



STUDY ON PASSENGER VEHICLE MARKET

**An internship training report submitted in partial fulfillment of the
requirements for the award of the degree of**

MASTER OF BUSINESS ADMINISTRATION

of

ANNA UNIVERSITY, CHENNAI

Submitted By

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Under the guidance of



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DEPARTMENT OF MANAGEMENT STUDIES

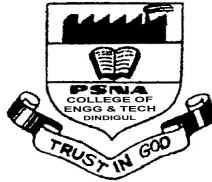
PSNA COLLEGE OF ENGINEERING AND TECHNOLOGY,

DINDIGUL – 624 622, TAMILNADU

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DEPARTMENT OF MANAGEMENT STUDIES

**PSNA COLLEGE OF ENGINEERING AND TECHNOLOGY,
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This is to certify that, this is a bonafide record of project

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Place: Dindigul

Date:

HOD

Department of Management Studies

Signature of the Faculty Guide:

Examiners:

DECLARATION BY THE STUDENT

I **S.Shridharani** the undersigned hereby declare that this project work entitled **“MARKETING STRATEGY TOWARDS DELL”** is my original work and submitted in partial fulfillment of the requirements for the award of degree of **MASTER OF BUSINESS ADMINISTRATION, ANNA UNIVERSITY, CHENNAI.**

Place : Madurai

(**Shridharani**)

Date :

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Place : Madurai

(**Shridharani**)

Date :

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INTRODUCTION:

The automotive industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles.[1] It is one of the world's largest industries by revenue. The automotive industry does not include industries dedicated to the maintenance of automobiles following delivery to the end-user,[citation needed] such as automobile repair shops and motor fuel filling stations

Today's society is warm with urbanization and demonstration effect. With a view towards it, there are drastic changes coming up in all sectors even in the automobile industries. The following information gives an insight about it.

In the present context the companies operate on the principle of natural selection- "Survival Of The Fittest". Only those companies will succeed which at best match to the current environment imperatives- those who can deliver what people are ready to buy. But real marketing does not involve the art of selling what the manufacturers make. Organisations gain market leadership by understanding consumer needs and finding solutions that delight consumers. If customer value and satisfaction are absent, no amount of promotion or selling can be compensate. Hence the aim of marketing is to build and manage profitable customer relationship.

This is part of the strategic marketing done by every company to achieve its objectives and goals. To maximize the profits and long term plans every organization has to follow a strategic planning.

Marketing is much more than just an isolated business function- it is a philosophy that guides the entire organization towards sensing, serving and satisfying consumer needs. The marketing department cannot accomplish the company's customer relationship-building goals by itself. It must partner closely with other departments in the company and with other organization throughout its entire value- delivery network to provide superior customer value and satisfaction. Thus marketing calls upon everyone in the organization to "think customer" and to do all they can to help build and manage profitable customership. Marketing is all around us, and we need to know that it is not only used by manufacturing companies, wholesaler and

retailers, by also by all kinds of individuals and organizations.

There are four major, powerful themes that go to the heart of modern marketing theory and practice, they are :

1. BUILDING AND MANAGING PROFITABLE CUSTOMER RELATIONSHIP
2. BUILDING AND MANAGING STRONG BRANDS
3. HARNESSING NEW MARKETING TECHNOLOGIES IN THE DIGITAL AGE
4. MARKETING IN A SOCIALLY RESPONSIBLE WAY AROUND THE GLOBE

What marketing is what it does and what it offer?

“Marketing is a social and managerial process whereby individual and groups obtain what they need and want through creating and exchanging products and value with others”

“Marketing management is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals”

“Marketing offer some combination of products, services, information or experiences offered to a market to satisfy a need or want”

Marketing is an orders and insightful process of thinking about and planning for markets. The process starts with researching the market place to understand its dynamics. The marketer uses research methodologists to identify opportunities that is, to find individuals all groups of people with unmet needs or latent interest in some products or service.

The marketing process consists of the following :

1. Analysing marketing opportunities.
2. Developing marketing strategies.

3. Planning marketing programs
4. Managing the marketing efforts.

Before taking any decisions and achieving the goal, it has to make analysis of what to do, how to do, when to do, where to do and who is to do it. This is nothing but strategic planning. Goals indicate what a business unit want to achieve whereas strategy is how to get there.

Marketing strategies in simple terms are the complete and unbeatable plans designed specifically for attaining the marketing objectives of the firm. Marketing can be calle as the game plan for achieving its goals. Strategy choice will depend on whether the firm or the marketer plays the following roles :

- ❖ Market leader
- ❖ A challenger
- ❖ A follower
- ❖ A nicher

The identification of objectives, both in quantitative and qualitative forms, is an essential backdrop to strategy formulation. Goals have a quality and time frame attached to them. These are typically spelt out in terms of financial return, market share, market presence, etc.

Thus the concept of market oriented strantegic planning arises with the link between the products the manufacturer is dealing in and the market conditions. In this direction, our study deals only with the marketing strategies i.e, promotional strategies of the Ford automotives.

Automobile industry, the business of producing and selling self-powered vehicles, including passenger cars, trucks, farm equipment, and other commercial vehicles. By allowing consumers to commute long distances for work, shopping, and entertainment, the auto industry has encouraged the development of an extensive road system, made possible the growth of suburbs and shopping centers around major cities, and played a key role in the growth of ancillary

industries, such as the oil and travel businesses. The auto industry has become one of the largest purchasers of many key industrial products, such as steel. The large number of people the industry employs has made it a key determinant of economic growth.

Automobile industry: The Modern Industry

After 1945, sales once again took off, reaching 6.7 million in 1950 and 9.3 million in 1965. The U.S. auto industry dominated the global market with 83% of all sales, but as Europe and Japan rebuilt their economies, their auto industries grew and the U.S. share dropped to about 25%. Following the OPEC oil embargo in 1973, smaller, fuel-efficient imports increased their share of the U.S. market to 26% by 1980. In the early 1980s, U.S. auto makers cut costs with massive layoffs. Throughout the 1990s, imports—particularly from Japan—took an increasing share of the U.S. market.

Beginning in the early 1980s, Japanese and, later, German companies set up factories in the United States; by 1999, these were capable of producing about 3 million vehicles per year. That year, 8.7 million vehicles were sold in the United States. Since then, domestic production by U.S. companies has continued to decline, so that they now produce somewhat more than half of all light motor vehicles sold in America (and many of their vehicles contain a significant percentage of foreign parts as determined by dollar value). In 2007, over \$440 billion worth of motor vehicles and parts were produced in the United States by U.S. and foreign companies employing more than 902,000 workers. The credit crisis that began in 2008 and the associated recession resulted in significant losses for most automobile manufacturers. The U.S. industry was especially hard hit, losing sales as well from late 2007 to mid-2008 as customers sought more energy-efficient cars as gasoline prices skyrocketed, and in late 2008 U.S. automotive companies sought government financial aid. Subsequently, the government forced Chrysler and General Motors to declare bankruptcy (2009) and reorganize in an attempt to create viable companies. The U.S. and Canadian governments, Italy's Fiat (which purchased a majority stake in Chrysler), and the United Auto Workers owned much of the new companies. In 2014, Fiat announced plans to purchase all of Chrysler's shares and incorporate in the Netherlands as Fiat Chrysler Automobiles NV; the new company will be based in Great Britain.

Complaints about auto pollution, traffic congestion, and auto safety led to the passage of government regulations beginning in the 1970s, forcing auto manufacturers to improve fuel efficiency and safety. Auto companies are now experimenting with cars powered by such alternative energy sources as natural gas, electricity, hydrogen fuel cells, and solar power.

Automobile Industry – Industry History

Although ancient Chinese writers described steam-powered vehicles, and both steam- and electric-powered cars competed with gas-powered vehicles in the late 19th cent. Frenchman Jean Joseph Étienne developed the first practical internal-combustion engine (1860), and later in the decade several inventors, most notably Karl Benz and Gottlieb Daimler, produced gas-powered vehicles that ultimately dominated the industry because they were lighter and less expensive to build. French companies set the design of the modern auto by placing the engine over the front axle in the 1890s and U.S. manufacturers made important advances in the mass production of the auto by introducing cars with interchangeable machine-produced parts (one such car was created by Ransom E. Olds in 1901).

In 1914 Henry Ford began to mass produce cars using assembly lines. In addition, his practice of providing loans to consumers to buy cars (1915) made the Model T affordable to the middle class. In the 1920s, General Motors further changed the industry by emphasizing car design. The company introduced new models each year, marketed different lines of cars to different income brackets (the Cadillac for the rich; the Chevrolet for the masses), and created a modern decentralized system of management. U.S. auto sales grew from 4,100 in 1900 to 895,900 in 1915, to 3.7 million in 1925. Sales dropped to only 1.1 million in 1932 and during World War II, the auto factories were converted to wartime production.

Measures to be adopted by global leaders of the World Automobile Industry.

Several significant economic measures are being considered by the major players of the World Automobile Industry in order to make a smooth entry into the markets of the developing countries, and to make a name for themselves. The effective measures include:

- ☐ Reducing the selling prices of the automobiles manufactured in their factories
- ☐ Improving the levels of after-sales services to keep customers satisfied

□ Opening manufacturing factories in the developing nations, to reduce effective costs of production as well as saving shipping charges, and enhancing prompt delivery of automobile units.

The Emerging India Automobile Market.

The **India Automobile Market** is a promising industrial sector that is growing immensely every passing year. The passenger cars are referred to, through the use of the word "automobile." The whooping growth experienced by the Indian Automobile Market in the last financial year itself that is the financial year end in February, 2011 was very close to a 38 percent over the previous fiscal. This statistical fact is a glittering example of the potential of the growing Automobile Industry in India.

As per the survey conducted by the Society of Indian Automobile Manufacturers, the total number of automobiles manufactured by the Automobile Industry in India, was very close to the 35.5 lakh (3.5 million) margin. The huge of number of automobiles manufactured by the Automobile Industry in India was an enormous growth upon the number of automobiles manufactured during the previous fiscal that ended in 2010.

The total number of cars that were exported from India was very close to the 5.0 lakh (5.0 hundred thousand) margin, an encouraging sign for the Automobile Industry in India. The export of cars manufactured in India comprised nearly 33 percent of the total number of cars manufactured domestically by the Automobile Industry in India. The India Automobile Market looks set to prosper, largely due to the growing market for automobiles that is developing in India. In the financial year that ended in February, 2009, the Indian automobile markets were the fastest growing in the world, with the registered growth rate touching nearly 20 percent.

The Automobile Industry in India mainly comprises of the small car section, which enjoys nearly a 2/3rd market share of the entire market for automobiles in India. In this respect, the Indian markets are the largest in the world for small cars, behind Japan. The Indian passenger car market which ranks amongst the largest in the world, is poised to become even larger and enter the top five passenger car markets in the world in the next decade.

COMPANY PROFILE:



Type	Public
Traded as	NYSE: F S&P 100 Component S&P 500 Component
Industry	Automotive
Founded	June 16, 1903; 117 years ago[1]
Founder	Henry Ford
Headquarters	Dearborn, Michigan , U.S.
Area served	Worldwide (Except Cuba, North Korea, Iran, Sudan and Japan)
Key people	William Clay Ford Jr. (Executive Chairman) Jim Farley (President & CEO)
Products	Automobiles Luxury vehicles Commercial vehicles Automotive parts

	Pickup trucks SUVs
Production output	▼ 5.5 million vehicles (2019)[2]
Revenue	▼ US\$155.9 billion (2019)[2]
Services	Automotive Finance Vehicle leasing Vehicle Service
Operating income	▼ US\$574 million (2019)[2]
Net income	▼ US\$47 million (2019)[2][3][4]
Total assets	▲ US\$258.537 billion (2019)[2]
Total equity	▼ US\$33.23 billion (2019)[2]
Owners	Ford family (2% equity; 40% voting power)[5][6] The Vanguard Group (5.82%)[5] Evercore Wealth Management (5.58%)
Number of employees	190,000 (December 2019)[2]
Divisions	Ford Lincoln Motorcraft
Subsidiaries	List <ul style="list-style-type: none"> • Transportation <ul style="list-style-type: none"> ❖ Ford Australia ❖ Ford Performance Vehicles (Until 2014) ❖ Ford do Brasil ❖ Troller ❖ Ford of Europe ❖ Ford of Britain ❖ Ford Germany ❖ Ford Romania ❖ Henry Ford & Sons Ltd ❖ Ford Performance ❖ Ford Team RS ❖ Special Vehicle Team

	<ul style="list-style-type: none"> ❖ Ford Lio Ho (70%) ❖ AutoAlliance Thailand (50%) ❖ Blue Diamond Trucks (50%) ❖ Ford Sollers (50%) ❖ Otosan (41%) ❖ Changan Ford (35%) ❖ Jiangling Motors (32%) • Finance ❖ Ford Credit • Other ❖ Automotive Components Holdings ❖ Getrag (50%) • International ❖ Ford of Argentina ❖ Ford of Canada ❖ Ford of India ❖ Ford of Japan ❖ Ford of Korea ❖ Ford of New Zealand ❖ Ford of China ❖ Ford of Philippines ❖ Ford of Taiwan
Website	ford.com

Ford introduced methods for large-scale manufacturing of cars and large-scale management of an industrial workforce using elaborately engineered manufacturing sequences typified by moving assembly lines; by 1914, these methods were known around the world as Fordism. Ford's former UK subsidiaries Jaguar and Land Rover, acquired in 1989 and 2000 respectively, were sold to the Indian automaker Tata Motors in March 2008. Ford owned the Swedish automaker Volvo from 1999 to 2010. In 2011, Ford discontinued the Mercury brand, under which it had marketed entry-level luxury cars in the United States, Canada, Mexico, and the Middle East since 1938.

Ford is the second-largest U.S.-based automaker (behind General Motors) and the fifth-largest in the world (behind Toyota, VW, Hyundai-Kia and General Motors) based on 2015 vehicle production. At the end of 2010, Ford was the fifth largest automaker in Europe. The company went public in 1956 but the Ford family, through special Class B shares, still retain 40 percent voting rights. During the financial crisis at the beginning of the 21st century, it struggled financially, but it has since returned to profitability. Ford was the eleventh-ranked overall American-based company in the 2018 Fortune 500 list, based on global revenues in 2017 of \$156.7 billion. In 2008, Ford produced 5.532 million automobiles and employed about 213,000 employees at around 90 plants and facilities worldwide.

Ford In India

- ✓ 1926: Ford India is established by Ford Of Canada.
- ✓ 1935: Indian govt officials ask Henry Ford to consider building a car manufacturing plant in Bombay.
- ✓ 1941 : Mahatma Gandhi sends spinning wheels, the symbol of India's economic independence, to Henry Ford.
- ✓ 1954: Ford India operations cease.
- ✓ 1969: Ford reenters India in a joint venture with Escords Ltd to produce Tractors.
- ✓ 1991: Ford ceases Tractor operations. Ford establishes climate systems India, a joint venture with Maruti & Sumitomo Corporation.
- ✓ 1995 (Nov): Ford & M&M received govt approval on joint venture called Mahindra Ford India Ltd (MFIL).
- ✓ 1996 (Sept): Ford Escort receives more than 70,000 sales booking.
- ✓ 1996 (Oct): Mahindra Ford makes history in India by simultaneously handing over the first cars in 7 cities just 1 month after close of bookings.
- ✓ 1997 (Nov): Ford Escort chosen best quality cars in JD Power's India Initial Quality Surveyt (IIQS).
- ✓ 1997 (Dec): MFIL tops JD Power's customers satisfaction index (CSI).
- ✓ 1998: The company was remanded Ford India. With a steady increase of Ford's investments, the equity levels stands presently at 85:15.

- ✓ 1999: Ford India inaugurated the fully integrated manufacturing facility in Maraimalai Nagar and launched Ikon.
- ✓ 1999 (July): Ford India lays the Foundation stone for an export plant. The export plant will source auto components locally and assemble kits to export to overseas market.
- ✓ 2001 (Nov): Ford India Launched the Ford Mondeo.
- ✓ 2003 (Sept): Ford Endeavor debuts in India.
- ✓ 2004: Ford Fusion debuts in India.
- ✓ 2005: Fiesta Launched with fan fare in India.
- ✓ 2006: Ford India marks 87% growth in sales.
- ✓ 2008: Ford commits itself to India with an investment of \$375 million.
- ✓ 2008: Ford India starts assembly of its diesel DV 4 engine from a new plant at Maraimalai Nagar.
- ✓ 2008: Ford launches the New Fusion+, Endeavour and Endeavour Thunder+, New Fiesta and recently Ikon.
- ✓ 2010: Ford launches its first Hatchback car Figo. With Figo, Ford launched the first in class Bluetooth technology.
- ✓ 2011: Classic was launched.
- ✓ 2012: Ford launched the first global car New Fiesta.
- ✓ 2012: Ford introduced the Automatic Variant of new Fiesta POWERSHIFT.
- ✓ 2013: Ford launches its new car Eco Sport.
- ✓ 2015: Ford Figo Aspire coming soon.

PRODUCT OF FORD MOTORS

- ☐ Ford Fiesta
- ☐ Ford Figo
- ☐ Ford Endeavour
- ☐ Ford Ecosport
- ☐ Ford Fiesta classic

VISION AND MISSION

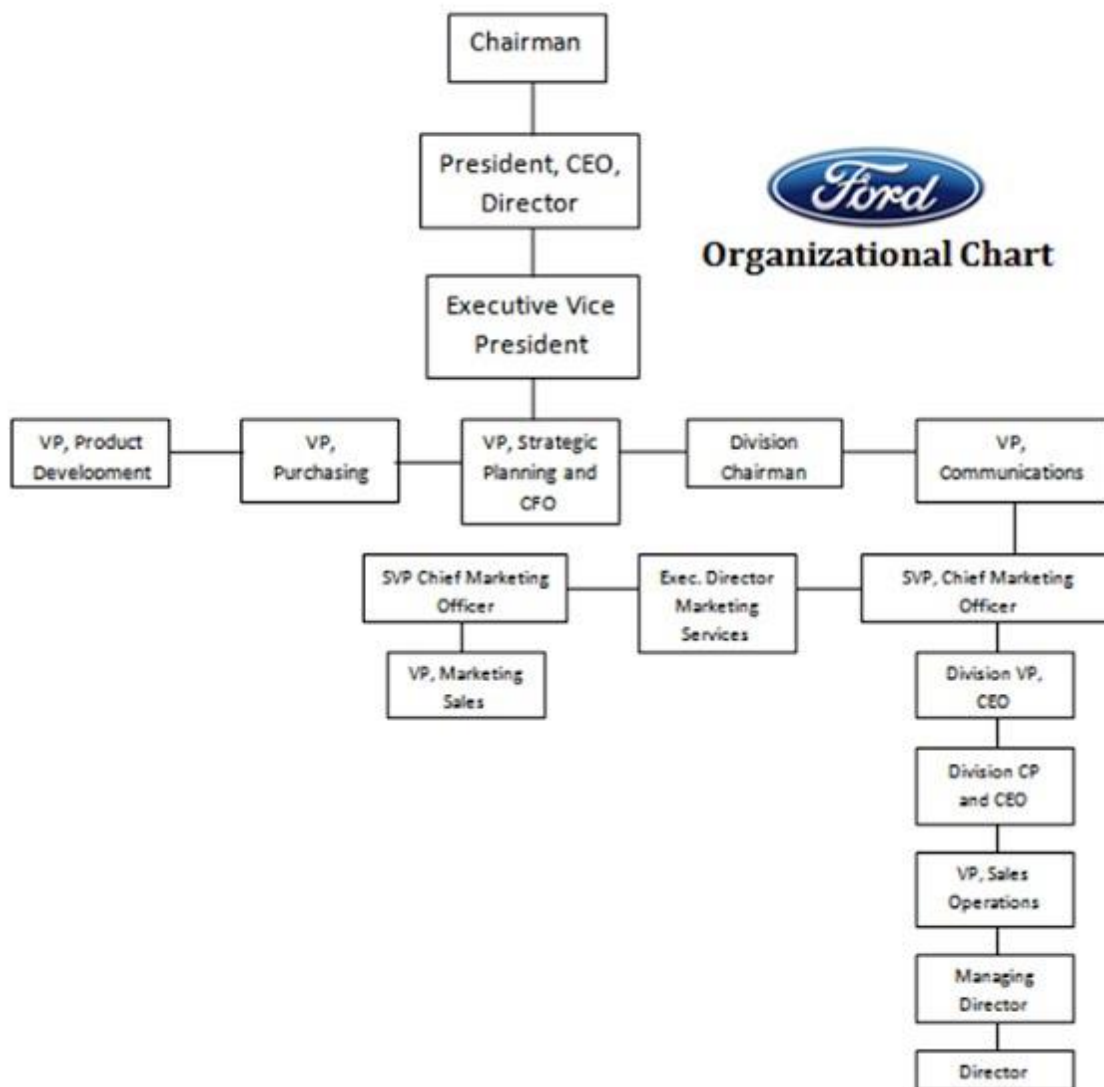
VISION :

TO BECOME A WORLD'S LEADING CONSUMER COMPANY FOR AUTOMOTIVE PRODUCTS AND SERVICE.

MISSION :

PRODUCING VEHICLES THAT MEET THE DEMAND FOR THEIR CUSTOMER IN TERMS OF QUALITY AND EFFECTIVENESS.

ORGANIZATION CHART



Ford Motor Company's organizational structure is based on business needs in varying market conditions around the world. A firm's organizational structure defines the configuration of organizational components and their system of interaction. In Ford's case, the organizational structure directly relates to the global automotive industry condition. The international scope of Ford's operations also determines the key organizational structure components needed to withstand competition and market risks. In this regard, Ford's position as the second biggest U.S.-based automobile manufacturer is an indication of its organizational structure's effectiveness in supporting the firm for continuing business growth and high performance.

Ford Motor Company's organizational structure is divided according to regional markets. Other characteristics of this corporate structure are based on the global scope and nature of Ford's business.

PRODUCTION DEPARTMENT

General Manufacturing

At Ford Motor Company, our Manufacturing team is at the heart of the business, ensuring our plants and facilities around the world produce vehicles and engines that are green, safe, smart and best in class. The Manufacturing team is responsible for designing, installing, testing and then running the production facilities that are used to manufacture our engines and vehicles. The scope of work undertaken enables Manufacturing to offer a huge variety of challenges and experiences to our team members and the opportunity for rewarding career development. Ford Motor Company offer a variety of Manufacturing experiences in our plant and engineering locations. Some of the areas that make up Manufacturing are listed below.

Powertrain Operations – Manufacturing Engineering and Plants

Power Train Operations Manufacturing Engineering (PTOME) is responsible for ensuring that Ford's engine plants are provided with the best facilities to manufacture our world class powertrains. Processes and facilities are developed, tested and then installed for the machining and assembly of petrol and diesel engines. The Powertrain Plants are based in a variety of locations across Europe and are responsible for producing engines in high volume for commercial and passenger vehicles, which are then distributed globally.

Vehicle Operations – Manufacturing Engineering, Assembly, Stamping and Plants

Vehicle Operations Manufacturing Engineering (VOME) is responsible for ensuring that Ford's vehicle plants are equipped to make vehicles in its facilities across Europe. Processes and facilities are developed, tested and then installed for the assembly of vehicles. The Vehicle Operations Plants are based in a variety of locations across Europe and are responsible producing vehicles in high volume for both commercial and passenger applications.

Material Planning and Logistics

The role of Material Planning and Logistics (MP&L) is to optimise the total global supply chain through the synchronous flow of information and material and the co-ordination of the overall production process.

The responsibilities of MP&L are wide-ranging with our teams involved in the earliest planning phases of exciting new products to the final delivery of these products as assembled vehicles to the dealers. MP&L also offers high levels of interaction with other functions within Ford Motor Company, (including Engineering, Manufacturing, Sales and Marketing, Purchasing and Finance) both in Europe and worldwide. There is also the possibility of external interaction with the dealer network and suppliers. This breadth of scope enables MP&L to offer a huge variety of challenges and experiences to our team members and the opportunity for rewarding career development.

HUMAN RESOURCES DEPARTMENT

People and culture have remained a central focus at Ford Motors right since the time of Alan Mullally. He was a charismatic leader who turned the company around during the most tumultuous times. Ford has also proved that the power of a business is its people. The 21st century is full of several such examples. It has been proved that human capital is the most important asset for a large business. A business cannot achieve a leadership position without focusing on its people and their empowerment. Ford has built a unique culture over the years. The business is flourishing under the able leadership of Jim Hackett, the current Ford Motors CEO. Jim Hackett is known for his fondness of great technologies and great people. His focus is on building a culture of learning.

Ford aims to become the mobility leader of the future. Achieving fast growth in a challenging time is possible when your people have all the right skills and are ready for the future. Ford is a vehicle maker with several major strengths from technological capabilities to a future-ready manufacturing and supply chain network. It considers its people its most valuable asset. The company has implemented several programs to enable the career development of its employees and their all-round growth.

Hiring and Retention at Ford Motors:

Competition in the automobile industry has become intense. Apart from other things, there is competition among leading players to attract and retain talented people. Brands are in a race to hire the best talent for themselves. To operate an innovative business it is important to attract smart minds. Ford tries to attract people with a customer-centric mindset and taste for innovation. The company hires people from diverse backgrounds and makes heavy investments in this area. In this regard, the brand has partnered with professional organizations and built strong relationships with several top universities. To attract the best students and recent graduates, the brand utilizes digital tools. Ford executives visit university campuses to find out potential automotive leaders. The company also utilizes other methods of expanding collaboration in the community. Attending meetings in the local communities and connecting with local individuals and companies is Ford's method to grow relationships with talented people. Ford has also grown its focus on induction and is using smart methods of onboarding talent. Induction at Ford has been made more streamlined and efficient over time. A web portal has made the process smoother and more efficient for Ford new-hires. The customized web portal allows new hires to complete their paperwork and tasks in an organized manner. So, rather than getting occupied with paperwork on their first day, new employees can immerse themselves in new experiences, culture and their role.

It is important to hire the best talent and it is equally important to retain them. No large company would like to waste their most precious talent. Onboarding plays a critical role in the retention of employees and so Ford has shown serious focus in this area. It has implemented a unique onboarding program called 'Get Started' in the US that allows the new employees access to tools and network that enable them to get productive at the soonest possible. Some of the most

important features of 'Get Started' are company overview and corporate orientation. This program features Q and A's presentations as well as meet and greets with the senior leaders of the company.

A talent survey conducted by 'Universum Global' has placed Ford among the best employers of the world. This survey ranked the company based upon features like work environment, innovation, future earnings, and leadership development. Engineering students taking the survey ranked it as 12th best employer whereas the business students ranked it as 42nd best employer.

Employee Training at Ford Motors

The future in the vehicle industry is going to be highly demanding, requiring a higher focus on employee training and performance management. Technological advancements are happening at a very fast pace. It is why brands need to equip their employees with the best in class technological skills. The rise of new technologies like Automation, Robotics, and Artificial intelligence has given rise to the need for new skills at the workplace. Ford is training its manufacturing technicians in electrified vehicle diagnostics. Ford is implementing a world-class IT system and equipping its employees with software knowledge along with hardware knowledge. In order to grow with growing technology, the brand is skilling its employees with software engineering skills. To enable continuous learning it is also experimenting with new technologies. Ford uses AI, virtual reality and augmented reality to train its employees at various skills. All the while the focus is on creating a culture of learning and curiosity.

Ford has also adopted other collaborative learning practices to enable smarter learning inside its organization. It is using cohort programs for peer collaboration. Cohort programs can best be seen as a group of classmates. The programs came into being based on the importance of community in learning. Various kinds of such programs like the Global leadership summit, executive leadership summit, experienced leader program and salaried supervisor institute are used at Ford for training and learning. The brand also encourages its employees to share their learning and expertise with others in both technical and nontechnical areas.

Work Culture and Employee Motivation

The automotive industry is going through a phase of fast change. To get ready for these advancements the brand needs to make changes to its culture and bring both the old and the new together. Apart from bringing forward the best of its past, the brand will also need to adopt new practices to move in the direction of the future. For this purpose, Jim Hackett has decided to use a people-centered design that keeps Ford's human capital at the center in everything that Ford does including its human resource practices. It released a program called HRRev in 2016 that is aimed at transforming its HR products and services in a manner that significantly improves the employee experience. The company is trying to take its employee experience to the next level. In this regard, the brand has decided to add new features. It will launch a new portal called Life@Ford in 2018. Apart from that, it will also launch three new "People First" service centers that will support its global workforce.

Employee engagement and satisfaction is also an important focus at Ford. Communication is key to engaging its people and with a large and global workforce, two-way communication is important to keep people engaged. There are several communication channels that the brand uses to achieve this including its website, intranet site, Annual Reports, Jim Hackett's video blog etc. The company also uses social media channels and webcasts to communicate with its audience. The brand has developed a metric called employee satisfaction index score to measure its employee's satisfaction. The company conducts an annual Global Pulse survey that encourages the employees to provide honest feedback about their jobs and their overall satisfaction about their company. The survey results are used by the company to understand its overall performance in HR and make informed action plans on its basis. The company's employee satisfaction index score was 72 in 2017 and employee engagement score 84.

Diversity and Inclusion at Ford Motors

Diversity and inclusion are also important areas for Ford Motors. They have always been an important part of its culture and history. The brand hires people from diverse backgrounds with diverse opinions and experiences. This has helped it build a truly collaborative workplace. Ford is also strictly following anti-harassment and anti-discrimination policies. There were complaints about discrimination and harassment at its Chicago plant and the brand took instant action to bring

the situation under control. It is now conducting human rights saliency assessment to ensure that all people work in a discrimination-free environment. In its first assessment, the company identified that discrimination and harassment were the biggest issues that it needed to tackle. It has identified eight more issues that it plans to tackle and has started implementing action plans to overcome them.

Health and Safety of the Employees

Ford takes the health and safety of its employees very seriously and therefore the brand has enacted policies and procedures that ensure a safe working environment. Health and safety are also among the nine important challenges that the brand has identified in its human rights saliency assessment. Ford has implemented a strong workplace safety culture and uses its various communication channels to support this safety culture. Regular talks and events focusing on safety issues are conducted through these communication channels. It also encourages the employees to report any accident, safety hazard or dangerous event to the management through one of the communication channels. The company also uses external benchmarking to achieve best in class results in terms of safety. Apart from that, to gain information on safety practices, it participates in multi-industry groups beyond the automotive sector and explores new areas of collaboration. ‘Lost Time Case Rate’ or LTCR is a key safety metric that the brand uses to measure its effectiveness in terms of workplace safety. In 2017, its LTCR was 0.38 and Ford is planning to reduce it to 0.36. LTCR measures the number of workdays lost due to a work-related injury or illness. To further strengthen its safety culture the brand has implemented an annual wellness program. In 2017, 80% of its US-based salaried employees participated in this program.

Due to the heavy competition in the automobile industry, vehicle brands are focusing on better human resource management to help their employees perform at their best. Ford is a leading automobile brand and it is focused on efficient management of its HR. It has adopted several best practices in this area and is considered one of the best employers. Apart from workers’ motivation, the brand has also focused on their health and safety as well as efficient training for their career development. Human resource management is now one of the central pillars of business strategy. Businesses world over have realized that without proper human resource management, it is impossible to achieve a leadership position. A people-centered strategy helps maximize

performance and avoid roadblocks to superior growth. Focusing on your human capital and helping them manage their performance enables business organizations to move faster. Business organizations and most importantly the large and global organizations should focus on communication for engaging their employees better. In this area, Ford has taken some smart steps and used web-based tools and technologies for connecting with its employees. Leaders remain connected with the followers using these tools which can be a great source of motivation for the employees. Bringing synergy across the entire organization is not difficult and Ford has proved it several times in history. Now when it has decided to take a firm step forward towards a technology-enabled future, it can leverage its past to manage its results in the near future more efficiently. The automobile industry is undergoing a fast phase of transition caused by technological growth and changing demand patterns worldwide. During this period Ford is working on growing one of its most critical competitive advantages, its human capital stronger.

Research and Development department

Ford's research and development (R&D) expenditures came to about 7.4 billion U.S. dollars in 2019, putting an end to the gradual increase in R&D efforts of the past three years, which had consistently been in the range of about one third of gross profits. The Michigan-based company appears to be adapting to altered fuel economy regulations and the declining demand for sedans and smaller cars in the United States by developing new designs and products.

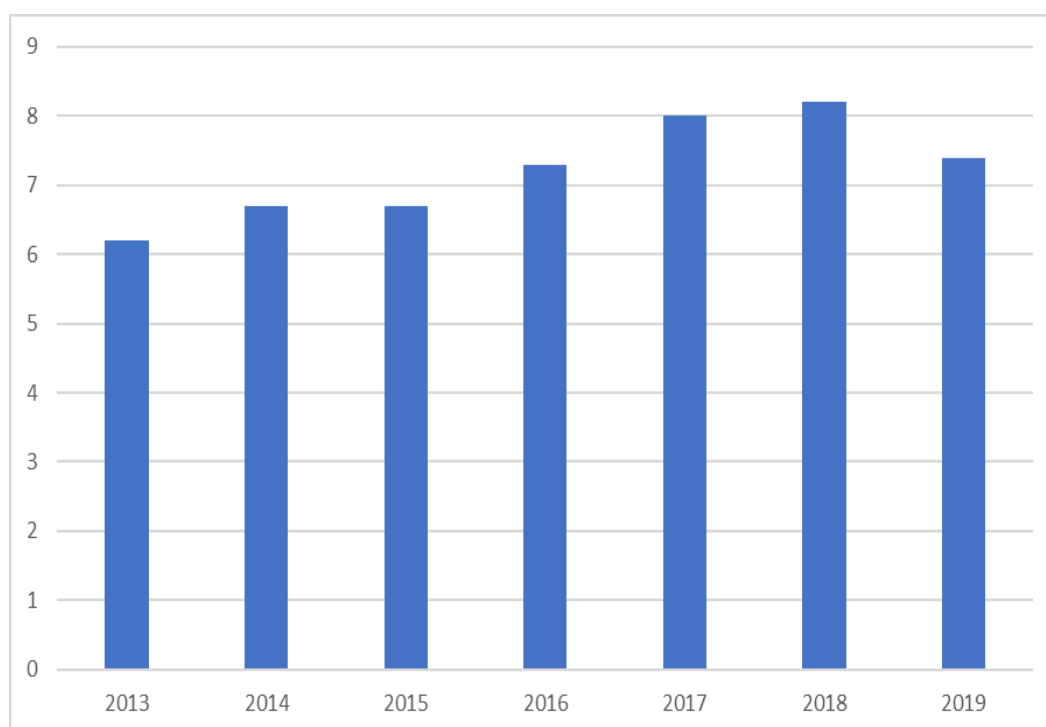
Focus of research and development activities

In light of an increased concern from consumers and policymakers about the impact of fossil fuels on carbon dioxide emissions, Ford is working on a new fleet of electric vehicles with a goal of having sixteen plug-in electric vehicle models to market through 2022. In June 2020, it was announced that Ford will gain access to Volkswagen's modular electric drive (MEB) architecture to assemble electric vehicles (EVs). This move put a halt to a planned partnership between Ford's Lincoln brand and unicorn Rivian to build EVs.

Another focus of Ford's research and development department is artificial intelligence (AI). For example, Ford has invested more than one billion U.S. dollars in Argo AI, the most well-

funded U.S.-based AI startup. Ford uses Argo AI technology in its vehicles; partially autonomous cars are expected to become a large market by 2025, valued at 36 billion U.S. dollars.

Ford's engineering, research, and development expenditures from FY 2013 to FY 2019(in billion U.S. dollars)



Business Segments

Ford presents its results in two reportable business segments

- **Automotive**, comprising the manufacture and sale of Ford and Lincoln-branded vehicles, as well as the sale of parts and accessories and the provision of maintenance services; and
- **Financial Services**, comprising the provision of automotive financing products to and through automotive dealers worldwide via the Company's subsidiary Ford Credit.

Business Model of Ford Motor Company

Customer Segments

Ford serves a range of customers within the automotive sector, with its end-users largely comprising **general consumers** and **commercial businesses**.

The majority of Ford's sales of vehicles, parts and accessories are made to its worldwide network of **Ford and Lincoln dealerships**. The Company also sells vehicles to **automotive and parts distributors** and **commercial fleet companies**, such as car rental providers, government bodies, and industrial and contracting companies.

Ford primarily provides automotive financing products and services to dealers in order for them to finance the purchase of vehicle inventory, working capital and improvements to dealership facilities. It also provides commercial financing products to business customers.

The US is by far Ford's largest market, accounting for more than 60% of the Company's total 2015 revenue. The Company's other large national markets are the UK, Canada and Germany.

Value Propositions

Ford provides value to its customers in the following ways:

- **Its established and respected brand name**, with the Company being one of the most recognisable names in the automotive sector, and manufacturing some of the most popular automotive models across numerous jurisdictions;
- **The quality and reliability of its products**, with the Company having a string track record of producing reliable and efficient vehicles, both for consumers and for commercial operators;
- **Its international sales and marketing reach**, with the Company operating a broad network of Ford and Lincoln-branded car dealerships, reaching global customer base, with a significant market share in jurisdiction across the Americas and Europe;

- **Its industry expertise and experience**, with the Company being one of the oldest automotive manufacturers in the world, and maintaining the ability to attract well-trained specialist personnel and experienced industry executives.

Channels

Ford operates a website at www.ford.com – as well as numerous international domains such as www.ford.com.ph and www.ford.co.uk – through which customers are able to browse the Company’s portfolio of vehicles and find information of its network of dealerships. Customers are also able to build their own Ford vehicles, choosing colours and models, and get a quote through the Ford website. Ford also operates a website for its financing business, www.credit.ford.com, through which customers are able to apply for credit.

All of Ford’s vehicles and parts are sold through its network of dealerships and through third-party distributors. The Company has a network almost 11,000 Ford dealerships, and more than 1,000 Lincoln and combined Lincoln/Ford dealerships worldwide, the vast majority of which are independently owned. Sales to dealerships and distributors are handled by the Company’s direct sales force, which is organised geographically.

Ford also operates a separate. direct sales force for its financial services through its Ford Credit subsidiary.

Customer Relationships

While Ford allows customers to view its automotive products online, as well as build personalised models of its cars on the Company’s website, customers are not able to purchase these products on a self-service basis. Customers can, however, apply for credit and financing on a self-service basis, sales though must be completed through Ford Credit representatives.

Ford sells its products primarily through independent dealerships, with which it maintains close relationships, consulting with these customers and providing various support services. Consumers are able to purchase Ford vehicles through these dealerships, receiving a personalised service and bespoke Ford models. The Company also provides customisable lease plans that can be tailored to meet the individual needs of its commercial clients.

Ford offers support and maintenance services to its customers, including extended service contracts, and provides an online chat support service. It also provides support to its financing clients over the phone, online and by mail.

Customers are also able to interact directly with Ford through its social media accounts, including with Twitter, Facebook, YouTube, Instagram and Vine.

Key Activities

Ford is a global automotive and mobility company. Its principal business comprises the design, manufacture, marketing, financing, and servicing of Ford and Lincoln-branded, trucks, sports utility vehicles, and electric vehicles.

The Company operates two separate but related business segments: Automotive, comprising the manufacture, marketing and sale of Ford vehicles across North America, South America, Europe, Middle East and Africa, and Asia Pacific; and Financial Services, comprising the Company's automotive financing, credit, and commercial leasing services, primarily provided through Ford Credit.

The Company has more than 70 manufacturing plants across the world, and sells vehicles to consumers through a network of more than 10,000 independently-owned dealerships.

Key Partners

Ford partners with a range of companies throughout the design, manufacture and sale of its products and services, extending and supplementing its own offerings. These partners include:

- **Supplier Partners**, comprising suppliers of resources, suppliers of tools, and suppliers of services that assist the Company in the production and distribution of its vehicles and services;
- **Affinity Partners**, comprising companies that participate in the FordPass program that provide services, products and discounts to members as part of a reward scheme; and

- **Strategic and Alliance Partners**, largely comprising technology companies, that provide integration for Ford products, share technology and resources, and collaborate with the Company on joint-venture projects.

Ford's Affinity Partners include high-profile companies such as McDonald's, 7-Eleven, Spotify and BP. The Company has also launched a partnership with Amazon to develop driverless cars, and with Jose Cuervo to make car parts out of agave plants.

Key Resources

Ford's key resources are its technologies and intellectual properties, its design and manufacturing facilities, its logistics and distribution channels, its sales and marketing facilities, and its personnel.

Ford holds approximately 38,500 active patents and pending patent applications globally, and licenses a range of third-party technologies for its products. The Company's patents have an average age of just over five years. In addition to this intellectual property, Ford also relies on proprietary knowledge and ongoing technological innovation to develop and maintain its competitive market position.

Searches of records published by the US Patent and Trademark Office identified numerous patent applications filed in Ford's name, including applications entitled 'Vehicle front side lower bumper cover', 'Vehicle mirror, trim, and door handle' and 'Composite proton conducting electrolyte with improved additives for fuel cells'.

Cost Structure

Ford incurs costs in relation to its research and development activities, the management of its supply chain, the operation of its manufacturing facilities, the marketing and distribution of its products, the management of its partnerships, and the retention of its personnel.

Ford's automotive costs and expenses for 2015 amounted to \$134.5 billion, the majority of which were material and commodity costs – relating largely to raw materials, with structural costs

also contributing a significant portion. Engineering, research, and development expenses for 2015 amounted to \$6.7 billion.

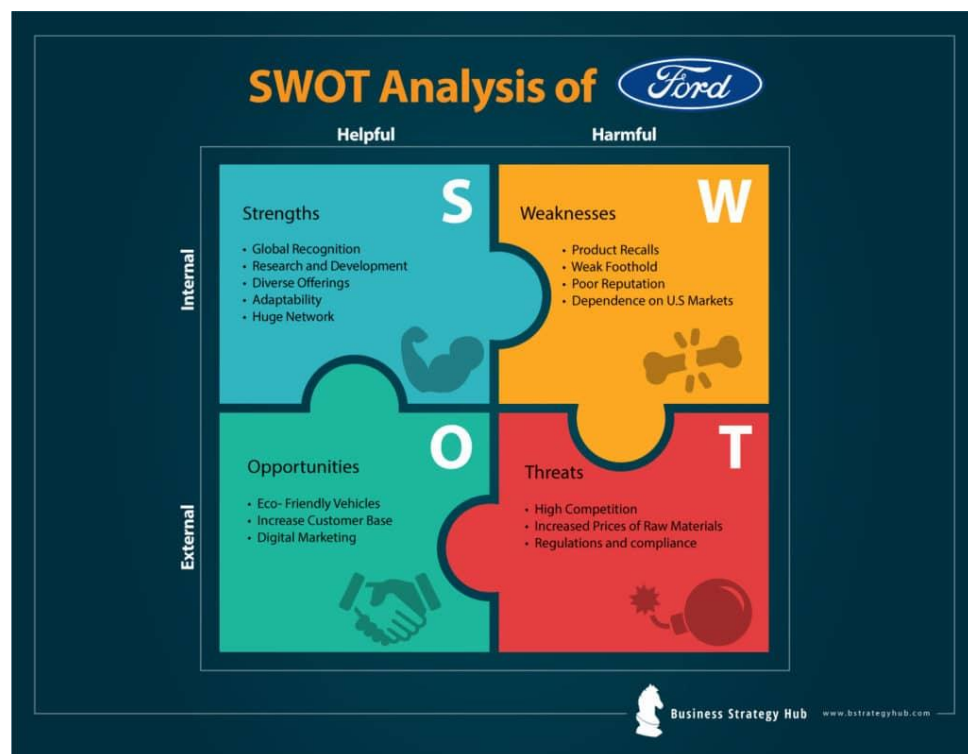
Ford also accrues substantial administrative and general costs in relation to the payment of salaries and benefits to its global workforce, as well as the payment of rental and utility fees across its network of offices and facilities.

Revenue Streams

Ford generates revenue through its two operating segments: Automotive and Financial Services. This principally comprises:

- revenue derived from the **sale of vehicles**, vehicle parts, and automotive accessories; and
- revenue derived from the payments made under retail installment sale and lease contracts and payments made under **dealer financing programs**.

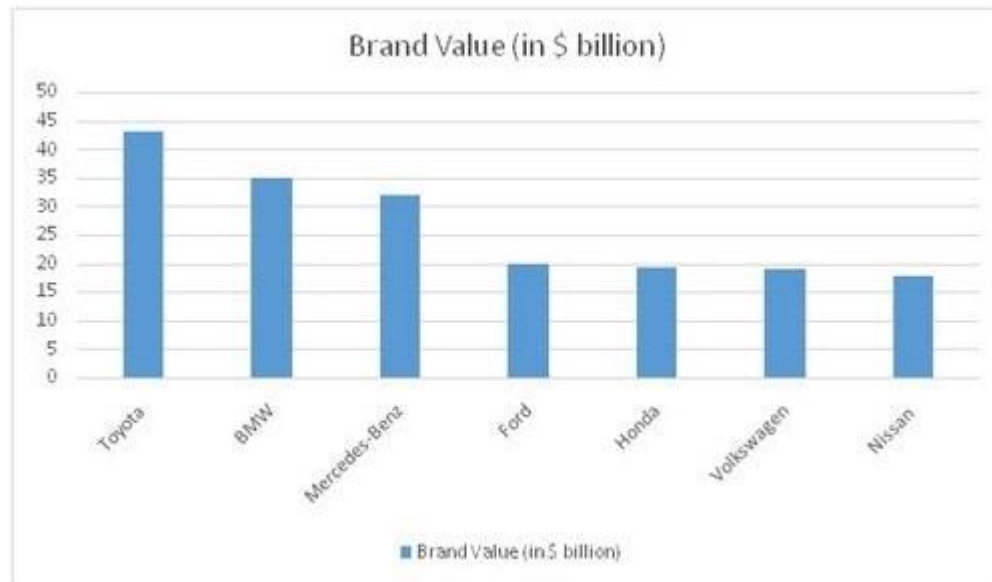
Swot Analysis



Strengths in the SWOT Analysis of Ford :

Brand Value: Ford's brand value stands at \$19.771 billion according to the report of Brand Finance. It ranks 46th in the list of Brand Finance report.

Sector Rank: Ford plays in the automobile sector. Its rank in this sector is 4th.

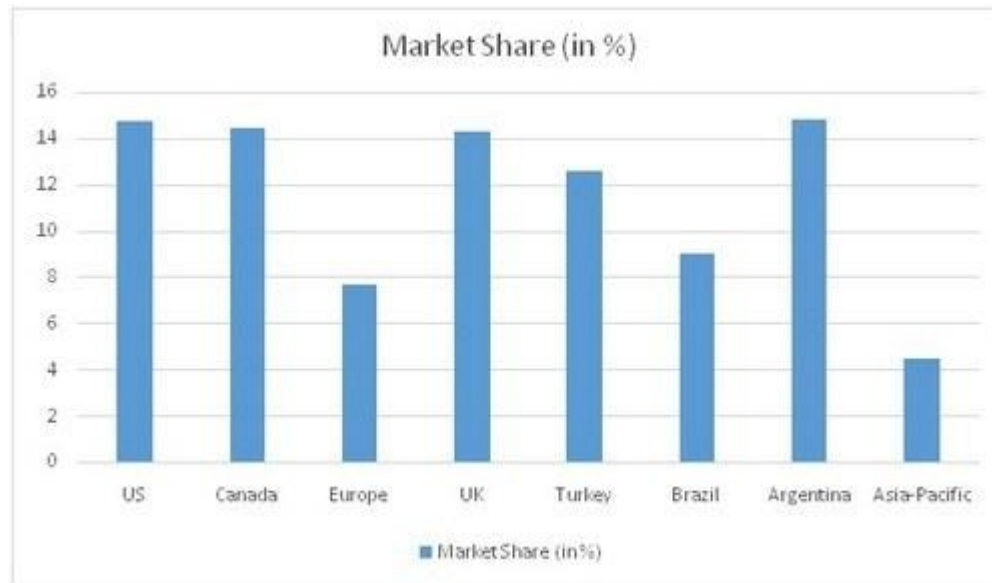


Strong R&D: Ford spends a lot of R&D and is committed to making and improving the performance of its vehicles which includes fuel efficiency, safety, customer satisfaction, and developing new products. Ford spends around \$6.7 billion on R&D. It has also opened a new Research and Innovation Center in Palo Alto.

Patents: Being a manufacturing industry it is important to see the fruits of its R&D. Ford currently has approx. 38,500 active patents and pending patent applications globally. The average age of patents stands at 5 and a half years.

New technologies: Ford is committed towards new technologies to give itself the boost in this cut throat competition. Their focus is on technology to enhance fuel efficiency like EcoBoost, direct injection of gasoline or diesel fuel, six-speed transmissions, and hybrid and plug-in hybrid powertrains. To enhance product quality they are working on light-weighting, cabin technology, and powertrain.

Market Share: Ford has a market share of 7.2% as of FY 2015. Its break up globally in terms of market share is as follows:



Product Portfolio: Ford has a huge product portfolio which reduces its dependence over one product range. Their products include small, medium, large, premium sedan cars, trucks; buses/vans (including minivans); full-size pickups; sports utility vehicles (SUV); and vehicles for the medium/heavy segments.

Weakness in the SWOT Analysis of Ford

Product Fails: The brand image of the company gets a toll when they have to recall their cars due to fails or safety reasons. Ford had to recall approx. 271,000 2013–2014 Ford F-150 vehicles to replace brake master cylinders in May 2016. In May 2015 Ford had to recall vehicles due to the safety failures of the Takata airbags. These kinds of recalls harm the brand image of the company and reduce the faith of the customers on the brand.

Emerging Markets: According to the break-up of the market share of Ford it is not doing well in the emerging markets. These markets have high potential returns and it needs to focus on it to increase its overall revenues and global market share.

Opportunities in the SWOT Analysis of Ford :

Expansion: Ford is investing \$2.5 billion in new engine and transmission plants in the Mexican states of Chihuahua and Guanajuato. The completion of \$2.6 billion manufacturing operations in Valencia, Spain. This will increase their daily production capacity by 40%. New plants could drive the revenue of the company to new heights.

Global Automotive Opportunity: This industry is expected to grow at a CAGR of 6% till 2019 and reach a valuation of \$1.5771 trillion. Also, the production volume is expected to rise to 189 billion units at a CAGR of 5% by 2019.

Hybrid, electric and fuel cell: With the focus shifting towards reducing emissions by using alternative fuels is a great opportunity for Ford. The demand is going to reach 7.5 million units at a CAGR of 19% by 2020.

Threats in the SWOT Analysis of Ford :

Environmental Regulations: This industry is facing many regulations coming up for a protection of the environment. This is making the laws more stringent and the company has to adhere to them by making changes to their production schematics.

Global Economy: The global economy is facing a slowdown and with 67 plants around the globe Ford needs to take care to keep the prices of the vehicles in check. Currency fluctuations will prove to be a game changer.

Competition: It faces competition from Fiat ChryslerAutomobiles, General Motors, Honda Motor, Hyundai-Kia Automotive Group, PSA Peugeot Citroen, Renault-Nissan, Suzuki Motor, Toyota Motor, and Volkswagen.

Case Analysis 1 : Sale During the Pandemic Situation

The sale of Ford Motor Company was 100% during the period of Jan and Feb 2020. During the pandemic situation which is not predicted by the industries, the sales of cars have been reduced and in the month of March and April it became zero. The sales reduced from 100% to 0% because of this there is a lot of change that happens in the automotive industry and also affects the Ford Motor Company to stop the production and it results in a loss for the company and this makes a reduction in the manpower.

After the lockdown, the government allowed the company to open with a lot of restrictions which is very difficult for the company to run the day-to-day activities and also sales of cars are very minimum in the month of June and in the month of July and August the sales increased to 40%.

Automakers across the globe have been forced to conduct rolling plant shutdowns due to COVID-19. It expects to report a net loss of 2 billion for the first quarter as the coronavirus pandemic depresses sales and production.

STUDY ON PASSENGER VEHICLE MARKET

AN INSIGHT

According to Harold E. Edmondson, “Customer Satisfaction” seems to appear in print more frequently than any other catch phrase used to describe a new found magic for industrial success. Before we proceed in to the study of the dynamics of Customer Satisfaction it is important to know about, who a customer is and what satisfaction really means.

Who really is a Customer?

The question of defining who your customers are seems fairly easy particularly if you have segmented your market properly and understand who you are trying to satisfy. However subtlety that frequently goes undetected by many firms is that is that customer set can be divided into two parts, the apparent customer and the user. The apparent customer is the person or group of people who decide what product to buy and basically have control over the purse strings. The user is a person or group who physically uses the product or is the direct recipient of a service.

What does satisfaction really mean?

As in defining customer above, defining satisfaction also appears simple. However as with customer there is a subtlety that needs addressing. Satisfaction by most definitions simply means meeting the customer's requirement. Customer satisfaction is a concept that more and more companies are putting at the heart of their strategy, but for this to be successful they're needs to be clarity about, what customer satisfaction means and what needs to happen to drive improvement. Without this, there is a risk that customer satisfaction becomes little more than a good intention, with confused objectives failing to address the real issues for customers, one helpful way to look at the problem is to rephrase the objectives: set the sights on helping the customers meet their goals. Customer satisfaction can be defined in many different ways. Finding the right way for a company depends on understanding your customer and on having a clear vision of the role that customer satisfaction is to play in the strategy. For example, a focus on customer satisfaction can work alongside existing segmentations to support revenue generation from high value customers or it can be a company-wide objective rooted in the brand values. For the former, it may be sufficient to focus on improving customer service, but for the latter a broader definition of customer satisfaction is necessary, closer akin to corporate reputation. Whatever the strategy for customer satisfaction, it must at least include getting the basics right. Failing to achieve this can destroy the reputation as well as losing valuable customers. Every customer, regardless of their economic worth to the business, has the power to influence – positively or negatively – a company's reputation. Once the

objectives for the customer satisfaction strategy are defined there are a number of steps we can take to make sure the focus on customer satisfaction is effective.

Building a company around Customer Satisfaction -

With the increase in customer's demands and competition it has become a lot more important to base the entire company on customer service. When doing this one must first realize that every member of an organization plays an active role in customer service. This includes both external customers and internal customers within a company. Customer focused organizations focus both on customer satisfaction and profit. Achieving customer satisfaction generates the profit. In these organizations top management has frequent contacts with external customers. The top management uses consultative, participative, and supportive management styles to get through to the customer. The staff focuses all of its attention on satisfying the customer's needs. However, the management's job is to provide the staff with support necessary to achieve these goals. The other department and staff in the organization that do not have direct contact with the external customers deal exclusively with internal customer satisfaction.

The Influence of the salesperson in Customer Satisfaction-

In an article titled, "The influence of salesperson selling behavior on customer satisfaction with products," Brent G.Goff and James S. Boles examine the effects of non-product related construct on customer satisfaction with major retail purchases such as automobiles. The article states that salesperson's selling orientation- customer orientation (SOCO) will affect not only consumer satisfaction with the salesperson and dealer, but also indirectly, satisfaction with the product or manufacturer. In the perspectives of both the retailer and the manufacturer, customer satisfaction represents an important issue because it relates to several desirable outcomes. Customer satisfaction leads to future purchases, and repeated purchases of the same product from the same source. In other words, it helps a firm retain its present customers and build loyalty. By helping a buyer obtain product information and providing guidelines about what should be

expected during the buying process and use of a product, a salesperson may influence customer expectations concerning the product. Thereby this may reduce the likelihood of dissatisfaction (Grewal and Sharma, 1991). A successful salesperson tailors to the needs of each individual customer. By being customer-oriented, a salesperson is likely to identify with needs of the customer, enabling the salesperson to match his or her presentation to those requirements of the customer.

Internal marketing – how it affects Customer Satisfaction –

Successful companies make every effort to ensure satisfaction to their customer by focusing all organizational efforts of the company on providing superior customer service. By doing this these companies hope to retain their existing customers and attract new ones. Only angle of customer satisfaction commonly overlooked is the internal aspect. The internal customer or employee plays a vital role in achieving customer satisfaction and loyalty. Some firm's do not understand that the treatment of internal customers becomes the external customers' perception of the company. A firm's employees or other departments within the organization make up its internal customers. Their job performance affects the firm's ability to deliver superior product and customer service (Boone and Kurtz, 1999). When a firm's employees are happy at work, their overall attitude and performance towards the customer enhances tremendously. Internal marketing helps members or employees of an organization understand and fulfill their roles in implementing its marketing strategy. Internal marketing not only keeps employees happy, it also shows them how their actions affect the firm's ability to achieve customer satisfaction.

SUGGESTIONS

1. Pearl Ford must address the timeliness issue during servicing the vehicles.
2. Strategies on Customer Relationship Management need to be framed and implemented.
3. Pearl Ford should reduce the service charges, as more than half of the respondents find them to be unreasonable.
4. The after sale services need to be improved.
5. Since majority of customers sell their Ford vehicle and shift their preference to other brands after around 2 years, the company should seriously take this fact into consideration.
6. Changes need to be incorporated in the procedure of the service.

CONCLUSION

In the nutshell, it can be concluded that the brand name rules the heart of the customers. Ford Fiesta is the most favorite car among other Ford vehicles. Unfortunately, majority of customers sell their Ford vehicle and shift their preference to other brands after around 2 years. This indicates poor strategic planning. The after sale services of the dealer also need improvements. The dealer should seriously take this into consideration for its long run survival and success. Strategies need to be formulated to have an edge over the competitors.

Ford is one of the top car brands in the world and customers attach expectations with it. However, not most of the customers are pleased with its services. The company needs to keep in mind that the customer is the king, and his satisfaction should be the topmost priority of the company. But the revelations of the research don't present a very good picture. I hope the company draws benefits from this report and understands the value of perception of its esteemed customers and make the required improvements. Finally, I would like to mention that this project has given me an idea of handling real situations. I have made my sincerest efforts to complete this work with as much perfection as possible.

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