

**N e w b u s i n e s s
o p p o r t u n i t i e s a n d
p r o d u c t l i f e c y c l e**

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INTRODUCTION

Electric cars the further energy sector have been the fundamental change within the road transport for achieving their long-term objective for the low transitions of low carbon European economy. On the other hand, European union is the considering the automaker with the stimulus level of packages in order to have the boosting the electric vehicles sales in the company leaving the diesel and gasoline vehicles behind. This considered to be the opportunity for Volvo to enter the markets and capture the large market share with it technology. This report will have the strategic analysis of the European market which is helpful in developing policy and strategic decision.

MAIN BODY

Company overview

Volvo cars have the aim pf the becoming the global diversified level of mobility service providers with their new ownership, access and the new level of attractive services as per the need and demand of customer. As in the Europe, the company have the identical of potential market in Europe who have aim to achieve the long-term objective for the low transitions of low carbon European economy. Volvo, one of the dealing world manufacture of automobile industry is the taking electrification in the industry as with the commitments for changing the world innovation level and demand of powered, fuel efficiency and environmental friendliness. This is driving the broader ranges of the hybrids and fully battery electric models in order to improve the future and entire portfolio of vehicles into electrification.

Pestle analysis

Political factor

Volvo have the stronger level of sales in the Asian market as this market states t be strong and stable for company sales (Gómez Vilchez and Thiel., 2019). The political instability of Europe is making company have lack in control as this turn to be negative of Volvo to expand in Europe. On the other hand, the country current level of resolution with the fundamental change in road transport for achieving long-term objective in low transitions for low carbon European economy. Hence, this turned out to be golden opportunity for the company in order to launch the electrification car in the European market.

Economic factor

In Europe, the major level of recession has been passed in Europe which have the increase the foreign vehicle brands with effective massive saturation in market. So, there is need to have the targeting of the niche market which is based in the luxury, reliability and electric sector as example (Violetto , Noro and Rokni., 2017). On the other hand, the economy of the of Europe is table which is more important for electrical sector. Hence, the Volvo can be benefit in both online which is affordable prices and the luxurious one in order to have improvement of diversity.

Social factor

The European market have been saturated with all type of market which are ranging from trucks form being unattractive but having the more level of reliability in order to be tech fused and luxurious in perfect manner. So, the Volvo want to strive out to be unique by rising the eco-friendly automobile resources by leaning towards the manufacturing of electric car markets. The car introduced by tesla; the competitor of Volvo has been considered to be out of budget (Brannestam and Josefsson., 2018). Still the Volvo have the opportunity to arise the offer and benefit form the government for offering the low middle-class electric car options and forces competitive against Tesla.

Technological factor

The younger generation want car to be decked out to technology which have expensive and unique in the market. The rapid level of change in technology is masking the car obsolete within six months. So, the Volvo is trying to add more values to technology by electrification which will be increase the intrinsic vale for longer periods of times. Volvo want to be leaders before the market is been taken off by the other competitors and expiscating drive shift.

Environmental factor

The firm is trying to have investments in the electric and hybrid electrical automobiles which have low to zero impact on environments (Chodakowsk., 2018). Hence the Volvo have urge to focus on manufacturing there to electric lines as developing the vehicle energy efficient and growing of environment friendly community growth.

Legal factor

Company is basically looking for their conjoined speciality to work for the quality and safety level of regulations as the vehicle sent aims to be reach to purpose in effective and efficient way. the firm is successful in making the proper level; of following of procedure as per the labour laws and employees' salaries as government norms. Volvo is been focussed to legally and ethical complaints which make the brand shifting not easy.

Porter five forces analysis

Volvo porter five forces analysis have the analysis of competitive environment for the order to have the alternative fuel vehicles manufacturing (Wang, Hauge and Meijer., 2020).

- **Competitive rivalry or competition (Strong Force)**

Volvo have been operations he highly competitive markets which have the influence level of competition terms to be aggressive in innovating and promoting the products. There is low level of impediment for the customers to have buying of cars. It is important for Volvo to have e high priority strategic managements in the automotive and energy solution industry environment (Bhatia., 2016).

- **Bargaining power of buyers or customers (Moderate Force)**

The customer of Volvo with first factor which determines ere company sales revenues by incensing the maintain moderate force. Hence the lower switching cost have reduced the barrier for Volvo. The price sensitivity and increasing range if electric cars have genera the ability to have the institution of products by the extent of product differentiation between various electric vehicles manufacturers.

- Bargaining power of suppliers (Moderate Force)
- Threat of substitutes or substitution (Moderate Force)
- Threat of new entrants or new entry (Weak Force)

This threat has been stated to be low as the major challenge for electric cars in order to bargains of compromise between the performance and cost (Wellner and Lakotta., 2020). As the electric car are compared to slower as compare to traditional cares and don't have lasting for longer time.

Product Life Cycle

Product Life Cycle defined the stages of a product. It is a main tool that helps the Volvo

companies plan for a new product development and new strategy. This cycle refining existing product (Bozhuk and Pletneva ., 2017). It includes the analysis the stage of products. Product life cycle is a pattern of profits and sales for a product in the company. This is a very important in marketing and developing a product. The process of a new product launch, this strategy is very helpful for launching a electric car by Volvo. Product life cycle is to define the life of a product and measure sales and cost of the Volvo Company.

It is an essential tool for management and marketers. It is used in every market and involving a launching of new product. Company can prepare an effective plan to understand the concept of product life cycle(Ärnekvist and Koc ., 2018). This cycle is used by managers and consultants to analysis the stage of product. For successful products, Volvo Company should have to follow this product life cycle to launch a electric car. Product life cycle is a useful tool in planning for the life of the product.

Product Life Cycle has four stages

Product Life Cycle stages includes introduction, growth, maturity and decline.

1 Introduction –

This stage define a launching the product in the market. The main role in the introduction stage is to recognize a market and high consumer demand for the product. It is an essential stage for every company. It also analyzes substantial cost incurred in getting a product into the market. it also includes many research and development cost have been incurred. Introduction stage includes pricing, promotion, product development and distribution. It is a main consideration in this stage (Bhatia ., 2016). It is defined that the demand for the product is high or low.

2 Growth –

This growth stage identify the products has been accepted by companies and also establish to increase market share. It is a main stage of product life cycle and this stage is defined the profits and sales are powerful or not. This stage generally focused on product's growth in the market. The growth stage include profitability begins to increasing and increase public awareness. Under this company decrease the prices of the product to increase competition in the market.

Growth stage includes high competition starts to increase with a few players in an establishing

markets and many considerations is included in growth stage such as promotion, distributions, pricing and product development. This stage is very essential for electric car growth in the market for Volvo Company.

3 Maturity –

In this stage company can identify which market makes the profits for the company. The company's primary objectives to define market share with maximizing profits by the electric car (Del Duce ., Gauch and Althaus ., 2016). It also increased market expenditure for needed to retain market share and product development. Maturity stage includes many considerations of the mature products such as distributions, product differentiation, pricing and distribution.

4 Decline –

This stage define product enter into decline. Decline may occur when the market become slow. It is associated with decreasing revenue, high competition and changing customer needs. Volvo Company at this stage should have to approach many options such as produce new electric car to improve their market condition. Decline includes many strategy options such as harvest, divest and hold for a product life cycle (Upadhyayula and et.al., 2019).

Declining market include many considerations for this cycle such as product consolidation, distribution and pricing. Decline may occur cost increases due to some loss of economics scale.

Porter's value chain model

Porter's value chain is a best strategy tool to recognize internal activities of organization. With the help of Porter's value chain model, Volvo can increase their competitive advantages. The main activities of porter's value chain are inbound logistics, outbound logistics, operations, service and marketing and sales (Kortmann and Piller ., 2016). it also identify how the value chain operations are defines affects profits and costs of new electrical car of Volvo.

Inbound Logistics

Inbound Logistic include relationships with the suppliers of Volvo. It also involves all the related activities of new electric car that are essential to store, receive and disseminate inputs.

Operations

Operations include all the activities to develop a effective product of a company such as

electric car (Fisher ., Kotha and Lahiri ., 2016). It includes all the necessary actions that are essential to convert input into a product.

Outbound Logistics

It includes all the activities needed to collect, store and then after distribute the output in the market. For the better selling activities, Volvo approaches output logistics method.

Marketing and sales

It includes the activities regarding the products information, induce the interested buyers who will purchase the product and also facilitate them. This assists by providing better information regarding the Volvo's electric car and encourages buyers to buy that product and also offers essential services related to it.

Service

It involves all the activities that are needed to maintain the products and services and their effective working conditions (Tukker and Tischner . eds., 2017). It also include that company will keep and maintain the product working effectively for the purchaser after it is delivered and sold. According to this Volvo also should have to take necessary actions to maintain the electric car even after the sell.

CONCLUSION

From the above report, it is concluded that the by launching the electric car Volvo develops a huge opportunities for them. With the development electric car, Volvo increases their approaches to boost their market globally. It also assists the Volvo to enhance their market share and promote their business at a very next level. It also increases the sales of electric vehicle sales in the European market. It also concluded that it is identified as a great opportunity for Volvo to enter the markets and capture the large market share with it technology.

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