

FORD HYBRID CARS



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Background of Ford Hybrid car Manufacturing

- During 2005-2006 there was huge increase in oil prices which decreased the demand of new cars and Ford has been in business from around more than a century.
- In September 2006, Alan Mulally had just taken over as the CEO of Ford, the fifth largest corporation in the United States. Ford was in trouble, as was the entire American auto industry, partly due to the rapid increase in average gas prices from \$1.10 per gallon for regular, unleaded gasoline in January 2002 to more than \$2.50 per gallon in September 2006, according to the Energy Information Administration. Sport utility vehicles and trucks, the mainstays of Ford's product line, no longer had the depth of consumer appeal they had in the past
- With his Ford stock price declined 30%, 6 billion\$ loss from ongoing operations along with restructuring costs it reached to 9 billion.
- Innovation of hybrid cars is due to a rapid increase of average fuel prices in recent years.
- Currently, Hybrid cars constitute 1.5% total U.S Light vehicle market .
- Expect 25% increase in total cars and light trucks worldwide by 2020.



Ford Company

- Ford Motor Company is an American multinational automaker that produces cars, trucks, SUVs, and commercial vehicles. It was founded in 1903 by Henry Ford and is headquartered in Michigan. The company is known for its innovative production methods and iconic vehicle models.

Primary Research

- In order to recommend an integrated marketing and communications strategy for Ford, one must first analyze current consumer beliefs, attitudes and habits regarding the brand. A consumer survey indicated that consumers are already aware of the benefits that hybrid vehicles have to offer. More than half of the respondents have driven inside a hybrid vehicle. Survey results showed that Ford is not generally associated with hybrid vehicles in the minds of consumers. Results also indicated that many respondents feel that hybrid vehicles lack power and luxurious qualities.



Problem statement to be analyzed for FORD

- Mulally Ford CEO is rethinking that commitment: Would it be enough? Would that be too much? He needs a quick and credible answer to this question before deciding how forcefully to push the hybrid car program within Ford. Also, Ford's long-term investment in hybrid car business for a 10-year forecast in us hybrid market. Sales forecast of ford hybrid cars if they released to markets.

Ford Next steps for capturing Hybrid market

- A hybrid car is an automobile powered by two sources: (1) an internal combustion engine or diesel engine, as in a regular car, and (2) an electric motor .They receive charge from the movement of the wheels and store the generated kinetic energy through a process called regenerative braking
- Ford needed to win the marketplace to regain its past status and it needs to take drastic market-oriented actions.
- Competitors, Toyota, Honda already head started in this area may move more quickly down the learning curve, producing their cars more cheaply and in greater volumes(this might be negative for us ford to catch up to them)
- As part of the Way Forward plan, the previous CEO (and current Chair) William Clay Ford initially announced that the company would build 250,000 hybrid cars annually by 2010.

- **Things taken into consideration:**

- Technological uncertainties
- Market uncertainties
- Core trends and demand for vehicles in general
- Other green technology
- Norms and attitudes, Social-cultural force
- Competitors
- Political Forces, Economic Force, Frequent Technological advancements
- Legal and Regulatory Forces

	Sales 2005	Sales 2006	Change 05/06
Toyota	21,961	25,514	+16.18%
VW	19,091	21,256	+11.34%
Ford	19,639	20,357	+3.66%
Hyundai	24,859	19,715	-20.69%
Opel	21,515	18,154	-15.62%

Ford's Strengths – Internal Strategic Factors

- **Global Recognition:** Ford is a well-known brand in the automobile industry and is also recognized in the global markets because of its success in marketing and advertising.
- **Automotive Segment:** Ford is the **second-largest automaker** in the U.S. (behind GM) and fifth largest (behind Toyota, Volkswagen, Hyundai, GM) in the world.
- **Research and Development:** Ford's research and development is one of its key strengths because the company is committed to make and develop new products. They are continuously trying to improve the performance of their vehicles. The factors that are evaluated include fuel, efficiency, safety, and customer satisfaction.
- **Diverse Offerings:** Ford caters to all kinds of demographic groups with their diversified brands and car models. They take care of the needs and wants of their consumers by providing them with more variety of cars and commercial vehicles.
- **Adaptability:** Ford has a wide product and services portfolio which gives them strong leverage and less dependency on just one product range.
- **Huge Network of Dealers:** The company is also diverse in its operations and distribution, as they have a huge network
- **Strong Financial Position:** Ford's strong financial position driven by the demand for pickups and SUVs.



Current Hybrid car Market share and future opportunity

- Ford has already been in the car manufacturing from a decade (First Car in 2004: Ford Escape) and has lot more dealerships associations which will be an advantage to capture the hybrid car market.

Current market share of hybrid in us:

- According to J.D. Power & Associates, hybrids constitute approximately 1.5% of the total U.S. light-vehicle market, but sales have been growing quickly as other segments have stagnated or fallen.
- Sales of hybrid cars in 2005(205,000) were doubled than 2004.
- A recent survey by J.D. Power also reveals that 57% of consumers who expect to acquire a new vehicle within the next two years will consider a hybrid.
- By 2020 its expected to be 1 billion cars(Currently it is around 1.7B) small trucks are expected to be in use world-wide which can be replaced by hybrid car.

CAFE (Corporate Average Fuel Economy)

Manufacturers' interest in hybrid cars is driven by CAFE (Corporate Average Fuel Economy) regulation.

An automaker must maintain a minimum mileage of 27.5 miles per gallon (mpg) across passenger cars in its product line, 20.7 mpg across light trucks.

CAFE average may rise to 35 mpg or higher by 2020 across the entire product line. (Right now it's 40 for 2023 & the target for 2026 is 49 as per EPA (Environmental Protection Agency))

An auto manufacturer that fails to meet the standard must pay a penalty to the federal government, which some companies, including BMW, Porsche, and Ferrari, have paid in 2006. A manufacturer that produces cars that average 2 miles below the target and sells 10,000 cars in a given year will pay a fine of \$1,100,000 for that year. In 2006, BMW paid a fine of \$5.1 million.

Hybrid and Green Cars Awareness, Tax Benefits

- Govt Energy Policy Act of 2005 (EPACT) offers consumers and businesses, federal tax credits for their purchase of fuel-efficient, hybrid electric vehicles, in effect through 2007.
- Some states also offer special incentives for hybrid car drivers, with sales tax exemption, tax credits.
- Organizing events to help consumers recognize why hybrid cars are better in what way they can use it to its fullest and best way.
- Ford is organizing special driver education events, during which current owners will team up with Ford engineers to discover ways to improve gas mileage when using hybrid cars(company thinks its best approach for mouth-mouth marketing communication for hybrid cars).
- Some consumers would be willing to pay somewhat more for electricity to power their cars if they knew it was coming from renewable and nonpolluting resource.
- The demographics of the typical hybrid car buyer thus may change in the future, especially if the cars grow more attractive to mainstream car buyers.

SWOT ANALYSIS

- **Strengths**

- Advanced technology
- Established brand
- Diversified product portfolio
- Strong distribution network

- **Opportunities**

- Growing demand for eco-friendly cars
- Government incentives
- Technological advancements

- **Weakness**

- Limited range
- High cost
- Lack of charging infrastructure

- **THREATS**

- Intense competition
- Economic downturns
- Changing consumer preferences

Strengths



- **Advanced technology:** Ford has developed a range of advanced technologies that improve the performance and fuel efficiency of its hybrid cars, such as the regenerative braking system and the electric motor assist system.
- **Established brand:** Ford is a well-known and established brand in the automobile industry, with a loyal customer base.
- **Diversified product portfolio:** Ford has a diversified product portfolio that includes several hybrid car models, which cater to different customer needs.
- **Strong distribution network:** Ford has a strong distribution network, which enables it to reach customers in different parts of the world.
- **Sleek modern design:** The Ford Fusion Hybrid offers a sleek modern design and innovative Eco boost technology.

Weakness



- **Limited range:** One of the major weaknesses of Ford's hybrid cars is their limited range compared to conventional cars, which may not meet the needs of some customers.
- **High cost:** Hybrid cars are generally more expensive than conventional cars, which may prevent price-sensitive customers from buying them.
- **Lack of charging infrastructure:** The lack of charging infrastructure is a major barrier to the widespread adoption of hybrid cars, which may limit the market potential of Ford's hybrid cars.
- **Less power:** Hybrids combine both an electric motor and a gasoline engine, with their gasoline engine primarily operated as the power source. Therefore, neither the gasoline engine nor the electric motor works as strongly as they do in conventional gasoline or electric cars.
- **Battery replacement costs:** Hybrid cars use batteries to store electric power, and these batteries may need to be replaced at some point, which can be expensive.
- **Complex technology:** Hybrid vehicles can be more complex than traditional gasoline vehicles, which may require specialized maintenance and repairs, and could be a weakness in terms of cost and accessibility.

Opportunities



- **Growing demand for eco-friendly cars:** With the increasing concerns about climate change and environmental pollution, there is a growing demand for eco-friendly cars, which presents an opportunity for Ford's hybrid cars.
- **Government incentives:** Governments around the world are offering various incentives, such as tax credits and subsidies, to promote the adoption of hybrid and electric cars, which could increase the demand for Ford's hybrid cars.
- **Technological advancements:** The rapid technological advancements in the automotive industry, such as the development of more efficient batteries and electric motors, could enhance the performance and range of Ford's hybrid cars.

Threats



- **Intense competition:** The automobile industry is highly competitive, and Ford faces intense competition from other established players as well as new entrants in the hybrid car segment.
- **Economic downturns:** Economic downturns can lead to a decline in consumer spending, which could negatively affect the demand for Ford's hybrid cars.
- **Changing consumer preferences:** The preferences and priorities of consumers may change over time, which could affect the demand for hybrid cars and impact Ford's market share

Characteristics of current hybrid car owners

- High level of education.
- Higher income than the average new buyer—approximately \$100,000 a year versus \$85,000 a year for the average buyer.
- A few years older than the average car buyer—closer to 50 than the average age of 40 years for all car buyers.
- Drive fewer miles on average.
- Plan to keep their car longer than the average person—a little more than five years rather than less than five years.
- Willing to pay more for an environmentally friendly (or “green”) product.
- Want to do something to help reduce vehicle pollution.
- More pessimistic about the future of fuel prices than the average person.

Summarize and justify alternative scenarios (i.e., compelling stories about the future) ranging from pessimistic to optimistic with regard to market performance of hybrid cars.

- Hybrid cars typically cost approximately \$3,000 more than comparable regular cars (base price of \$25,000 to \$30,000) and offer a 10–15% improvement in gas mileage. Hybrid cars that delivers more fuel efficiency without sacrificing power, and they should appeal to a broad market.
- Using this perspective, The market research group at Ford has proposed that the adoption patterns of antilock braking systems (ABS) and fuel-injection technologies might be useful analogs. Both these technologies were built into products and offered as enhanced features that the customer could choose to buy. Actual savings depend on the driving habits of the user; gradual acceleration, coasting, and the use of cruise control help increase mileage.

- **Optimistic scenario:**

Electronic Fuel Injection: In this scenario 100% of the market will eventually adopt the hybrid car. This scenario predicts that the growth will start out slow, until there is a breakthrough in technologies that make the hybrid car even more efficient and affordable to the struggling class. When the breakthrough occurs, there will be an accelerated growth and eventually the hybrid car will become the norm with 100% of the market will be adopting the car.

- **Mid Range:**

Solar Energy: This is an average scenario for hybrid cars adoption. This scenario predict that the hybrid car will see a steady growth from the beginning, but it will never reach 100% market penetration. Unlike the optimistic scenario there will not be a period of extreme growth, instead, the growth will be steady throughout until the penetration reach about 80% of the market. The maximum market penetration potential for this scenario is about 90% and it will take a long time to get there. The reason for this scenario is that the technologies for the hybrid car will advance at a steady rate and at one point will overtake others car technologies, thus, become the best selection in the market.

- **Pessimistic Scenario:**

Hybrid cars will not sell and decrease in market share due to higher price, increasing availability of alternative fuel sources and unwillingness of consumers to accept new technology.

Diesel Car in Europe:

This scenario is predicting a very slow growth for the hybrid cars. The growth will be small starting out and will continue to be slow throughout the years. In this scenario the hybrid car will get at most 40% of the market share and will take a very long time to get there. This scenario will predict that the hybrid technologies will not improve at a small rate and will most likely be overshadowed by other emerging technologies.



What withholds in Future of Hybrid Cars Market and alternatives

- For 2006, Ford increased its production of four vehicles that can run on a mixture of gasoline and E85 (i.e., F-150 pickup trucks, Ford Crown Victorias, Mercury Grand Marquis, and Lincoln Town cars). Example, Honda and Toyota make full-blown hybrid cars, whereas General Motors eased into the sector with a scaled-down, less-expensive hybrid technology that still needed some gasoline to power the transmission.
- Alternative technologies include pure electric cars and fuel cell cars. Alternative fuels might be used in nonhybrid cars and could gain popularity, swaying consumers away from buying hybrids.
- Department of Energy- either lithium ion or lithium polymer batteries may offer the best future technologies
- Lithium-ion batteries possess nearly twice the energy of NiMH (nickel-metal-hydride) batteries but require significant circuitry to prevent overcharging, UNDERCHARGING THEY even require thermal management.
- Solar, because back in 2006 its costly but right now with the improvement in research there is lot of improvement and cost of generating electricity form renewable sources has become cheaper than non-renewable sources Decrease in demand ,An increase in other Environmentally sustainable technology

This technology includes alternative fuel sources such as E85, clean diesel, natural gas, hydrogen and lithium ion or lithium polymer battery.

The reason why hybrid cars have a lot potential for next decade is that Hydrogen and ev's cars are still in research back in 2006

Develop forecasts of hybrid car penetration in the U.S. market from 2007 through 2016 for each scenario you develop, along with a justification and explanation for your forecasts. (In applying the Bass model, note that market penetration data for the three analog products mentioned in the case, namely, ABS, EFI, and Diesel cars, were all reckoned in terms of the percentage of the target market that adopted the product. Thus the maximum market potential can at most be equal to 100).

- In this types of cases generally Bass forecasting model is used for adaption of new product in market based on the previously available data or data from already existing products with the competitors.
- We can estimate p and q using the following equations:
- $p = (\text{number of initial adopters} / \text{total potential market size})$, $q = (\text{number of imitators} / \text{total potential market size})$
- To estimate the potential market size, we can use the total number of cars sold in the U.S. each year. To estimate the number of initial adopters and imitators, we can use historical data on the adoption of ABS, EFI, and Diesel cars.
- Total market penetration was based off the **JD Power and Associates survey** saying that **57% of consumers that are in the market for a new car will be considering a hybrid**. We felt that this number of potential consumers seemed about right as the trend in rising gas prices and other savings from hybrids is increasing yearly.

Parameters

Parameter estimates

☐ Manually-set parameters

☒ Estimated parameters from data

☒ By analogy (#1)

Product: Diesel cars in Europe (prof) ▼

☒ By analogy (#2)

Product: Consumer Electronics ▼

☒ By analogy (#3)

Product: Consumer Electronics ▼

Product: ABS (Antilock Braking) (pro) ▼

Generalized Bass model

Advertising coefficient (0.3~1.0): 0.50

Price coefficient (1.0~2.0): 1.50

Relative price and advertising: Relative price and advertis ▼

☒ Market price elasticity: 0.02

☒ Advanced

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- Price coefficient is set at the maximum 4% because of how price sensitive the automotive market is. Everyone bargains deals and takes advantage of special pricing and financing. Hybrid buyer market is no longer occupied by the same type of people; people are now chasing prices and maximizing the transportation cost expenditures in their lives.
- Market price of elasticity is set at the highest position of 0.2%. This is because of how price sensitive the automotive market is to begin with and combining it with consumers who are trying to save the most money possible when moving to more efficient modes of transportation. The high price of hybrid vehicles makes people less likely to buy them, and as the manufacturers and government agencies pass cost savings to consumers, there will be more penetration.
- We set the advertising coefficient at 0.5 to reflect an average amount of penetration through advertising. There is often limited stimuli for a consumer and the number of advertisements by other manufactures are only increasing. Consumers might be overexposed to these car ads. We reflect an average amount of penetration through advertising through this coefficient.

Cumulated past adaption of hybrid car

The leftmost column represents the number of periods after the product launch, and the numbers in the right column represent the cumulative adoption rate at each period.

	Cumulated adoptions
1	0.0094
2	0.029637
3	0.064637
4	0.112162
5	0.200162
6	0.415162
7	0.667798
8	1.017798
9	1.332069

For example, at period 1, the cumulative adoption rate was 0.0094. This means that at that point in time, a small percentage of the overall target market had adopted the product. As time goes on, more and more people adopt the product, leading to a higher cumulative adoption rate at each subsequent period.

The data shows an increasing trend in adoption rate, indicating that the product is gaining popularity over time in past

- It is important to note that the Bass model assumes that the market potential is finite and that the market size does not change over time. However, in reality, the market potential for hybrid cars may increase as more consumers become aware of the benefits of hybrid technology and as the technology becomes more affordable. Additionally, external factors such as government incentives and regulations may also affect the growth of the hybrid car market. Therefore, while the Bass model provides a useful tool for forecasting the adoption of new technologies, it is important to consider other factors that may impact the market potential in practice.

Year	Number of Hybrid Models (Light Vehicles)	U.S. Sales of Hybrid Cars (Units)	U.S. Total Number of New Cars (Light Vehicles) Sold
2000	2	9,350	13,181,000
2001	2	20,287	13,510,000
2002	2	35,000	13,639,000
2003	3	47,525	13,594,000
2004	5	88,000	13,609,000
2005	7	215,000	13,551,000
2006	10	252,636	13,271,000

Exhibit 2: Sales of Hybrids in the United States

Notes: Light vehicles include passenger cars, sport utility vehicles, vans, and pickup trucks.

- As we can see from demographics the sales of hybrid cars has been drastically increased in terms of percentage from 2000-2006.

- Hybrid car model total unit sales in 2006 considering different brands. There is a steady and gradual increase in sales month to month Jan to December during 2006 from 15,867 to 22,625 which is a positive sign for Ford to consider the market analysis and adaption to manufacture and capture the hybrid car market .

Car Model	Combined (city + highway) EPA mpg	Jan. 2006	Feb. 2006	Mar. 2006	Apr. 2006	May. 2006	Jun. 2006	Jul. 2006	Aug. 2006	Sep. 2006	Oct. 2006	Nov 2006	Dec 2006	Total Unit Sales 2006
Honda Insight	57	59	72	79	110	92	77	91	109	19	9	2	3	722
Toyota Prius	55	7,654	6,547	7,922	8,234	8,103	9,696	11,114	11,177	10,492	8,733	8,008	9,291	106,971
Honda Civic	50	3,165	1,780	2,232	3,087	2,890	2,601	2,673	3,411	2,508	2,288	2,208	2,408	31,251
Honda Accord	31	351	783	581	614	520	396	504	499	389	287	311	363	5,598
Toyota Camry	39	n/a	n/a	n/a	86	3,032	4,268	5,023	4,977	4,044	2,806	3,100	4,005	31,341
Toyota Highlander	29	2,263	2,631	2,987	3,768	3,755	2,705	2,784	2,581	2,347	1,643	1,667	2,354	31,485
Lexus RX400h	29	1,477	1,803	2,470	2,247	2,006	1,190	1,220	1,514	1,687	1,239	1,327	1,981	20,161
Lexus GS450h	26	n/a	n/a	n/a	141	294	231	157	192	164	177	176	252	1,784
Ford Escape	34	801	1,233	1,441	3,039	2,434	1,569	2,060	1,789	1,369	1,343	1,323	1,748	20,149
Ford Mercury Mariner	31	97	108	149	381	428	315	423	351	282	259	161	220	3,174
Total		15,867	14,957	17,861	21,707	23,554	23,048	26,049	26,600	23,301	18,784	18,283	22,625	252,636

p (innovation) and q (imitation) values estimated from data.

- The model includes two parameters: the coefficient of innovation (p) and the coefficient of imitation (q). These parameters represent the respective influences of innovators and imitators on the adoption of the new product or service.
- In your case, the reported p-value of 0.00195 suggests that the coefficient of innovation or early adopters is statistically significant, indicating that innovators play a significant role in the adoption of the new product or service.
- On the other hand, the q-value of 0.4558 is not statistically significant. This suggests that the coefficient of imitation does not have a significant effect on the adoption of the new product or service.

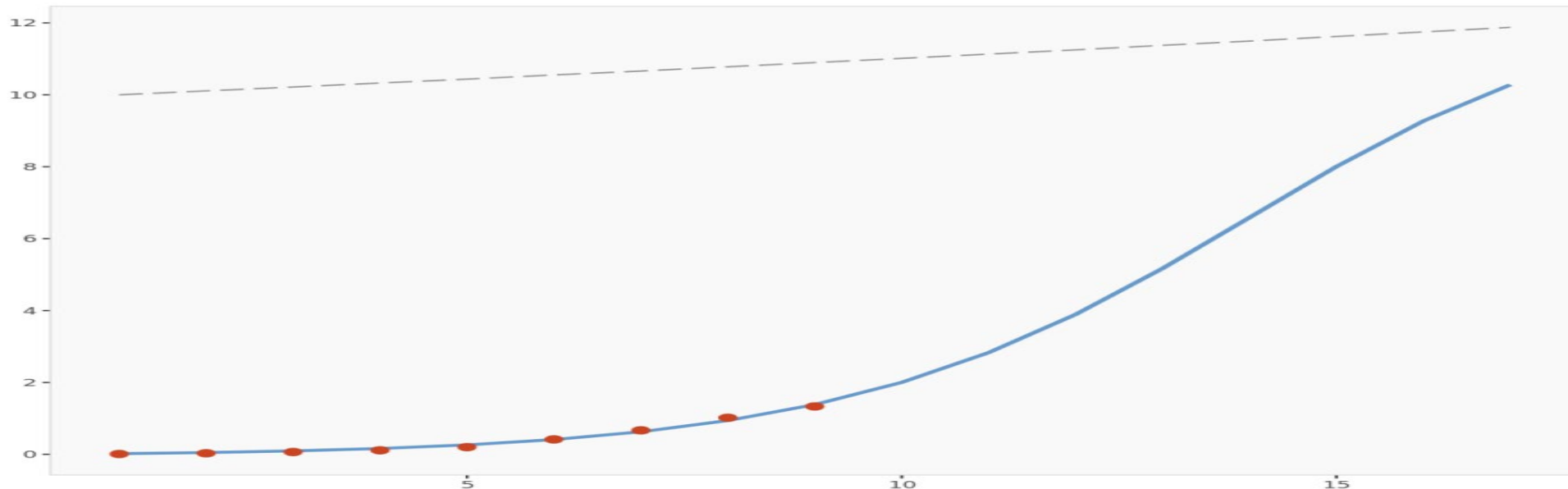
Parameters

	Parameters
p	0.00195
q	0.45580

Model parameters. p (innovation) and q (imitation) values estimated from data.

Forecasting Model

- we calibrate the Bass model to fit observations of past adoptions to date. As per the Bass model we have observed that there is a quadratic growth with the Hybrid cars penetration in the market and drastically seen growth after four years of introducing hybrid vehicle in-to the market based on previous adaptations.
- Using the Bass model with the given data, we can forecast the hybrid car penetration in the U.S. market from 2007.
- The Bass model is a very useful tool for forecasting the adoption (first purchase) of an innovation (more generally, a new product) for which no closely competing alternatives exist in the marketplace. The model helps to predict: (a) the number of customers in the target segment that will eventually adopt the new product or service, and (b) when they will adopt it.



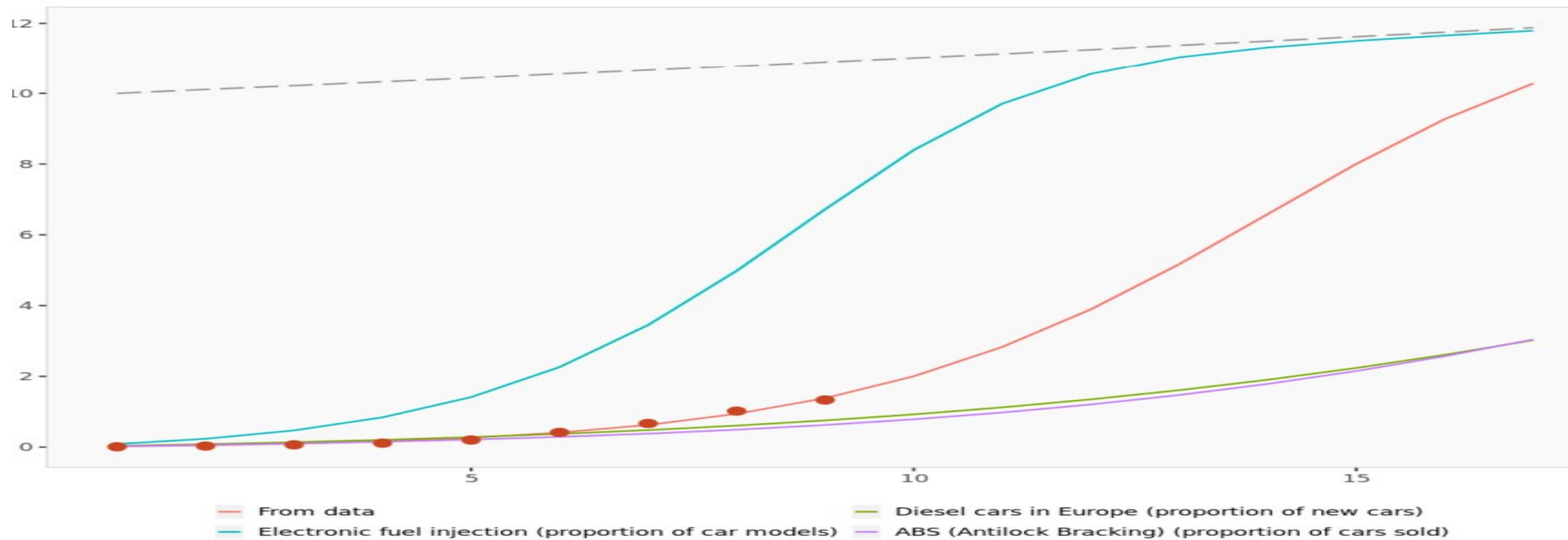
Model calibration. Bass model calibrated on observed data.

Forecasts of
alternate
adoptions
per period.

Cumulated adoptions

	Market potential	From data	Diesel cars in Europe (proportion of new cars)	Electronic fuel injection (proportion of car models)	ABS (Antilock Bracking) (proportion of cars sold)
1	10.000	0.01945	0.03700	0.08780	0.02600
2	10.110	0.04978	0.08340	0.23494	0.05961
3	10.218	0.09551	0.13912	0.47229	0.10127
4	10.328	0.16270	0.20425	0.84119	0.15159
5	10.436	0.26298	0.28192	1.41250	0.21355
6	10.554	0.41119	0.37375	2.26233	0.28923
7	10.662	0.62744	0.48136	3.45131	0.38088
8	10.779	0.94011	0.60743	4.98261	0.49183
9	10.897	1.38442	0.75440	6.72313	0.62549
10	11.015	2.00134	0.92511	8.39564	0.78588
11	11.132	2.82992	1.12250	9.70765	0.97743
12	11.250	3.89123	1.34936	10.55098	1.20466
13	11.378	5.16981	1.60907	11.03657	1.47292
14	11.495	6.58592	1.90406	11.31520	1.78676
15	11.622	8.00417	2.23689	11.50454	2.15084
16	11.750	9.27155	2.60960	11.65665	2.56910
17	11.877	10.28069	3.02280	11.79364	3.04345

Bass forecasts (cumulated). Forecasts of cumulated adoptions per period.



Bass forecasts. Forecasts of cumulated adoptions.

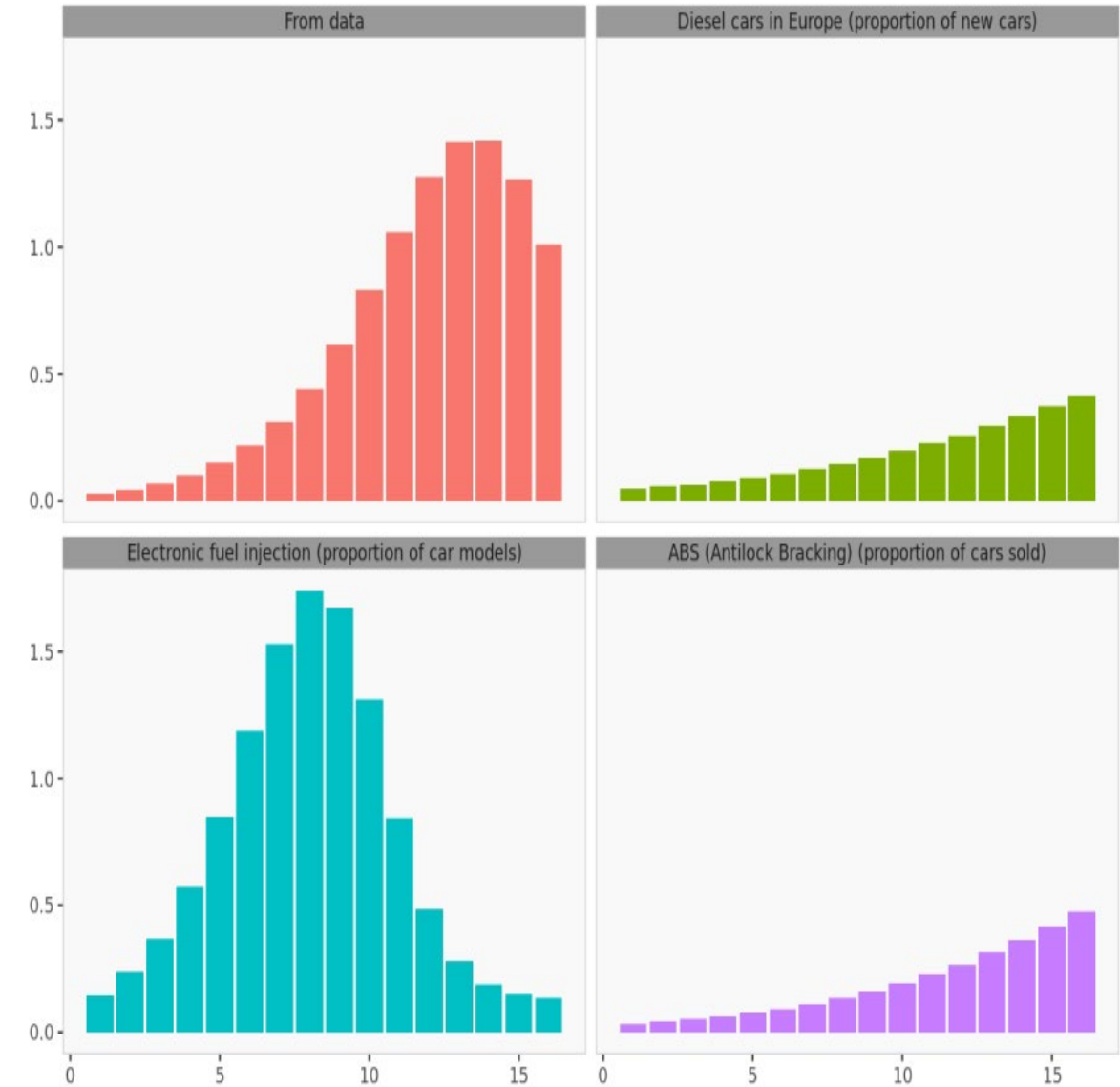
- Market Adaption of hybrid cars comparing with other alternative options.
- Electronic Fuel injection model cars are seen a huge growth after 5 year and grown exponentially to reach maximum market share potential in the future 15-year periods.

Bass forecasts. Forecasts of cumulated adoptions.

	Diesel cars in Europe (proportion of new cars)	Electronic fuel injection (proportion of car models)	ABS (Antilock Bracking) (proportion of cars sold)
p	0.00370	0.00878	0.00260
q	0.17060	0.57600	0.20560

p and q values. p (innovation) and q (imitation) values used in forecasts.

- Electronic fuel injection car model seems to increase in growth rapidly.
- This trend is consistent with the behavior of new technologies in the market, where adoption tends to be slow at first but then accelerates as more people become aware of and interested in the product. Additionally, the increase in hybrid car penetration is expected to slow down as the market becomes saturated with hybrid cars and there is less room for growth.



Speed of adoption. Number of adoptions per period.

Recommend short-term and long-term strategies that Ford should pursue based on the forecasts that you develop.

Based on the forecasted hybrid car penetration in the U.S. market from 2007 through 2016, Ford should consider pursuing short-term and long-term strategies to take advantage of the growing market for hybrid cars.

- Short-term strategies:

Increase production capacity: As hybrid car penetration is expected to increase rapidly in the next few years, Ford should increase its production capacity to meet the growing demand for hybrid cars. This will help ensure that Ford can capitalize on the growing market for hybrid cars and capture a larger share of the market.

Invest in advertising and marketing: To increase awareness of its hybrid car offerings, Ford should invest in advertising and marketing campaigns to highlight the benefits of hybrid technology and differentiate its products from competitors. This will help Ford attract new customers and increase market share in the short term.

- Long-term strategies:

Research and development: To stay competitive in the long term, Ford should invest in research and development to improve its hybrid technology and develop new products that appeal to a broader range of customers. This will help Ford stay ahead of the curve and maintain its position as a leading player in the hybrid car market.

Partnerships and collaborations: To expand its reach and capabilities, Ford should consider partnering with other companies to develop new technologies and products. For example, Ford could partner with technology companies to develop advanced battery technology or with energy companies to develop charging infrastructure for electric and hybrid cars.

- Overall, Ford should pursue a combination of short-term and long-term strategies to take advantage of the growing market for hybrid cars. **By increasing production capacity, investing in advertising and marketing, and focusing on research and development and partnerships and collaborations.** Company may continue to press forward to **globalize automobiles platforms that can be adapted to meet specific regional needs.** Flexible **manufacturing capabilities allow us to bring products to market with greater speed and efficiency than ever before.**

New Ford Logo:



- The main purpose of the **advertising is to promote and support for the sales** to persuade the product to the public .Advertising is playing the important role to a company because it use to promote the brand or service and to improve the corporate image and sales

- **Personal Selling**

This is the way to maintain the good relationship with customers to keep on the sales of the marketing. Personal selling is very useful for products which are complicated to self analyze and understand. Ford product does not have any difficulties to the customers. There are two teams to take care of product and offers other promoting activities which is sales and marketing teams.

- **Public Relations/ Publicity**

Public relation is referring to the non-personal communication such as art and social science of analyzing trends, foresee their outcome. The public and organization's is served by the counseling leader and the implementing planned. Then Ford through the publicity to boots up their sales by sponsorship Activities contest and other event.

- **Sales Promotion**

The dealer giving some special offer of the product to attract the custom and also improve the sales .The example of special offers related to customers such as discounts, premium offers, free gifts price deals and so on. Some of the dealers and merchandisers will get different promotional offers such as point of sale displays.

- **New product pricing strategies**

Setting the base price for a new product is a necessary part of formulating a marketing strategy and is one of the most fundamental decisions in the marketing mix. The Ford Motor Company is setting two types of price which is price skimming and penetration pricing in the market industry. Price skimming is about the high possible price that people afford to pay for the product and penetration pricing is to competing brands and gain a significant market shares. For example, Ford Fiesta is committed for consumer's safety like airbag, including our efforts to deliver top crash test ratings that customers look to when choosing new vehicle. So the company set a reasonable price for this model toward consumer.

PRODUCT STRATEGIES AT FORD



- Product is anything that can be offered to a market for attention, acquisition, use, or consumption, which might satisfy a want or need for consumers. Products can be tangible and non-tangible. Non-tangible products are the services offered by the organization. Today, companies are creating and managing customer experiences with their products.
- **Brand Strategy:** The Ford classified the brand names of midsize cars, elegant and generous by research techniques. Ford uses blue oval that Ford branding which determines price and value. The Ford oval is proud and historic symbol for Ford Motor Company and one of the most recognized trademarks in the world. This logo is the blue oval that Ford released in 2003 in honor of the 100 years Ford Motor Company had been around. It was named the “Centennial Blue Oval”.
- **Labelling:** Labelling will be a small brochure about the Car parts specifications, so that they can see how exactly the car works, and what and from where the parts are.
- **Product Design and Features:** The Ford Fiesta has a Kinetic design. This design is ensure the smoother ride with minimal noise, vibration and harshness. In this product have many features, such as Ti-VCT Engine (Twin Independent Variable Camshaft Timing), 6-Speed Power shift Automatic Transmission, Electronic Stability Program (ESP) with Traction Control System (TCS), Bluetooth with voice control, fuel efficiency, seductive center console and easy fuel.
- **Product Support Services**
- **Ford Promotion strategies and Advertising**
- **Influencer marketing using top influencers of social media in-order to acquire new customers ,Generally it takes 5 times more marketing spend to acquire new customer to an to sell it to existing customer**

What's coming for Ford Hybrid Cars in Future

- FORD has aggressive digital ad strategy. Using conquering efforts(buyfordnow.com) –they gives us head-to-head comparison between models we search for and ford model.
- Ford has one of the highest dealer associations among the car manufactures.
- Most Likely Scenario: Hybrid Cars will sell due to a decrease to barriers but at the same time not being able to meet an increase in the expectations of consumers, which will either stagnate or decrease market share.

Increase in demand:

- Advancing technologies, which increase mileage and decrease prices
- Increasing concern for environmental sustainability
- Government incentives
- Increasing acceptance and knowledge of hybrid cars