

Marketing Fundamentals Analysis and Evaluation

Volkswagen Group

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Marketing Fundamentals Analysis and Evaluation

1. Introduction

Marketing is considered as one of the essential functional areas of business management. Consumers and potential clients are mostly on the receiving end of the promotional messages, and it is one of the effective ways to attract the customers towards the products and services provided by the organisations (Vasconcelos 2011). Marketing not only concentrate on promoting and selling the company's products, but it also offers value for the clients. American Marketing Association states that "Marketing is a set of processes for creating, communicating, and delivering value to customers and for improving customer relationships" (Sterling et al., 2017). Product and service promotion is a collective effort, and most of the organisations have a specific marketing department where the whole team is actively involved in the marketing activity such as products development, designing, pricing, sales, distribution and promotion.

The principal aim of the marketing individuals is to satisfy and recognise the clients and the market needs and introduce products according to it. The marketing team plans, control, manage, direct and organise all the efforts and promotional plans (Vasconcelos 2011). This assignment aims towards discussing the role of marketing and the societal marketing concept. In addition to this, the branding concept, its advantages and the way it creates value for the consumers will be thoroughly demonstrated in this assignment. Moreover, the Ansoff strategies implemented on Volkswagen Group and how it applies relationship marketing will be thoroughly explained. The second part of this assignment will focus on discussing the stakeholder engagement along with the influence of Stakeholder on the marketing activities of the Volkswagen group.

2. Role of Marketing in Creating Value for the Consumers

According to Professor Theodore Levitt of Harvard business school and influential economist, the main aims of all the companies and brands are to find potential clients and build long term relationships with the consumers (Vasconcelos 2011). Marketing plays a significant role in helping organisations accomplish their business aims and increase the selling of their products. Marketing helps in generating value for the clients by building connections among the people and customers, companies and products. The crucial role of marketing is to recognise, retain and satisfy the consumers.

Before creating a valuable product, the first step for the marketing team is to recognise the needs and wants of their customers, along with the targeted market possessing these needs. Then, in order to increase the satisfaction level of these customers, they need to deliver the service or products that meet

those needs (Tomkiv et al., 2017). The main factor that helps the brands in satisfying the clients is by ensuring that they benefit from the exchange. Effective marketing is not limited to identifying and meeting the client's needs, and they also need to retain those customers, offering them opportunities and loyalty.

Concept of Societal Marketing

Societal marketing prioritises human welfare over profitability and consumer satisfaction. The concept of societal marketing refers to the fact that organisations must make effective marketing decisions based on the company's wants and client's needs along with the long term interest of the society. According to Vasconcelos (2011), "Societal Marketing creates a favourable image for the company increases sales. It is not the same as the terms of social marketing and social media marketing". Societal marketing is diligently related to sustainable development and CSR activities. It emphasises on fulfilling the social responsibilities work toward incorporating sustainability practices. It involves sustainable promotion, environmental and socially responsible marketing that fulfils the needs and wants of the businesses as well as consumers work towards enhancing the capability of future generations (Tomkiv et al., 2017). In order to be an improvement in the global environment and to preserve the resources, many organisation are shifting towards implementing the concept of societal marketing.

Volkswagen Group is one of the top automobile manufacturers in Europe. It is an automotive ad manufacturing company that includes several vehicle brands with a wide variety of automobiles for various clients of different age groups (Beaulieu and Pasquero 2017). This company significantly invests on effective marketing, creating innovative products and addressing sustainability. Volkswagen Group practices societal marketing by actively taking part in social activities and immediately responds to the local government regulations. This company has established a non-profitable charity group that inspires their clients to giveaway their salvage autos and junk which results in accumulating funds allowing them to offer urgent help to the needy.

Advantages of Marketing

There are various benefits offered by implementing marketing strategies within the company. It includes increasing the products sales, savings costs, brand recognition and generating innovative products ideas (Vasconcelos 2011). The evident advantage of marketing is to promote the business and their products and grab the attention of the targeted consumer. It also aids in getting recognition in the specific market. In contrast to this, marketing helps companies in taking greater brand recognition. With the passage of time, potential consumers and members of the community will activate to associate your

logo and your brand with your corporate. In order for companies to generate sales and achieve profitability, they need to spend money. Investing in effective marketing strategies will bring considerable benefits in terms of boosting brands sales. The marketing approach of Volkswagen Group accentuates efficiency and innovativeness within their products. The sales and marketing activities of the Volkswagen group significantly help them in increasing the satisfaction levels of customers and retain them for a long time.

Branding and Its Advantages

Branding can be defined as the marketing activity that allows the companies to establish their name, design or symbol that can easily be recognised as the personal belonging of the organisation (Sterling et al., 2017). Branding helps in recognising a service or product and differentiates it from other brand's products and services. Conversely, branding must be given significant importance by the companies as it not only imprints a long-lasting impression on the customers but also permits the buyers to know what to expect from the enterprise. It also helps the company to stand out from its competitors and to compel the buyer to prefer them over others. The company's brand is the accurate representation of their business and the way they are perceived.

Branding for an organisation can be developed by utilising many areas including customer's service, logo, promotional merchandise, reputation and advertising. All these factors collectively help in creating a unique and attention-seeking profile for the company (Tomkiv et al., 2017). Branding has a huge impact on the overall business of the company. The essential reason for incorporating branding within the company is that it helps in getting brand recognition and builds an image in the industry. The advantage of branding is that it helps the companies in producing future businesses. When the company has a strong brand image, the business value can be easily increased, offering more leverage to the company. Another benefit of branding is that it creates value for the customers as it helps them in knowing what to expect from the company (Beaulieu and Pasquero 2017). Additionally, it makes the products valuable through product innovations and handling the client's problems. The relationships of the customers with the brands are built on the economic calculus where the clients achieve brand quality at the given price. The branding concept goes that due to the final products quality and the trend of price compensation, the organisations must concentrate on product innovation generates new and competitive opportunities.

Ansoff Matrix Strategy

Ansoff matrix strategy is also called "Market/Product Expansion Grid" (Dawes 2018). It is a strategic tool utilised by the organisations for evaluating and planning the growth and development

strategies for the organisation. This matrix represents four strategies that can significantly help the companies in its growth as well as in evaluating the risks allied with these strategies. The four strategies are shown in the figure below:

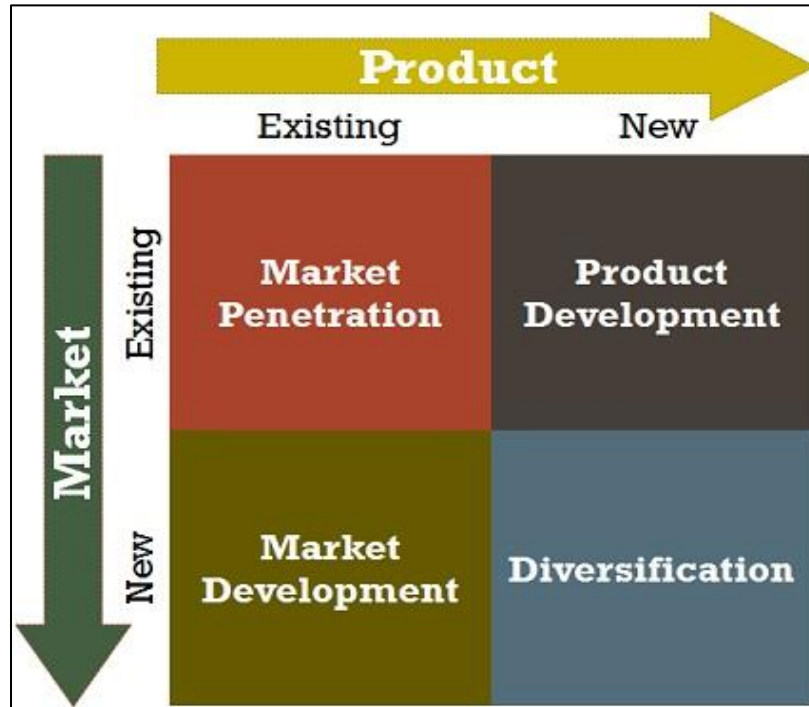


Figure 1 Ansoff Matrix

The Ansoff matrix can significantly help in creating value for the consumers through its four key marketing strategies. The first strategy called market penetration, where the company introduces its products in the existing market. This can be achieved by doing greater promotion along with decreasing the prices of their brand products (Dawes 2018). The second one is called the product development strategy, where the company develops a new product to fulfil the market needs. This strategy encompasses widespread research and development of the organisation's products or services. Product development strategy can be implemented through investing in R&D or forming strategic partnerships with another brand (Dawes 2018). The third strategy is market development that concentrates on entering the new market using the existing products. Organisations can work on this strategy by catering to diverse consumer segment or through entering a new market. The last strategy in this matrix is called diversification, that focuses on entering the new market using new products (Dawes 2018). This marketing strategy is one of the perilous approaches as it involves both the product and the market. The

risk associated with it can be diminished using the diversification. Conversely, this strategy will offer the greatest potential by increasing the sales revenue, opening up a new revenue stream for the organisation.

The performance of the Volkswagen Group in the new and present market can be evaluated using this matrix. By analysing the present opportunities and threats encountered by this company, it can be observed that this company is presently working on the market development strategy (Dawes 2018). Volkswagen Group sells good quality merchandises in the new market segment. They have achieved a global presence in almost 159 states. In order to progress and accomplish success in the new market, the Volkswagen group is recommended to work on the diversification strategy and generate new and innovative automobiles that would hp them in achieving a competitive edge in the new market segment.

Relationship Marketing in the Volkswagen Group

Relationship marketing can be defined as building long term relationships with consumers. It focuses on incorporating the concept of customer loyalty rather than encouraging one time sale by offering the buyers good quality services and products. This type of marketing is a bit different from the normal promotional approach that focuses one to one transaction. This marketing strategy has been implemented by various small and large enterprises. Most of the large companies' employees implement relationship marketing strategies to retain their clients (Tomkiv et al., 2017).

The development and progress of a stable connection with the buyers and clients is the key aim of the Volkswagen group. Subsequently, this is a global automobile manufacturing company and has been dealing with evident overcapacity. They work on knowing the needs of their clients and address it through their good quality products and services. This factor serves as a significant element in building long term relationships with the customers, but this is considered as a tough approach for this company due to its mass production. Effective relationship marketing curtails from a system of links and aids all those that are a part of such associations. The formation of a long term relationship with the buyers significantly helps Volkswagen Group in increasing their sales and profitability. They give importance to consumer relationship approach taking this company to the next era of success and growth.

3. Stakeholder Engagement and Its Influence on the Marketing Activities of the Organisation

Stakeholder

Beaulieu and Pasquero (2017) stated that "Stakeholders are those individuals and organisations that have an interest in the strategy of the organisation. Stakeholders normally include shareholders, customers, staff and the local community". A stakeholder can be referred to as a group that shows a keen interest in the organisation's operations and can have an impact or get affected by their trade and

functions. The chief stakeholders within the organisation include customers, suppliers, investors and employees. On the other hand, the modern concept and theory of Stakeholder goes beyond the creative notion and involves the community, trade association along with the government. Companies need to recognise their stakeholders as well as evaluate the extent of power they have on the company's decision and outcomes (Vasconcelos 2011). The primary step is to generate a stakeholder map that involves the entire stakeholder present within the company. Once the mapping is done, it will help the marketer to have a better understanding of the stakeholders and outline their impact on the overall organisation.

Internal and External Stakeholders of Volkswagen Group

Stakeholders can be divided into two broad categories external and internal stakeholders. Internal stakeholders are those individuals whose fascination towards the company is drawn through direct relationships which involve investment, employment or ownership. Internal stakeholders are generally the members present within the company. Internal Stakeholder involves managers, directors and connected stakeholders (Beaulieu and Pasquero 2017). Similarly, external stakeholders are referred to like those individuals who are not a part of an organisation, but they get affected by the functions, activities, outcomes and operations of the company. External stakeholders are also called secondary stakeholders. External stakeholders include government, suppliers, media, public organisations, local communities etc. The main internal and external stakeholders of this organisation are suppliers (Ficosa, Siemens, Michelin and Nokia), clients and competitors (BMW, General Motors, Toyota and Daimler AG).

Influence of Stakeholders on Marketing Activities

Every Stakeholder has different interests, priorities and attitudes. It is significantly important for the company to effectively communicate with the stakeholders and make sure that they are able to obtain the relevant information that aligns with their optimistic behaviours and needs of the project and organisation. It is essential to convey the organisation's goals and objectives efficiently, allowing the stakeholders to comprehend the way they are trying to achieve their aims. Communication with labour, clients and employees helps in building an understanding for the company's goals and the advantages received by the viewers if they contribute towards accomplishing their aims (Sterling et al., 2017). Similarly, the way organisations interact with their shareholders and investors aids in grabbing their attention and convincing them to invest in future projects. In addition to this, the way organisations communicate with the stakeholders contributes to building a positive relationship with the organisations and people, including special interest groups, media or people that can impact these stakeholders.

Stakeholders play a huge role in impacting the marketing activities carried out by the organisations. This influence significantly increased during the 21st century, when corporate social responsibility and community citizenship was incorporated in business management. Employees, business

partners, consumers and communities are considered as the key Stakeholder's groups that are responsible and affected by the company's activities and decisions (Tomkiv et al., 2017). In the Volkswagen group, the business activities have a direct impact on the pocketbooks of their internal stakeholders, and their management takes into consideration the impacts of these actions on the stakeholder groups. Meagre decisions taken by this organisation has always resulted in reducing the interest of the owners, increment opportunities of the workforce, the workload on partners, liability on board members along with the reduction in bonuses and resources. Additionally, the local community and the members of this business always want this company to achieve success in the manufacturing industry. This resulted in investing in non-profits, local charities as well as in sustainability practices that aid in promoting their business in the global market.

4. Conclusion & Recommendations

This assignment gives insights into the concept of marketing and the strategies used by the Volkswagen group in creating value for their consumers as well as Stakeholder's engagement. The branding concept, its advantages and the way it created value for the consumers has been thoroughly verified in this assignment. Likewise, the Ansoff strategies implemented on Volkswagen Group and the way it applies the relationship marketing in their enhancing their sales and profitability.

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