one of the safest cars in the world and this known by most of the people who are aware of the brand. The issue is that this has not been communicated properly to the world due to lack of promotion strategies. Once these strategies are implemented, the sales and turnover of the company will increase accordingly.



SUGGESTIONS

The study conducted for analyzing the product positioning of Volvo cars revealed the strengths and weaknesses of the marketing strategies applied by the company. Thus through intense study and on the basis of suggestions taken from potential customers, the following suggestions might of great help for Volvo and its dealers to improve their position in the market in the future:

- ❖ The company should give more importance to promotions.
- ❖ Brand awareness should be created so as to increase the Brand Image.
- ❖ The company should involve itself in social activities so as to show their presence in the market and create interest among customers.
- ❖ The pricing of the cars should be decreased.
- ❖ The company should give intense publicity to the marketing programs and the awareness programs and to their benefits in order to ensure maximum participation from customers and dealer convenience.
- ❖ Outdoor sales promotion concentration should be emphasized upon.
- ❖ Easy availability of accessories.
- ❖ Television advertising should be emphasized upon.
- ❖ Customer service improvisation.
- ❖ Organize exhibitions to educate customers about the latest products.



CONCLUSION

The analysis entitled “a study on product positioning of Volvo cars “ in the context of marketing Volvo cars, in view of other objectives of research i.e., the problems faced by dealers, customers of Volvo products making some useful suggestions for Volvo, its dealers and most of all, its customers.

The best efforts have been made to make the study fruitful, although the time span was not enough for a detailed study, in the limited time span, I was able to succeed somewhat towards the respondents aim.

Volvo is using the sales promotional tools like television, billboards, newspapers, magazines, radio, word- of –mouth communication, displays and press launches to promote its products so as to position itself in a positive way.

The product positioning of Volvo is very effective. The awareness and marketing programs of Volvo are helpful in a way but more emphasis should be given upon increasing the promotion of the brand as a whole so as to raise awareness in both urban and rural areas as potential customers can be based anywhere.

So it can be concluded that Volvo should give more importance to its promotional strategies and reduce the price at the same time.