



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

MARKETING MANAGEMENT ASSESSMENT 2

Student Name: Patel Bhavinkumar Hasmukhlal

Student ID: 2223420

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Lecturer name: Dr. Tushara Balendran

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Introduction

Every industry has become congested and fiercely competitive in the modern business period. A number of issues are becoming more prevalent across industries and complicating matters for businesses (Akhmetshin et al., 2017). Businesses are being impacted by issues like globalization, a shifting business climate, competition, elevated brand awareness, and information management. Every company organization has to deal with this problem, but companies with a survival edge, an efficient marketing plan, and a unique value proposition can only survive by gaining a sustained competitive advantage. This research focuses on examining the business climate of **Aston Martin Lagonda Global Holding PLC** in light of the surrounding circumstances.

Background information about the company

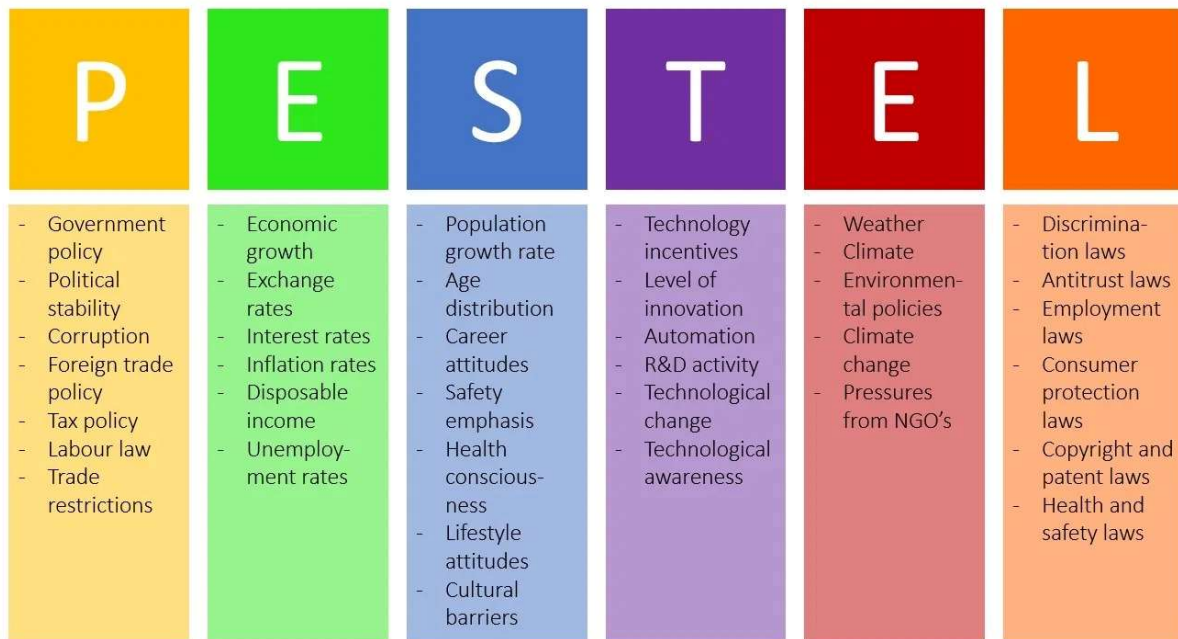
Aston Martin Lagonda Global Holdings plc, a British manufacturer of high-end sports cars, was founded in 1913 by Lionel Martin and Robert Bamford (Astonmartinlagonda.com, 2023).

The firm is renowned for creating grand tourers and high-performance sports cars that combine luxury and performance. Aston Martin Lagonda Global Holdings plc. is listed on the London Stock Exchange in 2018. The business includes operations and production facilities in both the UK and Wales, with its headquarters located in Gaydon, Warwickshire. With an eye towards the future of luxury electric transportation, Lagonda has recently changed its focus to electric vehicles and unveiled a number of concept automobiles. This features the luxury electric SUV Lagonda All-Terrain Concept, which debuted at the 2019 Geneva Motor Show. Additionally, Lagonda has made plans to create an electric platform that will be utilized by upcoming products bearing the brand. The business wants to develop a line of high-end, emission-free luxury automobiles that provide unmatched comfort and performance in addition to being sustainable and eco-friendly (Astonmartinlagonda.com, 2023). It is an iconic brand and a symbol of luxury and performance.

PESTLE Analysis

The PESTLE model, which offers contextual information on the business direction, its brand positioning, growth targets, and risks to productivity, will be used to undertake the external environmental scanning of Aston Martin Lagonda (CIPD, 2021). Luxury and performance

automobiles are the focus of Aston Martin's industry and markets, while opportunities and threats are categorized according to the political, economic, social, technological, and environmental components of the environment.



PESTEL Framework Source: (business-to-you, Lars de Bruin)

Political:

The corporate management choices and strategic alternatives of Astro Martin Lagonda are impacted by government policies. The political environment poses a threat to the company's growth.

- **Brexit** may have a big influence on the company of Aston Martin Lagonda. Increased costs and disruptions to the supply chain may result from uncertainty regarding trade agreements and regulations between the UK and the EU. which is a danger.
- **Government rules and policies** governing emissions and safety standards may have an impact on how Aston Martin's vehicles are designed and built.
- By 2030, the UK government intends to outlaw the sale of new petrol and diesel automobiles, which will significantly increase demand for electric vehicles like those produced by Aston Martin's Lagonda brand. (UK Government 2023)
- The company's ability to sell and distribute its vehicles internationally may be impacted by changes in import/export restrictions and tariffs.
- Political unrest and geopolitical unrest in particular areas may have an impact on the demand for luxury cars.

Economic:

Favorable

Due to expanding global prosperity and disposable income, high-end sports vehicles are one example of a luxury good that is finding a growing market.

Because of the significant revenue it obtained from its initial public offering in 2018, Aston Martin was able to invest in new models and technology.

Unfavorable

During recessions or downturns in the economy, the company's revenue may suffer from a drop in demand for luxury goods.

Exchange rate fluctuations, particularly in global markets, may have an effect on the company's profitability.

Social:

Stakeholders' needs and desires that are connected to behavior have an impact on these social aspects. Overall Aston Martin's Social demand is an Opportunity to develop the company.

Favourable:

- There is a growing market for electric and hybrid vehicles, which are a growing portion of Aston Martin's product lineup
- There is a strong cultural association between luxury sports cars and wealth, status, and prestige, which drives demand for the company's products.

Unfavourable:

- Ageing populations and altered family structures may have an influence on the market for luxury automobiles.
- Changing social standards and preferences may result in a drop in demand for expensive sports cars.

Technological:

Technological advancement and R&D of technology is crucial to business. This component stands for opportunity.

Favourable:

New materials and manufacturing techniques have made it possible to produce cars that are lighter, more powerful, and more efficient.

Electric and hybrid vehicle technology has advanced, enabling Aston Martin to create high-performance, environmentally friendly vehicles.

Unfavourable:

- The company's operations and reputation may be affected by cybersecurity threats and the potential for data breaches.
- Rapid technological change forces Aston Martin to consistently engage in research and development, which can be expensive.

Environmental:

The desire for high-end vehicles with minimal environmental impact may be impacted by climate change and the growing emphasis on sustainability.

Favourable:

Demand for environmentally friendly products, such as electric and hybrid vehicles, is rising as consumers become more ecologically concerned.

The fundamental component of Aston Martin's goal to lessen its carbon footprint and achieve emissions targets is the development of electric vehicles.

Unfavourable:

Aston Martin needs to make efforts to reduce their environmental impact. Vehicle manufacturing and transportation can have a major impact on the environment.

The supply chain and operations of the organisation may be impacted by changes in weather patterns and natural disasters.

Legal:

Favourable:

The UK government's tax incentives for companies investing in electric vehicle technologies may assist Aston Martin.

Unfavourable:

Safety and emissions standards could increase costs and limit the company's ability to produce specific car types.

Overall, Aston Martin Lagonda competes in a very dynamic and competitive market, and a variety of elements, such as societal trends, political and economic conditions, technological advancements, regulatory requirements, and environmental concerns, have an impact on the company's success. The business may continue to generate innovative and high-quality products while maintaining its competitiveness by closely monitoring these variables and making adjustments as needed.

Porter Five Forces

The five forces analysis is one of the most important external factor models that highlights competitiveness. A competitive strategy should be based on knowledge of industry structures and how they shift over time (Bruijl, 2018).

Based on the industry segments, the rivals can be located and categorized. The five forces are buyer power, competitor rivalry, threat of substitution, threat of new entry, and supplier power. In order to preserve a competitive advantage, Aston Martin Lagonda Global Holdings plc can benefit from this analysis by avoiding saturated spaces in the industry and concentrating on cost and differentiation initiatives.



Figure 1: Porter Five Forces Source: (Zhao, et al., 2016)

Threat of new entrants:

Due to the high entry hurdles, which include the high cost of developing and producing luxury automobiles, the requirement for considerable research and development, and the requirement for a well-established brand reputation, the threat of new entrants in the luxury car industry is relatively minimal. Aston Martin might be threatened by newcomers to the electric vehicle sector, though, if they can create comparable goods for less money.

Bargaining power of suppliers:

For parts and components, Aston Martin relies on a network of suppliers. The corporation can have some negotiating influence over suppliers thanks to its high-end positioning and reputation. The business might also be able to benefit from its connections with suppliers to get better terms and prices.

Bargaining power of buyers:

Due to their numerous selections and keen pricing awareness, buyers have significant bargaining power in the market for luxury vehicles. Strong brand loyalty and a commitment to provide a distinctive and differentiating customer experience are two strategies Aston Martin may use to mitigate this.

Threat of substitutes:

There aren't many alternatives for luxury cars, but electric cars are starting to look more and more appealing as an alternative to conventional gas-powered cars. It's crucial for Aston Martin to maintain its competitiveness in this expanding sector while it turns its attention to electric vehicles. They are already working on it so threat of substitute is low.

Competitive rivalry:

The market for luxury vehicles is extremely competitive and has numerous well-known manufacturers, including Porsche, Tesla, Ferrari, and Lamborghini. Though it may struggle to stand out in a crowded market, Aston Martin has a solid brand reputation and a devoted customer base. But recently Tesla become so popular in electric car segment and electric cars are the future, although company already entered in that segment with concept models but there is long way to go for Astro Martin Lagonda that's why threat of competitive rivalry is high.

SWOT Analysis

SWOT analysis is a framework for assessing a company's opportunities, threats, weaknesses, and strengths. Here is a SWOT analysis of Aston Martin Lagonda Global Holdings plc:

STRENGTHS:

- Astro Martin Lagonda has strong brand history and reputation in the premium auto industry.
- The heritage and history of building iconic automobiles linked to James Bond and other well-known figures.
- Focus on high-end, luxury vehicles that cater to a niche market.
- A dedicated following of customers who value the uniqueness and grandeur of owning an Aston Martin.
- The company distinguishes itself from its rivals by placing a strong emphasis on design and style.
- Stable alliances with major suppliers, including Mercedes-Benz for engines and Daimler AG for technologies.
- Company put an emphasis on innovation, including the creation of electric vehicles and cutting-edge technologies for their automobiles.

WEAKNESSES:

- Expensive production costs and dependence on a small number of suppliers for essential parts.
- Limited product line diversification, with a strong emphasis on sports cars.
- The company's reliance on a small number of markets and clients makes it susceptible to economic downturns and shifts in consumer tastes.
- A high price point can reduce the number of possible customers.
- There is fierce rivalry in the market for luxury vehicles from both established competitors and emerging brands.

OPPORTUNITIES:

- Aston Martin has the chance to diversify its product line and attract new clients thanks to the expanding market for electric vehicles.

- Emerging countries like China, India and Indonesia provide the corporation chances to broaden its worldwide footprint.
- Partnerships with other high-end brands and businesses can help to broaden the company's product and service offerings while also sharing costs and resources.
- Expanding into new product categories, such SUVs or high-end sedans, can aid in diversifying the company's selection.

THREATS:

- The demand for luxury products, including the cars made by Aston Martin, can be impacted by economic downturns and changes in consumer spending.
- Changes in exchange rates can have an impact on how much it costs to import and export raw materials and finished goods.
- Increasing emissions and safety restrictions may raise production costs and restrict a company's capacity to create particular models.
- fierce rivalry with other luxury automakers like Ferrari, Tesla, Lamborghini, and Porsche.
- The desire for individual car ownership may decline as a result of disruptive technologies like autonomous driving and ride-sharing, which could negatively impact the company's sales.

In broader terms, Aston Martin Lagonda Global Holdings plc has a good reputation and brand in the luxury automobile industry, but it also has issues with expenses, a small product line, and a dependence on a select few countries and clients. The corporation may address these deficiencies and seize new market opportunities by putting its attention on diversification, partnerships, and digital marketing.

Segmentation, targeting, and positioning of the company

Aston Martin Lagonda Global Holdings is a niche market player in the luxury car sector. The company primarily caters to wealthy clients who are prepared to pay a premium for distinctive and high-quality luxury vehicles. According to Dolnicar et al. (2018), market segmentation divides a company into four categories: geographic, demographic, psychographic, and behavioural segment. Customers are classified into different segments based on a variety of variables. Customers are divided up by the corporation according to their interests, lifestyle, and level of income.

Segmentation:

- Demographic: The company focuses on high-income buyers of grand tours and luxury sports cars, who are often between the ages of 28 and 50.

- Geographic: The company's clients are dispersed throughout roughly 55 different nations, however the most of them are found in industrialised nations like the United Kingdom, Europe, the United States, and Asia-Pacific.
- Psychographic: The business aims to appeal to people who value style, design, and performance and are prepared to pay more for luxury cars.
- Aston Martin Lagonda Global Holdings plc caters to a select group of luxury car connoisseurs who value high-end, high-performance automobiles.

Targeting

- Aston Martin Lagonda Global Holdings plc targets wealthy clients looking for high-end, premium vehicles based on its segmentation. It has a specialised clientele.
- The target market for the company is often made up of wealthy consumers who place a high value on exclusivity, design, and performance.
- Aston Martin also appeals to people who value the history of the company and its ties to James Bond and other famous people.

Positioning

- Design, performance, and exclusivity are the company's three key selling points as it markets itself as a luxury automaker.
- In addition to highlighting each car's technological prowess and engineering superiority, the company's marketing campaigns and branding also highlight the brand's lineage and history. Aston Martin Lagonda Global Holdings plc markets itself as a company for people who respect style, design, and performance and who seek out a distinctive and exclusive driving experience.
- Aston Martin wants to establish an emotional connection with its clients and to offer a distinctive and differentiating client experience.

In conclusion, Aston Martin Lagonda Global Holdings seeks out wealthy clients who are interested in distinctive, high-end luxury vehicles. Although the company's target market is spread out across several continents, the majority of its clients are found in developed nations. The company offers a variety of luxury vehicles under its product line, including sports cars, grand tourers, and SUVs. To keep clients and foster customer loyalty, the business focuses on offering a top-notch, personalised, and distinctive customer experience.

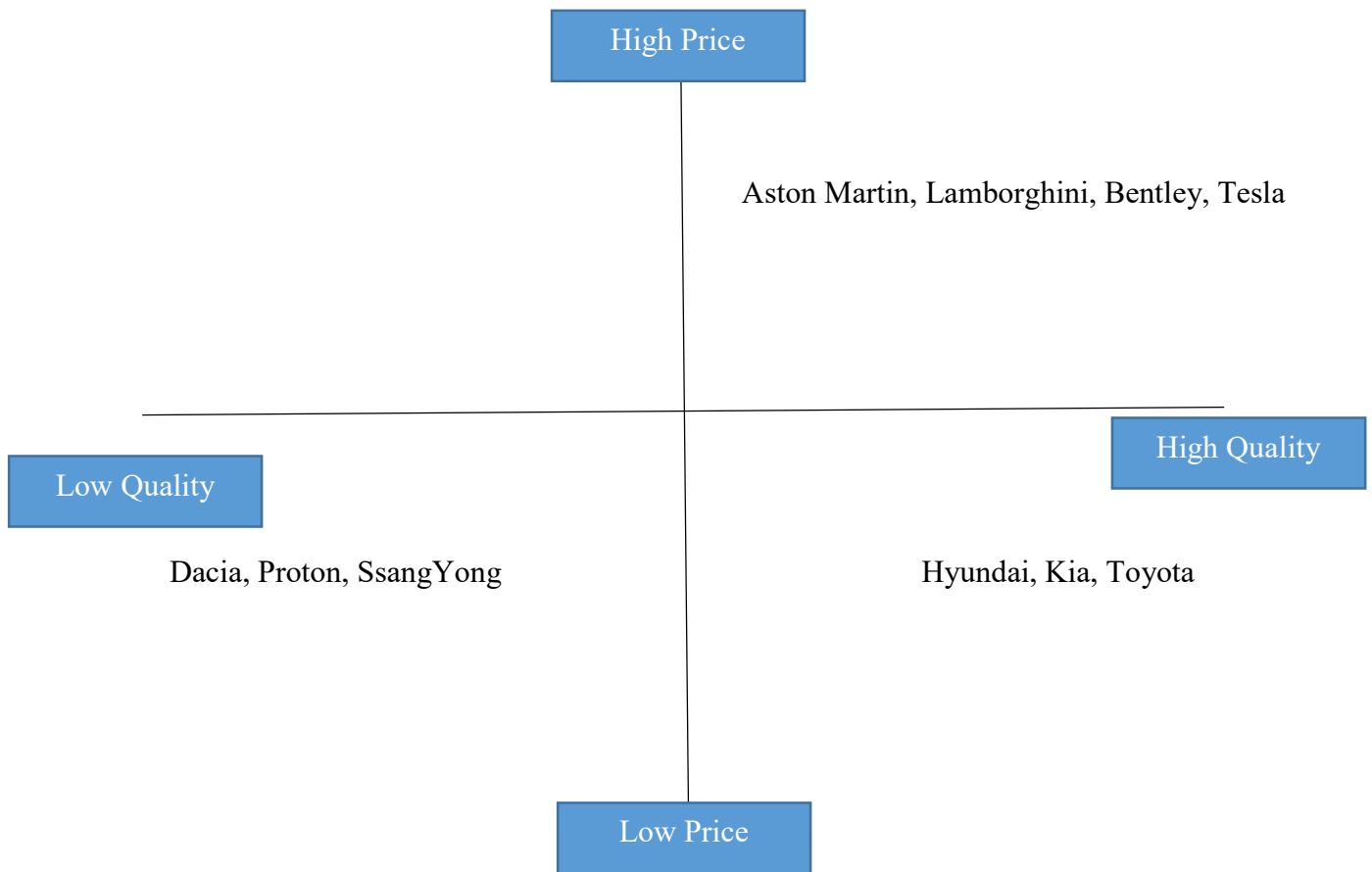


Figure 2: Positioning Map Source: Author

The positioning map up top illustrates where Astro Martin Lagonda stands in respect of the value and cost of its goods. The company sells its goods for a premium cost and high standard. Tesla, Lamborghini and Bentley are major competitor in the categories.

Marketing mix strategy of the company

Product:

Aston Martin Lagonda Global Holdings plc offers a range of luxury sports cars and grand tourers that are known for their design, performance, and exclusivity. The company focuses on producing high-quality vehicles that are associated with luxury and prestige, and are designed to meet the needs and preferences of affluent customers.

Price:

Aston Martin Lagonda Global Holdings plc's pricing strategy is based on a premium pricing model, where the company charges a high price for its luxury cars to reflect their exclusivity and

high quality. The company's pricing strategy is designed to appeal to affluent consumers who are willing to pay a premium price for luxury and exclusivity.

Place:

Aston Martin Lagonda Global Holdings plc has a global distribution network that includes dealerships and showrooms in key markets around the world. The company's distribution strategy is designed to ensure that its luxury cars are available to customers in the markets where there is high demand for luxury vehicles.

Promotion:

Aston Martin Lagonda Global Holdings plc's promotion strategy is based on building and maintaining its brand image and reputation. The company uses a range of marketing channels, including print and digital advertising, events, and sponsorships, to promote its luxury cars and reach its target audience. The company also uses its association with James Bond and other famous characters to enhance its brand image and appeal to customers who value exclusivity.

People:

Aston Martin Lagonda Global Holdings plc's people strategy is based on hiring and retaining highly skilled and experienced employees who are passionate about producing high-quality luxury cars. The company's employees include designers, engineers, and technicians who work together to create cars that meet the needs and preferences of affluent customers.

Process:

Aston Martin Lagonda Global Holdings plc's process strategy is designed to ensure that the company's luxury cars are produced to the highest standards of quality and performance. The company uses advanced engineering and manufacturing processes to create cars that meet the exacting standards of its customers, and ensures that its dealerships and showrooms provide an exceptional customer experience.

Overall, Aston Martin Lagonda Global Holdings plc's marketing mix strategy is based on producing high-quality, exclusive luxury sports cars and grand tourers, and promoting them to affluent customers through a global distribution network and a range of marketing channels. The company's pricing strategy reflects the exclusivity and high quality of its products, and its people and process strategies are designed to ensure that its luxury cars meet the exacting standards of its customers.

Recommendations for future marketing strategy

The Ansoff Matrix is a strategic planning tool that helps businesses identify growth opportunities by analyzing their products and markets. Here's an analysis of Aston Martin Lagonda Global Holdings plc using the Ansoff Matrix:



Figure 3: Ansoff Matrix Source: (Khajezadeh, et al., 2019)

Market Penetration:

Aston Martin can increase market share by focusing on its existing product line and current markets. The company can leverage its strong brand reputation and improve its marketing and sales efforts to increase sales of its current models. It can also focus on improving its after-sales services and customer support to retain existing customers.

Product Development:

Aston Martin can develop new products that cater to changing consumer preferences and trends. The company can invest in research and development to create new models that are sustainable and electrified. It can also explore the development of new product lines, such as SUVs, to expand its offerings.

Market Development:

Aston Martin can explore new markets to increase its customer base. The company can focus on emerging markets such as China and India, where demand for luxury cars is growing. It can also expand its dealership network to reach new customers in existing markets.

Diversification:

Aston Martin can explore new business areas to diversify its revenue streams. For example, the company can develop luxury electric bicycles or other luxury lifestyle products that cater to its niche customer base. It can also explore collaborations or partnerships with other luxury brands to create new offerings that appeal to its customers.

Overall, Aston Martin can use the Ansoff Matrix to identify growth opportunities and develop strategies to expand its business and increase revenue.

In order to recommend future marketing strategies for Astro Martil Lagonda Global Holdings, the Ansoff Matrix can be utilized. The model is based on markets and products, and it is suggested that the company should focus on product development strategy. This approach is about creating new products for the existing market. The organization has a presence in numerous countries, providing high potential for the adoption of this strategy.

However, sustainability is a major concern for the company, and it should be incorporated into the new product development approach in the existing market. The organization can create a new segment of business by focusing on recycling materials and reducing wastage. This would enable the company to capture the attention of Gen Z and millennials, who make up a significant portion of the customer base. Furthermore, this strategy would improve the company's reputation and solidify its place in the market.

Overall, Astro Martil Lagonda Global Holdings should adopt a product development strategy that emphasizes sustainability to enhance its competitive edge in the market.

Conclusion

This report has focused on doing a business environment analysis of **Aston Martin Lagonda Global Holding PLC**. For this purpose, the external and internal business environment of Aston Martin has been analyzed. It is concluded that Aston Martin Lagonda has a strong reputation with niche market share in automobile market. It is one of the few companies who sell high end luxurious cars. The external business environment of Aston Martin Lagonda is quite mixed with positive and negative aspects. The competition and product factors influence Aston Martin to operate a business in electric car segment and increase product portfolio to increase market share. Strong brand image of businesses across the globe is a key strength of Aston Martin. It is recommended that the company should focus on adopting a product development strategy to consider a sustainable approach in its business.

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