

Group Presentation: Volvo Cars – Micro and Macro Business Analysis

- Emil Cosmin Raducanu 2513152
- Andreea Sibel Ismail 2516748
- Cornelia Ioan 2515711
- Nelu Costel Avram 2517293



Company Overview

Founded in Gothenburg, Sweden in 1927, Volvo Cars is distinguished all around the world for its designs, innovations and most importantly for its safety features.

Statista (2024) mentions that Volvo has more than 43,000 employees with its operations in more than 100 countries.

Volvo has gained its reputation as a pioneer when it comes to environmental and automotive safety.

The rapid transition towards electric vehicles has helped them generate more than \$35 billion in revenue in 2024 (Volvo Cars, 2024).

They intend to achieve the status as the first brand in the world to produce fully electric vehicles by 2030 and attain a climate-neutral supply chain by 2040 (IEA, 2024).

Core Business Strategy



Safety, innovation, and sustainability form the business strategy backbone for Volvo.



Volvo Cars (2024) states that the company is now planning for its final target year in 2030 to focus solely on electric cars.



Volvo continues heavy investments into digitalisation, circular economy and advanced driver-assistance systems developed by Financial Times (2024).



This has led to partnerships with firms like Google and Northvolt for strategic software and battery support.



By adopting this approach, Volvo is able to retain its competitiveness by merging Scandinavian design, advanced technologies, and environmental awareness.

PESTEL Framework

Political: While benefiting from Europe's policies on pro electric mobility, the company also has to contend with tariff trade uncertainty (IEA, 2024).

Economic: Cost inflation resulting from unresolved supply chains has tended to the upside; however, the EV sector seems insulated from this inflationary pressure (Financial Times, 2024).

Social: Customers' greater awareness on sustainability and ethical consumption positively impacts the brand image of Volvo due to the green policies adopted by the company (Statista, 2024).

Technological: Extensive investments in AI technology focused on safety-minded autonomous driving and software integration (Volvo Cars, 2024).

Environmental: Renewable energy is used in production, and the company is focused on carbon footprint in all operations (IEA, 2024).

Legal: Vehicle design and data systems are affected by the stringent laws of the EU on emissions and global data protection (Financial Times, 2024).

Strengths

Strong Brand Reputation: The safety and reliability of Volvo's cars are the company's global marketing pitch, and that reputation has been consistently built (Statista, 2024).

Sustainability Commitment: Trust is built when the company claims to be incorporating socially acceptable business practices that are characterised by the fully electric cars (Volvo Cars, 2024).

Innovation in Safety: Volvo is the leader in the automotive industry when it comes to technological advancements in autonomous systems that prevent accidents (IEA, 2024).

Strategic Partnerships: The joint research collaborations between Volvo and tech companies as well as Volvo's suppliers enhance the effectiveness of research and development initiatives (Financial Times, 2024).

Customer Loyalty: Retention rates have been recorded to be high in Europe and Asia and this strengthens customer loyalty in these regions.

These features aspects demonstrate Volvo's socio-innovation and responsible genius in a more blended form.

Weaknesses

Volvo's concerns relate to the rising production costs of electric vehicles; as long as these costs remain an issue, the ease of profitability in electric vehicle production will continue to be a challenge (Financial Times, 2024).

Relative to Tesla and Toyota, Statista (2024) says Volvo has a smaller global presence.

Volvo has a narrow range of vehicles, and some regions of the world do not have the electric infrastructure to support a fully electric vehicle.

IEA (2024) asserts that the absence of fully electric vehicle infrastructure, in part, explains Volvo's limited vehicle range.

As Volvo relies on external battery suppliers, the company does not have full control of production schedules (IEA, 2024).

Opportunities

According to Volvo Cars (2024), the world's growing appetite for electric vehicles will provide more expansion opportunities for Volvo.

Shifting to sustainable alternatives is more accessible, and environmentally conscious buyers are more common, making the sale of eco-friendly products more attractive.

Statista (2024) says that new areas for sales are in the growing economies of Asia and South America.

IEA (2024) says partnerships with firms in renewable energy will help support Volvo's sustainable production.

The enhancement of digital technologies allows more connected services in cars.

Threats

According to Financial Times (2024), Tesla, BMW, and Chinese manufacturers of electric vehicles are some of the companies that provide strong competition for Volvo.

IEA (2024) explains that global inflation, along with shortages of raw materials, will continue to raise the costs of production.

The ever-changing threats posed by fast-growing start-ups driven by disruptive technology (IEA, 2024).

Changes in the regulations surrounding emissions and safety will require companies to make constant adjustments (Statista, 2024).

Concerns about cybersecurity and data privacy might contribute significantly to the erosion of consumer confidence.

Political and Economic Factors

Volvo's accomplishments stem from the clean transport policy initiatives from the European Union and the government.

Although purchase subsidies for electric vehicles help in expansion, export tariffs to non-European Union countries increase costs (International Energy Agency, 2024).

High inflation, global economic uncertainty, and expensive energy resources are negatively impacting production.

In part, rising costs are mitigated because of the company's reputation and early investments in electrification (Financial Times, 2024).

Social and Technological Factors



Environmental and Legal Factors



AS OF OCTOBER 2023, 'VOLVO' CLAIMED TO HAVE THE MOST PERFECT ALIGNMENT WITH THE 'PARIS CLIMATE AGREEMENT' (IEA, 2024) AMONG AUTOMAKERS.



VOLVO HAS SET GOALS TO HAVE THEIR EUROPEAN FACTORIES BE 100% POWERED BY RENEWABLE ENERGY AS WELL AS HAVE THEIR LOGISTICS BE FULLY CARBON NEUTRAL BY 2040.



NEVERTHELESS, THE COSTS ASSOCIATED WITH COMPLIANCE TO THE EMISSION, WASTE, AND RECYCLING LAWS NEGATIVELY AFFECT PRODUCTION (FINANCIAL TIMES, 2024).



AUTONOMOUS DRIVING AND DATA PROTECTION RELATED LAWS MANDATE EXTENSIVE STUDIES (VOLVO CARS, 2024) WHICH LIMITS HOW QUICKLY THEY CAN DEVELOP AUTONOMOUS DRIVING TECHNOLOGY.

Impact of Globalisation

According to Statista, globalisation has facilitated the expansion of the Volvo brand to North America, Europe, and Asia.

Volvo's ability to respond quickly and flexibly to manufacturing in Sweden, Belgium, and China is aided by the company's manufacturing plants in those countries.

In parallel, Volvo's globalisation and economic outlook have to concern themselves with supply chain risks and global economic volatility (IEA, 2024).

These risks have been minimised by the company's local production and collaborative strategies. As per the Financial Times, these strategies have been successful in enhancing Volvo's independence and reducing the company's reliance on imports.

The Role of Innovation

Every aspect of Volvo's strategy involves innovation.

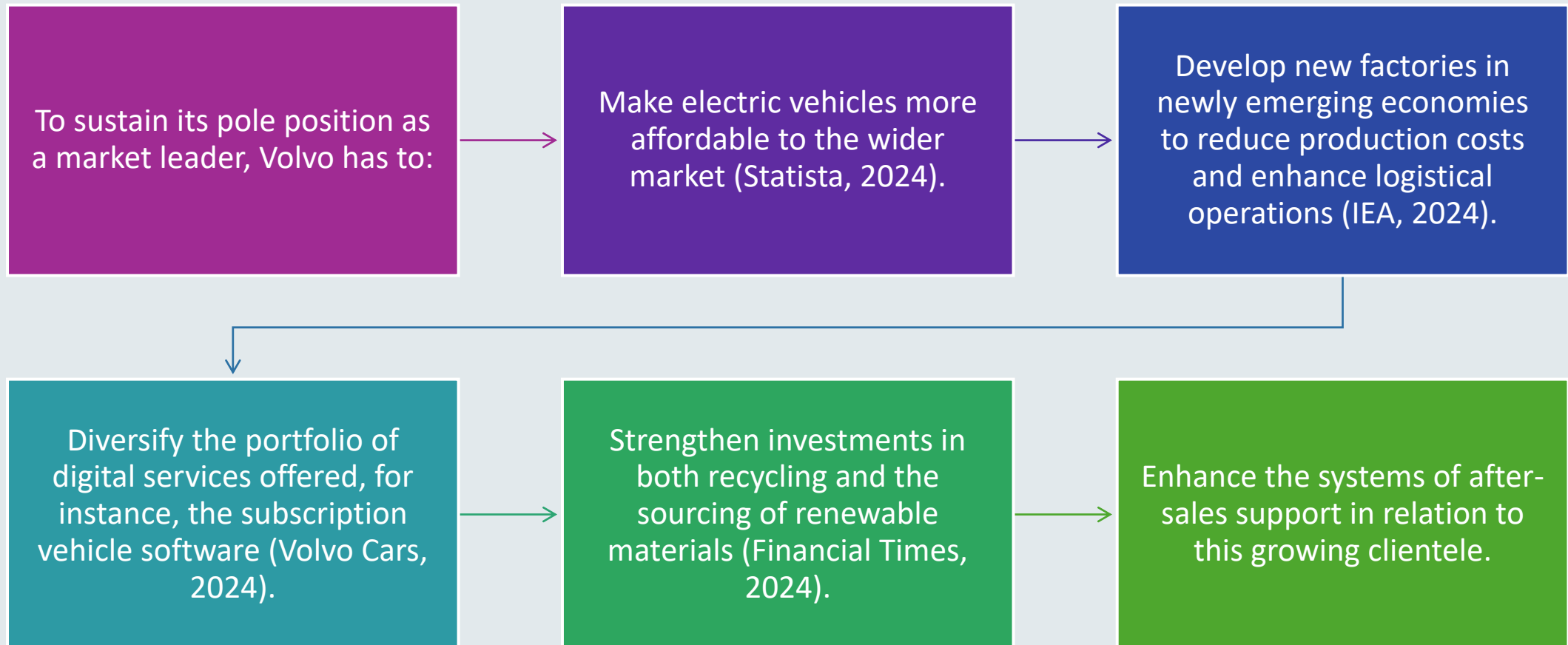
The company is a frontrunner in safety engineering, electric mobility, and the use of sustainable materials (Volvo Cars, 2024).

The company's most recent innovations include cutting-edge LiDAR systems and vehicle components made of recycled aluminium (Financial Times, 2024).

Volvo's other investments include battery recycling, and vehicle to grid energy systems (IEA, 2024).

For the Volvo company, innovation involves improving performance while actively protecting the planet and its people.

Recommendations



Conclusion



Volvo has successfully evolved from a conventional manufacturer to an automotive producer that, aside from Scandinavian countries, is synonymous with safety, advanced technology and sustainable practices globally.



Volvo has a sustained competitive edge due to the innovative and ethically responsible initiatives the company continues to undertake.



Surveillance in addressing the competition is of primary importance though the company's focus in all its market initiatives addresses sustainability for people, the planet and progress.



Volvo's commitment to its principles and proactive shift in focus and strategy will ensure that the company leads the industry in growing a future that is not only safer and smarter but cleaner as well.

References

- Financial Times (2024) *Volvo's commitment to full electrification and sustainability*. London: Financial Times, 17 April.
- International Energy Agency (IEA) (2024) *Global EV Outlook 2024: Electric Vehicle and Energy Trends*. Paris: IEA.
- Statista (2024) *Volvo Cars – Global Revenue, Employment and Market Presence 2024*. Available at: <https://www.statista.com/> (Accessed: 31 October 2025).
- Volvo Cars (2024) *Annual and Sustainability Report 2024*. Gothenburg: Volvo Car Corporation.