Volkswagen Group marketing, economic and financial analysation

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Abstract: The following case study investigate about the economic performance and occuring risks also significance on the market from the aspect of Volkswagen Group through SWOT, PESTEL, financial risk analyzis. Also the internal and external factors can detect through the SWOT analyzis which may help to avoid and detect occuring problems within the firm's life. Morovel with the PESTEL findings it assists a company in identifying external influences that might affect internal decision-making. By the 7s model and Marketing Mix (4Ps model) also we can observe the variety of product portfolio from an economical viewpoint. Using these viewpoints, a person can determine wich strategy stands closest to the leadership style and what are the priorities to the company. Also stands for the marketing and financial performance investigation with external benchmark measure in South-African VW AG subsidiery.

SWOT, PESTEL, 7s, 4s, Financial risks, marketing performance

1 Introduction

Any business, including a car dealership, needs to market effectively in order to sell goods and services, communicate with the public, and engage in public relations. In order for these activities to be profitable, investments must be made to increase demand for the goods and services. The company also needs a return on its investment in capital. All businesses want to maximize profits in order to improve shareholders' wealth by getting the best possible return on their initial investment business. also investigate about the marketing and financial performance which evaluating and recognizing a company's strengths and shortcomings and internal benchmark survey.

2 General informaion about the company

One of the largest automotive manufacturers in the world. Numerous well-known middle- and upper-class car manufacturers, including Porsche, Bentley, Bugatti, Audi, Seat, Skoda, and Volkswagen, are part of this conglomerate. Additionally, this organization has subsidiaries that are involved in the production of various types of trucks and motorcycles.

The German Labour Front founded the business in 1937 in Wolfsburg, Germany. Over 27 nations around the world are where the company does business. The group acquired numerous businesses at the period, turning them into subsidiaries. 2019 brought in 252.632 billion euros. Prior to one year ago, their assets cost roughly 488.071 billion euros. 513 642 people work for this organization at its offices and industries. based to data from 2019. The VW Beetle was manufactured from the start of the company's history, but close to World War II, Adolf Hitler ordered Ferdinand Porsche to create an affordable, dependable vehicle. The British government kept the business after World War II. More than a decade later, the government returned it to Germany, and after the country's recovery, it began to acquire additional foreign businesses.After the scandal involving the manipulation of the CO2 emission percentage from approved measuring stations, they now aspire to achieve "green production" and reduce hazardous gas emissions. *(Source: "Volkswagen – Wikipédia.")*

3 SWOT analyzis

The use of a SWOT analysis can be used to pinpoint profitable company sectors. These are the crucial success characteristics that provide the company a competitive advantage. A competitive advantage can be maintained by identifying these capabilities and ensuring that they are maintained.

3.1 Strength

One of the largest automakers in the entire world due to it involves reliable, high-end vehicles from the upper middle and lower classes. As a result, this company among automakers has the broadest selection of vehicles. Despite having luxury automobile subsidiaries, all of the vehicles are more reasonably priced and offer better value than those from other companies.

The 2025 strategy is the second strength. As I indicated earlier, Volkswagen began to increase its manufacturing of electric vehicles once the emission issue broke. They stand a fair possibility of surpassing all other suppliers of internal combustion engine cars as the largest in the world for electric vehicles. They will succeed in the future because of their track record of keeping their promises and their market dominance.

The business stated that they would be able to customize new driving experiences from an environmental protection perspective. Additionally, they are influencing mobility, and the company is devoted to creating new techniques that won't conflict with the emerging way of thinking in the future when conducting testing. Not to mention the enormous sum of money the company has, which is why they are able to secure accurate forecasts for the future.

Its strength stems from its diversification strategy because the portfolio enables it to target broader consumer fields rather than just one region. The Volkswagen models are available in 27 countries, which means that every country has at least one manufacturer. However, in this situation, if a company doesn't have location, innovative shipping and marketing capabilities enable customers to access all Volkswagen group content.

If someone does not have the extra financial resources to allow for the purchase of a new car, the diversification plan offers numerous financial opportunities. This technique integrates with numerous crucial and vital consumer layers. The sale of the car accounts for just 74.5% of the earnings; the remaining portion comes from other financial activities and energy supply. Additionally, other manufacturers' revenues should not be distributed as well as Volkswagen's, and as a result, they miss out on the opportunity to grow concurrently and independently throughout the continents.

The essence of by numbers is illustrated in this pie chart:

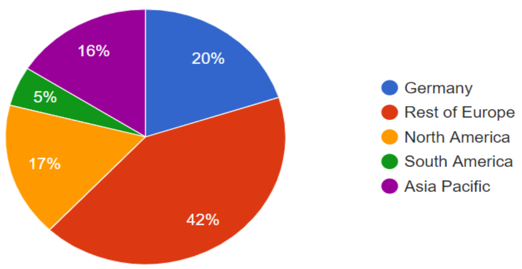

Figure 1.

Volkswagen Group's Sales by Region

Source: Volkswagen AG group website data findings, own pie chart according to data

The success of the automobile manufacturer is largely due to the synergy between the partners. All of the brands affiliated with the Volkswagen group share research and development resources, making it more effective for them to support one another and share information freely in order to build relationships with customers, not to mention reduce costs and boost sales.

What about the joint venture that the car companies are now working on in China. SAIC Volkswagen and FAW-Volkswagen worked together with Volkswagen. According to 2016 data, this partnership has given the German corporation the opportunity to broaden the range of vehicles it offers, increasing the annual number of vehicles sold by 3.5 million pieces. On the other hand the Volkswagen increased their market share with 14.6% and thankfully they became the second largest automaker in China after General Motors.

3.2 Weaknesses

Everything has a drawback. Despite being one of the biggest automakers in the world, the Volkswagen group has flaws. One of these unfavorable critiques has been made weaker by the media attention. For instance, take the Dieselgate issue from the earlier paragraphs. By implementing a customized program of diesel cars that would control various emission levels during vehicle testing in a laboratory as compared to real-world emission levels, the group aimed to reduce dangerous gas emissions solely in numbers. Investigations indicate that the corporation discovered quilty in numerous nations, and that this cost the company 16.2 billion euros in reparations.Negative publicity targeted the Volkswagen group and thanks to these negative critics, sales declined in 2015 like in 2016.

The company's history has also been damaged by car recalls. These provisions are the most costly, and they suffered a significant loss as a result. The largest recalls among automakers in US history were carried out by Volkswagen in the US market. A rate of 1805 automobiles are recalled for every 1000 vehicles produced by the Volkswagen Group. Vehicle safety and non-compliance with Federal Motor Vehicle Safety Standards are two factors in the recall. Any recall involving the vehicle should be finished right away for reasons of safety. Fortunately, none of the recalled vehicles resulted in serious or fatal injuries. The company's Jetta, Beetle, Beetle Convertible, Golf, Golf Sportwagen, and GTI models from 2011 through 2019 are included in the recall.After this incident the company and the CEO working to regain trust of the customers.

Unfortunately, the company only holds a small portion of the US car market. Ford and General Motors are the two major players on the market. Around 18 million cars are sold in this industry each year (2016). A greater market share would ensure greater earnings.

Making battery-powered cars requires little knowledge and skill. Electric automobiles are first becoming more and more well-liked by people. Volkswagen does not give it the attention it needs. In order to compete with other manufacturers, they are currently working to develop their battery-powered cars. For instance, in Porsche hybrid vehicles, the internal combustion engine is more powerful than anticipated yet the emission levels are higher than we would anticipate from a hybrid vehicle. The corporation has to improve the performance of its electric vehicles because they have one of the shortest ranges among "green automobiles." Volkswagen trails its greatest rival, Tesla, but has an edge over Tesla in that its electric cars are less expensive. High operating costs could result in losses for the company. The costs associated with running Volkswagen have increased year over year. VW's total cost of sales in 2018 was €189.5 billion, up from €186 billion in 2017. (Posky, Matt. "Stats Show Which Automakers Are the Worst Offenders in Recall Land)

3.3 Opportunities:

Future business opportunities will be most profitable in the most cutting-edge fields, including artificial intelligence and emerging technologies. AI and autonomous driving technologies have opened up new potential for automaker businesses in recent years. Volkswagen continuously develops its self-driving systems and algorithms to provide a reliable and sophisticated artificial intelligence.

Acquire skills and competencies through acquisitions since tiny start-up businesses lack the resources to compete with large corporations, even though they have sound business strategies. Due to the acquisition of the small startups, Volkswagen has a decent chance of overtaking them as the market leader.

The media and social marketing have given us this opportunity that our ancestors did not. These days, despite the cost of advertising, that potential generates more and more million dollars annually. In this approach, the business can quickly establish a trustworthy relationship with customers through the Internet and excellent TV channels. The targeted consumers are located by the modern marketing techniques in every area and in every sector of the consumer society. The businesses can influence and appeal to the customers.

Partnerships with numerous established businesses across continents, such as Microsoft, which enhances the provision of mobility services Additionally, the VW group's strategic partner in China is the U.S-Sino truck. All of these businesses work to increase productivity, effectiveness, and efficiency in order to increase profit and hasten the growth process.

Focus on enhancing sustainability significantly because VW completely destroyed consumer confidence in businesses that care about the environment and the communities they operate in. Volkswagen needs to dramatically step up its efforts in sustainability if it wants to win back the confidence of its stakeholders. Fuel appears to be more expensive than it is presently. Because they provided the market with numerous pick-ups despite the VW, several automakers (including Ford and General Motors) have benefited from the cheap fuel price in recent decades. Due to low fuel prices, consumers purchased a lot of pickup trucks, but in the near future, fuel prices will rise, which may be a wonderful opportunity for Volkswagen, particularly if the business competes with rivals in the electric vehicle market.

3.4 Threats:

Over the past few years, the car industry has been under increasing regulatory pressure. As a result of increased regulation, businesses are under more pressure than ever. The bottom line is also being effected by taxes and tariffs. Its cash flow took a serious hit as a result of the diesel scandal. The corporation suffered a loss of about €25 billion due to diesel emissions. Additionally challenging is international expansion because of increased regulatory pressure.

Competition between rivals becomes more difficult as it becomes more intense. Each large company is aware of the constantly expanding and emerging smaller businesses, which are eroding their consumer base. The reason for the rivalry is that car costs are continually falling to keep up with their expanding and growing assortment. It will be very difficult for Volkswagen to compete in the electric car market against new competitors like Tesla with its electric vehicles. Additionally, Google, which is attempting to create self-driving cars, poses a danger to the established automotive sector.

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Figure 2.

Volkswagen SWOT Analysis

Source: Volkswagen SWOT Analysis." Edrawsoft

3.5 Continued focus on cost efficiency – outlook for 2023

In order to strengthen its long-term competitiveness, Volkswagen is working hard to increase its cost efficiency, such as by further reducing its fixed expenses and overheads. We are currently dealing with a number of issues, including the effects of the epidemic in China, rising commodity and energy prices, and geopolitical unpredictability. With our cost-cutting initiatives and by raising the standard of the operating result in certain areas, the company is attempting to mitigate these risks. Nevertheless, sticking to the objective of a 6% operating return on sales in 2023, according to Volkswagen CFO Alexander Seitz.

4 PESTLE analyzis

A PESTLE analysis is frequently applied as a thorough fact-finding process. It aids an organization in determining the external issues that might affect choices made internally. Organizations can make better plans if they are aware of the effects these external factors may have on them.All in all, The PESTLE analyzis will show us the detailed information about the current situation on the market about the Volkswagen group.

4.1 Political

The Political environment can have an impact on entire processing businesses and organizations, etc. As is well known, Volkswagen's subsidiaries and various manufacturing facilities are located far apart from one another. The laws and various taxation systems in these areas may have an impact on potential and actual business performance as well as on relationships in international trade. Huge losses result from high taxes and an unpredictable political climate.

4.2 Economic

Economic conditions are crucial to a company's success because if there are economic fluctuations in the environment, the company will need to find constraints to counteract the worsening economic downturn. The demand for cars is impacted by periods of declining economic activity, which has an impact on Volkswagen's sales and income. During the recession, there was a global decline in employment, which affected consumers' purchasing power and decreased demand for cars. On the other hand, if they are unable to solve the issue, the government may offer assistance through changes to taxation, for example.

4.3 Social

In the twenty-first century, social factors are becoming an increasingly significant factor in the expansion of the corporate sector. Consumer purchasing patterns may be influenced by sociocultural norms, and shifting societal trends may alter people's tastes. These require the organization to improve its sales methods. Because of this, businesses must base their sales and marketing plans on the markets and cultures in which they operate. Additionally, in order to keep up with shifting trends, product and sales tactics must also be changed.

4.4 Technological

Customers' purchasing patterns in the automobile business should be impacted by technological advancements. The technological sophistication of a car brand is equally important in the twenty-first century. Volkswagen invested in the German Research Center for Artificial Intelligence (DFKI). Future urban mobility concepts are being developed at the Audi Business Innovation Center. To introduce more environmentally friendly and secure cars to the market, it is investing in technology. It has also made significant investments to make its manufacturing and distribution procedures technologically superior to those of its competitors.

4.5 Legal

Brands now confront enormous compliance risks due to stronger legal and regulatory frameworks in all sectors, including labor, the environment, and driving safety. In the Diesel crisis case, VW has previously been ordered to pay billions of dollars. The brand was discovered evading emission tests by deploying defeat devices. Therefore, the overall importance of legal considerations in the context of global commerce and the automotive sector cannot be disputed.

4.6 Environmental

Regarding the environment, pollution regulations have become more strict worldwide, and certain markets have hefty fines for brands that don't adhere to the standards. Due to their failure to fulfill the emissions standard, millions of VW vehicles had to be recalled in 2015. Billions of dollars were lost as a result. In order to regain the trust of its customers, the company is now concentrating on creating more hybrid and electric automobiles. Its highly anticipated I.D., I.D. VIZZION, I.D. CROZZ, and, of course, I.D. and of course BUZZ. The regulations governing emissions and the environment have been stricter all around the world, but especially in industrialized nations. As a result, brands like Volkswagen are required to concentrate on models that are more environmentally friendly. *(Source: Jurevicius, Ovidijus. "Ford SWOT Analysis (5 Key Strengths in 2022)."(Bush, Thomas. "PESTLE Analysis of Volkswagen Group." PESTLE Analysis)*

5 Financial risks

5.1 Strategies for hedging financial risks

Changes in interest rates, exchange rates, raw material prices, or share and fund prices can all pose financial concerns. The Group Treasury department is in charge of managing these financial risks and liquidity hazards, and it uses non-derivative and derivative financial instruments to lower these risks. At regular periods, the Board of Management is updated on the risk status. Interest rate risk is the term used to describe potential financial losses that may result from fluctuations in market interest rates. It happens when assets and liabilities in a portfolio or on the balance sheet have different interest rates. the use of interest rate swaps, cross-currency interest rate swaps, and other interest rate contracts with generally matching amounts and maturities to hedge interest rate risk, which is sometimes combined with currency risk, as well as risks related to changes in the value of financial instruments. The Volkswagen Group's Automotive Division's financial agreements must adhere to the rule of matching amounts and maturities. Interest rate derivatives are used as part of the defined risk strategy in the Financial Services Division to control the risk of interest rate changes based on restrictions. On the other hand, foreign exchange risk is diminished particularly through natural hedging, which entails adapting our production capacity flexibly at our locations around the world, establishing new production facilities in the most significant currency regions, as well as sourcing a significant portion of our component needs locally. employing hedging mechanisms to reduce the remaining foreign exchange risk. These transactions serve to reduce the currency risk connected to projected cash flows from operating activities, intragroup finance, and liquidity positions in currencies other than the relevant functional currency, for instance as a result of capital movement limitations.

Company have used forward contracts to hedge some of the requirements for commodities such as aluminum, lead, coal and copper over a period of up to six years. The firm has also entered into transactions to supplement and improve allocations of CO2 emission certificates as part of the European Union Emissions Trading System (EU ETS). The special funds used to invest to excess cash may be subject to equities price risks and fund pricing hazards. By investing money in a variety of ways and adhering to the basic standards outlined in each investment guideline, Volkswagen Group lower these risks. Additionally, when the market conditions are right, exchange rates are hedged.

5.2 Liquidity risk

Volkswagen depends on its capacity to fully meet its finance requirements. A liquidity risk is the probable inability to finance the Group on acceptable terms or to raise the necessary money. This might have a significant negative effect on Volkswagen's business position, assets, financial condition, and earnings. In the Automotive Division, the Company always maintains solvency primarily through retained, non-distributed earnings, credit line draws, and the issuance of financial instruments on the money and capital markets. The primary methods for raising capital for the financial services industry include the domestic and international financial markets, as well as consumer deposits through the direct banking sector. Volkswagen receives financing from supranational development banks as well as national development banks like the Kreditanstalt für Wiederaufbau (KfW) and Banco Nacional de Desenvolvimento Econômico e Social (BNDES).

5.3 Risks and opportunities in the financial services business

When the estimated fair value for the disposal of the financed or leased asset may be less than the residual value determined at contract conclusion, residual value risk is present. However, it's also possible that selling the asset will bring in more money than was estimated based on its residual worth. In order to fully analyze, monitor, respond to, and communicate risks, management of the residual value risk is based on a predetermined control cycle. The ability to manage residual risks professionally as well as systematically refine and improve how we manage residual value risks is made possible by this process structure. Numerous steps are taken to reduce this risk based on the ensuing potential residual value risk. The residual value recommendation for new business must take existing market conditions and potential future influencing factors into account. Risks are handled and tracked within the context of appropriate processes related to financial conditions, collateral, adherence to limitations, contractual duties, and terms outlined by both external and internal parties. As a result, obligations are managed based on the amount of risk they carry (standard, intensified and problem loan management).

(Source: "Volkswagen Konzern - AR 20 - Financial Risks")

I would like to countinue with the 7s model to understand more deeply the economical aspects of the firm. A framework for transformation based on an organization's organizational design is the McKinsey 7-S Model. By focusing on the interplay of seven crucial elements— strategy, structure, system, style, staff, skill, shared-values —it seeks to illustrate how change leaders may manage organizational transformation effectively.

6 7s model analyzis

6.1 Strategy

The firm always create unique plans that are both economical and practical. They endeavor to achieve and reach the 2025 goal as successfully as they can with their new way of thinking and pledges, which don't just leave them with regrets. The business frequently employs the Modular Toolkit concept, which refers to physical modifications made to autos (distance between pedals, track width, wheel size,etc...) The Modular Electrification Toolkit MEB is a concept that the firm is attempting to adapt and use to electric vehicles. By using this technique, the business will be able to include e-mobility into mass production manufacturing, which aids in achieving higher profitability so the business can easily withstand the competition from new entrants.

6.2 Structure

They divided the processes and decisions by brand because there were so many subsidiaries that the division of labor would be extremely difficult overall. Every sector has a CEO, and beneath them are numerous managers who are in charge of making decisions regarding working procedures and breaking down their operations into smaller sectors. However, the unifying goal of all the subsidiaries is to achieve high profitability, stay up with competitors, and adhere to all regulations and political restraints. Due to the great distance and diversification, it is necessary to consult all the subordinates and departments while making financial decisions.

6.3 System

All accounting pronouncements adopted by the EU and applicable for periods beginning in the fiscal year 2019 have been implemented by Volkswagen AG. Additionally, they provided their workforce with training and development through a vocational group system so that they could grow their talents and execute their tasks while collaborating with other seasoned professionals. The Group department's HR central training organization is in charge of this procedure, and their goal is for the staff to apply what they have learned to real-world situations. The corporation Volkswagen Group Academy) also introduced internship programs that provide freshmen the opportunity to work with seasoned personnel.

6.4 Style

The leadership are successful(organizational marketability) after we saw the achived goals and programs and their key factor that the social responsibility and their leading style.

6.5 Staff

The group is still using effective and important methods for managing human resources. The clear stakeholder focus on corporate governance is one of them. Modern working practices and advantageous strategies like agile work are now part of human resources strategy. Collaborative robots will relieve physically demanding work in industries in the future, and digital procedures will streamline administration. Since confessing to systemic emissions fraud in September 2015, VW has lost a number of engine experts as well as marketable staff due to the pollution crisis. (“Volkswagen Konzern - AR 2018 - Training and Professional Development.” Training and Professional Development) (Volkswagen Konzern - AR 2017 - Training and Professional Development.” Training and Professional Development)

6.6 Skills

The innovation is the most powerful one, and it controls future concepts in the automobile business through new discoveries and research, hence the R&D element. The corporation tried to set up that plan to invest in people since it is what pays off in more varied ways, and it is beneficial for the employees to have access to a wide range of training measures. The corporation was able to establish a global footprint in all automotive segments and a voice in the truck and bus industries thanks to technological excellence. *("Volkswagen Konzern - AR 2018 - Training and Professional Development." Training and Professional Development) (Volkswagen Konzern - AR 2017 - Training and Professional Development." Training and Professional Development)*

6.7 Shared values

The Volkswagen Group Essentials outline what the group stands for across all brands, businesses, and nations as a promise to their clients, shareholders, business partners, and themselfs. Also provide orientation for the daily value-oriented actions of all employees. The business acknowledges its social and environmental responsibilities. The company also speaks out against unacceptable behavior and things. However, they are proud of their products and work hard to maintain diversity. *("The Volkswagen Group Essentials")*

7 Volkswagen Marketing Strategy & Marketing Mix (4Ps)

Marketing Strategy of Volkswagen analyses the brand with the marketing mix framework which covers the 4Ps (Product, Price, Place, Promotion). There are several marketing strategies like product innovation, pricing approach, promotion planning etc. These business strategies, based on Volkswagen marketing mix, help the brand succeed. The "marketing mix" of a company, or the strategy used to introduce new products or services to the market, can be improved using the four Ps of marketing. To ensure that the company's offering satisfies a particular consumer requirement or market demand.

Volkswagen marketing strategy helps the brand/company to position itself competitively in the market and achieve its business goals & objectives.

Let start with the Volkswagen Marketing Strategy & Mix to understand its product, pricing, advertising & distribution strategies:

7.1 Volkswagen Product Strategy:

The product strategy and mix in Volkswagen marketing strategy can be explained as follows:

Volkswagen offers several vehicles in different countries. Its top selling and most popular models include Volkswagen Polo, Volkswagen Passat, Volkswagen Jetta, Volkswagen Sirocco, Volkswagen Tiguan, Volkswagen Touran, Phaeton, Eos, and Beetle. All these cars are the product strategy in the marketing mix of Volkswagen. Several various trims and versions are available, depending on the amount of localization, features, comfort, size, seating capacity, choices, engine configurations, and power. Volkswagen provides a variety of body styles, such as the hatchback, estate, sedan, coupe, convertible, SUV, crossover, coupe, and MPV. Additionally, it produces and markets electric, hybrid, and dual-fuel automobiles. The Polo and Gold models from Volkswagen also took up the renowned, 50-year-old European Car of the Year title. The business has spent over $80 billion on the development of electric vehicles.

7.2 Volkswagen Price/Pricing Strategy:

Below is the pricing strategy in Volkswagen marketing strategy:

Volkswagen is one of the top automaker in the world.

With 34500 vehicles delivered per day, Volkswagen offers its goods at affordable pricing for some developing countries and at a little higher price for economies where its brand is recognized as having the potential to command a greater premium. Volkswagen bases its somewhat higher prices on their superior quality. Volkswagen uses psychological pricing as one of its strategies to achieve its pricing goals. They can justify the higher price they pay for Volkswagen cars by reducing buyer's remorse due to perceived and actual good quality. The cost of spare parts is also on the high side. As a result, the pricing strategy in Volkswagen's marketing mix is mostly determined by the area being serviced, the competition in each market group, demand, and the amenities offered in the automobile.

7.3 Volkswagen Place & Distribution Strategy:

The Volkswagen marketing mix's distribution strategy is as follows:

Volkswagen vehicles are accessible practically wherever in the world. having production facilities and assembly lines spread across the globe. These include South Africa, Poland, Germany, Mexico, the United States, China, India, Indonesia, Russia, the Czech Republic, Portugal, and Spain. Volkswagen established a new facility for the production of large transport vehicles and multi-vans at a cost of $140 million after realizing that Indonesia was a top location for the selling of cars and vans. In terms of India, Volkswagen will begin assembling particular export engine modules as well as local engines to raise localization levels from the present 70% to 90%. Volkswagen has expanded into Algeria and opened a new manufacturing facility there to increase localization and lower the cost of automobiles. Volkswagen has a strong global presence and a distribution network that is well suited to the markets it serves.

Volkswagen vehicles are offered in company-owned dealerships and showrooms that carry multiple brands of vehicles all around the world.

7.4 Volkswagen Promotion & Advertising Strategy:

Volkswagen has long used strong language in its advertising efforts. Volkswagen uses 360 branding as part of their marketing mix promotion strategy to sell not only the parent company but also each of its unique vehicles. Volkswagen has driven "higher quality" as a trait of all of its cars and most of its promotions in developing countries advertised the same. This was made possible by the higher grade of tensile strength used in its steel, greater depth and shine of paint, higher craftsmanship of its cabins, and better equipment levels. Its abuse-friendly design, sturdy construction, and extended lifespan were promoted in India, which aided in increasing sales. Since more and more rivals are entering the internet market, aggressive promotional operations employing social media networks and online platforms like Twitter, Facebook, You Tube, and Instagram help Volkswagen remain at the top of the promotional game. Volkswagen uses product distinction as one of its marketing strategies in its promotional campaigns, and the two characteristics that are most frequently highlighted in these advertisements are safety and German construction. Volkswagen collaborates with other well-known brands around the world through sponsored events. In light of this, the complete Volkswagen marketing mix is summarized. *(Team, MBA Skool. "Volkswagen Marketing Strategy and Marketing Mix (4Ps))*

8 Investigation of the marketing performance measurement practices (Hatfield Volkswagen group)

8.1 Marketing and Financial Performance

Financial analysis aids in evaluating and recognizing a company's strengths and shortcomings and, ultimately, the organization's long-term viability. Financial ratios used in the financial analysis show and quantify how certain firm operations, including current assets in proportion to sales, relate to one another. Lack of resources and effort devoted to the marketing return. Many businesses do not devote enough effort to the growth of marketing research because they have not yet built procedures to measure the marketing return.Internal measurement and assessment methods. There is little incentive for employees to contribute to the measurement of marketing return. Work on marketing measurement and return is not encouraged by the compensation structures of corporations. Lack of resources and expertise. Companies lack the internal capabilities and resources to devote to the study of marketing return and measurement, or they are hesitant to do so. The marketing and finance teams don't work together. There doesn't seem to be any drive to promote the comprehension and advancement of marketing measurement because the marketing and finance operations appear to operate in distinct silos. Companies' managers do not see a need or an opportunity to alter the way they now conduct business.

8.2 Bechmark

The external benchmarking procedure evaluates the performance of the business against that of its rivals or more successful peers. No matter how well a company's internal processes and systems work, in order to ensure ongoing improvement, it should always measure performance against rival forces and businesses outside of its area.The managers believed that among the marketing performance measurements, financial measures were given priority by senior management. The importance of competitive market measures is ranked second. Innovativeness measures are rated the lowest, yet they are still scored pretty highly. The preceding findings show that financial measures are most frequently examined by top management, most frequently gathered by departmental managers, and most frequently thought to be crucial by top management in comparison with the various non-financial metrics that are accessible.

Senior management in organizations that are in charge of making strategic and operational choices must now measure performance. Due to this, benchmarks are now used to compare top performance in business (Jin, 2013). Plans for marketing or businesses are frequently used as internal performance indicators (Mills, 2010). (Source: An investigation of the marketing performance measurement practices in Hatfield Volkswagen group by Chris Beukes and Gerhard van Wyk)

8.3 Recommendation

Certain non-financial key performance indicators need to be embodied in financial statements and management accounts. The danger of not incorporating a wider range of external benchmarks is that the departmental managers would have a false impression of their success in terms of measuring marketing performance measurement. This study offers a new perspective on the need for an increase in the focus on all the formal marketing performance measurement tools available. Measures of customer happiness, descriptions and measurements of marketing assets, market share, and comparisons to best practices would all be considered non-financial important indicators. Non-financial relevant indicators include market share, customer satisfaction scores, descriptions and measurements of marketing assets, and comparisons to best practices. There are instruments for measuring marketing performance that may be used to improve marketing performance outcomes more regularly and, in the end, add value by improving the group's sustainability and profitability(Chris and Gerhard 2016).

Conclusion

All in all, I would say after the researches the Volkswagen Group has a significant role in the market but the rising problems on the market also can significantly affect its working and strategies. Despite the fact about the scandal I would say this conglomerate is one of the most enthusiastic, and environmentally conscious about the production and its matters. This fact may be affected by the legal rights and recommendations in a high extent. The diversity of the firm also brought advantages on new markets and helped to fill the occurring market niche internationally. On the other hand, taking into account the financial risks the firm is trying to handle and track it within the context of appropriate processes related to financial conditions by all segments. Despite the fact about its enormous size of the company, it have to taking account all the market possibilities and arising risks to maintain the leader competitive status among the car manufacturers. On the other hand, marketing is essential to business because it determines what customers want and then allocates resources to meet those demands. Performance measurement methods and structures must be created and put into place for businesses to succeed and achieve benefits that are both competitive and long-lasting. In order to improve efficiency and eventually profitability and commercial success, it is crucial to assess and evaluate every aspect of the firm. Throughout to elevate marketing performance results more frequently and ultimately add value through increased profitability and sustainability while taking into account the financial aspects, this study offers a new perspective on the need for an increase in the focus on all the formal marketing performance measurement tools available.

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