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Comapritive Analysis of Ford and Volkswagen on the basis of their Strategies

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Abstract

The paper aims at providing a systematic analysis of operations of Ford Motors and Volkswagen. They are compared on basis their strategies and how they are performing globally. Brief description about both of them is mentioned below. Ford is one of the leading players in the global automotive industry and has implemented a successful product and pricing strategy in its international marketing efforts. The company's product strategy involves offering a wide range of vehicles that cater to diverse consumer needs and preferences. Ford has a robust product development and innovation process that allows it to introduce new models and upgrades frequently, ensuring that its offerings remain competitive and relevant in the market. In terms of pricing strategy For example, in India, Ford has launched several models with smaller engine sizes to cater to the country's growing demand for fuelefficient vehicles. In terms of product strategy. Volkswagen (VW) is a multinational automotive company that has successfully implemented various strategies in international marketing. One of the company's main strategies is to customize its products and marketing campaigns according to the needs and preferences of different regions and countries.

Index terms— analysis, automobile, comparison, ford, Volkswagen.

1 I. Introduction

ord and Volkswagen (VW) are two of the largest automotive companies in the world, with a rich history of producing some of the most iconic cars on the road. These companies have been at the forefront of innovation, technology, and design, and have consistently adapted to changes in the global automotive industry to maintain their position as industry leaders. This research paper aims to provide an indepth analysis of Ford and VW, examining their history, current operations, and future plans, as well as comparing and contrasting their strategies in various areas of the business.

2 a) History of Ford & Volkswagen

Ford Motor Company was founded by Henry Ford in 1903 and quickly established itself as a leading manufacturer of automobiles. Ford is credited with revolutionizing the automotive industry with the introduction of the assembly line, which made mass production of cars possible. The Model T, which was introduced in 1908, became the first affordable car for the middle class, and by 1913, Ford was producing over 1,000 cars per day. The success of the Model T cemented Ford's position as a major player in the global automotive industry.

Over the years, Ford continued to innovate and produce some of the most iconic cars in history, including the Mustang, the Thunderbird, and the F-150 pickup truck. The company also expanded into other areas of the automotive industry, such as luxury cars and electric vehicles. Today, Ford is a global company with operations in over 100 countries, and continues to be a major player in the automotive industry.

Volkswagen was founded in 1937 in Germany, with the goal of producing affordable cars for the masses. The company's first car was the Volkswagen Beetle, which became one of the most iconic cars in history. The Beetle was designed to be simple, reliable, and affordable, and it quickly became a symbol of the post-war economic

43 boom in Germany. Volkswagen continued to produce a range of successful cars over the years, including the
44 Golf, the Passat, and the Polo. In recent years, Volkswagen has faced a number of challenges, including the
45 "dieselgate" scandal in 2015, which involved the company using software to cheat emissions tests on some of its
46 diesel engines. The scandal resulted in billions of dollars in fines and compensation, and damaged the company's
47 reputation. However, Volkswagen has since implemented a number of changes and is working to regain the trust
48 of consumers.

49 Lamborghini. In recent years, Volkswagen has focused on expanding its electric vehicle offerings, and has
50 launched several new models, including the ID.3 and ID.4. The company has also invested heavily in research and
51 development, particularly in the area of autonomous driving technology. In addition, Volkswagen has established
52 partnerships with other companies, such as Ford, to collaborate on technology and production.

53 3 b) Company Overview

54 Ford Motor Company is an American multinational corporation that was founded in 1903. It is the second-largest
55 automaker in the United States and the fifth largest in the world. The company produces a wide range of cars,
56 trucks, SUVs, and commercial vehicles under various brands, including Ford, Lincoln, and Mercury. Ford is
57 known for its innovation, such as the assembly line, and has a strong legacy of producing high-performance cars
58 such as the Mustang.

59 Volkswagen Group is a German multinational corporation that was founded in 1937. It is the largest automaker
60 in Europe and the second-largest in the world. The company produces a wide range of cars, including Volkswagen,
61 Audi, Porsche, Skoda, and Bentley. Volkswagen is known for its engineering excellence, such as the air-cooled
62 engine and the DSG transmission. The company has a strong focus on sustainability and has been investing
63 heavily in electric and autonomous vehicles.

64 4 i. Business Strategies

65 Ford and VW have both implemented various business strategies to maintain their competitiveness in the global
66 market. These strategies include product differentiation, cost-cutting, diversification, innovation, and strategic
67 partnerships.

68 5 ii. Product Differentiation

69 One of the primary strategies that both companies have used is product differentiation. Ford and VW have
70 focused on producing cars that cater to different market segments and regions. Ford's product portfolio includes
71 a wide range of cars, trucks, and SUVs that are targeted towards different consumer segments. For instance,
72 the Ford Mustang is targeted towards performance enthusiasts, while the Ford F-Series is targeted towards
73 commercial customers. VW has also adopted a similar approach by producing cars under different brands such
74 as Volkswagen, Audi, Porsche, and Skoda, each targeting different customer segments.

75 6 iii. Cost-Cutting

76 Both companies have also implemented costcutting measures to improve their profitability. Ford has been
77 restructuring its operations and reducing its workforce to improve efficiency and reduce costs. VW has been
78 focusing on reducing its material costs and streamlining its production processes to increase efficiency.

79 7 iv. Diversification

80 Both companies have diversified their product offerings to expand their market presence. For example, Ford has
81 expanded its business to include mobility services such as ride-sharing and electric bikes. VW has also diversified
82 its business to include mobility services and has invested heavily in electric and autonomous vehicles.

83 8 v. Innovation

84 Both companies have also invested in innovation to stay ahead of the competition. Ford has been investing
85 heavily in electric and autonomous vehicles and has formed partnerships with various tech companies such as
86 Argo AI and Rivian. VW has also been investing in electric and autonomous vehicles and has set ambitious
87 targets to become carbon neutral by 2050.

88 9 vi. Strategic Partnerships

89 Finally, both companies have formed strategic partnerships to strengthen their market position. For instance,
90 Ford has formed partnerships with various companies such as Mahindra and Rivian to develop electric and
91 autonomous vehicles. VW has formed partnerships with various tech companies such as Microsoft and Amazon
92 to develop digital services for its cars.

10 vii. Products

Ford produces a wide range of cars, including sedans, trucks, SUVs, and electric cars. The company's most popular models include the F-150, the Mustang, and the Explorer. Ford's electric cars, such as the Mustang Mach-E, are becoming increasingly popular as consumers seek eco-friendly and fuel-efficient cars.

Volkswagen also produces a wide range of cars, including sedans, SUVs, and electric cars. The company's most popular models include the Golf, the Passat, and the Tiguan. Volkswagen's electric cars, such as the ID.4, are becoming increasingly popular as consumers seek eco-friendly and fuel-efficient cars.

11 viii. Partnership

In 2019, Ford and Volkswagen formed a partnership aimed at increasing their competitiveness in the global market. The partnership includes joint development of commercial vans and pickup trucks, as well as collaboration on autonomous and electric car technology. The two companies have also agreed to share manufacturing facilities and explore other potential collaborations in the future.

12 ix. Future Prospects

Both Ford and Volkswagen face a number of challenges in the future, including increasing competition from new players in the automotive industry, changing consumer preferences, and government regulations aimed at reducing emissions and increasing fuel efficiency. However, both companies are wellpositioned to meet these challenges. Ford has a strong focus on innovation and a history of producing affordable automobiles.

x. Marketing Strategies Volkswagen (VW) is a global automotive brand that has successfully implemented various marketing strategies to establish itself as one of the world's leading automakers. VW's marketing strategies are aimed at creating a strong brand image, increasing customer loyalty, and attracting new customers. In this section, we will discuss some of the key marketing strategies adopted by Volkswagen.

13 xi. Global Branding

VW has a strong global brand image, which has been built through its extensive marketing campaigns and sponsorship deals. The company's marketing efforts are focused on creating a sense of reliability, innovation, and sustainability associated with the brand. VW has also established partnerships with other global brands and events to increase its brand awareness. For example, VW has been the official partner of the FIFA World Cup since 2002.

xii. Product Customization VW has implemented a product customization strategy to cater to the diverse needs and preferences of customers across different regions. The company has established local production facilities in several countries, enabling it to produce cars that are specifically tailored to the local market's demands. This approach has helped the company to increase its market share in various regions, including Europe, Asia, and the Americas.

xiii. Digital Marketing VW has invested heavily in digital marketing to reach a wider customer base and increase its sales and revenue. The company's digital marketing efforts are focused on creating engaging content and interactive experiences for customers through its website, social media platforms, and mobile apps. VW has also launched several online campaigns, such as its "Think Blue" campaign, which promotes sustainable mobility.

xiv. Sponsorship and Event Marketing VW has a strong focus on sponsorship and event marketing to increase brand awareness and connect with customers. The company has been involved in various sports sponsorships, including its long-standing partnership with the FIFA World Cup. VW has also sponsored cultural events, such as the Berlin International Film Festival and the Salzburg Festival, to promote its brand values and connect with a wider audience.

14 xv. Customer Relationship Management (CRM)

VW has implemented a CRM strategy to increase customer loyalty and engagement. The company has established a customer loyalty program called "Volkswagen Loyalty Plus," which offers exclusive benefits and rewards to its loyal customers. VW also provides personalized services to customers, such as online service booking and customized financing options, to enhance the overall customer experience.

15 III. Overview and Strategies of Ford

Along with its Comparison with Volkswagen

Ford Motor Company is a global automotive brand that has successfully implemented various international marketing strategies to expand its reach and increase sales. In this section, we will discuss some of the key international marketing strategies adopted by Ford.

16 a) Current Operations of Ford

Ford is a global company with operations in North America, South America, Europe, Asia, and Africa. The company produces a range of cars, trucks, SUVs, and electric vehicles under various brands, including Ford, Lincoln, and Mustang. In recent years, Ford has focused on streamlining its operations and reducing costs,

148 including restructuring its global business and cutting jobs. The company has also invested heavily in research
149 and development, particularly in the area of electric and autonomous vehicles. In addition, Ford has established
150 partnerships with other companies, such as Rivian and Volkswagen, to collaborate on technology and production.

151 **17 i. Global Branding**

152 Ford has established a strong global brand image through its extensive marketing campaigns and sponsorships.
153 The company's marketing efforts are focused on creating a sense of reliability, innovation, and quality associated
154 with the Ford brand. Ford has also established partnerships with other global brands and events to increase its
155 brand awareness. For example, Ford has been a long-standing partner of the UEFA Champions League.

156 **18 ii. Localization**

157 Ford has implemented a localization strategy to cater to the diverse needs and preferences of customers in different
158 regions. The company has established local production facilities in several countries, enabling it to produce cars
159 that are specifically tailored to the local market's demands. This approach has helped the company to increase
160 its market share in various regions, including Europe, Asia, and the Americas.

161 **19 iii. Digital Marketing**

162 Ford has invested heavily in digital marketing to reach a wider customer base and increase its sales and revenue.
163 The company's digital marketing efforts are focused on creating engaging content and interactive experiences for
164 customers through its website, social media platforms, and mobile apps. Ford has also launched several online
165 campaigns, such as its "Ford Mustang Customizer" campaign, which allows customers to customize and build
166 their own Mustang online.

167 **20 iv. Sponsorship and Event Marketing**

168 Ford has a strong focus on sponsorship and event marketing to increase brand awareness and connect with
169 customers. The company has been involved in various sports sponsorships, including its long-standing partnership
170 with the UEFA Champions League. Ford has also sponsored cultural events, such as the Ford Cork Week sailing
171 event in Ireland, to promote its brand values and connect with a wider audience.

172 **21 v. Customer Relationship Management (CRM)**

173 Ford has implemented a CRM strategy to increase customer loyalty and engagement. The company has
174 established a customer loyalty program called "FordPass Rewards," which offers exclusive benefits and rewards
175 to its loyal customers. Ford also provides personalized services to customers, such as online service booking and
176 customized financing options, to enhance the overall customer experience.

177 **22 b) Overview**

178 Ford's international marketing strategies have enabled the company to expand its reach and increase sales in
179 different regions. The company's focus on localization, digital marketing, sponsorship and event marketing, and
180 customer relationship management has helped it to connect with customers and create a strong brand image.
181 Ford's marketing strategies have also enabled the company to innovate and position itself as a leader in sustainable
182 mobility, which is increasingly important in the global market. Whereas Volkswagen (VW) is a global automotive
183 brand that has successfully implemented various international marketing strategies to establish itself as one of
184 the world's leading automakers. In this section, we will discuss some of the key international marketing strategies
185 adopted by Volkswagen.

186 **23 i. Global Branding**

187 VW has a strong global brand image, which has been built through its extensive marketing campaigns and
188 sponsorships. The company's marketing efforts are focused on creating a sense of reliability, innovation, and
189 sustainability associated with the VW brand. VW has also established partnerships with other global brands
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206 and the Salzburg Festival, to promote its brand values and connect with a wider audience.

207 **27 v. Customer Relationship Management (CRM)**

208 VW has implemented a CRM strategy to increase customer loyalty and engagement. The company has established
209 a customer loyalty program called ”Volkswagen Loyalty Plus,” which offers exclusive benefits and rewards to
210 its loyal customers. VW also provides personalized services to customers, such as online service booking and
211 customized financing options, to enhance the overall customer experience

212 **28 IV. Conclusion**

213 From the above mentioned information it can clearly said that both the companies are doing exceptionally well.
214 They both are leading players in automobile industry and have grown manifolds in recent years. t’s difficult to say
215 which company is better as it depends on various factors such as personal preferences, needs, and priorities. Both
216 Ford and Volkswagen are well-established automobile companies with a rich history and diverse product offerings.
217 Ford is known for its durable trucks and sports cars, such as the Ford F-150 and Mustang, respectively. It also
218 has a strong focus on innovation and has been investing heavily in electric and autonomous vehicle technology.

219 Volkswagen, on the other hand, is renowned for its reliable and efficient cars, such as the Golf and Passat. It
220 also has a strong presence in the luxury market with brands like Audi and Porsche. Volkswagen has also been
221 making significant investments in electric vehicle technology and has ambitious plans to become a leader in the
222 field.

223 Ultimately, the choice between Ford and Volkswagen would depend on individual preferences, such as budget,
224 driving needs, brand loyalty, and personal taste. Both companies have their strengths and weaknesses, and it's
225 essential to do thorough research before making a decision.

226 But by the research it can be stated that Volkswagen is doing well as compared to Ford Motors as it
227 comparatively huge and has larger product portfolio which gives it a competitive advantage. Volkswagen will,
228 by and large, manufacture a superior car with higher quality and greater dependability. The vehicle will survive
229 for a very long period as long as it is maintained in accordance with the owner's manual. The vehicle will start
230 normally and its doors will stay sealed and close normally.