

University of Wales

Trinity Saint David

Strategic Management and Sustainability

Volkswagen's Competitive Strategies: Navigating the Scandal and Building a Resilient Brand

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Date: 26.08.2023

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1. Introduction

The automotive industry is fiercely competitive, requiring companies to employ effective strategies to gain a competitive edge and secure their position in the market. Volkswagen (VW), a renowned German automaker, has long been recognized for its innovative products and strong brand reputation. However, in 2015, VW was hit by one of the most significant scandals in automotive history, commonly known as the "emissions scandal." (Colvin, 2020) This scandal not only shook the company's foundation but also posed a severe threat to its competitive standing.

The emissions scandal centered around VW's deliberate manipulation of emission tests for its diesel vehicles, resulting in significantly higher levels of harmful pollutants being emitted than showed. The fallout from this revelation was profound, including substantial financial penalties, legal disputes, and a significant blow to VW's once-sterling reputation. However, VW's response to the crisis, combined with their existing competitive strategies, has allowed them to navigate through the turbulence and rebuild their brand. (Shah, et al., 2017)

This report aims to examine how VW has used its competitive strategies to overcome the challenges posed by the emissions scandal and regain its competitive standing. We will explore key concepts, principles, and evidence related to VW's strategies, including product differentiation, branding and reputation management, technological innovation, global presence and market penetration, strategic partnerships and mergers, customer-centric approach, sustainable practices, and cost leadership.

By analyzing these aspects, we can gain insights into how VW has adapted its strategies to rebuild trust and maintain a competitive advantage in the automotive industry. Despite the significant setback caused by the emissions scandal, VW's ability to rebound and regain market share demonstrates the resilience of their competitive strategies and their commitment to delivering high-quality vehicles to their customers.

2. Key Business Strategies Implemented by Volkswagen

2.1 Product Differentiation and Technological Innovation

VW focuses on offering a wide range of vehicles to cater to different customer segments. It has brands like Volkswagen, Audi, Porsche, and Lamborghini, each targeting a specific market segment with distinct features and pricing. VW has long been recognized for its ability to differentiate its products from competitors through innovative design and innovative technology. Despite the setback caused by the emissions scandal, VW continued to invest in research and development, focusing on clean and sustainable technologies.” In its drive to become a technology company, Volkswagen is realigning its Technical Development (TD) division. The main emphasis is on a complete redesign of the development process, making it interdisciplinary, focused squarely on software, customer requirements and SSP, Volkswagen’s electric platform of the future, and centered on functions rather than individual components.” (Volkswagen, 2022). By introducing electric and hybrid vehicles into their product line-up, VW aimed to regain consumer trust and show their commitment to environmental responsibility. This strategic move helped them to differentiate themselves from competitors and attract a new segment of eco-conscious customers.



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2.2 Branding and Reputation Management

VW has built a strong brand image over the years, known for its quality, reliability, and innovation. It has successfully positioned itself as a trusted and aspirational brand, which helps attract customers and retain brand loyalty. The emissions scandal severely tarnished VW's once-sterling reputation and it was “severe enough to even harm the reputation of Germany as a nation” (MarketingDive, 2015). However, the company swiftly implemented measures to rebuild trust and restore their brand image. VW launched extensive marketing campaigns emphasizing their commitment to transparency, accountability, and environmental sustainability. They also took responsibility for their actions, cooperating with authorities, and implementing stricter internal compliance measures. (VIM GROUP, 2023). By actively addressing the

scandal and proving their willingness to rectify past mistakes, VW managed to salvage its brand reputation and regain consumer confidence. In 2019, they introduced the new logo and brand design. Volkswagen's Head of Global Brand Management said that: "rebranding was a logical step to take, following 'The New Volkswagen' strategic realignment. For the new appearance of our brand, the design, imagery and communication style have been completely revised. Our rebranding was one of the largest brand change projects worldwide, but the implementation of the new brand took place in a record time of only nine months" (Heise Gilbert, 2019).



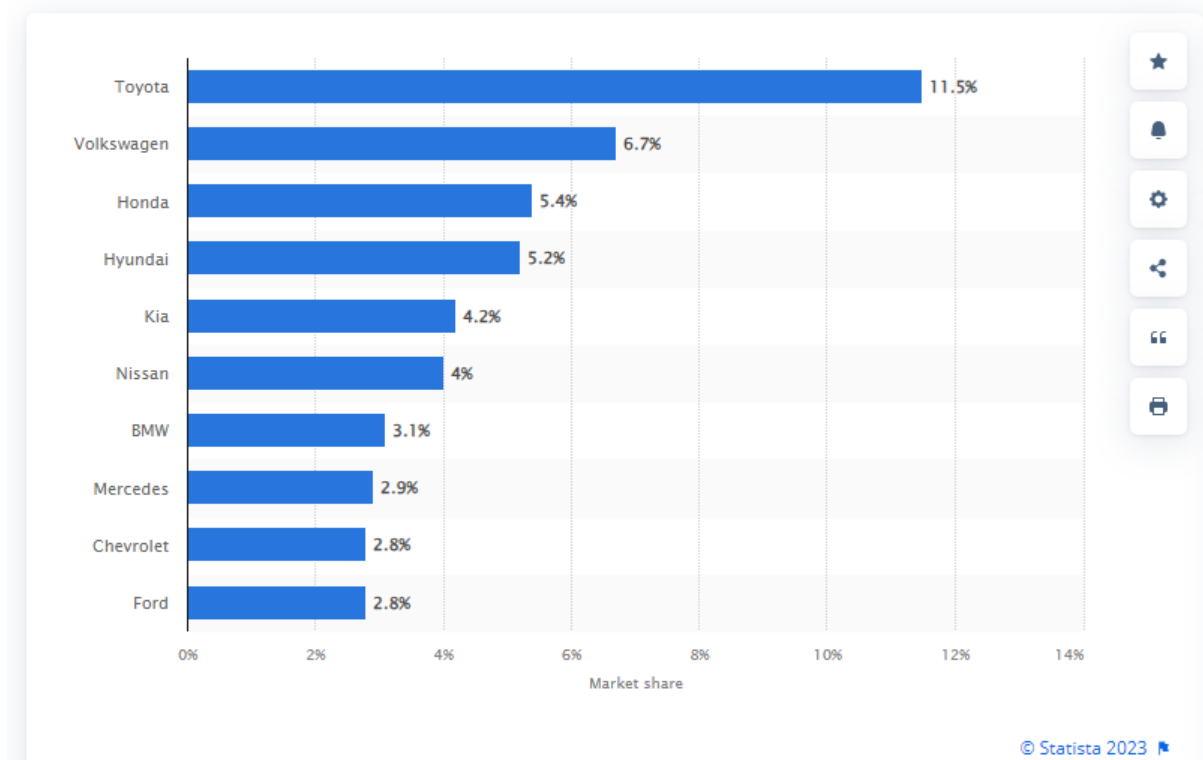
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2.3 Global Presence and Market Penetration

VW has a global footprint with production facilities and sales networks in various regions. This allows the company to penetrate different markets, adapt to local preferences, and leverage economies of scale. VW's strong global presence played a crucial role in weathering the scandal and maintaining its competitive position. "In terms of sales and revenue, In 2021, the brand Volkswagen held close to 6.4 percent of the global automotive market shares. In 2022 Volkswagen managed a 6.7 market share and ranked among the ten most valuable brands in the automotive sector, right above Porsche, another one of the manufacturer's brands" (Carlier, 2022).

Volkswagen sales in 2022 were of 279.2 €billion with a gross profit of 52.2 €billion (Volkswagen Group, 2022) and deliveries worldwide of 4.6 million units (Volkswagen Group News, 2023) . The company's extensive network of manufacturing facilities and sales channels allowed them to tap into different markets and diversify their revenue streams. This diversification strategy helped offset the financial impact of the scandal, as VW could rely on the performance of its subsidiaries and brands in other regions. Additionally, VW strategically focused on emerging markets, such as China where their strategy rest on collaborating with local actors. (More, 2023) Following this technique, Volkswagen Group experienced substantial growth and were able to penetrate new customer segments.

Global automotive market share in 2022, by brand



(Statista, 2023)

2.4 Strategic Partnerships and Mergers

VW has formed strategic partnerships and collaborations with other automotive companies to enhance its competitive position and accelerate recovery from the emissions scandal. For example, it entered into joint ventures with Chinese automakers to tap into the growing Chinese market. In July 2023 “they invested \$700 million in Xpeng and purchased a 4.99% stake in the company. Volkswagen also announced plans for further cooperation between its subsidiary Audi and Chinese heavyweight SAIC” (More, 2023). These alliances allowed VW to access innovative technologies, expand their product portfolio, and strengthen their market position. Notably, their collaboration with Ford in the development of electric and autonomous vehicles (Volkswagen US Media Site, 2018) highlighted their determination to stay ahead of the technological curve and remain competitive in a rapidly evolving industry.

2.5 Customer-Centric Approach

Recognizing the importance of customer satisfaction and loyalty, VW adopted a customer-centric approach to regain trust and rebuild its customer base. They are “continuing the consistent implementation of ACCELERATE brand strategy and creating the framework for strengthening the integrated customer experience in the age of digital mobility” (Volkswagen Newsroom, 2021).



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VW had to rethink their strategy and stop thinking of dealers as their customers. They made the shift to focusing on the end consumer as their customer, and instead saw the dealers as partners and as an extension of the company, helping them to retain that customer. By doing so they also had to realign their performance metrics carefully and change the operations so that in the end they better serve both the dealership and the final consumers. (Murray, 2017). They introduced comprehensive warranty programs, enhanced after-sales services, and implemented rigorous quality control measures. By demonstrating their commitment to delivering exceptional customer experiences, VW aimed to rebuild their customer base and restore confidence in their products.

2.6 Sustainable and Environmentally Friendly Practices

VW has recognized the importance of sustainability, as a "recurring theme in the business world that will gain further pertinence" (Volkswagen Group, 2022) and set up a Sustainability Council in 2016 and has committed to reducing its carbon print with their group strategy "TOGETHER 2025". It aims to become a leader in electric mobility and has launched electric vehicle models under its various brands. In response to the emissions scandal, VW placed a renewed emphasis on sustainable practices and environmental responsibility, responsibility in supply chains and in business. They invested heavily in developing electric and hybrid vehicles, reducing their carbon footprint, and improving fuel efficiency across their product range. (Volkswagen Group, 2020). They have established 12 Group Initiatives across the brand groups and they are addressing those through their technology platforms-mechatronics, software, battery & charging and mobility solutions.



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2.7 Cost Leadership

VW focused on cost optimization through streamlining operations, improving production efficiency, procurement strategy and leveraging economies of scale. They have implemented several initiatives like "Volkswagen FAST", "Together 2025+" or "E-mobility" with the key focus of optimizing cost structures, advancing it's supply network or target-costing strategies.

"Volkswagen FAST" (Future Automotive Supply Tracks). This initiative aimed to optimize the company's supply network and improve production efficiency. By streamlining operations and implementing best practices in procurement, Volkswagen was able to reduce costs and increase profitability. (Volkswagen Group, 2021)

Volkswagen's "E-mobility" strategy, which focuses on developing and producing electric vehicles. By investing in electric vehicle technology, Volkswagen aims to meet the growing demand for environmentally friendly vehicles while also optimizing cost structures. Electric vehicles have the potential to reduce production costs over time, as they require fewer components and have lower operating costs compared to traditional internal combustion engine vehicles. (Volkswagen Group, 2021)

Volkswagen's strategic plan called "Together 2025+" emphasizes the integration of sustainability and cost leadership. This plan includes ambitious goals such as reducing carbon dioxide emissions from the Volkswagen fleet and implementing sustainable manufacturing processes. By incorporating sustainable practices into their operations, Volkswagen aims to align with the increasing demand for environmentally friendly vehicles and position themselves as a leader in the industry. (Volkswagen Group, 2021)

By incorporating sustainable practices and cost leadership into their competitive strategies, VW focused on cost optimization, supply network improvement, and sustainability. These strategies demonstrate their commitment to regaining profitability while meeting the growing demand for environmentally friendly vehicles.

3. Resources and Capabilities of Volkswagen

3.1 Brand Reputation

VW has a strong brand reputation built over many years. However, the "dieseldgate" scandal severely damaged their reputation. They have been working to rebuild trust through various initiatives and settlements, including the recent £193m pay-out to affected drivers in England and Wales. VW has made efforts to rebuild trust and restore its damaged reputation following the "dieseldgate" scandal. The £193m settlement in England and Wales is an example of their commitment to addressing the consequences of their actions. By acknowledging their mistakes and compensating affected customers, VW is aligning its resources towards rebuilding trust and repairing its brand reputation.

3.2 Manufacturing and Engineering Expertise

VW has extensive manufacturing and engineering capabilities, enabling them to produce a wide range of vehicles. They have a global production network and are known for their efficient manufacturing processes. As mentioned in the 2022 Annual Report, they are " supporting the Group NEW AUTO strategy with its one.PRODUCTION functional area strategy. By adopting a common approach for the thematic focus of our activities, we aim to pool the strengths and potential of our global production and logistics across brands and take advantage of the resulting synergy effects." (Volkswagen Group, 2022)

VEHICLE PRODUCTION LOCATIONS OF THE VOLKSWAGEN GROUP

Share of total production 2022 in percent



Image rights: Volkswagen AG

3.3 Research and Development (R&D)

VW has a significant focus on R&D to develop innovative technologies and improve vehicle performance. They have invested in electric vehicle technology, battery development, and autonomous driving systems. (Volkswagen Group, 2020)



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3.4 Financial Strength

Despite the financial impact of the "dieseldgate" scandal, VW has maintained its financial strength. They have been able to pay substantial fines, compensation, and settlements worldwide.” The company has spent more than €30bn (£26bn) in legal fees and pay-outs to customers, including a \$15bn (£12bn) settlement in the US.” (Jolly, 2022) This includes the £193m settlement in England and Wales. (BBC News, 2022)

3.5 Supply Chain and Logistics

Volkswagen (VW) has a robust supply chain and logistics system centred on the One.Group Business Platform that enables efficient manufacturing and distribution of vehicles worldwide. (Volkswagen Group, 2023) They have strong relationships with suppliers, advanced production facilities, and skilled workers.

However, the Dieseldgate scandal had a significant impact on VW's reputation and supply chain. They faced recalls and repairs of affected vehicles, which strained their supply chain. (Bartlett, et al., 2017). VW had to coordinate with suppliers to ensure availability of necessary components. They also implemented stricter regulations and compliance measures.

VW's response to the scandal showcased their crisis management capabilities and commitment to transparency. They took responsibility, initiated internal investigations, and strengthened supply chain processes to ensure compliance and ethical practices. (Volkswagen Group, 2020)

Volkswagen's supply chain relies on strong resources and capabilities. Despite the Dieseldgate scandal, VW adapted and improved their operations, demonstrating resilience in their supply chain management.

3.6 Human Capital

Volkswagen's workforce of around 669,000 people in 2022 (Carlier, 2022) is a crucial component of their supply chain and logistics operations. Skilled employees in procurement, production, and logistics play a significant role in ensuring the smooth functioning of these functions.

The Dieselgate scandal had implications for VW's human capital. The company had to address ethical and compliance issues (Toebe, 2020), leading to a focus on training programs to promote ethical behavior and transparency. This involved educating employees about compliance standards and implementing stricter controls. For instance, VW introduced mandatory compliance training for employees to prevent future ethical lapses. (Li, 2020)

Additionally, the scandal highlighted the importance of leadership and management capabilities. The crisis management team, led by top executives, made strategic decisions and communicate with stakeholders permanently via their online platforms to rebuild trust. Their leadership skills were crucial in guiding VW through the challenges. For example, VW's top executives implemented a comprehensive communication strategy to regain consumer trust and restore the company's reputation.

Volkswagen's human capital, consisting of skilled employees in procurement, production, and logistics, plays a vital role in their supply chain and logistics operations. The company's response to the Dieselgate scandal underscored the significance of ethical behavior, compliance, and strong leadership within the organization.

3.7 Marketing and Sales

The Dieselgate scandal significantly impacted Volkswagen's marketing and sales efforts as it tarnished the company's reputation and eroded consumer trust. This led to a decline in sales and market share for VW. To mitigate the effects of the scandal, the company implemented various strategies.

Firstly, Volkswagen heavily invested in advertising campaigns that emphasized transparency, accountability, and commitment to environmental sustainability. These campaigns aimed to regain consumer trust by highlighting the steps taken to rectify the situation. For example, VW ran advertisements showcasing their commitment to emission reduction and the development of electric vehicles (EVs). (Turna, 2022)

Additionally, the company introduced new marketing initiatives to promote their EVs and shift public focus towards more sustainable mobility solutions. Models like the Volkswagen ID.4 and ID.3 were launched with extensive marketing emphasizing their EV capabilities and eco-friendly features. These efforts aimed to reposition VW as an industry leader in electric mobility, distancing themselves from the diesel scandal.

VW also adopted customer-centric strategies to enhance the overall buying experience. They introduced customer loyalty programs, improved after-sales services, and implemented transparent pricing policies. These initiatives aimed to reassure consumers and demonstrate VW's commitment to providing value and customer satisfaction. For instance, the company introduced extended warranties and enhanced customer support services to regain trust. (Volkswagen Group, 2020)

In terms of sales, Volkswagen faced legal repercussions and financial penalties resulting from the scandal. They had to address class-action lawsuits and allocate resources to compensate affected customers. (Jolly, 2022). These legal battles and financial burdens impacted the company's sales performance and

profitability.

To counter the decline in sales, VW focused on strengthening its sales network and expanding into emerging markets (More, 2023). They targeted regions like China and India, where there was still market potential and a growing demand for automobiles. By directing their efforts towards these markets, VW aimed to offset the decrease in sales experienced in other regions due to the scandal.

Overall, the Dieselgate scandal had a significant impact on Volkswagen's marketing and sales efforts. The company implemented advertising campaigns, introduced new marketing initiatives, and repositioned themselves as leaders in electric mobility. They also had to address legal and financial challenges while expanding into new markets to compensate for the decline in sales.

4. Alignment of resources and capabilities with current business strategies:

VW has aligned its resources and capabilities with its current business strategies to a certain extent:

4.1 Shift towards Electric Mobility

VW has recognized the importance of electric mobility and has made it a key focus of their business strategy. They have invested in electric vehicle production, introduced new electric models, and set ambitious targets to become a leading electric vehicle manufacturer. This strategy aligns with their strong manufacturing capabilities and R&D efforts in electric vehicle technology.

4.2 Sustainability and Emissions Reduction

VW has emphasized sustainability and reducing emissions in its business strategies. They have set targets to become carbon neutral and have increased their focus on electric and hybrid vehicles. This aligns with their R&D capabilities and highlights their commitment to addressing environmental concerns.

However, it is important to note that the "dieselgate" scandal exposed a misalignment between VW's resources and capabilities and their ethical standards. The use of emissions cheating devices contradicted their claims of producing environmentally friendly vehicles. While VW has taken steps to address the issue and align their strategies with sustainability goals, the scandal highlights the need for ongoing vigilance and ethical decision-making within the company. (Volkswagen Group, 2022)

5. Recommendations for further sustainability practices

5.1 Embrace Renewable Energy: VW should invest in renewable energy sources, such as solar or wind power, to reduce their carbon footprint and dependence on fossil fuels. By adopting renewable energy solutions for their manufacturing plants and operations, they can show-case their commitment to sustainability and gain a competitive advantage as a more environmentally responsible company.

5.2 Expand Electric Vehicle Offerings: VW should continue to invest in electric vehicle technology and expand their electric vehicle offerings. By developing a diverse range of electric vehicles with improved battery range and charging infrastructure, they can position themselves as a leader in the electric vehicle market. This aligns with the growing consumer demand for sustainable transportation options

and can give them a competitive advantage over companies that have been slower to adopt electric mobility.

- 5.3 Supply Chain Sustainability:** VW should actively collaborate with their suppliers to ensure sustainability practices throughout their supply chain. This includes promoting responsible sourcing of raw materials, reducing waste and emissions in the production process, and encouraging suppliers to embrace sustainable practices. A sustainable supply chain can contribute to VW's overall sustainability goals and differentiate them from competitors who may not have the same level of commitment to sustainability.
- 5.4 Transparency and Communication:** VW should prioritize transparency and effective communication about their sustainability initiatives. They should regularly show their progress, goals, and performance in sustainability reports and engage with stakeholders to prove their commitment to responsible business practices. By being transparent and initiative-taking in their sustainability efforts, VW can build trust with customers, investors, and other stakeholders, creating a competitive advantage based on their strong sustainability credentials.
- 5.5 Collaborate with Stakeholders:** VW should actively seek partnerships and collaborations with other organizations, industry groups, and governmental bodies to drive sustainability initiatives. By working together, they can leverage shared knowledge and resources to address complex sustainability challenges and drive industry-wide change. Collaborations can also enhance their reputation as a sustainability leader and help them stay ahead of emerging sustainability trends and regulations.
- 5.6 Employee Engagement and Training:** VW should prioritize employee engagement and supply training programs to raise awareness and understanding of sustainability practices. By fostering a culture of sustainability within the organization, employees can contribute innovative ideas and actively take part in driving sustainability initiatives. Engaged and knowledgeable employees can be ambassadors for VW's sustainability efforts, further enhancing the company's competitive advantage.

By implementing these recommendations, VW can strengthen its position as a leader in sustainable mobility, attract environmentally conscious customers, and differentiate itself from competitors. Embracing sustainability practices can not only contribute to a better future for the planet but also supply long-term business benefits and competitive advantages.

5. Conclusion

Despite the significant setback caused by the emissions scandal, VW's competitive strategies have enabled them to navigate through the crisis and rebuild their brand. Through product differentiation, branding and reputation management, technological innovation, global presence, strategic partnerships, customer-centric approach, sustainable practices, and cost leadership, VW has proven resilience and adaptability.

By effectively using these strategies, VW has regained consumer trust, kept a strong market presence, and positioned itself as a leading player in the automotive industry once again. The lessons learned from VW's experiences supply valuable insights for other companies in crisis management, brand rehabilitation, and the importance of robust competitive strategies in keeping long-term success.

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Appendix 1

Porter's Five Forces analysis is a framework used to assess the competitive dynamics and attractiveness of an industry. Here's a Five Forces analysis for Volkswagen (VW) in the automotive industry:

1. Threat of New Entrants:

The automotive industry has high barriers to entry due to factors such as high capital requirements, economies of scale, and established brand loyalty. However, the threat of new entrants remains as innovative startups and companies from emerging markets enter the electric vehicle segment. This threat can be mitigated by VW's strong brand recognition, established distribution networks, and investments in research and development.

2. Bargaining Power of Suppliers:

Suppliers in the automotive industry have moderate bargaining power. While there are numerous suppliers, certain critical components such as batteries, semiconductors, and specialized materials may be controlled by a few key suppliers. VW's scale and global presence can give them some negotiating power, but disruptions in the supply chain or limited availability of key components can impact their production and profitability.

3. Bargaining Power of Buyers:

Buyers in the automotive industry have moderate to high bargaining power. Customers have access to a wide range of choices and can easily compare prices, features, and quality. The internet has increased transparency and empowered buyers. However, VW's strong brand reputation, product portfolio, and customer loyalty can help mitigate the bargaining power of buyers.

4. Threat of Substitutes:

The threat of substitutes in the automotive industry is moderate. While alternatives like public transportation, ride-sharing services, and bicycles exist, they may not fully replace the need for personal vehicles. However, the rise of electric vehicles and advancements in autonomous driving technology may increase the attractiveness of alternative mobility solutions. VW's focus on electric vehicles and sustainable mobility can position them well to address this threat.

5. Intensity of Competitive Rivalry:

The automotive industry is highly competitive, with numerous global and regional players. Competitors such as Toyota, General Motors, and BMW have strong brand recognition and compete fiercely for market share. Intense competition leads to price wars, product innovation, and marketing campaigns. VW's competitive advantage lies in its diversified product portfolio, strong brand equity, and global presence, but they must continuously invest in research and development and differentiate themselves to stay competitive.

Volkswagen faces moderate to high competition and must continuously innovate, invest in sustainable mobility, and differentiate itself to maintain a competitive advantage in the automotive industry.

Appendix 2

SWOT analysis is a framework used to assess the strengths, weaknesses, opportunities, and threats of a company. Here's a SWOT analysis for Volkswagen (VW):

1. Strengths:

- 1.1 Strong Brand: VW has a globally recognized and respected brand, known for quality, reliability, and innovation.
- 1.2 Diversified Product Portfolio: VW offers a wide range of vehicles, from compact cars to luxury models, catering to different customer segments.
- 1.3 Global Presence: VW operates in numerous markets worldwide, giving them a broad customer base and economies of scale.
- 1.4 Strong Research and Development: VW invests heavily in R&D, enabling them to develop innovative technologies and stay at the forefront of the industry.
- 1.5 Manufacturing Efficiency: VW has efficient production processes and a strong supply chain, allowing for cost-effective manufacturing.

2. Weaknesses:

- 1.1 Diesel Emissions Scandal: VW faced a major setback due to the diesel emissions scandal, damaging their reputation and resulting in legal and financial consequences.
- 1.2 Dependence on Europe: VW's sales heavily rely on the European market, making them vulnerable to economic fluctuations and regulatory changes in the region.
- 1.3 Limited Electric Vehicle Offerings: While VW has made strides in electric vehicle development, their EV portfolio is not as extensive as some competitors.

3. Opportunities:

- 3.1 Electric Vehicle Growth: The increasing demand for electric vehicles presents an opportunity for VW to expand their EV offerings and capture a larger market share in the growing sustainable mobility sector.
- 3.2 Emerging Markets: VW can further penetrate emerging markets, such as China and India, which offer significant growth potential for the automotive industry.
- 3.3 Technological Advancements: Advancements in autonomous driving, connectivity, and mobility services open up new possibilities for VW to develop innovative features and enhance customer experiences.

4. Threats:

- 4.1 Intense Competition: The automotive industry is highly competitive, with numerous global and regional players vying for market share. Competitors like Toyota, GM, and BMW pose a threat to VW's market position.
- 4.2 Changing Regulations: Shifting regulations related to emissions, safety standards, and trade policies can impact VW's operations and profitability.
- 4.3 Economic Uncertainty: Economic downturns, fluctuations in exchange rates, and geopolitical tensions can negatively impact consumer demand for vehicles.

Appendix 3

PESTEL analysis for Volkswagen (VW):

1. Political

- 1.1** Government Regulations: VW operates in multiple countries and is subject to various regulations related to emissions, safety, and manufacturing standards.
- 1.2** Political Stability: Political instability in certain markets can impact VW's operations and profitability.

2. Economic

- 2.1** Global Economic Conditions: Economic downturns or recessions can lead to reduced consumer spending on vehicles, affecting VW's sales.
- 2.2** Exchange Rates: Fluctuating currency exchange rates can impact VW's profitability, especially in markets where they import or export vehicles.

3. Sociocultural

- 3.1** Changing Consumer Preferences: Shifts in consumer preferences towards more sustainable and environmentally friendly vehicles can impact VW's product demand.
- 3.2** Demographic Trends: Aging populations and urbanization can influence VW's target markets and product offerings.

4. Technological

- 4.1** Electric Vehicles and Autonomous Driving: Technological advancements in electric vehicles and autonomous driving present both opportunities and challenges for VW to adapt and innovate.
- 4.2** Connectivity and Digitalization: Growing consumer demand for connected cars and advanced infotainment systems requires VW to stay at the forefront of technology.

5. Environmental

- 5.1** Climate Change and Emissions Regulations: Stricter regulations related to emissions and climate change can impact VW's manufacturing processes and product line-up.
- 5.2** Sustainable Practices: Increasing consumer awareness and demand for sustainable business practices require VW to invest in environmentally friendly initiatives.

6. Legal

- 6.1** Legal Compliance: VW must comply with various laws and regulations related to product safety, emissions, and intellectual property rights.
- 6.2** Product Liability: VW faces potential legal risks and liabilities related to product defects and recalls.