

MARKETING REQUIREMENTS FOR DEVELOP A BRAND IN AUTOMOTIVE INDUSTRY

Zima Liliana Adela

*The Economic and Physics Department, Faculty of Sciences, North University
Center of Baia Mare, Technical University of Cluj Napoca, Romania
lili_zima@yahoo.com*

Abstract: *The Umbrella Brand can be defined to be the mother brand which is not usually model specific which houses the family of brands. It is a trustworthy, relevant, and distinctive promise to the consumer. In our case of General Motor's Europe, Opel/Vauxhall is the Umbrella Brand. To develop and maintain on the automotive market a strong brand there are some marketing and management requirements to be applied. This document summarizes the Marketing requirements for the Gamma Monocab program. The Gamma Monocab will be branded as a Corsa, considering that it strongly relates to the other 4300 bodystyles in terms of exterior and interior styling, and that would benefit from the Corsa brand equity, requiring lower investment in brand awareness. It is very important at the beginning to follow for example the Corsa Product Compendium. This Product Compendium consists in thirteen parts which are: the Foreword, the Executive Summary, The Marketing positioning, the Exterior Design, the Interior Design, the Drive ability Chassis, the Powertrain, the Functionality Features, the Safety and security, the Aftersales, the Infotainment, the Quality and the environment. The essence of Opel/Vauxhall in terms of Umbrella Brand Mission that Opel challenges the market with innovative German-engineered products and services that exceed customers expectations by delivering best-in-class quality and superior value. The research was practical because I had a practical degree practice at Adam Opel AG especially at European Business Team and at the Department of markets research and I had a specific field of activity at Corsa Brand Team. The Brand Strategic Objectives are Quality Leadership, Affordable High Technology, Superior Value, Environmental responsibility, Mature driving Pleasure, Harmonious Distinctive Styling. In the Gamma Monocab Opel Zafira and Meriva are the top brands and in this study I tried to make a good compare between these brands and the competitors brands. Market research indicates a high positive correlation between the number of problems a vehicle sustains during its operational life and the overall level of customers satisfaction with vehicle in turn directly impacts willingness to repurchase. Price and packaging will challenge competition making Gamma Monocab a logical decision for customers looking for an ideal compromise between interior space and flexibility for passengers and luggage, with an expressive styling in a vehicle that they can afford. The General Motor's Europe product – base car segmentation includes four major segments which are: larger, smaller, family / functional and sporty/ personal.*

Key words: umbrella brand, brand strategic objectives, segmentation

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1. Introduction

General Motor's Europe (GME) designs, manufactures and markets vehicles for the European market, having a market share of 9,8% for Western and Central Europe and 0,55 for eastern Europe. The number of employees is about 81.000 and the major customers are individuals, rental car agencies, corporate and government fleet accounts. The major competitors are Volkswagen, Fiat, Toyota, Ford, Renault. In 1999 became the first European brand selling vehicles on the Internet which was Vauxhall. The highlights for previous year were achieved record production level of 1.894.000 units excludes Saab, achieved top selling wagon ranking in Europe- Astra Wagon, and volume of sales of 1.968.000 units. The business objectives for the future period are reduce costs, strengthen products and brands, improve quality and service, increase profits. The growth opportunities for General Motor' s Europe are the high volume and niche car models, growing demand for diesel engines in passenger car and light- commercial vehicle markets, internet purchasing and e-commerce opportunities. GM Europe consists of Vauxhall, Adam Opel AG and Saab (General Motors, 2005 : 11-63) .

The organizational structure of Adam Opel AG is very complex and includes specialized entities such as Planning, Personal, Technical Design Center (TDC) Material Forecasting Purchasing, Finance, Manufacturing, Public Relations European Sales Operations, National Sales Organization GA and European Business Team(Adam Opel : 2000)

This document summarizes the Marketing requirements for the Gamma Monocab program. The requirements in this document apply as a substitute to or in addition to the requirements of the base car S-Gamma Mss. All new 5-seater Gamma Monocab replaces the Wagon bodystyle in the Gamma Product Portfolio.

It will be badged as Chevrolet for most GM Latin America, Africa, Mid-East -LAAMO countries, except Africa and Middle-East, which require Opel badging. LAAMO manufactures, markets and distributes vehicles in this large region, having a market share of 16.6% (Latin America: 20%; Africa 13,8%; mid-East: 8,6%) and 23.000 employees. The

Business objectives for next period are to increase customer satisfaction, reduce warranty costs, grow market share and focus on quality improvements. The major customers for LAAMO are: individuals, rental car agencies, corporate and government fleet accounts and the major competitors are: Volkswagen, Fiat, Toyota, Ford. The major brands of LAAMO are Chevrolet, Opel, Isuzu, Saab, Cadillac, Suzuki and GMC. The highlights for past period were: increased market share, led truck sales in South America for 11th consecutive year and in LAAM region for 5th consecutive year, continued as sales leader in Chile, Colombia, Ecuador and Venezuela, returned to positive net income, launched eight new models, sales 523.000 units. The growth opportunities for LAAMO for next period are to launch a new assembly plant in Brasil, e-business opportunities, aggressive selling, improve customer service (General Motor's Europe : 2011).

Opel will also be the primary for Europe and Asia Pacific. Vauxhall is required for UK, and Holden badging is under consideration for Australia & New Zealand GM Asia Pacific (to be confirmed with APO). GM Asia Pacific designs, manufactures and markets vehicles in a region organized around five groups: Japan, Korea, China, the ASEAN nations, and India, Australia, and New Zealand having a market share of 3,9% and 10.000 employees. The major competitors are: Toyota/ Daihatsu, Nissan,

Mitsubishi, Honda. The major brands of GMAPO are: Chevrolet, Opel, Isuzu, Saab, Cadillac, Suzuki, Holden, Buick, Saturn, Subaru. The highlights for previous period were: continued record-setting sales pace in Australia, achieved profitability at Shanghai GM plant, exceeded Buick GL8 sales target in China, launched Zafira production at new Rayong Plant in Thailand, sales 421.000 units. The business objectives for next period are: focus on growth, on profitability and on strategic alliance partner relationships. The next opportunities for GMAPO are: increased sales volume, production capacity to offset any weakness in local economies, promote Asian based core product portfolio, make stronger brands and distribution network.

It is very likely that the Gamma Monocab will be branded as a Corsa, considering that it strongly relates to the other 4300 bodystyles in terms of exterior/interior styling, and that it would benefit from the Corsa brand equity, requiring lower investment in brand awareness.

However, a specific consumer research study is strongly recommended to define the final position/naming strategy for this vehicle. Gamma Monocab is the program's code name and should not be misunderstood as the vehicle's brand or commercial name.

2. The Research

In this research I studied Umbrella Brand Character regarding the three core themes of the Umbrella Brand Message which are challenging the market, innovative products and services and exceeding customer expectations.

The Gamma Monocab pushes towards a younger, modern, progressive, and innovative brand image. It will bring innovation & excitement to the gamma platform in the S-segment.

The Mission / Image Statement is established on the base of Umbrella Brand Mission General Motor's Europe, on Umbrella Brand Strategic Objectives, on Umbrella Brand Character, and helps to make an efficient market segmentation strategy.

Umbrella Brand Mission GME relies on the *The Essence of Opel/Vauxhall* which are: "Opel challenges the market with innovative German-engineered products and services that exceed customer expectations by delivering best-in-class quality and superior value, throughout the ownership experience".

"Opel – Anticipating Life's Journey"

"Opel is a brand of German engineered cars for independent minds and the young at heart which reflects and delivers a unique combination of excitement and harmony in all aspects of the driving and ownership experience" (positioning statement).

"Holden is to have the best range of products, the best customer care and be the sales leader".

Umbrella Brand Strategic Objectives GME are:

Quality Leadership

We build best-in-class products that exceed customer's expectations throughout the ownership experience by delivering problem-free operation. Our products will build confidence through smooth and precise function and provide a feeling of strength and solidity.

Affordable High Technology

We introduce advanced and meaningful technology that provides customer benefits in the areas of safety, security, fuel economy and low cost of ownership, that are first in their segment.

Superior Value

We sell vehicles that exceed customer's expectations for affordability and value. Our vehicles are functional and easy to operate and set standards for economic ownership throughout the purchase and disposal cycle.

Environmental Responsibility

We assume a leading role in the areas of resource conservation, emissions reduction and use of environment-friendly materials (no PVC use). We take the environmental initiative-even without legal requirements.

Mature Driving Pleasure

We manufacture spirited vehicles with refined ride and precise, responsive and safe handling providing a pleasurable/fun to drive driving experience that is in tune with the times.

Harmonious Distinctive Styling

We design consistent high quality styling that reinforces brand identity and makes customers respond on an emotional basis. The high level of refinement underlines the identity and quality of the car.

At GMAPO are some additional strategic objectives like:

Quality Leadership

Exceed Toyota Corolla quality in terms of visual quality impressions and DPTV.

Superior Value

Superior vs. Toyota Corolla in structural durability, material quality and reliability.

Mature Driving Pleasure

Focused on typical city traffic driver patterns with high degree of stop and go driving, i.e. superior launch/acceleration feeling, precise yet easy to handle steering and "Japanese feel" pedals. At balance "Germaness in ride and handling must be preserved.

Harmonious Distinctive Styling

European styling

Umbrella Brand Character GME relies on the three core themes of the Umbrella Brand Message:

Challenging the market

A brand that is not complacent, that continually seeks to challenge the status quo, a sponsor of change.

Innovative products and services

A brand that does the unexpected, that pleasantly surprises customers through product and service innovation.

Exceeding customer expectations

A brand that is dedicated to understand customer requirements and exceed expectations more effectively than competitors. The supported by more rational attributes are: German engineering, Quality leadership, Affordable high technology, Superior value, Environmental responsibility, Mature driving pleasure, Harmonious, distinctive styling

The five key brand character traits which describe our attitude towards consumers and customers in all relevant areas of the business, i.e. product, Quality, Distribution, Aftersales, Parts, Pricing and Communications.

Vibrant

Opel leads in its field and dares to try new technology, processes materials, services communication channels in order to exceed customer expectations and to maintain the closest possible contact to its customers. Opel is agile and permanently senses its environment in order to maintain and further strengthen its leadership role.

Sociable

Opel is a brand which reflects an open mindset and which is easily accessible to all classes in society. It bridges between cultures and age groups and genders. Opel seeks the open contact with its customers in order to best anticipate consumers needs.

Authentic

Opel has a long and successful tradition of mobilizing people with innovative, customer focused German engineered cars. The company willingly accepts the ecological, safety-and quality-related demands faced by modern enterprises and equally willingly acts on it in order to offer lasting value to its customers. Its corporate values of Customer Enthusiasm, Continuous Improvement, Integrity, Teamwork and Innovation govern all aspects of the Opel product and Opel services.

Harmonious

Opel continuously seeks to bridge and balance the multitude of competing or conflicting areas concerned with today's individual transportation, i.e. ecological necessities and driving pleasure, economical necessities and safety, individualism and cost, interior space and size, status and value, design and packaging, just to name a few. Opel product and services help the customer to establish and maintain a harmonious lifestyle.

Stimulating

Opel designs and offers products and services that will inspire people to raise their standards and expectations. Opel communicates with consumers and customers in a way that enables the best possible exchange of ideas, desires and needs in order to strengthen the trust in our brand. By going above and beyond the usual Opel seeks to engage with its customers in a lifetime relationship.

Supported by additional rational attributes:

Customer – brand – customer communication channels:

A highly service oriented distribution and after sales support:

Competitive parts pricing.

Gamma Monocab Mission is defined in a proper marketing terms such as: Bring new customers to GM and improve the overall umbrella brand image;

The Gamma Monocab shall help to establish GM's new leadership in the fast growing monocab segment and contribute to the umbrella brands overall market share increase;

Price and packaging will challenge competition making Gamma Monocab a logical decision for customers looking for an ideal compromise between interior space/flexibility for passengers and luggage, with an expressive styling in a vehicle that they can afford;

It shall be an exciting alternative for the large Corsa owner body that allows to move up in interior size and comfort at an attractive price; It shall support Corsa's image and strong market position.

The Monocab Strategic Objectives to achieve are:

The Monocab will be offered in one bodystyle, with a revolutionary, new, exciting and innovative design. This vehicle will be targeted at young families and individuals who appreciate its distinctive styling and enhanced driving environment. It shall in most cases be the first car in the household.

The Monocab shall offer best-in-class price-value relationship and be fun to own and drive;

Build Monocab competence by translating Opel/Vauxhall's wagon competence into a premium, yet affordable, non/traditional S-Car with contemporary design offering flexibility, practically&best in class comfort for all passengers;

Traditional Opel/Vauxhall strengths such as safety and ecology at class leading level;

To demonstrate and prove Opel's vibrancy as a brand and its determination to lead;

To give Opel a considerable presence in the small car segment in Asia Pacific;

The gamma Monocab is one of the Design ambassadors for the Chevrolet, Holden and Opel umbrella brands, bringing innovation and excitement to GM's product portfolio world-wide,

The gamma Monocab will push towards a younger, modern, progressive, and innovative brand image.

Gamma Monocab Product Cornerstones refers to four principals features :

Exciting Exterior and Interior Design(New, fresh and exciting Monocab design – “to fall in love with”; Modern, comfortable, flexible and catering interior).

Affordability(MSRP base price significantly lower than Renault Megane Scenic; Comparably equipped price also lower than Scenic; Low cost of ownership)

Fun to drive (Competitive powertrain offer; High seating position relative road; Interior space, flexibility and storage alternatives).

High quality(Of materials. Matching, finish, apperance, touch; Should appeal to higher segment intenders (Compact)

Interior will offer maximum flexibility and space compared to vehicle's exterior size and offering high level of comfort; Excellent price/value relationship; Rewarding driving enjoyment via responsive powertrains; List price targeted at intenders from Small&Compact hatch segments ;Smart interior features such as armrest front, foldable desks and various storage compartments for small items, bottles, etc.

For GMAPO Affordability will includes MSRP base price 5% premium over Toyota Spacio;

Comparably equipped price head on with Toyota Spacio. and High quality is translated in

Young and authentic material in line with trends in sporting goods with the little extra in finishing touch. Materials to be appropriate for tropical region, i.e. enabling air circulation, skin friendly, etc.

Manufacturing Strategy is made on three areas which are LAAMO, GME and GMAPO.

At LAAMO the plan is to produce the Gamma Monocab in the Sao Jose dos Campos (SJC) plant (no flexibility with other platforms). Capacity is being planned as a 9 JPH (jobs per hour) rate at 3 shifts in SJC. No plan for CKD assembly has been defined yet.

At GME Gamma Monocab production is allocated to Luton plant in the UK. Total Plant Flex: 45 jph Monocab (capacity of 145.000 upa only for the Monocab) in a 2 shift operation. The principals sources of engines are:

<u>Engine</u>	<u>Supplier Plant</u>
GME Fam0/DOHC Y1.2XE	Aspern (Austria)
GME Fam0. GenII Z1.3XE	Aspern (Austria)
GME Fam1/SOHC Y1.6SE	Szentgotthard (Ungaria)
GME Fam1/D1 Y1.4XG	Szentgotthard (Ungaria)&Bochum
GME Fam1/DOHC Y1.8XE	Szentgotthard (Ungaria)
GME Fam1/D1 Y1.8XG	Szentgotthard (Ungaria)
GME Fam1/D1 Z1.8XG	Szentgotthard (Ungaria)
GME L/DOHC Y1.7DIT	Tychy (Isuzu – Poland)
GME L/DOHC Y1.9CDT	Tychy (Isuzu – Poland)
GME L/DOHC Z1.9DT	Tychy (Isuzu – Poland)
GME Fam1/DOHC Y1.6XE	Szentgotthard (Ungaria)
GME Fam1/DOHC Y1.6XG	Szentgotthard (Ungaria)
GME Fam1/DOHC Z1.6XG	Szentgotthard (Ungaria)

Source: Product Planing Adam Opel AG (2010)

Major European markets for the Gamma Monocab are Germany, France, Italy, the UK and Spain, which are also the largest forecast small Monocabs markets.

At GMAPO the local assembly plants are in India, Taiwan and Philippines and they plan to increase volume forecast substantially.

Market Segmentation Strategy

Gamma Monocab's positioning based on the needs Segmentation for Western& Central Europe should target the entry-level version (GL) to macro 1 ("Affordable For Passengers") of the VanWagon partition. The top-of-line version (GLS) would then be targeted to macro 2 ("Stylish For Passengers") of the same partition, as follows:

Macro1-44% - Something simple, Practical/Affordable, Functional and maximum Interior, Want a Durable Vehicle, average age43 Monocab basic, Corsa SW;

Macro2-25% - Mainstream Functional, Rounded Exterior Design,Attracts Attention,Must have ample power, latest Technology, Biggest vehicle in Class, Willing to pay more for vehicle they like, average age 47, Monocab upscale, Van/Wagon;

Macro3 – 6% - Functional with Flair, Luxurious interior, Sporty Styling, Attracts Attention – big vehicle, Latest Technology, asverage age 45, Zafira , Opel/Vauxhall Astra;

Macro4- 10% - Almost Luxury , Luxurious Interior, maximum interior space, elegant looking sleek exterior, Opel/Vauxhall Vectra;

Macro5-8% - Affordable Sporty for, practical /affordable, maximum interior space, elegant looking, sleek interior, average age 37, Opel/Vauxhall Astra 3DH;

Macro6- 9% - Distinctive and Sporty For me, sporty styling, luxurious interior, maximum interior space, elegant looking, sleek interior, average age36 Opel/ Vauxhall Calibra CPE;

Macro7-16% - Functional Sportiness For More, sporty Styling, Practical/Affordable , Maximum interior space, Elegant looking Sleek exterior average age 38;
Macro8-7% - Sleek and Elegant For More Sporty Styling, Luxurious Interior, Maximum Interior Space, Elegant Looking, Sleek exterior average age 39
 opel/VauxhallAstra 4DN.

At the level macro GME Needs Segments can be clasificated into next levels – tabel 1

Tabel1.General Motors Europe needs segments

Partition(% of MKT)	Macro(%of Partition)
Low(32%)	Basic Transportation (7%) Pragmatic Individuals(11%) Mainstream Traditional(28%) More Size for me(14%) Traditional Elegance(10%) Style, Mainly Me(14%) Style for More(16%)
Mid(40%)	Something Simple(14%) Mainstream Functional(15%) Functional with Flair(25%) Almost Luxury(6%) Affordable Sporty for Me(8%) Distinctive and Sporty for Me(9%) Functional Sportiness for More(16%) Sleek and Elegant for More(7%)
High(10%)	Moderate Demanders (11%) Mainstream Comfort (19%) Large Conservative(17%) Premium Conservative(15%) Personal Sporty(13%) Mainstream Sporty(21%) Premium Performance(4%)
Van/Wagon(15%)	Affordable Mainstream(35%) Upper Mainstream(20%) Big and Functional(7%) Prestige Seekers(14%) Relaxed Control(7%) People Mover(17%)
Sport Utility (3%)	Stylish Urban Cowboys (28%) Functional Urban Cowboys (10%) Workhorse (11%) Premium Lifestyle (28%) Maximum Possibilities (23%)

Source: manufacturing strategy Opel AG – Corsa Brand Time (2010)

Competitor Strategies

The Gamma Monocab will presumably be among the first entries in the Small Monocab segment.

Direct competition is anticipated to come in CY 2001 to 2003 (Ford Fiesta monocab, VW Polo Monocab).

Japanese entries will come earlier onto the market (Deihatsu gran Move, Mazda Demio) but are not forecasted to get the bulk of the segment.

Thus, the Gamma Monocab is likely to secure a good slice of the segment (F/C:19,00% in WE). In the figure 1 is presented the current and future Competition Gamma Monocab

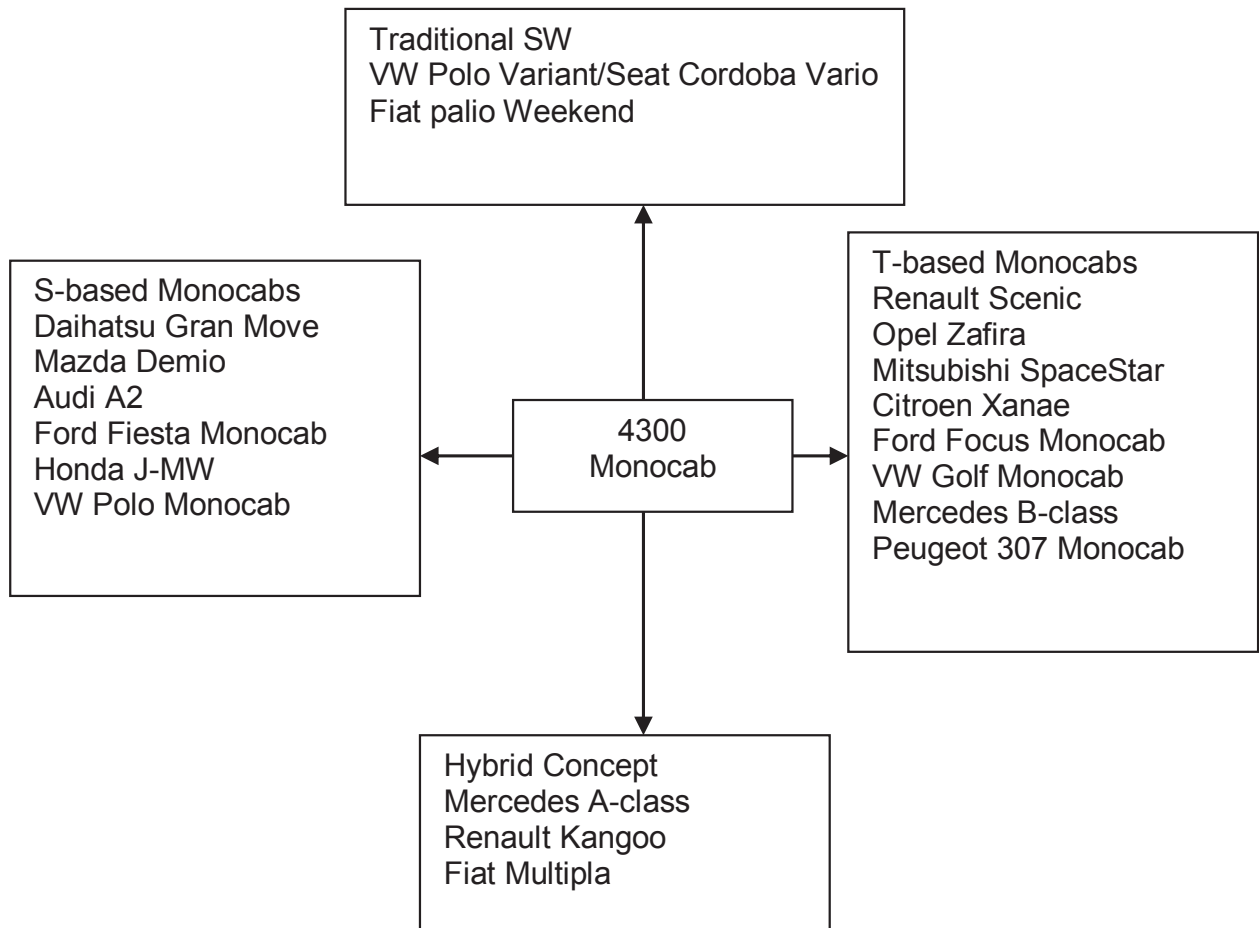


Figure 1. Current and Future Competition Gamma Monocab
Source: Competitor Strategies Adam Opel AG (2010)

3. Conclusions

The new Gamma Monocab must have in future some priorities like quality and reliability. The quality improvements for the Gamma Monocab have therefore to be benchmarked not only with current Renault Scenic, but also with the best-in-class competitors at the time of vehicle development and start sales (Ford Fiesta Monocab, VW Polo Monocab, etc.)

The use of an innovative seating concept should not hamper superior interior quality, and has to focus on the following points: easy to operate, no rattling, close tolerances, no reliability or durability problems, solid feel, no grease. The Gamma Monocab is targeted to be a family vehicle and should therefore have an easy to clean interior, fabrics with high quality feel even after intensive use. As a result of this study I find some key quality Measures from the customer's perspective specified to Gamma Monocab. These are: low engine noise/ vibration; excellent torsional rigidity; solid feel and sound when closing the doors; responsive/ low effort steering and braking; length of warranty; excellent fit/ finish; no walk home failures; vehicle is durable and lasts; no squeaks, rattles and/or excessive wind noise; materials look attractive, are pleasant to smell and touch; features/ equipment are easy to use and work as expected upon delivery and over time; smooth operation of controls and switches. Another important problem is the value/ affordability for this Gamma Monocab. The factors which determine the value for money rating are: price, equipment level, quality, refinement, durability, performance, comfort, size, roominess, brand, model image, service, warranty, resale value, depreciation, design, styling. An important aspect on the production management is to put in practice the PSDA Cycle, to improve a product or a process. This cycle includes four steps: step1 Plan is the foundation of the whole cycle, step 2 Do- carryout the test, comparison, or experiment, preferably on a small scale, according to the layout decided step1, step 3 Study-the result and step 4 Act- adopt the change (Deming, W.E., 1994: 131-134). The cycle and the technology is used to shorten the time of development in our case an engine or a component of the automotive products. One of the business purpose of European Business Team's Europe, part of general Motor's Europe is to develop a revenue stream in line with long term Portfolio brand objectives and consistent with target market & competitive environment and reduce costs. The principal customers will be Brand Teams, Vehicle Line Execution Teams, Budget & Business Plan, Finance Organization, Planning and regional pricing Group. Thus process starts with communication of the approval Portfolio Plan prior to Draft Charter review with the respective Strategy Board and ends with integration into the production pricing process. Regarding these aspects is very important not forget the human resources, the managers because to reduce external risks, a manager may act in at least two ways: one may adopt a passive attitude until the materialization of the risk, and then his reaction is to reduce the effects and a second course of action is to be a proactive manager, to prepare in advance, to be cautions, and to take a preventive stance. For business, it means to move from traditional pricing to a more realistic one, taking into account the absorption capacity of the market and the level of competition in the field (Rădulescu, Toader, Boca, Hahn, 2011: 56).

Transforming GM to compete in this global economy is a daunting task. But it also provides us with an opportunity to lead this great company into a new era of growth and success in providing the world with innovation in transportation. I am confident

that we'll emerge from these challenging times stronger, smarter, and a better global competitor (Wagner,2010:7)

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