



MADE BY :
KUSHAL DUTIA(AQ16)

BMW & CHEVROLET VOLT

**SUCCESS AND FAILURE OF
ETHNOGRAPHIC MARKET RESEARCH**



WHAT IS ETHNOGRAPHIC MARKET RESEARCH

What is ethnographic market research?

- A qualitative research approach where researchers immerse themselves in the everyday lives of consumers.
- Focuses on observing behaviors, emotions, and motivations in real-world settings to gain deep insights.



Why it matters in the automotive industry?

- Allows automakers to design vehicles that resonate on both functional and emotional levels.
- Leads to innovative, consumer-centric designs that stand out in a competitive market.

Purpose and benefits ?

- **Uncover Hidden Insights** : Goes beyond what consumers say in surveys to reveal the underlying reasons behind their choices.
- **Improve Product Fit** : Helps design products that better align with consumer needs and aspirations.
- **Strengthen Emotional Connections**: Builds stronger brand loyalty by understanding and catering to customers' lifestyles and preferences.



BENEFITS OF ETHNOGRAPHIC MARKET RESEARCH

Deeper Consumer insights

- Goes beyond traditional surveys to reveal emotional drivers and unspoken needs that influence consumer behavior.

Informed Product Development

- Helps companies design products that align with real-world consumer needs, leading to more innovative and relevant features.

Improved Brand Loyalty

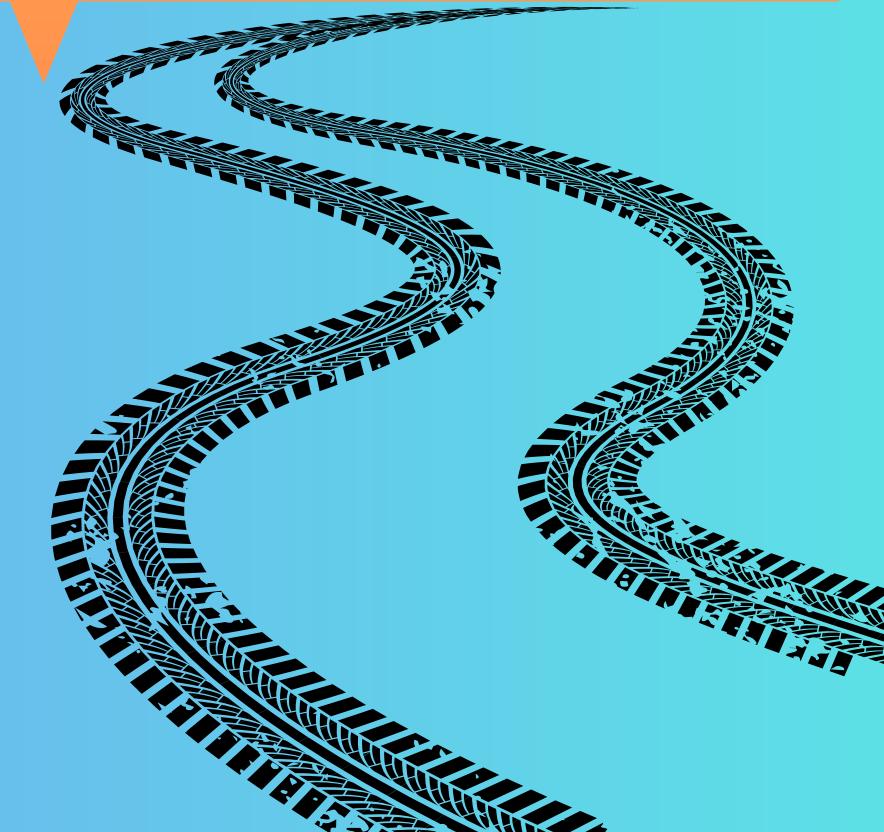
- Creates stronger emotional connections with consumers by addressing their values and lifestyles, fostering long-term loyalty.

Competitive Advantage

- Offers insights into consumer preferences and emerging trends, allowing companies to stay ahead of competitors.

Enhanced Customer Experience

- Helps tailor the customer journey to meet specific needs, leading to a more satisfying and memorable experience.



OVERVIEW OF CASE STUDIES

Objective : To examine how ethnographic market research impacts product success and failure in the automotive industry.



CASE STUDY

BMW : SUCCESS THROUGH DEEP CONSUMER UNDERSTANDING

Background

- BMW is a leading luxury automotive brand known for its focus on **performance**, **innovation**, and the **driving experience**.
- Emphasizes creating vehicles that embody both **functional quality** and **emotional appeal** for consumers.

Ethnographic research approach

- BMW engaged in ethnographic studies to understand the **lifestyle**, **values**, and **aspirations** of its target audience.
- Researchers observed and interacted with luxury car buyers in real-life settings to grasp their **emotional connections** and **expectations** from a high-end vehicle.

Insights Gained

- **BMW identified key consumer desires** : **prestige**, **performance**, **comfort**, and **personal identity**.
- This understanding led BMW to focus on enhancing the **driving experience** and creating models that reflected the **lifestyles and values** of their

Results

- A loyal customer base and a strong brand reputation for delivering **luxury** and **performance**.
- Success across iconic models, including the **3 Series** and **X Series**, designed to resonate with the **aspirations** and **lifestyles** of BMW's audience.



HOW BMW USED ETHNOGRAPHIC RESEARCH ?



Understanding Customer Lifestyles

- BMW researchers embedded themselves in the environments of **luxury car buyers** to observe and analyze their daily lives, behaviors, and preferences.
- Focused on understanding how customers perceive **status, comfort, and performance** in their choice of vehicle.

Refining Design and Features

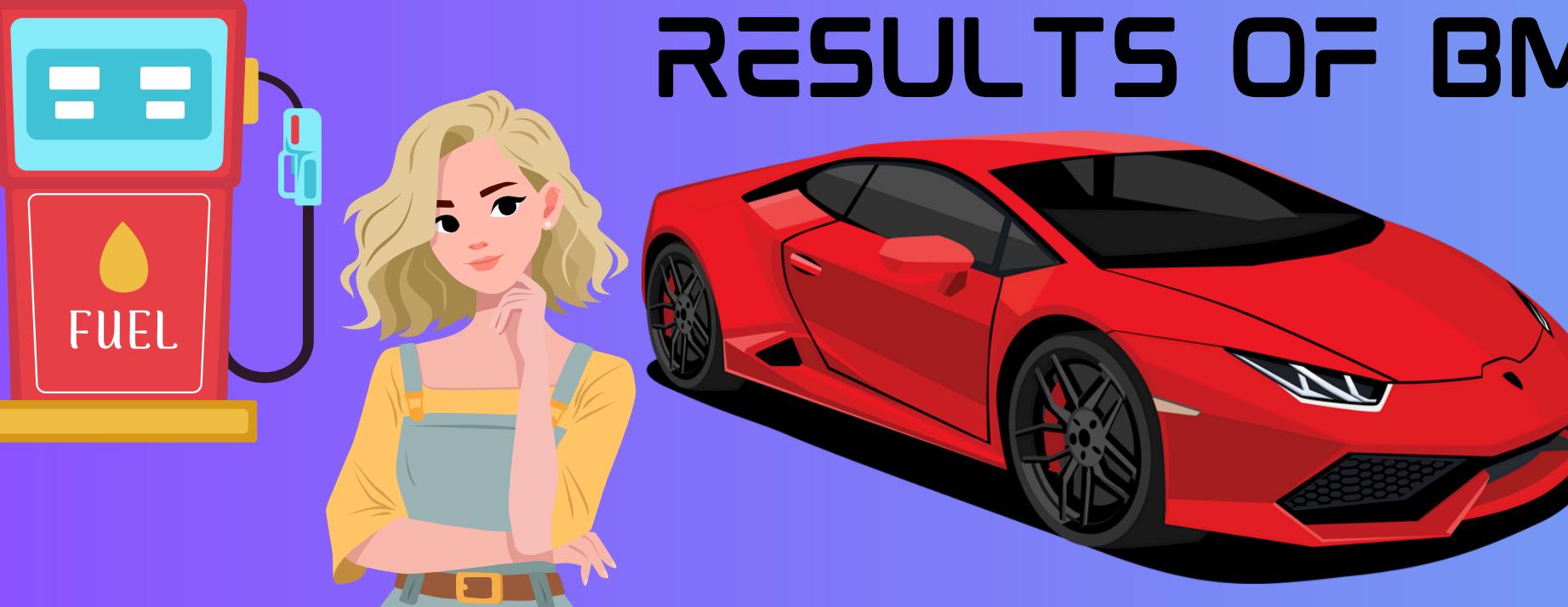
- Based on findings, BMW enhanced design elements that reflected **comfort and prestige** while prioritizing a high-performance driving experience.
- Integrated insights into developing customizable features, like **interior luxury options and advanced technology**, to match customer identity and values.

In-depth Interviews and Focus Groups

- Conducted interviews and group discussions with existing and potential customers to explore their **emotional connections** to their cars.
- Gathered insights on the **aspirational qualities** customers sought, such as feeling empowered, sophisticated, and successful.



RESULTS OF BMW'S SUCCESS



Enhanced Brand Loyalty

- BMW's focus on understanding and aligning with customer emotions fostered a strong, loyal customer base.
- Known for its "Ultimate Driving Machine" philosophy, BMW became a brand associated with both performance and prestige.

Global Market Expansion

- Ethnographic insights enabled BMW to tailor its approach in different markets, appealing to local preferences while maintaining its core brand values.
- Successfully expanded its reach across various global markets, adapting to regional expectations without sacrificing brand integrity.

Successful Product Line

- BMW's ethnographic insights led to the success of iconic models, including the 3 Series, 5 Series, and X Series, each designed to resonate with specific customer needs and lifestyles.
- Models became synonymous with luxury, reliability, and the driving experience.

Competitive Edge in the Luxury Market

- By leveraging ethnographic research, BMW consistently stayed ahead in the luxury segment, offering vehicles that connect emotionally with consumers.
- Positioned itself as a leader in innovation while retaining brand identity, appealing to a discerning and affluent customer base.



CASE STUDY

CHEVROLET VOLT - FAILURE DESPITE INNOVATION

Background

- The Chevrolet Volt, launched in 2010, was one of the first mass-market **plug-in hybrid vehicles**, aimed at addressing growing demand for **eco-friendly** and **fuel-efficient** cars.
- It featured an innovative powertrain that allowed for both electric and gasoline use, positioning it as a versatile option for **eco-conscious consumers**.

Key Challenges

- **Design and Appeal:** The Volt's conventional design failed to capture the interest of buyers looking for a modern, distinctive electric vehicle.
- **High Price Point:** Priced higher than traditional vehicles, the Volt struggled to justify its cost without delivering the futuristic appeal of a full electric car.
- **Market Misalignment:** The Volt targeted eco conscious consumers, but its hybrid design didn't fully align with their desire for a true zero-emissions vehicle, resulting in a weak emotional connection.

Ethnographic research shortcomings

- While Chevrolet conducted market research, the Volt's design and positioning lacked sufficient ethnographic insights to fully understand the needs and lifestyle preferences of potential buyers.
- Chevrolet underestimated the emotional appeal and aesthetic expectations that many eco-conscious and electric vehicle buyers were seeking.

Results

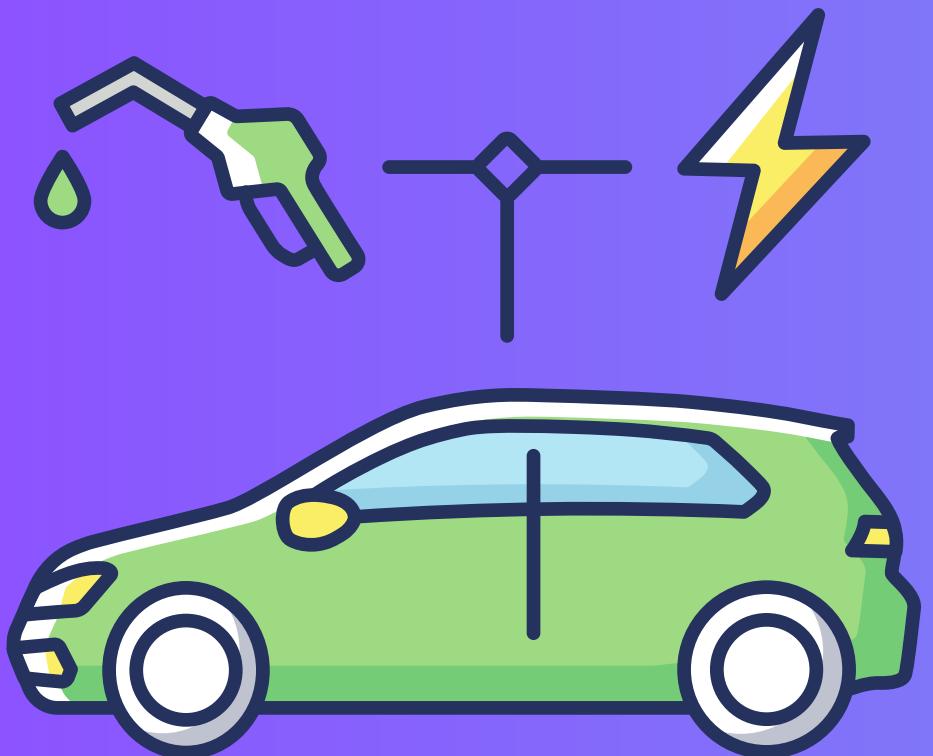
- Sales fell significantly short of expectations, with the Volt failing to gain widespread adoption.
- Highlighted the risks of releasing an innovative product without fully addressing consumer values and lifestyle alignment.

WHY CHEVROLET VOLT FAILED ?



Design and Consumer Perception

- The Volt was designed as a **hybrid vehicle** with both **electric** and **gasoline power**, but its design **lacked the excitement** and appeal consumers expected from an electric vehicle. It was perceived as **too conventional** in an era when **buyers were seeking more modern, stylish designs.**

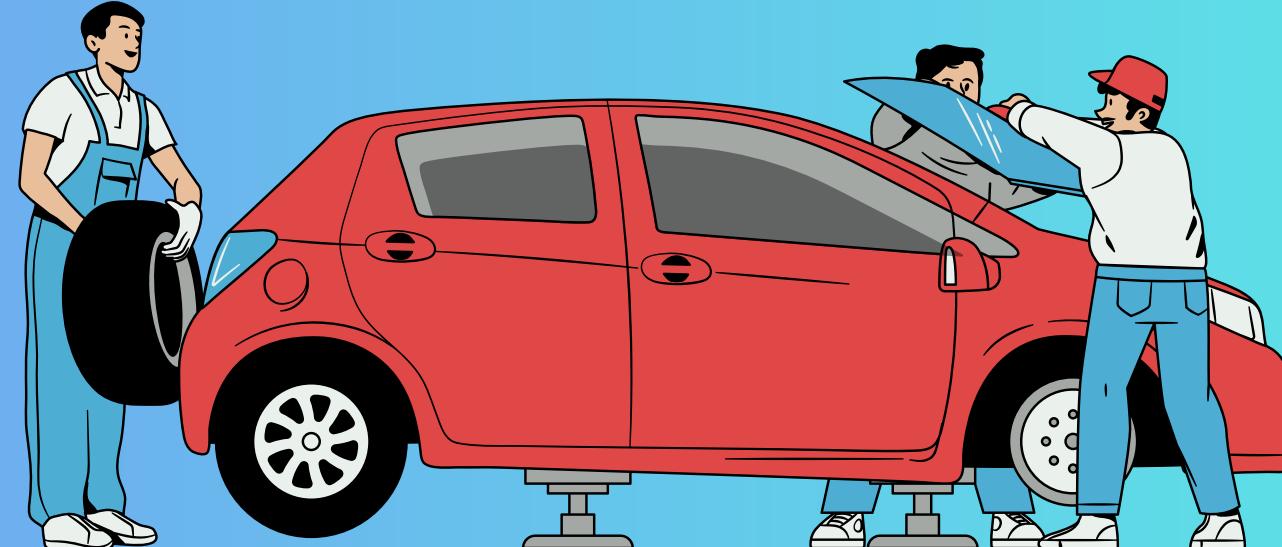


Price Point

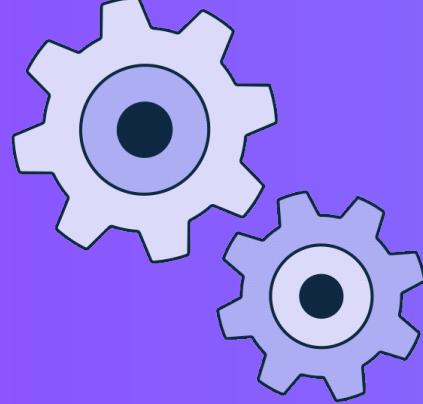
- The Volt was **priced at a premium** compared to other compact sedans, but **lacked the performance and features to justify the higher cost**, making it **less attractive** compared to competitors.

Market Misreading

- Chevrolet targeted consumers who wanted an eco-friendly vehicle, but the Volt did not capture the attention of mainstream buyers or those interested in electric vehicles. Many eco-conscious buyers found the Volt's reliance on gasoline inconsistent with their values.



MISSED OPPORTUNITY !!



Lack of Emotional Appeal

- While technically advanced, the Volt lacked the emotional appeal that consumers were looking for in a car. Unlike brands like Tesla, which built strong emotional connections with their customers, the Volt failed to create a passionate following.

Underestimating Consumer Needs

- Chevrolet's research did not sufficiently address the emotional and lifestyle factors influencing consumer decisions in the green car segment, leading to a misalignment between the car's features and consumer expectations.

Failure to Capture the Electric Car Market

- Despite being one of the first plug-in hybrids, the Volt did not address the core concerns of electric vehicle consumers, such as range anxiety or the desire for a futuristic driving experience.



RESULTS OF CHEVROLET VOLT'S FAILURE

Brand Image Issues

- The Volt's failure tarnished Chevrolet's reputation in the electric vehicle space, especially as competitors like Tesla gained more traction with their innovative and appealing electric vehicles.



Disappointing Sales

- While the Volt received praise for its technology, it failed to meet General Motors' sales expectations. Only about 160,000 units were sold over its production life, far less than the projected numbers.

Shift to All-Electric Models

- In the end, Chevrolet shifted focus to fully electric vehicles, such as the Chevy Bolt, which gained more success in terms of consumer appeal and sales.

KEY TAKEAWAYS - BMW VS CHEVROLET VOLT

Aspect	BMW (Success)	Chevrolet Volt (Failure)
Consumer Understanding	Deeply understood consumer lifestyle and emotions through ethnographic research, aligning product with consumer identity.	Lacked a deep understanding of consumer lifestyle alignment for hybrid/electric vehicles, focusing instead on technical benefits.
Product-Market Fit	Designed vehicles that matched the aspirations of luxury and performance-oriented consumers, creating a strong emotional bond.	Focused on technical innovation without aligning fully with the broader emotional and lifestyle expectations of mainstream car buyers.
Emotional Connection	Created an emotional appeal by addressing status and identity , building strong brand loyalty.	Limited emotional appeal as it did not fully resonate with the lifestyle or desires of its target audience.
Perception of Innovation	Viewed as a pioneer in luxury and performance , combining innovation with brand identity.	Innovation in hybrid tech, but perceived as niche and too complex , deterring broader market adoption.
Market Positioning	Positioned as a luxury lifestyle brand , successfully resonating with affluent consumers.	Positioned as an eco-friendly alternative without effectively addressing mainstream consumer reservations .
Outcome	Strong sales, brand loyalty, and sustained market success.	Limited sales , resulting in product discontinuation .

THANK YOU