

**University of Wales Trinity St David**

Assignment two:

Critical analysis and evaluation on Ford's Motoring Marketing Strategies

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## Introduction

In the context of contemporary business, it is important to recognise that organisations are not isolated entities, but rather complex constituents within a constantly evolving ecosystem. This essay undertakes an analytical study and evaluation of the relevant external forces, with a particular focus on their impact on Ford Motor Company. Through a comprehensive exploration of these influential factors, our objective is to uncover valuable insights that can provide the company future recommendations and help with strategic decisions. The main objective of this study is to undertake a comprehensive external investigation of Ford Motor Company. This research will undertake a comprehensive evaluation of the company's engagements with the wider business environment, clarifying the possibilities and difficulties it encounters. The primary objective of our research is to analyse and understand the complex network of factors that shape the macro-environment and competitive landscape. With this acquired knowledge, we aim to put forward suggestions that can guide Ford towards a path of enduring achievement (Kotler & Armstrong, 2020).

## The role of marketing and the marketing process

The heart of this research centres on the crucial role of marketing, a field that goes beyond simple transactions to develop deep connections between organisations and their clients. Marketing functions as the medium by which the identification, prediction, and eventual satisfaction of consumer requirements are facilitated. Essentially, it serves as the guiding principle that directs organisations in their endeavour to develop products and services that are imbued with value (Silk, 2006). The process of marketing involves a deliberate sequence of stages that are undertaken to create and provide value.

Situational analysis, according to Shapiro (1985), is initial phase which involves doing a thorough analysis of both internal and external elements. This phase offers a comprehensive assessment of the organisation's present state, encompassing an analysis of its internal strengths and weaknesses, as well as external opportunities and threats. Subsequently, the organisation establishes objectives that outline the precise outcomes it aims to accomplish within a specified period and allocation of resources. Well-defined, precise, and quantifiable objectives serve as a strategic guide for the organisation's pursuits. Strategies encompass the comprehensive plans that define the methods by which an organisation intends to accomplish its objectives. The path to success is determined by various elements, including the identification of target market segments, strategic positioning, and the formulation of an effective marketing mix. An effectively formulated strategy establishes the framework for facilitating efficient decision-making across the entire organisation. The implementation phase is the stage in which

strategies are actualised, as decisions are transformed into concrete actions across several operational channels. Simultaneously, the control stage oversees the execution process, ensuring that it remains in line with the initial objectives. In the event that deviations occur, appropriate measures are implemented to restore alignment with the intended path (Kotler & Armstrong, 2020; Shapiro, 1985).

### The marketing process applied to Ford Motors

Situational Analysis: The situational analysis of Ford Motor Company encompasses a thorough assessment of its internal strengths and weaknesses, in addition to external opportunities and threats. Balawardhana (2020) conducted study that highlights Ford's acknowledgement of its historical history, robust brand recognition, and expansive worldwide distribution network as significant strengths. However, the company has grappled with challenges such as changing consumer preferences toward electric vehicles (EVs) and the increasing demand for sustainable transportation options.

Objectives: Ford's objectives are indicative of its steadfast dedication to both innovation and sustainability. The organisation has established ambitious goals pertaining to the widespread adoption of electric vehicles. The company has set a goal of allocating a substantial amount of funds towards the development of electric vehicles, with the objective of having electric vehicles account for around 40% of its worldwide sales by the year 2025 (Perirea, 2023). This ambition is in accordance with the prevailing global inclination towards environmentally sustainable transportation and establishes Ford as a frontrunner in the electric car industry.

Strategies: Ford's strategies align with its commitment to both sustainability and technical progress. The corporation has introduced its "Ford+" initiative, which prioritises electric and interconnected automobiles (Perirea, 2023). This strategic approach is in line with the worldwide trend towards more environmentally friendly transportation and utilises developing technologies to improve consumer satisfaction.

Implementation: Ford's strategic approach include the development and introduction of a diverse array of electric and hybrid vehicles. The corporation unveiled the Mustang Mach-E, an all-electric vehicle, and has intentions to launch an all-electric variant of the highly popular Ford F-150 (Perirea, 2023). These innovations exemplify Ford's dedication to shifting its vehicle portfolio towards sustainable alternatives and addressing the changing desires of consumers.

Control: Ford consistently assesses the efficacy of its strategies and implements requisite modifications. As an illustration, the organisation has lately disclosed its intention to improve its financial commitment towards electric and autonomous vehicles, projecting a total investment of \$30 billion by the year 2025 (Perirea, 2023). The previously mentioned proactive modification highlights Ford's commitment to maintaining a competitive edge in the dynamic and evolving automotive industry.

The marketing method implemented by Ford Motor Company exemplifies its capacity for agility and adaptation in addressing external influences. Ford recognises the necessity of addressing evolving consumer preferences through the use of a situational analysis. The company's dedication to sustainable and innovative solutions is evident in the establishment of targets that prioritise electric car uptake and the development of strategies such as the "Ford+" strategy. The implementation of these goals via the introduction of electric vehicles serves to substantiate Ford's intentions and situates the company in the top of the electric vehicle industry. The demonstration of control is apparent through the ongoing modifications made to investments in order to align them with prevailing industry trends.

Ford's use of the marketing process serves as a demonstration of its commitment to addressing customer demands, fostering innovation, and achieving long-term, environmentally responsible expansion. Ford demonstrates proactive engagement with the automotive industry's future by adeptly manoeuvring through each stage of the process, rather than merely reacting to change.

## PESTLE analysis applied to Ford Motors

The operations of Ford Motor Company are conducted within a dynamic and continuously evolving environment that is influenced by a range of external influences. A PESTLE analysis offers a complete framework for assessing the impact of political, economic, social/cultural, technological, legal, and environmental factors on a company's operations and strategic decisions.

### Political Factors

Political variables involve the various aspects of government policies, legislation, and stability. Political stability in the operational markets of Ford is typically advantageous, since it facilitates the maintenance of steady corporate operations and enables effective long-term planning. Nevertheless, the advocacy for more stringent emissions standards and the provision of incentives for electric vehicles might present both obstacles and prospects. There is a growing trend among governments globally to promote the adoption of electric mobility, a trend that is in line with Ford's strategic emphasis on electric vehicles (Frue, 2018).

### Economic Factors

Economic considerations encompass several elements such as macroeconomic developments, exchange rates, and consumer purchasing power. The presence of economic stability has the potential to exert a favourable influence on Ford's sales, as it fosters an environment conducive to consumer spending. Conversely, during periods of economic crisis, there is a propensity for reduced consumer expenditure on non-essential commodities such as automobiles. Moreover, it is worth noting that variations in currency exchange rates have the potential to impact both production expenses and overall profitability, particularly within the international markets that Ford actively engages in (Frue, 2018).

### Social/Cultural Factors

Consumer tastes and attitudes are influenced by several social and cultural influences. Ford must strategically respond to evolving consumer demands by prioritising the development and production of sustainable and environmentally friendly automobiles. Consumer demand for electric and hybrid vehicles is being shaped by the growing emphasis on environmental consciousness and fuel efficiency, prompting Ford to undergo a transition towards these types of vehicles. The increasing prevalence of ride sharing, and mobility services has a notable influence on Ford's business strategy (Mind Tools, 2022).

### Technological Factors

The development of the automotive sector heavily relies on the crucial role played by technological advancements. Ford is confronted with both potential advantages and challenges in this particular domain. The emergence of electrified and autonomous vehicles provides an opportunity for Ford to establish its prominence as a frontrunner in the industry. Nevertheless, the ability to stay ahead of swift technology advancements necessitates significant financial commitments and ongoing innovative efforts (Mind Tools, 2022).

### Legal Factors

Legal factors refer to the set of regulations and laws that exert an influence on the activities and functioning of businesses. Ford's operations are influenced by strict emissions requirements, rigorous safety regulations, and comprehensive product liability rules. In addition, Ford is required to manage intricate international trade agreements and tariffs, which have the potential to impact manufacturing expenses and market entry (Frue, 2018).

### Environmental Factors

Environmental considerations cover the interrelated concepts of sustainability and ecological concerns. The shift of Ford towards electric vehicles is in accordance with the growing public preference for more environmentally friendly modes of mobility. Nevertheless, it is imperative for the organisation to confront various obstacles, including the imperative of diminishing its carbon emissions, ensuring the sustainable acquisition of materials, and effectively handling trash within its operational framework (Frue, 2018).

The PESTLE study clarifies a multifaceted interaction of external factors that exert influence on Ford. Despite the presence of several challenges, such as the need to comply with regulations and navigate economic volatility, numerous opportunities are readily available, notably within the domain of electric transportation and technology advancements. Ford's strategy alignment with sustainability and its focus on electric car production position the firm well to effectively respond to evolving consumer preferences and emerging trends.

### Porters's Five Forces Analysis for Ford Motors

Porter's Five Forces Analysis offers a thorough framework for evaluating the competitive environment within which Ford Motor Company works. Each factor provides vital insights into the dynamics that shape the industry and exert influence on Ford's strategic decision-making.

#### Threat of New Entrants

According to Meyer (2015), the presence of significant barriers to entry mitigates the potential danger posed by new entrants in the automotive business. The business necessitates significant investments in manufacturing facilities, distribution networks, and research and development because to its capital-intensive nature. Ford, being a well-established entity, possesses a notable competitive edge in relation to economies of scale, brand awareness, and pre-existing supplier connections. The presence of these barriers poses significant challenges for new market participants seeking to replicate the extensive resources and capabilities that established corporations such as Ford have amassed over a span of several decades. Moreover, the historical background and intricate nature of the sector, encompassing aspects such as regulatory adherence and safety protocols, serve as additional deterrents for potential entrants into the market.

#### Bargaining Power of Suppliers

The influence of supplier negotiating power in the automobile industry is contingent upon several aspects, including the concentration of suppliers, the level of differentiation in inputs, and the availability of substitute products (Mind Tools, 2022). Ford's substantial size and market dominance afford it significant influence and bargaining power over its suppliers. The company's large scale enables it to engage in negotiations that result in advantageous terms, reduced expenses, and the acquisition of a consistent stream of essential components. In addition, Ford's enduring associations with a wide range of suppliers provide a sense of stability and help to reduce the potential impact of disruptions in the supply chain. Although the influence of suppliers' bargaining power cannot be disregarded, Ford's prominent position as a leader in the industry enables it to effectively manage and preserve favourable relationships with its suppliers.

### Bargaining Power of Buyers

The negotiating power of buyers in the automotive sector is influenced by various factors, including consumer preferences and the availability of substitutes, resulting in a multidimensional dynamic. The negotiating power of purchasers is influenced by the competitive landscape and the availability of alternatives within Ford's context (Meyer, 2015). Consumers are presented with a diverse range of options when it comes to selecting a vehicle, encompassing various brands, models, and pricing ranges. Nevertheless, it is important to consider that elements such as brand loyalty and product differentiation contribute to mitigating the influence of purchasers in the market. Although consumers have various options available to them, Ford's well-established brand reputation, dedication to innovation, and wide range of products all play a significant role in retaining its customer base and mitigating the influence of buyer-centric pressures.

### Threat of Substitutes

The concept of substitutes pertains to the capacity of alternative products or services to effectively meet the demands of consumers. Within the realm of the automotive sector, viable alternatives encompass public transit, ride-sharing platforms, and several other modes of mobility. The growing attention towards sustainable transportation options and environmental considerations has resulted in a heightened emphasis on electric vehicles. The shift towards alternative modes of transportation is a dual prospect and reaction to the potential replacement of conventional gasoline-fuelled automobiles (Meyer, 2015). Ford's strategic realignment towards electric vehicles puts the corporation in a manner that enables it to effectively tackle these challenges and serve to an expanding market segment that places significant importance on sustainability.

### Competition

The automobile sector is characterised by a notable level of intensity in industry rivalry (Meyer, 2015). The competitive landscape in the business world is shaped by various factors such as global competition, technological innovation, and diverse customer tastes. These elements play a significant role in driving organisations to compete for market share and strive to capture the attention of consumers. Ford works inside a highly competitive market that is populated by well-established rivals like as General Motors, Toyota, and Volkswagen. The significant amount of competition results in ongoing innovation, assertive marketing endeavours, and price-based competitiveness. In light of the formidable competition it faces, Ford's ability to sustain its competitive position can be attributed to its rich heritage, ongoing innovation efforts, and capacity for adaptability.

Porter's Five Forces Analysis highlights the complex interaction of competitive forces within the automotive industry. The Ford Motor Company possesses a lasting legacy, a well-thought-out strategic orientation, and a strong dedication to innovation, which enables it to effectively navigate these prevailing dynamics. Although the presence of substitute products and intense competition within the sector are apparent, Ford's past accomplishments and future-oriented strategies position it well to confront these difficulties and capitalise on favourable circumstances. By comprehending these influences, Ford may develop strategies that leverage its advantages and alleviate any vulnerabilities.

### Advantages and disadvantages of PESTLE

External analysis frameworks such as PESTLE and Porter's Five Forces are highly helpful instruments for corporations like Ford Motor Company to effectively traverse the intricate dynamics of their operational surroundings. When these models are applied to Ford's setting, they provide unique perspectives, advantages, and constraints.

#### Advantages for PESTLE:

1. The utilisation of PESTLE analysis offers Ford a full understanding of the external elements that exert influence on its business operations. The economic dimension emphasises factors such as consumer buying power and prevailing economic patterns. From this perspective, Ford possesses the ability to comprehend the influence of macroeconomic variations on its car sales and afterwards devise appropriate strategies (Frue, 2018).
2. Ford's strategic alignment with the environment is exemplified by its dedication to electric vehicles, as demonstrated by the Mustang Mach-E and the forthcoming electric F-150. This alignment is consistent with the "E" component of the PESTLE framework, which pertains to environmental factors. Ford establishes itself as a prominent figure in the sustainable mobility solutions sector by actively addressing environmental concerns.

#### Disadvantages for PESTLE:

1. The complexity associated with doing a PESTLE analysis may prove to be daunting for individuals. Ford must carefully prioritise the elements that have substantial significance for its initiatives. For example, in addition to considering legal and environmental considerations, Ford must also evaluate the technological elements that have the greatest impact on its products.

2.The PESTLE framework may not comprehensively capture the intricate complexities of the automobile industry within a limited industry context. Ford Motor Company has encountered significant historical obstacles such as the need to adhere to regulatory requirements, address recalls, and meet safety standards.

The PESTLE framework is considered very suitable for Ford in order to comprehensively analyse and evaluate the influence of external factors on its overarching business strategy. As Ford attempts to strengthen its position as a frontrunner in the electric car industry, the employment of the PESTLE framework facilitates the assessment of environmental considerations and international regulations that advocate for sustainable transportation (Frue, 2018).

### Ansoff Matrix and growth strategies for Ford

The Ansoff Matrix is a strategic framework utilised by organisations to facilitate decision-making processes that are focused on achieving growth. The utilisation of this matrix in the analysis of Ford Motor Company provides valuable perspectives on prospective growth plans that are specifically customised to its own contextual circumstances.

### Market Penetration Strategy:

Market penetration refers to the strategic endeavour of augmenting the market share of current items inside established marketplaces. According to Meyer (2015), Ford may consider enhancing its endeavours to get a greater portion of the electric car market by leveraging its established brand recognition and infrastructure. Ford has the potential to capitalise on the increasing desire for environmentally friendly transportation alternatives by enhancing the range and ease of access to their electric vehicle offerings. One instance illustrating the implementation of this approach is Ford's dedication to providing electric variants of its highly sought-after vehicle models, exemplified as the electric F-150.

### Product Development Strategy:

The primary objective of product development is to provide novel goods that cater to established markets. Ford's situation necessitates a focus on innovation within its electric vehicle options. According to Adam Khankasi (2020), the organisation has the potential to allocate resources towards research and development activities aimed at developing advanced electric car technology, establishing charging infrastructure, and enhancing consumer experiences. This strategic approach is in accordance with

Ford's strategic emphasis on electric vehicles, positioning the company as a frontrunner in the realm of electric mobility. One notable instance exemplifying this approach is Ford's implementation of the Mustang Mach-E, an innovative electric sport utility vehicle that effectively integrates both high performance capabilities and environmentally sustainable features.

The growth initiatives that are suggested are in accordance with Ford's shift towards electric mobility and innovation. The implementation of market penetration and product development plans enhances the company's competitive advantage, facilitating its ability to capitalise on opportunities within the dynamic automotive industry. Through the strategic use of its core competencies, effective response to changing market dynamics, and substantial investments in research and development, Ford is positioned to not only achieve significant success within its respective industry but also make substantial contributions towards the attainment of global sustainability objectives.

## Conclusion

Ford Motor Company, a renowned symbol of automotive power and ingenuity, finds itself at an important juncture within a swiftly progressing industry. This essay has examined the external factors that influence Ford's journey by employing the PESTLE analysis and Porter's Five Forces model. The previously discussed analyses have provided insights into the intricate relationship between political, economic, social, technological, legal, and environmental issues, and their influence on Ford's strategic decision-making. Additionally, these analyses have shed light on the competitive landscape and supplier dynamics that shape Ford's position within the automotive industry. The importance of these studies resonates in Ford's real efforts. The Ansoff Matrix, a strategic tool for growth, provides strategic directions that are consistent with Ford's aspirations. Market penetration serves as a means for Ford to advance its electric vision by extensively introducing its electric goods into various markets. Simultaneously, Ford's product development strategy drives the company's transition into the electric vehicle era, exemplified by the introduction of the Mustang Mach-E. The utilisation of the PESTLE framework, Porter's Five Forces analysis, and the Ansoff Matrix not only strengthens Ford's marketing strategy but also establishes its status as a fundamental entity within the industry, shaping a future that is characterised by both innovation and sustainability.

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