TWO COUNTRIES - ONE MARKETING MIX?

HOW TO ADOPT COMPANY’S MARKETING MIX TO FOREIGN MARKET - CASE STUDY OF VOLVO.

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Abstract

The discussion about 4P’s marketing mix covers two aspects. On the one hand, marketing mix activities are used to apply product into market and attract customers. Its activities are matched with every single market in different way. Managers are focused on country specification, customers’ demands and potential competitors. They analyse all factors, which can influnce on future product’s adaptation. Enterprise’s success is measured by amount of selling as well as customer satisfaction and behaviour. On the other hand, it is not obviously that companies need to change their marketing strategies every time, when they want to expand their market to being more international. From this point of view differentiation among marketing mix activities are useful for at first gain new target group and meet their requirements. Subsequently, product can be customized. This thesis concludes theories about marketing mix components and its practical application.
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1. Introduction

In this chapter we will present the background to the problem area, namely adopting one product into different markets using marketing-mix tools. Furthermore the introduction exposes the research purpose, research questions and delimitations of this thesis.

1.1. Background of the problem

“Why are new markets so desirable? Because they are existing, profitable, and forgiving”

“Creating and Dominating New Market”
Peter Mayer

There always have been many differences between countries and their markets. Nations, as a group of people of different culture, language, religion, history or habits have always paid attention on different expectations. With growing globalization process and such organizations like European Union, these differences are getting smaller but still exist.

Nowadays, the trend towards globalization and internationalization of business has strong impact on companies’ strategy. When a company is thinking about entering another market, it needs to pay attention to variable aspects on micro- and macro-level. One of the features of the global economy is the emergence of functional economic regions that cross nations. These regions serve both as international business arenas and solid home bases when companies decide to reach further out. This development on the ground is partly mirrored by the fact that companies increasingly choose to work up markets in a regional context. For instance, Europe is often divided into a number of strategic business regions.

The Baltic Sea region/Northern Europe is one such region. It is very important to notice, that it includes the Scandinavian countries and Northern Poland. Scandinavian countries are percept as progressive force in Europe. They distinguish themselves from the rest of Europe by providing healthy business climate, which attract both domestic and foreign investors and following that – establish long term economic growth.

An internationally oriented companies should adopt their marketing-mix depend on country specification and its target group. Peter Doyle (2006) claims that the marketing mix approach leads to unprofitable decisions because it is not grounded in financial objectives such as increasing shareholder value. According to Doyle it has never been clear what criteria to use in determining an optimum marketing mix.

That statements above confirm that the marketing program for each foreign market must be carefully planned. Managers must first decide on the precise customer target or targets to be served. Then managers have to decide how, if at all, to adopt the firm’s marketing mix to local conditions, hoping for a larger market share and return. (Kotler & Armstrong, 2005) The question of whether to adopt or standardize marketing mix has been much debated in recent years. As Kotler and Armstrong (2005) say, consumers in different countries have widely varied cultural backgrounds, needs and wants, spending power, product preferences and shopping patterns. They think also these differences are hard to change, that is why most
marketers adapt their products, prices, channels and promotions to fit consumer desires in each country.

The Baltic Sea Region, which represents approximately 100 million consumers, is outperforming the EU-25 countries and even Central and Eastern Europe in terms of prosperity growth. It offers a wide range of business and investment opportunities, from low cost production to leading technologies and R&D. The local diversity in cost structures, industrial specialization and value chain positioning is one of the region’s greatest strengths. The Baltic Sea region/northern Europe is an example of a dynamic regional entity. If concentrated on 100 million consumers who expose their spending power by buying products, it can be noticed easily that the expectations of consumers from new market will be different. As we have mentioned, that is way companies have to anticipate customers’ needs before they announce them, and put those actions in place. Meeting these expectations will cement relationships between companies and customers, increase their satisfaction, and retain their business. (Invest in Swedish Agency, 2007)

What channels of distribution will be efficient in foreign market? Where to put attention in promotion strategy process? Looking for answers, companies need to define international objectives and thoroughly understand international marketing environment.

1.2. Problem definition

Today almost every company – small and big one, wanted to take advantage of international marketing opportunities. Global way of communication between foreign markets give advantages for creating new relationships and follow that, fit products into few international target groups. Nevertheless, make a choice, which country offers the best adaptabilities is not so easy for marketers. The firm needs a lot of information and research about the foreign market in order to know whether the market is actually attractive or not (Hollensen, 2004).

Johnston and Beaton (1998) emphase importance of having good market research and blames the lack of it as one of the main reasons why many firms fail when going abroad. To avoid these, managers should notice that the single most important factor in foreign market selection is the fit between the organization, its management, its product and the specific market (Johnston & Beaton, 1998). Solberg (1997) notice, if a firm is lacking of international experience and has a weak position in the home market it should refrain from going abroad all together.

To enter new markets companies need to use one of the set of marketing tools. There are hundreds of great marketing strategies for getting new customers. Marketing model mix, or “Four Ps” defined finally by Kotler (2004) is an example, how to match product with market place. This s useful method, which let managers understand concept about being with right product, right price in right place. Ladley and Forsith (2004) based on McCarthy theory, see the marketing mix as a combination of all of the factors at a marketing manger’s command to satisfy the target market. The marketing mix gives a chance to recognize and define the marketing elements for successfully positioning and than evaluating market offer.

To be successful and competitive every organization has to use special policy for each market. Product price, channels of distribution, types of promotion, positioning of the product and identification of customer need to be matched with unique situation on different markets.
This will be the main object of our research and a background for the purpose. We will write about differences with using marketing-mix of one company already existing in two countries. 4P’s model will be the tool which let us analyze our purpose. On the base of the purpose we will try to answer for the question about differences and their consequences and reason for their existence. Our research question is included in purpose.

1.3. Purpose

In our work we will try to find the answer for the basic question: how and why the company adapts marketing mix in two different countries?

1.4. Limitations

Wood and Robertson (2000) argue that a foreign market analysis should contain a certain list of factors of the foreign market such as political factors, market potential, economical factors, culture, infrastructure and legal factors to be successful. We are not able to investigate all of them because of time limits and lack of information. Our main idea is to focus more on marketing side, product adaptation into different markets. Analyzing social or political environment compels us to expose wide knowledge among those fields. It is not essential for this paper to use it. to know influence of external factors We cannot to focus on all of them, which we have for finished our dissertation.
2. Survey of literature

In this chapter we present the theoretical concepts used for our research and analysis. First a brief overview about marketing in general will be presented. After that, theories on 4P’s marketing mix including market strategies will be explained.

2.1. Definition of marketing

There are a set of different definitions of marketing. Which definition is right? In short, they all are. They all try to embody the essence of marketing. All of them expose the key elements of marketing and their relationship.

Among the set of books about marketing, we decided to present definitions by the famous management guru. Follow that, Peter Drucker wrote:

"Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business." (Genero: interactive marketing & technology, 2007)

Philip Kotler defines marketing as:

“Satisfying needs and wants through an exchange process.” (Definition of marketing: Marketing definition and marketing concept, 2007)

Within this exchange transaction customers will only exchange what they value (money) if they feel that their needs are being satisfied; clearly the greater the benefit provided the higher transactional value an organization can charge.

As we can see the essence of the marketing concept is to be responsive to customer and their needs but it cannot be happen unless knowledge about customers will be enough to meet their expectancies. Customer buy products and service because they offer benefits grater than the price of buying, installing and using the product or service – not because they offer technology (Nevens, 1987)

Consider of all present alternative definitions, diagram below summarize the main idea of marketing:
We are only concentrating on marketing mix, which is product, price, place, promotion. Marketing management consists of five tasks:

- Identifying target markets – the management need to identify those customers that they want to make exchange with.
- Marketing research – management have to collect information on current and potential customers needs.
- Product development – the company need to develop the product that will meet customers need and expectations.
- Marketing mix – management have to determine price, promotion and distribution for the product.
- Monitoring – build relationship with customers and collect information about changing customers’ needs and expectations (Doyle & Stern, 2006).

2.2. The marketing mix

Today much debate and controversy surrounds the development and ongoing use of the marketing mix concept. As Baker said, marketers have experimented with different combination of product, pricing, promotion and distribution. Neil H. Borden closed marketing mix into 12 components (appendix 1). Borden known that his list wasn’t definitive, and suggested that others may have different perspectives. In 1950s E. Jerome McCarthy developed the “four Ps”, which has become the most enduring framework of the marketing mix. He grouped 12 Borden’s elements into price, product, promotion and placement (also known as place for distribution). Each of these elements can be considered as a “mix”: for example promotion mix, product mix and so on (Leadley & Forsyth, 2004).
For creating successful marketing plan, the mix of the four "Ps" must reflect the wants and desires of the consumers in the target market. Marketers depend on marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for it. Marketers hope that this process will give them a sustainable competitive advantage. Marketing management is the practical application of this process. The offer is also an important addition to the 4P's theory (Kalka & Massen, 2000).

2.3. Product mix

Product is anything that can be offered to buyers for consumption, use or for further processing. So it is everything on market in order to make attention, acquisition, use, or consumption and that might satisfy a wants or needs. It includes physical objects, services, persons, places, organizations, and ideas.

When an organization introduces a product into a market they must ask themselves a number of questions:

1. Who is the product aimed at?
2. What benefit will they expect?
3. How do they plan to position the product within the market?
4. What differential advantage will the product offer over their competitors?

Kotler (2004) suggested that a product should be viewed in three levels:

**Level 1: Core Product.** What is the core benefit your product offers? Customers who purchase a camera are purchasing more than just that. They are buying “memories”.

**Level 2 Actual Product:** All cameras capture memories. The aim is to ensure that your potential customers purchase your one. The strategy at this level involves organization
branding, adding features and benefits to ensure that their product offers a differential advantage from their competitors.

Level 3: Augmented product: What additional non-tangible benefits can you offer? Competition at this level is based around after sales service, delivery and so on.

Figure 3. Three levels of product  
(Dibb et al., 2001, p.254)

2.3.1. Product decisions

When the company is placing a product on a market, many decisions have to be taken into consideration. These include:

Product design – Will the design be the selling point for the organization?

Product design is the process of designing a product’s style and functions: creating a product that is attractive, easy, safe and inexpensive to use and service. It has to be simple and economical to produce and distribute. Good design contributes to a product’s usefulness as well as to its looks. Moreover, good design can attract attention, improve product performance, cut production costs, and give the product a strong competitive advantage in the target market (Kotler, 1991)

Product quality: Quality has to consistent with other elements of the marketing mix. A premium based pricing strategy has to reflect the quality a product offers.

The quality of a product is the ability to perform its functions. It includes the product’s overall durability, reliability, precision, ease of operation and repair, and other valued attributes. In developing a product, the manufacturer has to choose a quality level that will support the
product’s position in target market. Quality is one of the marketer’s major positioning tools. To some companies improving quality means using better quality control to reduce defects of the product or service that annoy consumers. But strategic quality management means more than this. It means gaining an edge over competitors by offering products that better serve consumers’ needs and preferences for quality (Garvin, 1987).

**Product features:** What features will you add that may increase the benefit offered to your target market?

Product features means that a product can be offered with varying features. A “stripped-down” model, one without any extras is the starting point. The company can create higher-level models by adding more features. Features are a competitive tool for differentiating the company’s product from competitor’s products. Being the first producer to introduce a needed and valued new feature is one of the most effective ways to compete.

### 2.3.2. Brand

A brand is a name, term, sign, symbol, or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Consumers view a brand as an important part of the product, and branding can add value to the product. One of the most important decisions a marketing manager can make is about branding. The value of brands in today’s environment is phenomenal. Brands have the power of instant sales; they convey a message of confidence, quality and reliability to their target market. Powerful brand names have consumer franchise—they command strong consumer loyalty. A sufficient number of consumers demand these brands and refuse substitutes, even if the substitute products are offered on the lower price. Companies that develop brands with a strong consumer franchise are insulated from competitor’s promotional strategies (Kotler & Armstrong, 1993).

### 2.3.3. Package

Many products offered to the customers have to be packaged. Some marketers have called packaging a “fifth P”, along with price, product, place, and promotion. Most marketers, however, treat packaging as an element of product strategy. Packaging refers to the way how product or service appears from the outside. Packaging also refers to people in company and how they dress and groom. It refers to your offices, your waiting rooms, your brochures, your correspondence and every single visual element about your company. Everything affects your customer’s confidence about dealing with you (7 Ps of marketing, 2007).

In recent time, numerous factors have made packaging an important marketing tool. An increase in self-service means that packages must now perform many sales tasks—from attracting attention, to describing the product, to making the sale. Rising consumer affluence means that consumers are willing to pay a little more for the convenience, appearance, dependability, and prestige of better packages. (7P’s – Extended Marketing Mix, 2007)

### 2.4. Pricing mix

As has been already stated in, price is one of the four Ps in the marketing mix and is yet another weapon in the marketing strategy. It is the only part of mix, which generates a turnover for the organization. The remaining 3p’s are the variable cost for the organization. It costs to produce and design a product; it costs to distribute a product and costs to promote it.
Price must support these elements of the mix. Pricing is difficult and must reflect supply and demand relationship. The price you decide to charge for a product or service can support its positioning. Also a pricing which appears to be out of synchronization with the product and with the other marketing elements will only confuse customers and as a result the company sales can be lower (Price – Part of the marketing mix, 2007).

### 2.4.1 Determining the price

Pricing should take into account few factors as fixed and variable costs, target group and willingness to pay, competition, company objectives, or proposed positioning strategies.

The price should take into consideration the company objectives. It could be:

- Achieve desirable ROI (return of invest) level
- Gaining or hold company market position (in long run the price is a good weapon against competitors)
- Price stabilization

It is impossible to fulfill that objectives in the same time, so company should decide itself which object is priority (TF.PL, 2007)

Łaguna (2002) mentions about three groups of factors determining price:

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
<th>Social</th>
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</thead>
<tbody>
<tr>
<td>- production cost</td>
<td>- market characteristic</td>
<td>- fashion</td>
</tr>
<tr>
<td>- marketing policy</td>
<td>- demand for product</td>
<td>- convictions</td>
</tr>
<tr>
<td>- product</td>
<td>- supply of product</td>
<td>- religion</td>
</tr>
<tr>
<td></td>
<td>- level of personal profits</td>
<td>- etc.</td>
</tr>
<tr>
<td></td>
<td>- price of substitution products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- price of complementary products</td>
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<td>- competition</td>
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### 2.4.2 Pricing strategies

An organization can adopt a number of pricing strategies. The pricing strategies are based much on what objectives the company has set itself to achieve

- **Penetration pricing**
  
  Organisation sets a low price to increase sales and market share. It is good strategy when company wants to gain a market share. But it can be risky. Competitors can also low their prices instead not to lose a market share. Because of that company not only gain a market share but also can lose a part of profits.

- **Skimming pricing**
  
  The objective is to skim profits of the market. The organisation sets an initial high price and then slowly lowers the price to make the product available to a wider market. It is usually used in high-tech markets. It is a main strategy when a new product is launched on the market. Firstly the product is dedicated to Innovators, then price is slowly decreases so product is available for early adopters etc.
• **Competition pricing:**
Company is setting a price similar to competitor’s price. It is good strategy when company doesn’t want to undersell. Customer is choosing a product by comparing the value and price. If the price is at the same level as substitute product then most important factor is value of product.

• **Product Line Pricing**
Pricing different products within the same product range at different price points. An example would be a computer manufacturer offering different computers with different features at different prices. The greater features and benefits obtained the greater the consumer will pay.

• **Bundle Pricing**
The organisation bundles a group of products at a reduced price. It is a type of strategy to raise a rate of sell. When customer wants to buy bundles group of product but separately, he will pay more then when he buy it in “bundle”.

• **Psychological pricing**
The seller here will consider the psychology of price and the positioning of price within the market place. The seller will therefore charge 99p instead £1 or $199 instead of $200.

• **Premium pricing**
The price set is high to reflect the exclusiveness of the product. An example of products using this strategy would be Harrods, first class airline services, Porsche etc.

• **Optional pricing**
The organisation sells optional extras along with the product to maximize its turnover. This strategy is used commonly within the car industry. The basic version of car model can be even three times cheaper then full version of the same car model.

### 2.5. Promotion mix

Modern marketing is more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their customers. A company’s communications program its called promotion mix. The specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing objective (Bannett, 1988).

#### 2.5.1. Communication tools

**Advertising**
Advertising is often thought of as the paid, non-personal promotion of a cause, idea, product, or service by an identified sponsor attempting to inform or persuade a particular target audience. The various delivery mechanisms for advertising include banners at sporting events, billboards, Internet Web sites, logos on clothing, magazines, newspapers, radio spots, and television commercials. Advertising has so permeated everyday life that individuals can expect to be exposed to more than 1,200 different messages each day (Advertising: Definition, 2007)
While advertising may seem like the perfect way to get a message out, it does have several limitations, the most commonly noted ones being its inability to:

- focus on an individual consumer's specific needs,
- provide in-depth information about a product,
- be cost-effective for small companies.

**Direct response**

Direct mail, telesales or e-mails are examples of direct response. Direct response marketing differs from advertising in three ways:

- usually targets individual, named consumers, not like mass media that operating indirectly
- aims at immediate response rather than increase in awareness
- purchases are made directly from the manufacturer rather that though shops or a salespersons

Direct mail is the largest component of direct response marketing. It is the sending of publicity material to a named person within an organization. Direct mail allows an organization to use their resources more effectively by allowing them to send publicity material to a named person within their target segment. By personalizing advertising, response rates increase thus increasing the chance of improving sales (Doyle & Stern, 2006).

**Public relations**

Public relations can be defined as those activities that the company undertakes to communicate to its publics that are not paid for directly. It consist of building good relations with the company’s various publics by obtaining favorable publicity, building up a good “corporate image”, etc.

The publics that the firm may seek to communicate include customers, suppliers, shareholders, government bodies, local communities and employees. The major activities undertaken in PR are as follows:

- achieving positive coverage in the media
- creating and reinforcing the corporate image
- sponsoring special events (event marketing)

**Personal selling**

Person selling is oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. It is the most effective tool at early stages of the buying process, particularly in building up buyer’s preferences, convictions, and actions. Compared to advertising, personal selling has several unique qualities. It involves personal interaction between two or more people, so each person can observe the other’s needs and make quick adjustments. Personal selling also allows all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship. The effective salesperson keeps the customer’s interests at heart in order to build a long-term relationship.

**Sales promotion**

Sales promotion is commonly used to obtain an increase in sales short term. It could involve using money off coupons or special offers. When the direct response marketing and advertising give customer a rational or emotional argument for buying product, sales
promotion gives an economical argument. It can be price reduction, bonuses, free goods etc. Sales promotion is used because results are quickly. (Doyle & Stern, 2006)

### 2.6. Placement mix

Placement or distribution refers to how the product gets to the customer, for example, point of retailing or sale placement. The organization must distribute the product to customers at the right place at the right time. Efficient and effective distribution is important if the organization wants to meet its overall marketing objectives. If organization underestimate demand and customers cannot purchase products because of it, profitability will be affected.

#### 2.6.1 Types of distribution

There are two types of distribution: indirect distribution and direct distribution. The difference between those methods is how the product is going from the manufacturer to the consumer. The pictures are showing this difference.

![Figure 4.](Laguna, 2002, p.193-194)

In direct distribution the final price of the product can be lower than on indirect distribution or the profits for the company are bigger then by using the indirect distribution.

#### 2.6.2. Distribution strategies

Depending on the type of product being distributed there are three common distribution strategies available:

- **Intensive distribution:**
  It is used commonly to distribute low priced or impulse purchase products (soft drinks, sweets etc). Potential customers can purchase a product with minimum of effort. Determinant factors are time and place. If customer doesn’t find a product, he will buy a competitive product. (Laguna, 2002)
• *Exclusive distribution:*
  It involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell. An example of would be the sale of cars through exclusive dealers. (Ibid.)

• *Selective Distribution:*
  A small number of retail outlets are chosen to distribute the product. Selective distribution is common with products such as computers, where consumers are willing to shop around and where manufacturers want a large geographical spread. (Ibid.)
3. Methodology

Methodology chapter is supposed to give the reader insight into how the research was done, and in what order different tasks were conducted. In this part of our paper, we will describe the type of research used in our research along with justification of their choices. Subsequently process of data collection will be explained and after validity and reliability of our work will be demonstrated.

3.1. Research Approach

3.1.1. Inductive and deductive approach

Scientific reasoning concerns about formulating and solving studied problems through methodical drawing ones sentences (logical conclusion) from others. The purpose of each, individual reasoning is stating sentence named ‘premise’ or sentence named ‘conclusion’. The ‘premise’ is made from sentences or sentence being ‘conclusion’ and vice versa. The reasoning from conclusions to premises is called deductive reasoning, and reversed is inductive. (Stachak, 2006) So deductive reasoning (from the general to the particular) is when conclusion is reached from, previously known facts (the premises). If the premises are true, the conclusion must be true. In inductive reasoning (from the particular to the general), the premises may predict a high probability of the conclusion, but do not ensure that the conclusion is true. Induction leads from the facts to synthesis. So the induction is the reasoning relying on drawing general conclusions from premises being particular cases of these conclusions.

In this work there will be used both approaches – inductive and deductive. Since we will try to check, how the one company adopts marketing-mix on two markets, we can assume that other companies do the same. In this situation, we will employ inductive approach. From single premise we will conclude general rule. Therefore, our rule might not be true.

From the second hand, when we will compare information from primary (respondent) and secondary data with general theory about marketing-mix, we will use the deductive approach. Knowing the general theory about marketing-mix, that is true general rules, it will be possible to state and specify concrete premises about the company.

However, since we do not get depth into PEST (external factors) analysis, it will not be possible to compare our findings about adopting marketing-mix with the general theory on this subject. Thus, we will indicate inductive approach. As a result, there is a risk that our conclusions might include false statements which can reduce credibility of our work.

3.1.2. Qualitative and quantitative approach

In order to answer the research questions, it is important to researcher to achieve suitable information. For that reason, researcher has to choose between qualitative or quantitative approach to research or mix of both.

According to Malhotra (1999) qualitative research provides insights and understanding of the problem setting. Qualitative method is used to gather information that can not be quantified, that means directly observed and measured, for example, feelings, thoughts, intentions and behavior (Aaker, Kumar & Day, 1998). Qualitative research is also characterized by its
unstructured form of data collection and close contact with the source of the information gathered. If researcher looks for understanding the phenomenon by asking ‘how’ and ‘why’, the qualitative research is then good choice.

In opposite to qualitative, quantitative research is well structured and formalized. As Malhotra (1999) states quantitative research seeks to quantify the data and, typically, applies some form of statistical analysis. The quantitative approach to research also characterize big amount of representative cases and bigger distance to them. Therefore researcher has a good control over the research. Still quantitative research can answer on questions ‘when’, ‘who’, ‘how much’ but not ‘why’ and ‘how’.

As we wanted to get a bigger understanding of company’s marketing mix adaptation process, we chose qualitative approach to research as more relevant in our case. Since our objective is to explain why there are differences in company’s approach to adaptation marketing mix on two markets, the qualitative research will be most appropriate in our opinion.

Examining customers’ opinions by large-scale statistical researches will not give us answers for research questions. Therefore we are not interested in quantitative approach and consider it as redundant in our case.

### 3.2. Research Strategy

The researcher can choose from several research strategies. According to Yin (1994) these are: experiment, survey, archival analysis, history and case study. All of them have some advantages and disadvantages and even for experienced researches sometimes it is difficult to choose proper investigation method. In order to select relevant research strategy researcher has to get through three conditions, namely, what are the questions he wants to answer, if he requires control over behavioral events and if he is focusing on contemporary events. All of these conditions are stated in Table 1 along with five research strategies.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioral events</th>
<th>Focuses on contemporary events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival Analysis</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>How, why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For the reason that our thesis is going to answer on how and why the company adapt marketing mix on two markets we resigned from survey and archival analysis methods. On the next step we decided that experiment is impossible to make in our case because we do not have control over any behavioral events. Lastly, the third condition confirmed us in our resolve that the case study is most appropriate for our research, since we will be mainly interested in contemporary events, not history.
According to Aaker, Kumar and Day (1998), a case study is a comprehensive description and analysis of a single situation. Yin (1994, p.13) describes a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident”. Therefore, as a result, the researcher may gain a sharpened understanding of why the instance happened as it did, and what might become important to look at more extensively in future research. Case studies lend themselves to both generating and testing hypotheses. Consequently the purpose of case studies is to seek conformity between the results and the theory. This means that the theory helps to identify other similar events to the result that can only be generalized after further studies (Yin, 1994). Therefore we have decided to do a qualitative case study, to try to find answers on our research ‘how’ and ‘why’ questions, and conformity between the theory and the facts.

As Yin (1994) states, a case study can be either a single-case study or a multiple-case study. It can be noted that collecting data from multiple cases is considered to give more in-depth view in studied phenomenon. Every aspect of studied cases can be examined and compared to others. Therefore, result of such research often is more robust.

In instance of our paper, we can say about two situations. On the one hand, we study just one case, because we study only one company. However, on the second hand, we study one company but in two different countries. Taking into consideration such point of view, it can be said that in our paper we conduct multiple-case study. For that reason, two cases will give us opportunity to compare and find similarities which can improve validity of our paper. More about this subject will be discussed in Data Analysis part.

3.3. **Data Collection Method**

There are two kinds of data that can be used to research, primary and secondary data. According to Malhotra (1999) Primary data are originated by a researcher and used for the specific purpose. Obtaining this kind of data is very often expensive and time consuming. Opposite to primary, secondary data have already been collected for purposes other than the researcher’s problem. This kind of data can be obtained quickly and inexpensively.

Every data collection needs some source of evidence. According to Yin (1994) there are six sources of evidence, namely, documents, archival records, interviews, direct observation, participant observation and physical artifacts. Of course not all of the sources will be appropriate for all cases. However, Yin (Ibid.) pays attention to so called “triangulation” that is collecting data at least from two sources in purpose to validate them. Table 3 (enclosed in appendix 2) presents sources of evidence along with their strengths and weaknesses.

In our study we are going to use both types of data, primary and secondary. We decided to use two sources of evidence to obtain data necessary to answer on our research questions, namely, documents (as secondary data) and interviews (as primary data). Reasons of our choice are simple. Firstly, we resigned from direct and participant observations. Since we have tight time and budget restrictions we could not afford for these methods. We will conduct only one interview, so it will not be so expensive and time-consuming. Secondly we will gather secondary data from documents. We also do not see any reasons to use Archival Records and Physical Artifacts methods, because we do not need knowledge about history or cultural features.
3.3.1. Documentation

We consider documentation as a secondary data. As it was stated before secondary data refers to available data that has been gathered for some purpose other than the researcher’s problem. According to Yin (1994) documents can be found in form of: letters, memoranda, agendas, announcements and minutes of meeting, administrative documents, formal studies or evaluations of the same “site” study, newspaper clippings and other articles appearing in the mass-media. Researcher needs to remember to confirm and augment evidence from other sources (Ibid).

Churchill and Iacobucci (2005) divide secondary data on two types, namely internal and external. Internal data is originated within the firm, and external outside the company. Internal secondary data have their advantages in their ready availability and low cost.

In our work we are going to use internal source of documentation in form of company’s data obtained from the company’s web sites. That will be mainly: agendas and announcements. The external sources of documentation are third-party reports about car market. This data will be used to get bride view on the situation of our case-choice company and general car market situation. These will be mainly articles appearing in Internet. We used Google search engine and words like: Volvo, marketing-mix, promotion and so on, to find interesting articles.

3.3.2. Interviews

Information obtained through interview is considered as primary data. Primary data refers to data that is gathered for a specific research purpose. According to Yin (1994) the interview is one of the most important sources of case study information.

According to Yin (Ibid.), interviews can be open-ended, focused or structured. In open-ended interviews, the interview does not follow any structured questions. In this type of interview a respondent is asked for facts of matter as well for his opinion about events. Open-ended type of questions allows respondents to elaborate freely and open-mindedly without feeling restricted, as often is in the case of close-ended questions (Aaker, Kumar, & Day, 1998). Such acting gives the respondent opportunity to even help interviewers by suggesting new questions or new area of research in the subject. In a focused interview, the respondent is interviewed for a short period of time, an hour for example. The researcher is following a certain set of questions. However interview may still assume a conversational manner. In a structured interview the questions are clearly structured and formal.

In this study, only one interview was conducted. The respondent is Mr Mariusz Nycz the Communication Manager of Volvo Cars Company in Poland. We did a phone interview. All questions to the respondent were open questions. Questions to respondent were listed in Appendix 4. In order to have a better understanding of the subject matter, the interviewers tried to answer the questions based on secondary data. In addition, the questions were sent to the respondent through e-mail before the interview so that he could prepare and have a better comprehension of what is being asked of him. It allowed us to question the respondent more thoroughly and therefore, collect better data.

We furthermore try to contact with Volvo in Sweden. Unfortunately, after insistent attempts we did not get any contacts with managers from the company. We realize that because of that we missed one point of view. But our one interviewer – Mr. Nycz, proved his knowledge
about two markets. He was able to answer for our questions. It was sufficiency overview to provide research and conclusions for our paper.

### 3.4. Case Selection

Firstly we decided to limit ourselves only to two countries – Sweden and Poland, and one segment of economy, namely passenger car market. The reason of choosing passenger car market is that differences on this part of car market are most significant in Poland and Sweden.

What is more, it is absolutely too difficult for us to analyze whole car market. As it is well known, every market is changing because of influence from the environment. That is way taking into consideration whole car market requires from us providing really detailed research. We are sure, that we would not have enough time for preparing so wide range of analyze and come to proper conclusions.

Time horizons of our work include time from March 2007 till May 2007. In this period all data was collected and analyzed.

#### 3.4.1. Why Sweden?

Looking ahead, Sweden is well equipped to take advantage of the opportunities offered by a globalizing economy: its openness and internationalized business have created an environment of innovation and technological excellence. The measures taking by managers to strengthen strategic sectors in Sweden and business relations with dynamic markets will generate many new opportunities for foreign investors. When you invest in Sweden, you can be confident that you will find expanding markets nearby, such as the Baltic Sea region/northern Europe. As well as advanced technologies and industries, state-of-the-art know-how and competencies, stable and beneficial macroeconomic conditions and competitive business costs.

But above all, Swedish customers are perpect as a well educated population ready to accommodate constant change. All of these assets help create the very best conditions for operating a profitable business. This country stands strong as a global competitor and has a great deal to offer. The high productivity and cost effectiveness of some of Sweden’s most successful companies can be partly explained by how they have explored the region’s qualities to their advantage. (Invest in Swedish Agency, 2007)

Sweden is a country, where foreign trade is the most important key for develop and position Swedish economy on high level. What is more, from many years this country shows active balance of trade which come to few billions of Euro per year. Swedish market performs a role test market for American industry. Till now, most of Swedish companies noticed, that cost of men-power in Poland are relatively lower. For this reason, Swedish invest in Poland. That way of cooperation will grow in dynamically way. (Ambasada Polska w Sztokholmie, 2007)

Volvo AB is one from many Swedish companies, which located capital and production in Poland. Moreover, Poland is the second most important market for Swedish car manufacturers after the United States, so gain Polish market create opportunities to establish dynamic, profitable and effective relationship for both countries. Swedish automotive companies have a strong position in their domestic market and accounted for 28% of newly registered passenger cars in 2005. Swedish manufacturers held 92% of the domestic market for heavy diesel trucks. The Swedish new car market has been characterized by dramatic fluctuations according to a regular 11- or 12-year cycle, with 1965, 1976, 1988 and 1999 as record years.
Exports play a very important role in the Swedish automotive industry. The automotive industry is the single most important exporting sector in Sweden, accounting for 15% of total Swedish exports of goods.

As we can clearly notice, the motor vehicle industry plays a central role in the Swedish economy. Swedish automotive manufacturers, including suppliers to the industry, employ about 140,000 people. The automobile industry accounts for one fifth of total machine and inventory investments by Swedish industry. In 2005, exports of motor vehicles and automotive parts amounted to about SEK 145 billion or 15% of total Swedish exports, making the automotive industry the most important single exporting sector. Nine out of every ten vehicles are sold in the export market (Invest in Swedish Agency - High Marks for Sweden in ISA report, 2007). About 85% of passenger cars produced by Volvo Cars are sold abroad. About 95% of the Swedish manufacturers’ production of heavy diesel trucks is generally sold outside Sweden (SWEDEN.SE – the official gateway to Sweden, 2007).

In an international perspective, Swedish automotive manufacturers make relatively few passenger cars, accounting for only 1% of world production. In terms of heavy vehicles over 16 metric tons, however, Swedish manufacturers are among the largest in the world. One fifth of the heavy trucks produced in the world during 2005 were manufactured by either Volvo or Scania. (Invest in Swedish Agency, 2007)

3.4.2. Why Poland?

We find interesting the fact that distance between Poland and Sweden is quite small and these countries are neighbors. Follow that, the taxes and all costs which are related with car production and selling should be minimized because of distance. We want to check, how Sweden can undersell with other suppliers by deliver their home product to other, but still close country which is Poland.

With a 40-percent growth over 1995, car sales puts the Poland as leader in Europe. That's good news for buyers too, with producers offering lower prices and preferential loans in an attempt to attract the car-hungry public. At present, the producers' and importers' main goal is to secure the best position on this, the most rapidly developing car market in Europe. Not only European countries share this opinion, but also this one from north-west part like Ireland. We found on the one from Irish web sides, that traditionally Poland has been a significant car manufacturer. Several OEMs and automotives systems suppliers have operations in Poland (Enterprise Ireland – Transforming Irish industry, 2007). Almost all of the world's biggest car manufacturers are interested in Poland, and most of them promise to further expand their activities here. (Warsaw Voice, 2007)

In European Union perspective, Polish car market also is defined as the biggest one beyond the markets belong to the new European Union members. We found interesting the fact that the growth of the Volvo Company sales has reached 10% in last years. Moreover, amount of individual and business clients, who choose the Volvo brand, is getting bigger from one year to another. That is why Volvo gains more and more shares in the premium cars class on polish car market. Poland promoted on 10th position in the biggest European car markets classification. In January 2007 Poland obtained record-breaking growth result on level 21.6% (www.samar.pl, 2007)
The Polish car market share in Europe rise systematically. These all circumstances presented were the reasons why we chose Polish market.

3.4.3. Why Volvo?

Due to time restrictions we chose only one car manufacturer. Since we need to answer on question if there are any, and what are differences in one’s company marketing mix adaptation between two national market we had to choose a widely expanded company with experience in export.

Our choice has fallen on the Volvo Company. With its 85% rate of passenger car export and about one hundred countries where they sell their cars, Volvo Company appears for us as a best choice of Swedish car manufacturer (Volvo Cars website, 2007). There should not be missed the influence of Volvo’s focus on environmental case which we consider as very important nowadays. Of course there was another one, more trivial explanation of choosing Volvo as Swedish car manufacturer. We choose Volvo, because it takes the first place in Swedish vehicle manufacturer market what means – this car distinguishes among other cars adopted in Swedish market. If we think about Swedish car – we think about Volvo.

3.5. Data Analysis

Along with Yin (1994) the researcher, preparing a case study, can choose between two general analytical strategies: relying on theoretical propositions and developing a case description. The theoretical propositions are most commonly used strategy and it is based on research questions taken from previous studies. The findings of the study can be then compared to the result or findings from previous studies. Making a case description is less common. It is used when little previous research has been done.

As we know, there are some theories (models) which help with process of adopting marketing-mix, such as PEST analysis or 5 Porter’s forces model. However, these theories require analyzing external factors, but in our case we focus on internal factors. Therefore for this study, data analysis will be made through case description.

Miles and Huberman (1994) identify two types of analysis, within case displays and cross case displays. By display the authors mean “a visual format that presents information systematically, so the user can draw valid conclusions and take needed action” (p. 91). Within case analysis show the collected data compared to previous theory in order to identify differences and similarities and a cross case analysis is comparing the single cases with each other to increase general view in the subject. Cross case analysis gives opportunity to see if the collected data in the separate cases are diverse, typical, effective, ineffective etc.

In our paper we use both, within-case and cross-case analysis. In within-case we will check what our respondent and secondary data say about Volvo adopting marketing-mix on Polish and Swedish market and we will try to put it into theory frames. Since we have multiple cases, we can make cross-case analysis. Hence, we will check if Volvo’s marketing-mix approach differs on Polish and Swedish market? After that, we will try to make some conclusions why these differences exist.

We would like to notice here, that since our purpose is to find differences in both cases, we focus more on the cross-case analysis. Due to this fact, the reader will find within-case analysis included in cross-case part. Other reason is, our believe, that making separate chapter
for within-case analysis will cause redundancy of information in empirical and analysis chapters.

3.6. Validity and Reliability

There are high quality requirements stated before scientific research. The degree of faultlessness does not depend only on review, but above all, on awareness of the researchers themselves. (Stachak, 2006) Due to this, lastly, any researcher has to measure degree of validity and reliability of his research.

3.6.1. Validity

According to Robson (2002) validity concerns whether the findings are really about what they appear to be about. Wiedersheim and Eriksson (1997) consider validity as the ability of research instrument to measure what it is supposed to measure. Therefore, when we speak about validity of paper, we speak about whether the findings stated in paper really answer the research problem? Hence, validity of work decreases if problem and research questions do not correlate.

The interview in this study was conducted in polish language, so there is small possibility that both sides could misunderstood their statements. Error threat could only come out from possibility of wrong translation of interview on English language. Another fact affecting validity of our work could be lack of copy of conversation with respondent. However, some of respondent statements, after further comparison, were equal with information collected as secondary data. Therefore, using multiple sources of evidence affected raise of validity of paper. Moreover, the position which has our respondent in Volvo Cars Company allows us to consider our primary data as credible. For that reason, we think that anyone who makes the same research will go to the same conclusions, as we did.

3.6.2. Reliability

Yin (1994) defines reliability as measure whether “the operations of a study, such as the data collection procedures, can be repeated with the same results” (p. 33). For Wiedersheim and Eriksson (1997) the paper is reliable, when research instruments used in paper, give authentic and reliable results. A reliable instrument yields the same result on repeated measures. Therefore, we can state, that paper is reliable when later researcher following exactly the same procedures and conducting the same case study all over again as described by author of paper, the later researcher should arrive at the same findings and conclusions. The objective, here, is to minimize the errors and biases in a study. (Yin, 1994) Looking closely on reliability aspect is especially important in case of any qualitative studies, which might contain many subjective judgments.

The fact which could negatively influence reliability of our work was that questions asked were open and every different respondent could answer to them in different way. However, we believe that answers collected from other people from Volvo Cars would not differ significantly.

All secondary data was collected through Internet using information from official polish and Swedish Volvo Cars websites. Google searching engine was used to find interesting articles about marketing of Volvo Cars Company. We think that this research is quite easy to repeat
for further researches. The only one problem could be language barriers with translating both – Swedish and Polish Volvo websites.

We think that it is very probable that everyone who follows our steps of research will collect the same data. It is also quite simple to do this.
4. Empirical Results

This chapter contains a short introduction about history of Volvo Cars and company’s main values. Subsequently, data about marketing mix adaptation by the company into Polish and Swedish car market will be presented. This part will be the base of the analysis and following conclusions.

4.1. Overview of Volvo Car Company

4.1.1. History

Volvo Group has its origins in Gothenburg, Sweden, when the first Volvo Car rolled off the production line. The first truck was an immediate success in January 1928, when it quickly sold out. From the start, the owners decided to create vehicles that were safe and could stand the tough conditions of Sweden’s weather and poor road conditions of the time. For the owners, “safety is – and must always be – the basic principle in all design work”. From there comes the focus on safety, durability and quality which characterizes their brand image. (Volvo safe?, 2007)

Nowadays Volvos brand name is owned by Trademark Holding AB, which is jointly owned by Volvo Car Corporation and AB Volvo. That means Volvo Cars is entirely separated from trucks, buses and transportation vehicles. Actually, Volvo car Corporation belongs to Ford, though, still using the Volvo brand. The goal of this strange administration of the brand is to ensure the image of safety is not diluted and to also maintain the heritage and strategy of the former Volvo image. In words of Lex Kerssemakers, senior vice president of product and business strategy, “Ford is investing heavily in us, but you do not need to be a financial wizard to know that we need to keep up our own pants. We need to generate our own revenue to finance future products.”

4.1.2. Brand meaning

In Latin, Volvo is the first person singular of the present tense from the infinitive of the verb “volvere”, which can be translated as to roll up. This describes well what the company has been doing so far, as part of a long-term strategy to maintain Volvo’s reputation of safety. It is one of the oldest car brands, though, it is actually associated with the Group’s core values – quality, safety and environmental care. (Ibid.)

The name is simple, ingenious and with a very strong connection to the company’s entire operation, without R or S, therefore easy to pronounce in most languages around the world. The logotype adopted by the company comes from the ancient chemical symbol from iron, a circle with an arrow pointing diagonally upwards to the right. It also symbolizes and creates associations with the famous Swedish iron industry. Not only cars are carrying the logo, trucks, busses, construction equipment and so on have it due to the Volvo Trademark Holding AB in which Volvo Car Company and Volvo Group are affiliated with (Global-Volvo Group, 2007).
4.1.3. Vision, Mission and Values
Based on information from main Volvo’s web side the vision of the company is to be the worlds most desired and successful premium car brand. Thus, the mission is to create the safest most exciting car experience for modern families. Quality, safety and environmental care are the values that form Volvo’s common base and are important components of the corporate culture. It is reflected in how the company develops the products, the societal concept and how it treats both customers and employees. The goal of the company regardless the brand, is to maintain leading position in these areas (Global-Volvo Group: our values, 2007)

4.1.4. Volvo’s core values
Except high quality, Volvo has core values described below:

Safety
“An automobile is driven by people. Safety is and must be the basic principle in all design work”, Volvo founders said. Safety covers a larger area than just road safety. A lot of attention is now put on road safety due to the accidents on roads which have caused the death of about 1 million people every year. Some 10 million people are injured or crippled. More than 40,000 people die on Europe's roads each year and 1.4 million are injured. During the last decade the number of fatalities on European roads has decreased through joint activities from industry and authorities. The European Commission presented in 2001 a White Paper on European Transport Policy for 2010. A very ambitious target was set for road safety plus a 50 per cent reduction of road fatalities by 2010. Also, taking advantage of the use of new technologies, especially in preventing accidents, will be important in the future.

For Volvo safety thinking has been a basic principle integrated in the work from the start in 1927 until today, safety being one of the Volvo Group’s core values. A series of pioneering safety innovations has made Volvo a world leader in automotive safety over the years. The Volvo safety concept has evolved to encompass safety in a broader context - safety in the interaction with others on roads and in work situations, as well as improving comfort and working conditions for drivers and operators. A high standard of safety represents a major contribution to efficient transport. (Volvo Group: our opinion – safety, 2007)

Volvo not only works in safety in accidents, but in ‘Preventative Safety’ which helps drivers to avoid the accidents in the first place. The brand works to develop continuously new features which can make the cars safer as the company’s website shows with a list of 43 safety innovations.

Environmental care
Environmental care is among the objectives and main features of Volvo’s products. In march 2003 it was awarded under the international environmental standard ISO 14001 recognizing one of the first carmakers which reduces the environmental impact of cars and operations. Volvo also implemented environmental programme, which based on holistic view, continual improvement, technical development and resource efficiency.

4.2. Sweden
First of all it is very important to know, that the Volvo Car company was born in Sweden, and security, safety and family values are some fundamental notions that Swedish people are concerned with and for company itself they are important components for culture. In order to adapt its cars to the Swedish behavior, Volvo had to position its brand in the safety segment, which was much more adapted to its market than the other ones, e.g. performance and luxury. Moreover, Volvo car is well known among Swedes as family car. The goal of the company regardless the brand, is to maintain leading position in these areas. (Global-Volvo Group: our values, 2007) Volvo Cars in Sweden roughly divide the market into private persons and legal entities. Volvo’s hundred largest customers are the biggest companies in Sweden, such as Ericsson. These customers treat Volvo cars with special attention and place an extra focus on them.

In Sweden you can buy a Volvo car from 193 authorized dealers of Volvo Cars. You can visit also authorized dealers of Renault Cars or non authorized dealers to make a purchase. For business customers (B2B) you have one more possibility – to buy directly from head office Volvo Car Sweden. (Volvo Cars website, 2007)

Volvo Cars produces many models of cars. Beginning from limousine-sedans, through cross-country SUVs (sport utility vehicle), ending on sports coupes. Swedish Volvo’s website (Hittar inte sedan, 2007) presents such models like:

- sedans: S40, S60, S80
- versatile cars: V50, V70
- cross-country/SUVs: XC70, XC90
- coupes: C30, C70

Moreover, website offers customization possibility to clients. Through special software, customer can choose from many modifications of Volvo’s products and select the preferred one. As Mr. Mariusz Nycz told as, most popular model of Volvo car is V70 and XC90.

Swedish Volvo Cars website (Volvo Cars website, 2007) provided us also with information regarding prices of particular car models. In tables in appendix 3 are presented only the lowest possible prices of particular models with particular engines versions. Of course the prices can be higher due to difference in equipment.
The prices presented on Swedish website were stated in Swedish crowns. To be able to compare cars’ prices we had to standardize those prices, so we used Euro currency. Rates of exchange were checked on 8th of May. We used (FOREX, 2007) to exchange Swedish crowns (SEK) for euro currency. For that day, rates of exchange were 1 EUR = 9.0743 SEK.

Volvo Cars Sweden offers many additional services as the augmentation of their basic product – car. According to Volvo Cars’ website, the company offers such services like: assurance, guarantee, repair-service, and assistance, financing and fleet program. It has also its own assurance department called “Volvia”, which is sub-department of one of the biggest Swedish assurance companies – “If Skadeförsäkring AB”. The Amount of insurance premium is the same in all country. The length of period during which, assurance packet is available in Sweden is eight years. Volvo Cars departments offer two years’ guarantee and three years’ assistance packet.

In Sweden Volvo is treated more like a family car, rather than a luxurious one. Mr. Nycz said that directly competitors for Volvo cars are Renault and VW. It is difficult for Swedes to forget the image Volvo had even just fifteen years ago, i.e. a boring, squared, unstylish car that everybody owned. Volvo Cars Sweden is putting a lot of effort into adding excitement to Volvo’s core values, to make new segments, like the younger generation interested in buying Volvo cars. (Volvo Safe?, 2007)

As we mentioned, Volvo gives the idea of safe and robust cars manufacturer. That is the idea they have to maintain, as well as keep that image and at the same time create some emotion in respect of the brand. Volvo is by far the most trusted brand in auto industry. In surveys conducted by Strategic Vision in 2006, more than 60% of the consumers surveyed associated Volvo with a feeling of trust as the leading brand attribute. Next competitor had a level of 42%. That’s a good start for the new strategies. (Volvo Goes Beyond Safety, 2007)

Volvo’s core elements are quality, safety and environmental care. Nowadays all the cutting-edge brands have excellent quality and fulfill high levels of security in their cars. That is why Volvo introduced within its core elements the environmental care, as well as being pioneers in safety cars. Volvo is looking for a new brand idea to elevate its status in the mind of consumers – especially men – and realize its unmet sales goals. The company has to be aware of other carmakers have closed the gap in safety, driven in part by carrying out the regulations that all automakers must follow. Another threat comes when the firm has not introduced a new design in high-volume segment in almost three years. However, this problem will be solved in 2007 by launching 4 new models, one of them C30 is the main hope for engage new target audience. (Ibid.) The role of C30 is to bring buyers into the Volvo family segment earlier than any vehicle in its current portfolio can. To reach the new generation, Volvo has put together a team of people in their 20s and 30s who will help to come up with a marketing campaign for the new C30. (Smallest, cheapest Volvo targets younger customers, 2007) Volvo recalls, for the customer, a brand characterized by the safety and familiarity of their cars. That is the concept the consumer has about the brand, and that is what Volvo is working for.

To reach to customers Volvo is using many promotional tools. It also strives to seem a very innovative company, technological leader. In order to achieve that leadership, it is introducing new way of advertising, as might be innovative advertising through TV, online marketing and new technologies advertising as Bluetooth and 3D screens. In the latest 20th century Volvo
already had very innovative movies by which they announce the brand, the safety and quality of their products rather than specific car models.

We couldn’t get information about how much money Volvo Cars in Sweden assign for advertisement. Mr. Nycz told us that it is official secret, but also said that Volvo Cars in Sweden spend more money on advertisement than Volvo Cars in Poland because the Swedish market is the second market for Volvo regard for amount of sold cars. Also we get the information that Volvo in Sweden use all activities in promotion mix as ATL, BTL, Internet, CRM, sponsoring, events, and activities in dealers points.

In 2003, Volvo became online through the advertisement “Mystery of Dalarö”. A documentary of 32 Swedes, which consumers only could see the full story through Volvo’s website. With this strategy Volvo sold twice as many S40s in the first half of 2004 as it had in the same period in 2003. (Volvo Life on Board For Volvo Cars By mOne/Mindshare, 2007)

Campaign of Volvo S60 is a new image of company. The name of it is “revolution”. Volvo wants to show that it is new spirit, new car, and new idea. The Volvo S60 campaign positioned the S60 as a symbol of all the iconic changes taking place at Volvo – as evidenced by the car’s impressive design and performance ability. The idea of “revolution” is to suit new and interesting media placements and new ways of communicating with target audience. Ken O’Donnell, Media Director said –“Because 80% of Volvo owners are online, we decided to do what no one had done before: use online media exclusively. (Euro RSCG Worldwide – Creative business ideas, 2007) Due to that the Volvo’s website is the 8th best site by Byte Level Research, bringing an unique opportunity for visitors. (Volvo Life on Board For Volvo Cars By mOne/Mindshare , 2007)

The nowadays advertisements, which people can see in the Internet or on TV, prove that Volvo is still realizing Volvo core value - safety car, also expose new idea of Volvo - safety car doesn’t have to be boring.

The newest campaign of Volvo C30 is showing a unique image of new small car. The slogan to attract young public in Sweden is “the Volvo you have when you don’t want a Volvo”. To reach the new generation, Volvo has put together a team of people in their 20s and 30s who will help to come up with a marketing campaign for the new C30. (New target market for Volvo, 2007) It means Volvo has created a new, smaller, sport, cheaper model for young clients, the C30. Most of Volvo’s buyers are between 35 and 55. The role of C30 is to bring buyers into the Volvo family segment earlier than any vehicle in its current portfolio can. (Ibid.).

4.3. Poland

Volvo Cars Poland started their existence in 1991. The clients of Volvo Cars Poland are mostly the presidents of industrial and commercial corporations, firms’ owners, businessmen, banks, insurance companies, diplomats and representatives of free professions (lawyers, doctors). As Mr. Nycz told us, since 2000 the Volvo Cars Poland is selling cars only in 17 authorized dealers of Volvo Cars or from non authorized dealers. (Autoryzowani dealerzy Volvo, 2007).

Volvo Poland is strictly linked with business-to-business marketing. Mr. Nycz said that Polish customers are companies, top managers, people from upper class, so selling process is in most
cases B-T-B\(^1\) marketing rather than deliver product to individual customer. From this point of view, Volvo car is a synonym of luxury and ‘really good shape’ for businessman. In Poland target group are in most cases man, but around 20 per cent from target group belongs to female drivers. Customers are characterized as citizens especially from big cities, whose earnings reach to level between 10 000 and 15 000 zlotys per adult person in a family. In most of cases, these people are in the middle age and older one. Due this fact, it can be seen that customers, who buy Volvo cars are well situated. Follow by Mr Nycz, consumers as self-confidence, well educated people from big cities. Moreover, they are receptive for new trends and products, active in professional and private live. He also characterized them as people who choose strong brands, with high level of aesthetics. Mr Nycz said that kind of social group pay attention especially to shape, appearance and car’s character and comfortable during driving. In that way, car is much more than only way of transport. It is a piece of their image; they try to show their personality by their cars.

In Poland fact, that Volvo is perceived as safety and family car is not so important. The reason is, that Polish customers are companies, top managers, people from upper class, so selling process is in most cases business-to-business marketing rather than deliver product to individual customer. From this point of view, Volvo car is just a synonym of luxury and ‘really good shape’ for businessman. Because of that the competitive companies for Volvo Cars in Poland are Audi and Mercedez.

Polish Volvo website (Wszystkie Modele – Modele Volvo, 2007) presents information about Volvo Cars models available on Polish market. There are sedans (S40, S60 and S80), versatile cars (V50, V70), cross-country/SUVs (XC70, XC90) and coupes (C30, C70). Polish website, the same as Swedish, offers customization possibility to clients.

On the polish Volvo Car website (Volvo Cars Polska, 2007) we found information about possible lowest prices of particular Volvo cars models. In tables placed in appendix 3 we presented only the lowest possible prices of particular models with particular engines versions. The prices can be higher due to difference in equipment that customer can choose.

The prices for Volvo cars in Poland, which are presented in appendix 3, were stated in polish zlotys. To be able to compare cars’ prices in analysis chapter, we had to standardize those prices, so we used Euro currency. Rates of exchange were checked on 8\(^{th}\) of May and come from [www.nbp.pl](http://www.nbp.pl) website. For this day, rates of exchange were: 1 EUR = 3, 7495 PLN

Moreover, we present all kind of Volvo cars’ models, but not every from them are available for Polish customers in their home market. To show it, we put “-“sign in the tables, what means, you cannot buy this model in Poland.

Volvo Cars offer many additional services as the augmentation of their basic product – car. According to Volvo Cars’ website, the company offers such services like: assurance, guarantee, repair-service, and assistance, financing and fleet program. Polish Volvo websites were checked for adequate information. In case of assurance, Volvo Cars Poland use the services of big assurance company Allianz S.A. The Amount of insurance premium depends in Poland from the car owner’s place of living. Length of period during which, assurance packet is available in Poland there is six years’ period. Also we checked website to see differences in the offer of augmented product by Volvo Car Poland and Sweden. As we

\(^1\) B-T-B – business-to-business
noticed they are very similar. Both Volvo Cars departments offer two years’ guarantee and three years’ assistance packet. Repair-service, financing and fleet offers are almost the same.

According to Volvo’s press communicate (Volvo Auto Polska – Najlepszy kwartał w histori Volvo Cars Polska, 2007) the beginning of 2007 year was very good for Volvo Cars Poland. Car sales in first quarter increased 40% comparing to the same period in previous year. The Volvo S80 – new representative limousine appeared to be great success. Sales of this model increased 182% in this period. As Mr. Nycz said the most popular model of Volvo Cars in Poland is S60 model. The Volvo Company estimates that the number of sales in first quarter of 2007 is the best in luxury cars sector on polish market.

The interview with Mariusz Nycz gave us answer for question about promotion activities using by Volvo Cars in Poland. The most recent campaign in Poland as previous one, based on traditional promotion tools, like: outdoor, press, TV, Internet and direct marketing and also employed nontraditional methods from event marketing, like happenings connect with road show. That both tactics should complement one another and intensify message- it was the main idea. For example, between March and May 2007 Volvo Cars in Poland carried out promotion for the one of the car’s model: Volvo C30. Agency focused on quite easy but finally effectively leading slogan: “What is your opinion?” According to Mariusz Nycz the company tried to adopt product into very new target group that is why by asking they wanted to reach to the new customers needs.

People in Poland can find Volvo’s adverbs in such magazines as Elle, A4, Twój Styl or Viva. However, in TV most of the commercials about Volvo cars are in channels like TVN Style, TVN24, Canal+, animal Planet or in typical ‘motor’ channel: TVN turbo. Using this activities guaranty to reach precisely to all target group as claimed Mr Nycz. The promotion method in Poland also implies web sites on Onet and Interia portal. Thanks for that, Volvo managers can follow by the most present customers’ wishes and opinion.
5. Analysis

In this chapter we present the analysis of our empirical results. We will compare theories outline about marketing mix tools with empirical research results. In the next step we will answer for questions regarding to adaptation to one product into different markets.

5.1. Product mix

As Baker said, marketers have experimented with different combination of product, pricing, promotion and distribution. Based on Łaguna (2002), product is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a wants or needs. It includes physical objects, services, persons, places. Volvo Cars in Poland and in Sweden take into consideration differences and values characterized each market and customers behavior. According to Kotler and Armstrong (1993), consumers view a brand as an important part of the product, and branding can add value to the product. One of the most important decisions a marketing manager can make is about branding. The value of brands in today’s environment is phenomenal. Brands have the power of instant sales. They convey a message of confidence, quality and reliability to their target market. Powerful brand names have consumer franchise – they command strong consumer loyalty. That is also the concept the consumers have about the brand, and that is what Volvo is working for. The company has wide offer about cars, which had been already adopted in both markets.

Till present days, Volvo Cars had produced nine models. They are all available in Swedish and Polish markets. Kotler (1991) explains product design is the process of designing a product’s style and functions: creating a product that is attractive, easy, safe and inexpensive to use and service. It has to be simple and economical to produce and distribute. Good design contributes to a product’s usefulness as well as to its looks. Moreover, good design can attract attention, improve product performance, cut production costs, and give the product a strong competitive advantage in the target market. Reason for attract Swedish and Polish customers is main values characterized every product: safety, environmental friendly car with good quality. Garvin (1987) has already noticed that quality level will support the product’s position in target market. Moreover he said, quality is one of the marketer’s major positioning tools. Follow by theory and Volvo Company’s objectives we investigated, that all models are available in two markets: Scandinavian and Polish.

Only one difference between countries is character among target group. When in Sweden Volvo car is selling for every individual customer as well as big companies like Ericsson. These customers treat Volvo cars with special attention and place an extra focus on them. However, in Poland main target group are people from upper class. They are described as customers from higher social class, with also adequate higher earnings compare to workers. In many cases they professions belong to marketing field, top managers or executive in multinational companies. Mr. Mariusz Nycz (Communication Marketing Manager for Volvo in Poland) said that kind of social group pay attention especially to shape, appearance, and car’s character and comfortable during driving. In that way, car is much more than only way of transport. It is a piece of their image; they try to show their personality by their cars. Because of that positioning of product is different in Sweden and in Poland. That’s why different model are most popular: in Poland S60 and S80 and in Sweden V70 and XC90. As Mr. Nycz said it is happened because target group in each of those countries is different.
As Kotler (2004) suggested product should be viewed in three levels: core product, actual product, augmented product. Core product and actual product are the same in Poland and Sweden. We write all components in empirical chapter, so it is useless to write it again. The only small difference is in augmented product. Volvo Car in Sweden gives the eight years of assurance packet for the cars. In Poland it’s only six years.

5.2. Pricing mix

According to Łaguna (2002) factors determining price are:

- Internal
  - production cost
  - marketing policy
  - product
- External
  - market characteristic
  - demand for product
  - supply of product
  - policy of present country
  - level of personal profits
  - price of substitution products
  - price of complementary products
  - competition
- Social
  - fashion
  - convictions
  - religion
  - etc.

In Poland, price of Volvo’s Cars (basic version) starts from 19 976 EUR and ends on 65 582 EUR. In Sweden the prices starts from 21 037 EUR and ends on 53 657 EUR.

Moreover, we present all kind of Volvo cars’ models, but not every from them are available for Polish customers in their home market. To show it, we put “-“ sign in the tables, what means, you cannot buy this model in Poland. We did not place Swedish price for these models, because we cannot make comparison with Polish vehicle market, so we are not able to come to proper conclusion.

On bar charts, we present parallel prices in Poland and Sweden to expose fact, that these prices can be totally different in two markets, as we said in our previous description. The most obvious trend is fact, that for bigger, much more exclusive cars, prices in Poland are adequately higher than in Sweden.

According to tables shown in appendix, we can clearly see how high differences exist between cars’ prices into Polish and Swedish vehicle market among selected car models. The changes between cars’ prices are noticeably especially in models with the biggest engine. If the car has bigger engine, then it is more expensive in Poland compare to Swedish market. For example, model S80 with engine 2.5T in Sweden cost 31 066 Euro and in Poland this price cost 45 073 Euro, which gives 31, 08% differ.
Comparing product prices of Volvo Cars in Poland and Sweden (Tables 3-11) we can see that almost all prices are higher in Poland, especially car models with more powerful engines. The biggest difference between prices in Poland and Sweden was noticed in models: V70 (39%), S80 (25% - 31%) and S60 (18% - 24%), which are perceived in Poland as business class cars.

The most obvious trend is fact, that for bigger, much more exclusive cars, prices in Poland are adequately higher than in Sweden.

Because of fact that all Volvo models of cars sold in Poland come from Sweden, costs of production do not explain the difference in prices. Such big difference in price cannot come out of import costs. As Mr. Nycz said obvious reason is product positioning. It is the result of difference in target customer in both markets. Volvo cars in Poland is destined for business class or well-situated individual clients, whereas in Sweden those cars are perceived as family cars. Obviously Volvo brand image in Poland (luxury cars) have impact on price. Substitution products for Volvo in Poland are Mercedes and Audi, so the price can be higher because of image and directly competitor’s products price. In Sweden competitors for Volvo are Renault, Citroen or VW. Those directly competitors have an effect on Volvo price policy. That is another reason why price in Poland and Sweden is distinct.

According to Mr. Nycz, another reason is fact that Volvo is using the same price strategy in Poland and Sweden. It is mix of competition pricing with optional pricing (when customer choose additional equipment). Volvo put price competitive to their direct rivals. Because competitors on Swedish market are VW and Renault, price is lower then price in Poland, when competitors for Volvo cars are Mercedes and Audi. However on Polish market Volvo use an aggressive sale. After product is adopted to polish market in price of basic product they give additionally some peripherals.

Interesting is fact, that some version of new Volvo model - C30 is cheaper in Poland. The reason is that the car is directed to the same target group of customers in Poland and Sweden, but the difference in price come out of the earnings of these groups in both countries. Sweden is developed country but Poland is still developing country which has impact on level of wages.

5.3. Promotion mix

Based on statements from Bannett (1988) modern marketing is more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their customers. A company’s communications program its called promotion mix. The specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing objective. The interview with Mariusz Nycz gave us answer for question about promotion activities using by Volvo Cars in Poland. Volvo also strives to seem a very innovative company, technological leader. In order to achieve that leadership, it is introducing new way of advertising, as might be innovative advertising through TV, online marketing and new technologies advertising as Bluetooth and 3D screens. Advertising can take a number of forms, including: public relations, personal selling, sales promotion, direct response. By personalizing advertising, response rates increase thus increasing the chance of improving sales (Doyle & Stern, 2006).

With reference to this theory, the most recent campaign of Volvo Cars in Poland, like previous one, based on traditional promotion tools, like: outdoor, press, TV, Internet and
direct marketing and also employed non-traditional methods from event marketing, like happenings connect with road show.

People in Poland can find Volvo’s adverbs in such magazines as Elle, A4, Twój Styl or Viva. However, in TV most of the commercials about Volvo cars are in channels like TVN Style, TVN24, Canal+, animal Planet or in typical ‘motor’ channel: TVN turbo. Using this activities guaranty to reach precisely to all target group as claimed Mr Nycz. The promotion method, in Poland also imply web sides on Onet and Interia portal.

The most recent Volvo S60’s promotion campaign in Sweden shows that Volvo is using the same mass-media in Poland, as well as in its home market. They use TV, billboards, newspapers, magazines and Internet.

The newest campaign of Volvo C30 is showing a unique image of new small car. The slogan to attract young public in Sweden is "the Volvo you have when you don't want a Volvo". To reach the new generation, Volvo has put together a team of people in their 20s and 30s who will help to come up with a marketing campaign for the new C30.

In Poland campaign of this model has different slogan - "What is your opinion?". According to Mariusz Nycz the company tried to adopt product into very new target group that is why by asking they wanted to rich to the new customers needs.

This both advertisements prove that Volvo is still realizing Volvo core value - safety car but also expose new idea of Volvo - safety car doesn't have to be boring. Volvo in Poland as well as in Sweden is using the same media to reach to the target group, but the message is matched to needs of recipient in both countries.

As Mr. Nycz said Volvo in both countries use the same mix of activities to reach to the target group, for example ATL, BTL, Internet, PR, events etc. He couldn’t gave us information about amounts of money that Volvo Cars in Poland and Sweden spend on advertise. But he said that Volvo Cars Sweden spend much more money on that activities than Volvo Cars in Poland. The reason is that Volvo Cars in Sweden sell much more cars on this market than Volvo Cars in Poland, so they have bigger budget.

5.4. Placement mix

According to Łaguna (2002) there are two types of distribution: indirect distribution and direct distribution. The difference between those methods is how the product is going from the manufacturer to the consumer. In direct distribution the final price of the product can be lower than on indirect distribution or the profits for the company are bigger then by using the indirect distribution.

Depending on the type of product being distributed there are three common distribution strategies available:

- **Intensive distribution:**
  Used commonly to distribute low priced or impulse purchase products (soft drinks, sweets etc)
- **Exclusive distribution:**
It involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell. An example of would be the sale of cars through exclusive dealers.

• **Selective Distribution:**
  A small number of retail outlets are chosen to distribute the product. Selective distribution is common with products such as computers, where consumers are willing to shop around and where manufacturers want a large geographical spread. (Distribution strategies – 4Ps)

In Sweden you can buy a Volvo car from 193 authorized dealers of Volvo Cars, in dealers of Renault Cars or from non authorized dealers. That’s the indirect ways of distribution. For business customers (B2B communication) there is a direct way of buying Volvo cars- it is direct communication with head office of Volvo Cars.

In Poland you can buy a Volvo car only from 17 authorized Volvo Cars dealers or from non authorized dealers. As we can see there is a big difference in numbers of Volvo authorized dealers in both countries. One of the reasons is that Sweden is domestic market for Volvo and it is second market for Volvo with amount of sold cars.
6. Conclusions and recommendations

Based on previous work, this chapter gives an overall conclusion about the main findings and observation through research. The aim is to give an answer for the problems presented in previous parts of this paper. Personal point of view will be also exposed.

6.1 Conclusion

Our aim with this paper was to find out what differences are in marketing-mix instruments between Volvo’s strategy in Polish and Swedish market and factors, which determine them. As it is explained in the analysis part, the marketing mix depends on specific market and many factors included, but are they really so visible between Polish and Swedish car market?

All sources as secondary data and interview where used to gain results, which was filtered through a theoretical framework on marketing mix elements.

The theoretical framework showed how every 4P’s components can be adapted to each market and as result, can gain benefits for the company. But after all investigations, it is noticed, that marketing mix strategy is no needed to change all 4P’s components, when markets are closely and product have this same exploit values.

Searching for answers concern of main question: What and why are the differences in marketing-mix instruments between company’s strategy in various markets? in this dissertation, authors noticed, that only few of them are noticeable and characteristic for two studied car markets.

It can be noticed that Poland as well as Sweden are a part of European culture. They belong to European sector for Volvo Car. Follow by European customer perception, in general-they demands are the same compare with for example American point of view. For Europeans, car in general meaning has be safe at first, than best qualified, environmental friendly and has definite body. Volvo serves that core values. This is common feature characterized politic in both markets (Polish and Swedish): to convince customer, that Volvo car is one of the best cars, which can satisfy driver. The basic Volvo car version is the same for both countries and it is accepted by customers both markets. Also all models are available for Swedish and Polish buyers. In Sweden this fact seems to be obvious, because Volvo is well adopted in his home market and Swedes treat Volvo brand with patriotically feelings. For Poland, Swedish investors are well known as loyal and reliable. Product customization is a little bit different because of target group specification. Volvo Car Company does not assume theory about global customer and this is the first difference, which has been discovered by authors. The company distinguishes Polish and Swedish customer because of age, profession and material status. It has been mentioned that Polish market belongs to Baltic See regions, so distance between countries is minimal. That is why cars’ prices are similar. Interesting fact and the second differences simultaneously is in Poland if customer wants to buy better car, with bigger engine, has to pay more. It is come out of previous statement about product positioning and its target group. Also quality of competitors has influence on car price. How Volvo car can be cheap in Poland, if one of his main rivals is Mercedes? It is absolutely obvious that
Mercedes belongs to luxury class in every part of the world, so its price determines Volvo’s. The way customers perceived Volvo car, his promotion and price, the way they motivated their choices. Mentioned about promotion activities, Volvo Car Company offers full and direct access to its offer via Internet and other promotion activities. Company in both countries use BTL tools, like famous magazines, everyday press or TV channels. ATL is also important part for promotion. All web sides are translated in each language, where Volvo Company distributes its car. Permanent possibilities to review Volvo’s activities and products are the best way to maintain already existing clients and attract new ones. Its commercials and ads are well known, because of interesting messages’ idea. Differentiation in slogans has to be suit to individual target group, so in Poland broadcast has other direction and meaning than in Sweden. What is more, Swedish managers spend much more money for promotion activities, because the company is selling more models. Each of them needs to be exposing by promotion before it will find its own client. Follow that, more customers create higher demand for goods, what means more deliverers as distributors. In Scandinavian country, their number is incredible higher than in Poland. Subsequent to all conclusions result from analyzing process, authors can even claim that the size of car market is the main reason for changing marketing mix strategies.

As we mentioned above, the company marketing mix has a few differences on Polish and Swedish market. We think that all differences are consequence of various positioning of the product. That fact stimulates all changes in price mix, promotion mix and placement mix. As in Sweden Volvo car is dedicated to mass market, price of Volvo cars have to be competitive to direct competitors as Renault or VW. Furthermore, differences in amount of Volvo dealers in Poland and Sweden shows that when Volvo cars in Poland are seen as a luxury car, the chain of dealers can be smaller because the relation between customers and dealers are more like B2B relation. Moreover, service is dedicated to smaller part of market in Poland. We thing also, that the company gain a bigger profits on each car in Poland because costs of production the car are the same in both countries. That is another argument to show that Polish market is valuable. Volvo Cars could change the price policy in Poland to gain a market share, decreasing the price, but it would “kill” the image of Volvo car on Polish market. The cars would be seen as mass market cars, rather that luxury. In our opinion Volvo positioning of the product is awake of its decision. They want to posses the market share but from luxury segment, not from mass market car segment. For the differences in promotion mix the differences are strict form positioning of the car. The media that are used by company in both countries are the same, but core message is addressed to other parts of the markets (different target customer). In our opinion those differences are consequence of positioning of the products.

In sum up, Polish and Swedish car market is very attractive, with deep potential and possibilities for constant developing. For one product with this same purpose, marketing mix tools do not have to be change at all. That means cutting cost for the company and simultaneously being effective and strong adopted in customers’ mentality.
6.2 Implications and recommendations

Researches provided during this thesis are sufficient for explain main purpose and come to proper conclusions. However, this topic can be linked with wider theories.

First idea is to choose different countries, not European one. Volvo Company has already expanded among American market as well. This fact could be used to guide research process on other track. Compare European and American market can show differences among customers’ preferences and the most common ways to attract and maintain them. This perspective can also diversify the paper.

Second one is possibility for changing company. It is not obligatory to focus on car market. We choose Volvo, because of various data collection based on reports, books, and articles in press. But if further researchers will have possibility to reach precise information about other enterprises, not necessary Swedish one, with another profile and product specification, our theories can be adjust with analyze it.

In our opinion, spending time on deeper understanding promotion activities and way of using them can be fascinating and useful purpose also for student from others department like Media and Communication.

Volvo became a part of Ford Company. Taking into consideration this fact, it could be good to know, what managers from this company think about adaptation Volvo car; how this car is positioned compare to others, belong to Ford Group.

Focusing on customers’ reactions and opinions about Volvo car can give other overview for this thesis. Surveys them could attract paper.

For the company, it has to be essential to realize, how important is to adopt marketing mix activities to each market. We find is making differentiations among markets can give profits and be proper way to maintain or even extend products’ life cycle. During all our research we are convinced, that Volvo has been effectively use their strategis plan at the most satisfying level. The most important services which the company has provided for its customers is the creation and implementation product – passenger car, dedicated to their needs. It is possible, because of the managers and their interest on clients, so they can feel comfortable about getting product with best quality.

These activities determine Volvo’s drivers to continue the cooperation with the Volvo company. Moreover, they can recommend the company to other businesses groups wishing to take advantages of gain new markets.

What is more, Volvo is a big company with an adequate budget to its size. Core competence which is managres’ knowledge and skills among financial strategy let Volvo assign money for really good promotion activities. Based on this, the newest car’s models are visible in the market in short time and thanks to attractive commercials can call peoples’ attention to new product.
6.3 Reflection on the research process

This thesis is strictly focusing on 4P’s marketing mix. We could take into consideration other method like PEST analyze and try to investigate, how economical, political, social and cultural aspect influent on marketing strategy in Volvo company.

Another thing, we missed is fact, that we unfortunately did not get any direct contact with available person from Volvo in Sweden. In our case we choose competent manager, because our respondent from Poland has proper knowledge also about Swedish target. On the other hand, conducting only one interview can be perceived by some as not reliable enough.

Finally, point of view from customers could be analyzed. We resigned from including clients’ opinion about Volvo car. Our way of thinking can be percept as too narrow, because we did not follow by customers’ point of view.
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**Interviews**

Nycz Mariusz, Communication Manager, Volvo Cars Polska, Warszawa, May 18th, 2007
## Appendix 1 – Marketing Actions

### Table 1

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<th>Action</th>
<th>Description</th>
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<td><strong>Product planning</strong></td>
<td>Policies and procedures relating to:</td>
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<td></td>
<td>• Product lines to be offered – quality and design</td>
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<td></td>
<td>• Markets to sell – whom, where, when and in what quantity</td>
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<td></td>
<td>• New product policy – research and development programs</td>
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<td><strong>Pricing</strong></td>
<td>Policies and procedures relating to:</td>
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<td></td>
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<td></td>
<td>• Specific prices to adopt</td>
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<td></td>
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<td><strong>Branding</strong></td>
<td>Policies and procedures relating to:</td>
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<td></td>
<td>• Brand policy – individualized or family brand</td>
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<td></td>
<td>• Sale as a private label or unbranded</td>
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<td><strong>Channels of distribution</strong></td>
<td>Policies and procedures relating to:</td>
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<td></td>
<td>• Channels to use between plant and consumer</td>
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<td>• Degree and selectivity among wholesalers and retailers</td>
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<td></td>
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<td><strong>Personal selling</strong></td>
<td>Policies and procedures relating to:</td>
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<tr>
<td></td>
<td>• Burden to be placed on personal selling and the methods to be employed in manufacturers organization</td>
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<td><strong>Advertising</strong></td>
<td>Policies and procedures relating to:</td>
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<td>• Amount to spend</td>
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<td>• Copy platform to adopt – product image</td>
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<td></td>
<td>• Mix of advertising – to the related industry, through the industry, to consumers</td>
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<td><strong>Promotions</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Burden to place on special selling plans or devices directed at or through the industry</td>
</tr>
<tr>
<td></td>
<td>• Form of these devices for consumer promotions, for industry (B2B) promotions</td>
</tr>
<tr>
<td><strong>Packaging</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Formulation of packaging and labeling</td>
</tr>
<tr>
<td><strong>Display</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Burden to be placed on display to help create sales</td>
</tr>
<tr>
<td></td>
<td>• Methods to adopt to secure display within points of sale locations: for example, a department store or bookshop</td>
</tr>
<tr>
<td><strong>Servicing</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Providing services needed</td>
</tr>
<tr>
<td><strong>Physical handling</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Warehousing</td>
</tr>
<tr>
<td></td>
<td>• Transportation</td>
</tr>
<tr>
<td></td>
<td>• Inventories</td>
</tr>
<tr>
<td><strong>Fact finding and analysis</strong></td>
<td>Policies and procedures relating to:</td>
</tr>
<tr>
<td></td>
<td>• Securing, analysis, and the use of facts in marketing operations</td>
</tr>
</tbody>
</table>
## Appendix 2 – Six Sources of Evidence in Case Study

<table>
<thead>
<tr>
<th>Source of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| **Documents**      | • Stable – can be reviewed repeatedly  
                   • Unobtrusive – not created as a result of case study  
                   • Exact – contains exact names, references, and details of an event  
                   • Broad coverage – long span of time, many events, and many settings |
|                    | • Irretrievability – can be low  
                   • Biased selectivity, if collection is incomplete  
                   • Reporting bias – reflects (unknown) bias of author  
                   • Access – may be deliberately blocked |
| **Archival Records** | • Same as above for documentation  
                        • Precise and quantitative |
|                    | • Same as above for documentation  
                        • Accessibility – due to privacy reasons |
| **Interviews**     | • Targeted – focuses directly on case study topic  
                   • Insightful – provides perceived causal inferences |
|                    | • Bias – due to poorly constructed questions  
                   • Response bias  
                   • Inaccuracies – due to poor recall  
                   • Reflexivity – interview dives what interviewer wants to hear |
| **Direct Observations** | • Reality – covers events in real time  
                        • Contextual – covers context of event |
|                    | • Time consuming  
                   • Selectivity – unless broad coverage  
                   • Reflexivity – event may proceed differently because it is being observed  
                   • Cost – hours needed by human observers |
| **Participant–Observations** | • Same as above for direct observations  
                             • Insightful into interpersonal behavior and motives |
|                    | • Same as above for direct observations  
                   • Bias – due to investigator’s manipulation of events  
                   • Selectivity  
                   • Availability |
| **Physical Artifacts** | • Insightful into cultural features  
                        • Insightful into technical operations |
## Appendix 3 – Tables of Volvo’s models prices

### Table 4. Model S40

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price in Poland Euro</th>
<th>Price in Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>21843</td>
<td>&gt; 21368</td>
<td>2,17%</td>
</tr>
<tr>
<td>1.8</td>
<td>21843</td>
<td>&lt; 22911</td>
<td>-4,89%</td>
</tr>
<tr>
<td>1.6D</td>
<td>21843</td>
<td>&lt; 22911</td>
<td>-4,89%</td>
</tr>
<tr>
<td>2.0</td>
<td>21843</td>
<td>&lt; 22911</td>
<td>-4,89%</td>
</tr>
<tr>
<td>2.0D</td>
<td>21843</td>
<td>&lt; 22911</td>
<td>-4,89%</td>
</tr>
<tr>
<td>2.4i</td>
<td>32111</td>
<td>&gt; 22911</td>
<td>28,65%</td>
</tr>
<tr>
<td>T5</td>
<td>38032</td>
<td>&gt; 29303</td>
<td>22,95%</td>
</tr>
<tr>
<td>T5 AWD</td>
<td>41072</td>
<td>&gt; 31507</td>
<td>23,29%</td>
</tr>
</tbody>
</table>

### Table 5. Model S60

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In Poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 (140)</td>
<td>29844</td>
<td>&gt; 26327</td>
<td>11,78%</td>
</tr>
<tr>
<td>2.4 (170)</td>
<td>-</td>
<td>- 27870</td>
<td>-</td>
</tr>
<tr>
<td>Stacha</td>
<td>29844</td>
<td>&gt; 27870</td>
<td>6,61%</td>
</tr>
<tr>
<td>Bi Fuel</td>
<td>-</td>
<td>- 27870</td>
<td>-</td>
</tr>
<tr>
<td>2.0T</td>
<td>29844</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.4D</td>
<td>36778</td>
<td>&gt; 27870</td>
<td>24,22%</td>
</tr>
<tr>
<td>2.5T</td>
<td>36778</td>
<td>&gt; 27870</td>
<td>24,22%</td>
</tr>
<tr>
<td>D5</td>
<td>36778</td>
<td>&gt; 27870</td>
<td>24,22%</td>
</tr>
<tr>
<td>2.5T AWD</td>
<td>41606</td>
<td>&gt; 32609</td>
<td>21,62%</td>
</tr>
<tr>
<td>T5</td>
<td>45579</td>
<td>&gt; 35033</td>
<td>23,14%</td>
</tr>
<tr>
<td>R AWD</td>
<td>65582</td>
<td>&gt; 53657</td>
<td>18,18%</td>
</tr>
</tbody>
</table>

**S40’s prices in Poland and Sweden**

- **Engines:** 1.6, 1.8, 1.6D, 2.0, 2.0D, 2.4i, T5, T5 AWD
- **Prices:**
  - **Poland:** 16,000 to 45,000 euros
  - **Sweden:** 16,000 to 45,000 euros

**Difference between Polish and Swedish prices:**
- **Average:** 15.5%
- **Maximum:** 28.65%
- **Minimum:** 1.61%
Table 6. Model S80

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In Poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and Swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5T</td>
<td>45073</td>
<td>&gt; 31066</td>
<td>31.08%</td>
</tr>
<tr>
<td>2.4D</td>
<td>45073</td>
<td>&gt; 31066</td>
<td>31.08%</td>
</tr>
<tr>
<td>D5</td>
<td>45073</td>
<td>&gt; 33711</td>
<td>25.21%</td>
</tr>
</tbody>
</table>

Table 7. Model V50

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In Poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>23443</td>
<td>&gt; 22470</td>
<td>4.15%</td>
</tr>
<tr>
<td>1.8</td>
<td>23443</td>
<td>&lt; 24013</td>
<td>-2.43%</td>
</tr>
<tr>
<td>1.6D</td>
<td>23443</td>
<td>&lt; 24013</td>
<td>-2.43%</td>
</tr>
<tr>
<td>2.0</td>
<td>23443</td>
<td>&lt; 24013</td>
<td>-2.43%</td>
</tr>
<tr>
<td>2.0D</td>
<td>23443</td>
<td>&lt; 24013</td>
<td>-2.43%</td>
</tr>
<tr>
<td>2.4i</td>
<td>33711</td>
<td>&gt; 24013</td>
<td>28.77%</td>
</tr>
</tbody>
</table>
Table 8. Model V70

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4 (140HP)</td>
<td>38378</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bi Fuel (140)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.4 (170Hp)</td>
<td>42992</td>
<td>&gt; 26217</td>
<td>39.02%</td>
</tr>
<tr>
<td>2.0T</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.4D (126)</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.4D (163)</td>
<td>42992</td>
<td>&gt; 30294</td>
<td>29.54%</td>
</tr>
<tr>
<td>D5</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.5T</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>D5 AWD</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.5T AWD</td>
<td>42992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>T5</td>
<td>54887</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R</td>
<td>72090</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 9. Model XC70

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>D5 AWD</td>
<td>51820</td>
<td>&gt; 39221</td>
<td>24.31%</td>
</tr>
<tr>
<td>2.5T AWD</td>
<td>51820</td>
<td>&gt; 39221</td>
<td>24.31%</td>
</tr>
</tbody>
</table>

![XC70's prices in Poland and Sweden](chart.png)

Table 10. Model XC90

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>D5 AWD (5-seats)</td>
<td>-</td>
<td>- 44180</td>
<td>-</td>
</tr>
<tr>
<td>D5 AWD (7-seats)</td>
<td>54274</td>
<td>&gt; 45833</td>
<td>15.55%</td>
</tr>
</tbody>
</table>

![XC90's prices in Poland and Sweden](chart.png)

Table 11. Model C30

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>19976</td>
<td>&gt; 19495</td>
<td>2.41%</td>
</tr>
<tr>
<td>1.8</td>
<td>19976</td>
<td>&lt; 21037</td>
<td>-5.31%</td>
</tr>
<tr>
<td>1.6D</td>
<td>19976</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.0</td>
<td>19976</td>
<td>&lt; 21037</td>
<td>-5.31%</td>
</tr>
<tr>
<td>2.0D</td>
<td>19976</td>
<td>&lt; 23241</td>
<td>-16.35%</td>
</tr>
<tr>
<td>T5</td>
<td>30671</td>
<td>&gt; 27429</td>
<td>10.57%</td>
</tr>
</tbody>
</table>
Table 12. Model C70

<table>
<thead>
<tr>
<th>Engine</th>
<th>Price In Poland Euro</th>
<th>Price In Sweden Euro</th>
<th>Difference between polish and swedish price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4</td>
<td>38672</td>
<td>&gt; 37788</td>
<td>2.29%</td>
</tr>
<tr>
<td>2.4i</td>
<td>44273</td>
<td>&gt; 39331</td>
<td>11.16%</td>
</tr>
<tr>
<td>T5</td>
<td>53074</td>
<td>&gt; 43849</td>
<td>17.38%</td>
</tr>
</tbody>
</table>
Appendix 4 – Questions to Volvo respondent

1. What is the main target group for Volvo Cars on Polish and Swedish market?
2. What is the price of the products in Poland and Sweden? Is it similar price? If its not, why is the difference?
3. Which price strategy company use on both markets?
4. Which car’s models are the most popular in Sweden and Poland?
5. Is basic version of the car the same in both countries?
6. What additional benefits are available in Poland and Sweden? (Are there differences in augmented product, guarantee, service, etc.)
7. Which distribution channels do you use in Poland and Sweden? (does Volvo company sell cars directly to final customer or only through dealers?)
8. Who are the direct (strategic group) competitors on Polish and Swedish market?
9. Do you have loyalty program for customers? If you have, how does it work on both markets?
10. Which kind of promotion channels are you using in Poland and Sweden? What are the most effective?
11. How much money company spends on promotion in Poland and Sweden?