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Volkswagen

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Company Profile

Volkswagen is a German company engaged in the production and marketing of automobiles. It is the largest manufacturer of passenger cars of Europe. The brand was created when Adolf Hitler took power in Germany. One of his main desires was that every German family had their own car which should be reliable and economical too. The car that Hitler intended to create corresponded the village concept car (Volkswagen in German). Thus in 1938, the final model of Volkswagen was officially unveiled. Over time it was incorporating different people tried to form a business project (Mull et al., 2012). They started to create a lot of units as well as unimaginable exports.

Volkswagen began expanding its markets to new countries starting with the United States, then other parts of Europe, Mexico and South America. The company decided to invest in different countries setting up its factories in order to meet their objectives globally and subject constituted as social organization in every community in which it landed. Volkswagen was growing rapidly providing both potential and current customers not only a larger number of cars, but also greater variety and quality of its models.

At present the Volkswagen Group produces and markets the brands Volkswagen, Audi, Seat, Bentley, Bugatti, Lamborghini, Skoda and Volkswagen Nutzfahrzeuge (Heyn et al., 2012). It is considered therefore, that the company forms its foundation by a brand identity in the organization is constituted by a separate umbrella brands of different characteristics but always responding to the attributes of the producer company. Another key point of any business

is its slogan, i.e. concept that tries to convey to their audiences, that unlike other sets a pattern of behavior reveals and clarifies the vision objectives.

Internal and External Environment

The Volkswagen Group has two basic units, Automotive and financial services. In Volkswagen Group, more than 300 subsidiaries work. These subsidiaries are occupied with vehicle production and other associated automotive services, for example, auto insurance, car leasing, banking and customer financing (Volkswagen, 2015). Volkswagen Automobile division in Germany is basically occupied with vehicles assembling, for example, transports, trucks, autos and vehicles parts. Volkswagen Germany gives a far reaching and comprehensive selection of vehicles that are individualized as far as quality, body outline, innovation and safety features. The Volkswagen Germany serves to the German market as well as export it to other nations also (Mull et al., 2012).

The company offers a social report publicly available as an institutional magazine in which financial data, statistics, and shares of internal and external communications, mission, vision and values that guide the company as well as its commitment to the community relations. Through this communication tool a deep knowledge enabling positive institutional set to both current and potential consumers, public government, the suppliers, public and financial community, enter testimonials of employees, meet the president of the company and glimpse operation as well as the transparency of a multinational company employing thousands of people.

Volkswagen aims to give primary importance to its human resources, therefore offer its employees training plans in their schedules, not only relating to the implementation of new

technologies. They use their plants but also personal and professional development as language. The company offers its employees a range of benefits including recreation centre, day care, life insurance, transportation, discounts on the purchase of products with associated companies, among others (Shalender& Singh, 2015). In turn, the internal communication is one of the pillars for achieving business success, giving treatment to employees as belonging to the family, so the doors that are public within the organization are taken into account and project outwardly their image of the company by merging their own objectives with those of Volkswagen.

In spite of the positive business advancement the Volkswagen Group in the globalized world is under a high cost pressure. The stagnating market in Western Europe, combined with the generally high work costs and additionally the forceful rivalry from the Far East, VW provoked about new choices to consider (Huber et al., 2015). Consequently, the cost model "Auto 5000" was created on the Wolfsburg generation office. This had as primary targets of decreasing work costs, the creation as indicated by the rule of incline assembling and the assignment particular work going with capability of representatives. In the previous area choice in 2000 was the VW administration with the union for the creation responsibility in Wolfsburg, 20% not exactly in the aggregate understanding. Furthermore, it was consented to bring occupations with unemployment (Shalender& Singh, 2015).

The long haul achievement of a Volkswagen is reflected in high consumer loyalty and a decent client administration. CRM is a key methodology for Volkswagen to the complete arranging, control and execution of every intelligent procedure to comprehend the client. The starting period of the client lifecycle is described by the "determination" and "obtaining" of potential new clients. Here, no noteworthy incomes are created, however built the first connections and client trust and showcase investigations. The accompanying "client retention

phase" is the most gainful and in the meantime the most troublesome stage for Volkswagen in which the most astounding incomes are created (Wei et al., 2015).

On numerous occasions Volkswagens has stated desire to be a "green" company, but so far has been unable to meet their environmental ambitions. It took much of time improving the efficiency of its fleet despite developed the technology to do so, further actively opposes the implementation of Strong European regulations able to stop climate change. The company has to change.

The EPA (US environmental agency responsible, among other functions, to control and standardize emissions and fuel consumption of automobiles) has accused the Volkswagen group, namely the brands Audi and Volkswagen of falsifying data related to NOx emissions (nitrogen oxides). The vehicles 'hunted' in the monitoring and review of the EPA had a specific software that went into operating mode "review" with the aim of reducing NOx levels exactly when the test was being done to provide parameters and data them appear legal. The Volkswagen group itself has admitted irregularities and has announced that it will carry out all types of actions necessary to clarify the situation and to find those guilty have been responsible for activating the software on the 2.0 TDI diesel engine.

Volkswagen is opposing two vital European regulations against climate change, necessary to promote innovation and technology more clean in the automotive sector (Rudzinski & Uerz, 2012) save money drivers and help Europe reduce its harmful dependence on oil. If the Volkswagen Group wishes to keep its promises, it has to improve the efficiency of their products and support ambitious European regulations on climate change. In particular, public support of

the Volkswagen Group the European emissions reduction of greenhouse gases by 30% for the year 2020 would be a clear sign that the company wants to lead environmental issues.

Regarding the decrease of greenhouse gasses and the expect to be the long haul for environmentally and financially driving organizations around the globe, Volkswagen Germany puts € 8 billion in new models and feasible fuel and impetus advances. The way that Volkswagen by the year need in 2020 achieve a CO₂ focus of 95g/km, indicates how aspiring the car aggregate, the objective is to be the biologically driving car makers around the world (Heyn et al., 2012). With the Think Blue task Volkswagen Germany needs to make biological creation by 2018 and all Group locales all the more naturally inviting by 25%. To accomplish this, the VW Group has put € 700 million in the generation of renewable energies (sun based, wind and hydroelectric force) (Shalender, Singh, 2015).

Currently, the Volkswagen Group does not apply the technologies and the most efficient standards for all vehicle models. Only some are available as 'efficient models' and these are sold under other brands. Some Specific VW models can be bought with the BlueMotion system as an extra. There are about 70 different variations. The most efficient BlueMotion model has a rate of 99g CO₂ / km (3.8 l / 100 km diesel) (WU, et al., 2015).

Leadership

The weight of certain personalities in Volkswagen is what explains the devoid of "effective governance" and has long need "an autocratic leadership." Probably one of the best examples of climate that prevails in the company the weight of certain figures in the company is Ursula Piëch entry in the Supervisory Board in 2012. This nursery school caretaker would hardly

come to settle in the upper echelons of the consortium if it was not because she is the wife of Ferdinand Piëch, Austrian tycoon and until last April heavyweight Volkswagen group.

If I were appointed as CEO of Volkswagens I will try to restructure the company according to company needs. Although it is a daunting task because change of culture in the company is very difficult, even with this task in mind what is Volkswagen would have to adopt a national and international perspective not so local. Knowing that the corporate culture has been ruined with Volkswagen, it seems clear that Volkswagen needs urgent renewal.

Organizational Structure

Volkswagens organizational structure is rather out dated as it follows a top down hierarchy. This kind of structure not just makes the association moderate to react to changes in the commercial centre (Frynas& Mellahi, 2015) it leaves the association with glaring blind sides; a less command and-control structure could permit voices outside of the C-suite to be listened. These voices, a large portion of which likely have direct introduction to the item and potential clients, can frequently fill in the crevices the C-suite does not know.

This way to deal with corporate society is dated and incapable as it leaves by far most of workers feeling "unaware of what's going on," degraded and not trusted. At the point when workers do not feel like they have independence, their engagement drops. Furthermore, instead of representatives who work in a more liquid structure, they are likely not happy with bringing their worries, or even terrible news, to their managers and are not persuaded to put the organization's prosperity first.

Recommendation

- The first step which has to be taken to improve the situation of Volkswagens is to change its organizational and command-and-control structure. For this purpose, the organization needs an authoritative leader who can change the corporate culture and motivate employees to put more efforts in the organization;
- Employees of the company have to be involved and engage in decision making process. This may improve the motivation level of the employees. The linchpin to having a flourishing, connected with workforce is making a feeling of proprietorship among that workforce;
- What VW necessities is a corporate rebuild that is leaner and more spry: a less-formalized yet more liquid chain of importance that permits the general population to fondle bolstered in talking when issues emerge and to offer recommendations on the best way to determine the issue without trepidation of their thoughts or, best case scenario, themselves being released. Extreme choice making still rests in the C-suite, yet without open correspondence that considers the connections from inside the association to those that straightforwardly affect client reliability and experience, those choices will never be completely illustrative or extensive

Conclusion

Pushing ahead, if VW needs to bring its corporate culture into the 21st century, it needs to reconsider how it works. Despite the fact that the management is currently rebuilding the association into littler holding organizations, that rebuilding did not address the obvious absence of correspondence all through the progressive system.

Despite everything it supported a top-down methodology. It would have been a rebuilding without a cultural change and it's VW's way of life that needs rebuilding, not its stream diagram.

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