



# Business Development Research Paper

*Title: "With long term losses incurred from Vauxhall what will General Motors viably do with the subsidiary company in the UK"*

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*Abstract* – General Motors (GM) Europe has lost around \$18bn in the last fourteen years. This paper explains Vauxhall and its parent companies current position and situation. It evaluates the restructuring plan that is currently in place, which intends to drive GM Europe back into profit by mid-decade. Fifty-two survey results were gathered and analysed to show that the plan accounted for the highest priority issues to ensure the marque's continuance.

*Introduction* – With knowledge that GM was bailed out in 2008 by the US Treasury and that GM planned to sell Vauxhall/Opel in 2009. It was logical to do further research into the history and current stances of these companies and what GM plans to do with Vauxhall/Opel after it rejected the sell-off in 2009.

This paper aims to investigate the current vehicle market in Europe and Vauxhall's position in the UK market. It will look into the extent of debt that has been accumulated and the strategy to regain profitability. A survey will allow data to be collected about the public's knowledge and opinion on Vauxhall/Opel and on the current and near future automobile market.

## 1.0 History of Vauxhall

### 1.1 Vauxhall

The iconic logo of the griffin originated from the coat of arms of Fulk le Breant who in the 12<sup>th</sup> century was granted land by King John. It was Fulk's house by the Thames that became known as 'Fulk's Hall' which ultimately transformed into 'Vauxhall' and is still currently an inner city area of London on the south bank.

The origins of Vauxhall, the motor company, began in 1857 with a company called 'Alex Wilson and Company' which was a pump and marine engineering business. This company was situated in the Vauxhall area of London and over time changed its name to 'Vauxhall Iron Works'.

Vauxhall Iron Works began manufacturing cars in 1903; this was inspired by six years of developing single cylinder river-boat engines (Telegraph, 2003). The first car model had just five horsepower, no reverse gear and cost £136, which in 2012 was the equivalent to £14,003.61 (Bank of England, 2012). In 1905 the company relocated its headquarters to

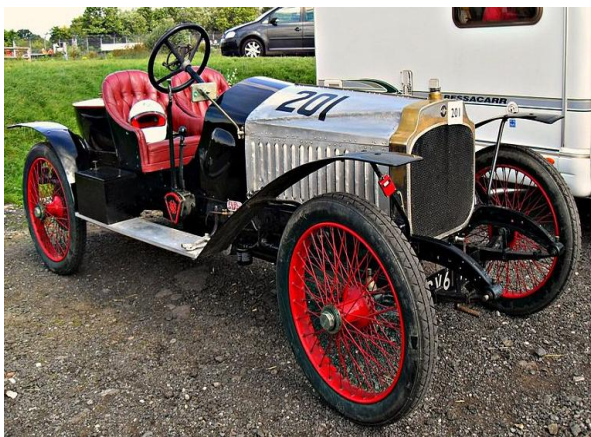


Figure 1- A-Type (Ellis, 2009)

Luton to expand, where it remains today; it started production of cars under the new name of 'Vauxhall Motors.' Between 1903 and 1918 the company focused its efforts on making high performance cars for races and did so with high success. The A-type, first designed in 1908 reached the 100mph mark and beat Rolls Royce on a 200 mile speed test.

World War One stifled Vauxhall's progress during the conflict however around 36% of D-Types manufactured were used as military staff cars. After the war the demand for high performance cars slumped and financial troubles were forecast. In 1925 General Motors purchased Vauxhall for \$2.575m. This



Figure 2- Cadet (Flickr, 2010)

gave the company much needed capital to fund production increases to compete with rivals and decrease its debt that had limited its output previously, it also secured GM its first production facility in Europe (Gale Directory, 2006). The first vehicle to be manufactured since the acquisition was the 'Cadet' with prices starting at £280 (Guardian, 2009).

The Wall Street crash in 1929 combined with the Smoot-Hawley Tariff Act rendered the high cost of importing trucks from the US prohibitive, as exports from America fell 61% to \$2.1bn (Howarth & Becker, 2009), so Bedford Vehicles was established, in Luton, as a subsidiary company to manufacture trucks in Britain. Vauxhall managed to get through the Great Depression and then the outbreak of World War Two. All resources were used for military efforts and Vauxhall was tasked with designing and manufacturing the Churchill tank; this was done within a year and 6,000 tanks were produced in total up until 1945. The Luton and Bedford sites rolled out around a quarter of a million trucks as part of the war effort. Alfred P. Sloan, the CEO of General Motors, used Vauxhall to produce vehicles for the allies but used Opel in Europe to supply the Nazis.

After World War Two and throughout the 1950s Vauxhall strived for a larger market share



Figure 3- Churchill Tank (MODDB, 2011)

amongst the other major manufacturers. In 1962 a new plant in Ellesmere Port was constructed and 4 years later the Victor and then shortly after the Viva were released, both these models were successful, however the company was finding it difficult to keep up pace with competition and was falling behind Ford and British Leyland.

Vauxhall released the Cavalier in 1975, the Chevette in 1978 and a couple of years later the Astra: all were highly popular. By the end of the decade Ford and British Leyland had a much smaller market share, Vauxhall had found a way to cater to what the public liked and this was shown in 1981 when Vauxhall's rise was marked by officially achieving the second highest sales figures in the UK, only behind



Figure 4- Ellesmere Port 1964 (Telegraph, 2012)

Ford. This high position was held throughout the 1980s due to a succession of impressive vehicles, including the Carlton which won the prestigious European Car of the Year Award.

The 1990s was a decade of great change for Vauxhall, with the retirement of the Cavalier, which was in production for 20 years, and the production of commercial vehicles in Bedford, which began in 1930, also ceasing. The Corsa and the Zafira emerged for the first time, the Corsa in particular struck as a well-designed supermini (Austin, 2012). By the end of the decade Vauxhall was in close pursuit of Ford.

In 2002 the Corsa was the most popular car in the supermini class and a third model in 2006 and came second in 2007 European Car of the Year Award. In 2004 the Astra was given a full remodelling to a sportier look and improved performance. In 2012 Vauxhall released the Ampera an electric motor driven car powered by battery and a backup petrol generator, this won Vauxhall the latest 2012 European Car of the Year Award (Austin, 2012) (Vauxhall, 2013).

## 1.2 Opel

Opel was founded by Adam Opel in Russelsheim on 21<sup>st</sup> January 1862. Adam began by producing sewing machines using the skills he learnt as an apprentice metalworker in his previous employment. In 1886 Opel entered the booming business of bicycle manufacture and in less than 40 years Opel became the world's largest bicycle manufacturer.

In 1899, under the ownership of Adam Opel's wife and sons, Opel manufactured its first car with the designs from a partner called Friedrich Lutzmann, a locksmith. By 1909 Opel's market share in Germany was 12.3% and in 1911 developed its first aircraft engine and the following year the ten-thousandth automobile rolled out of the factory.



Figure 5- 2004 Astra (Pistonheads, 2010)



Figure 6- Ampera (Vauxhall, 2012)

By 1914 Opel was Germany's largest automobile manufacturer and produced heavy trucks for the military during World War One. In 1924 Opel modernized the automobile production with high-production volume methods including the assembly-line process.

In 1928 with a market share of 37.5% Opel was by far the largest German car manufacturer



Figure 7 – Adam Opel Bicycle (Opel, 2013)

and in preparation for an alliance with General Motors the company's shares were traded on the stock exchange. In 1929 General Motors acquired 80% of shares in Adam Opel AG for just under \$26m becoming the majority shareholder. In 1931 General Motors acquired the last 20% of shares and took over the company (Opel, 2013).

In 1936 Opel was Europe's largest manufacturer and exporter of automobiles, with an annual output of 120,293 units. By 1939 the company had a workforce of 25,374 and retained its status as the largest vehicle manufacturer in Europe for four consecutive years. In October of 1940 a command from the Nazi regime brought passenger cars to a halt however trucks and military equipment were produced for the Nazis. After the war Opel continued to make consumer cars and brought out model changes every year, a strategy established by Alfred P. Sloan at GM to increase sales (Ethiofreedom, 2013). In 1971 the ten-millionth Opel vehicle rolled out of the factory and in 1983 its twenty-millionth vehicle rolled out of the factory. In 1990 Opel became the first automobile maker to implement a plastics recycling chain showing its commitment to the environment and in 1995 the fifty-millionth vehicle rolled out of the factory.

Vauxhall, GM's division in the UK was much less profitable than Opel. Vauxhall's total production in 1975 and 1976 fell to below 100,000 units. Opel's profitability was questionable although the company's performance was satisfactory up until around the early 1980s, when



Figure 8 –Assembly Line1936 (Car Hub News, 2012)

its strategy was modelled on the potentially disastrous US approach of following an assumed upward trend to larger cars. The company was badly thrown in the wrong direction by the effects of the oil crisis and the subsequent shift to smaller engine cars (Bhaskar, 1980).

### 1.3 Japanese Cars

In 1950 Japan had less one per cent share in worldwide production and during the 1960s and early 1970s Japan had an extraordinary rate of growth in world production shares. There was a sudden halt in growth brought from the oil crisis in 1973 with a quadrupling of oil prices (Bhaskar, 1980). However, by 1978 the total world production of cars was over 42 million and around a third of these were exported. North America was now a net importer and Western Europe was a net exporter but Europe was suffering from rising import penetration. Japan was a major exporter as there was a reduction in domestic demand; this can be seen in Figure 7.

Japan was able to supply very affordable basic reliable cars and managed to capture the European market as the European and North American manufacturers were feeling the effects of rising costs due their more industrially advanced status. European manufactures silently admitted that they could not produce cheap basic cars in the late 1960s so they focused their market on advanced engineered, fast, luxurious cars (Bhaskar, 1980).

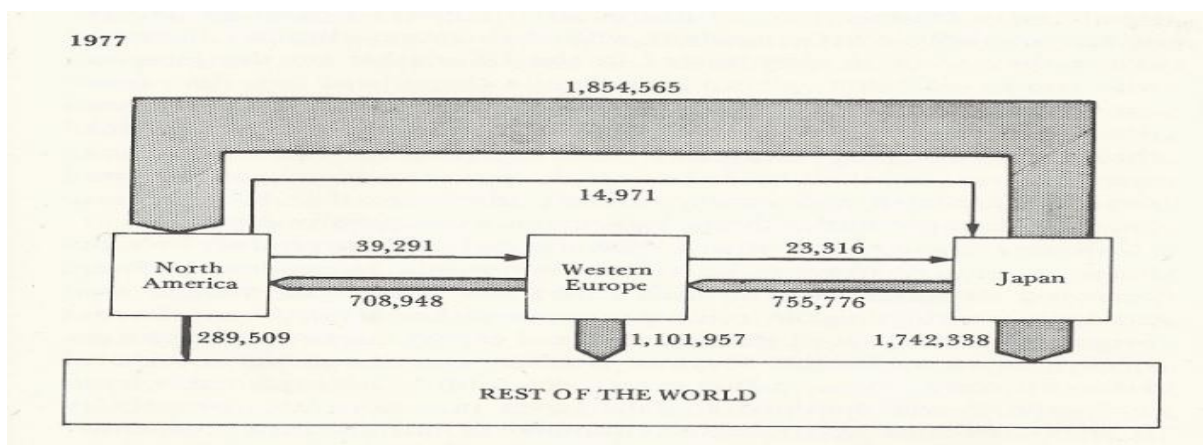


Figure 9- Imports and exports of major markets in 1977 (Bhaskar, 1980)

## 2.0 Current Position of Vauxhall

### 2.1 Recent Proceedings at Vauxhall/Opel

Vauxhall/Opel has lost around \$18bn since 1999 (The Economist, 2013) and the past 7 year profit and loss table for Vauxhall can be viewed below in Table 1:

Key financials & Employees							
	31/12/2011 th GBP	31/12/2010 th GBP	31/12/2009 th GBP	31/12/2008 th GBP	31/12/2007 th GBP	31/12/2006 th GBP	31/12/2005 th GBP
Turnover	4,184,500	3,476,100	3,049,100	3,497,300	3,810,300	3,753,300	3,960,800
Profit (Loss) before Taxation	-78,200	-137,500	-28,700	-229,400	-59,100	-18,700	-147,900
Net Tangible Assets (Liab.)	-715,600	-687,000	-547,600	-479,900	-211,900	-184,900	-113,600
Shareholders Funds	-872,300	-815,200	-679,800	-636,100	-407,800	-357,100	-351,300
Profit Margin	-1.87	-3.96	-0.94	-6.56	-1.55	-0.50	-3.73
Return on Shareholders Funds	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Return on Capital Employed	10.93	20.01	5.24	47.80	27.89	11.90	130.19
Liquidity Ratio (x)	0.35	0.21	0.20	0.24	0.22	0.27	0.32
Gearing (%)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Number of Employees	3,016	3,076	3,291	3,346	3,338	3,900	4,854

Table 1- Key Financials (Bureau Bureau Van Dijk, 2012)

In November of 2009 the decision that General Motors would keep Vauxhall and Opel ended more than a year of uncertainty. A takeover was offered by a consortium of an Austro-Canadian firm called Magna, a global automotive supplier, and Sberbank, Russia's largest retail bank. The deal would have lost 600 out of 5,000 jobs in Vauxhall and Sberbank intended to make Opel's technology available to its client 'GAZ', Russia's second largest indigenous car manufacturer (The Economist, 2009). The offer was rejected due to *"an improving business environment for GM over the past few months, and the importance of Opel/Vauxhall to GM's global strategy."* (Ed Whitacre, 2010). The improved business environment gave GM the confidence that it could sell more cars and find ways to raise money that were not available until a few months prior (Sky News, 2009).

On March 2nd of 2010 GM committed €1.9 bn in funding for Vauxhall/Opel's viability plan. Under the plan Vauxhall/Opel estimated funding requirements of €3.3bn. European governments requested €415m to offset the potential impact of adverse market developments from the plan. The GM contribution was made in the form of both equity and loans and as a result the total of loan guarantees from European governments declined from €2.7bn to under €2bn. This commitment removed any potential liquidity risks during the restructuring later in 2010 and showed GM's determination to fix the business even in a weakening North American market. The CEO of GM, said the following about the funding (Automotive Supply Chain, 2010);



*“Beyond the purely financial aspects, we see this as a major step towards instilling renewed trust and confidence into Opel/Vauxhall’s customers, employees, business partners, unions, dealers and European governments.”* (Ed Whitacre, 2010)

Ten days later the UK government announced a €300m national loan guarantee to aid in securing Vauxhall/ Opel’s operations in Britain after months of discussion (Opel, 2010).

Even though the Vauxhall/Opel has been making terrible losses, GM’s decision to keep the subsidiaries, rather than either selling or shutting them down, caters to more than financial reasons. The US government still has a stake in GM and the American voters are very much against subsidising foreign workers. It may very well happen that the company closes a factory to save on losses, but the chances of Vauxhall/Opel being sold or closed are next to zero. The Insignia, Astra, Corsa and Mokka are all linked to other vehicles from GM’s global divisions. Much of the design and engineering work takes place in Germany so if the companies were sold then the patents and intellectual property could be made available to other rival companies and GM would end up selling its cars against cheap replicas of themselves. This is why GM wouldn’t sell Saab and instead closed the operations down but closing down Vauxhall/Opel would cost more than just keeping it going (Horell,2012).



Figure 10 –Ed Whitacre (Car Connection, 2010)

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Vauxhall has invested in new cars to keep it going and competitive. The Adam a desirable semi-premium, supermini which Vauxhall hopes will do what the DS3 did for Citroen. The DS3 sales in 2009 were around 500 and in 2010 skyrocketed to around 64,500, a 129 fold increase in sales within a year (PSA Peugeot/ Citroen, 2012). The Mokka, a compact crossover SUV which aims to undercut sales of the highly rated Nissan Qashqai (Horrell, 2012). The Ampera, Vauxhall’s revolutionary, award winning eco car which boasts 235.4mpg (Vauxhall, 2012).

## 2.2 Summary of SWOT Analysis

## Full SWOT Analysis in Appendices Section A2

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Owned by GM</li> <li>• Second highest UK market share</li> <li>• Retail innovations</li> <li>• One of UK's oldest companies</li> <li>• Upcoming new car model and engine launches</li> <li>• Largest supplier to police fleets</li> <li>• Award winning cars</li> <li>• High performance VXR Range</li> <li>• Optimism from reviews on new cars</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Saturation in the market</li> <li>• Consistent losses</li> <li>• Poor reputation</li> <li>• Ampera's market is still undeveloped</li> <li>• Aiming to reduce workforce</li> <li>• Factory closures</li> <li>• Struggling alliance partners</li> <li>• Very poor customer satisfaction ranking</li> <li>• Astra sales slumped in 2012</li> <li>• All plants running under full capacity</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Re-invent their image through new plan.</li> <li>• Ampera trialled as emergency vehicle</li> <li>• Adam marketed towards females</li> <li>• Change of executives</li> <li>• Alliance with PSA</li> <li>• Rise in multiple car ownership</li> <li>• New corporate strategy</li> <li>• New EcoFLEX engines reduce vehicle tax</li> <li>• Weakening of the sterling against the euro</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Overcapacity in European market</li> <li>• GM cuts and decisions</li> <li>• Vauxhall may be viewed as a burden on GM</li> <li>• Government intervention</li> <li>• Increased competition</li> <li>• Changes in legislation</li> <li>• Little sign of economic recovery</li> <li>• Main competitor, Ford.</li> <li>• Increase in fuel prices</li> <li>• Steady rise in cost of motoring</li> <li>• Expenditure on cars falling</li> <li>• Ellesmere plant to start producing Chevrolets</li> <li>• UK plants take on foreign workload</li> </ul>

Table 2 – Summary of SWOT Analysis

## 2.3 Drive! 2022

Vauxhall/Opel revealed its 10-year restructuring plan at the unveiling of the new Adam and was approved six weeks before the unveiling by GM's main board. The company aims to break even by mid-decade and move back into profitable growth under the plan codenamed Drive! 2022. Vauxhall/Opel is viewed as a small-scale version of GM's global problems



Figure 11- New Adam (NetCarShow, 2013)

with costs, model range and management and that if GM can fix its European division then it will know how to fix the whole problem. According to Girsky and Sedran, two chairmen at Opel the plan shows GM's commitment to the companies even after they sought to sell them once, although Girsky and Sedran also had praise for Vauxhall which they cited as the fastest growing retail brand in 2012 and a leader in commercial vehicles and number one seller to police fleets. The initial stages of the plan have already begun, in 2012 six new models were launched, more than one million cars were sold in Europe, the number of unsold cars was reduced and Astra production was reconfigured in two plants (down from three plants) (Cropley, 2013).

### Plan Objectives

- Under the plan Vauxhall/Opel will cut its fixed costs by \$500m by around 2015 and launch 23 new car models and 13 new engines (Cropley, 2013).
- It also outlines how it will expand and implement the new alliance with PSA.
- Reorganise structures in management and reduce bureaucracy - At Opel the top 18 people in the supervisory board have been reduced to 4 from a year ago and the relationship between Opel and GM Detroit is better connected. Girsky said in March 2013 that now is a time for a culture change in the company and this starts at the top (McCormick, 2013).
- New car-pricing structure for Opel, which will stop short of being an across-the-board change in pricing or brand positioning.
- The Drive 2022 plan also targets more than 90 per cent utilization of Opel's plants – something that may not be feasible without shutting vehicle production at the carmaker's

Bochum site in Germany. Neumann, the new CEO at Opel, intends to persuade employees to grant concessions to make the plan feasible

- Vehicles sold in Europe will be built in Europe whenever possible. For instance, the successor of the Mokka small sports utility vehicle could be produced in Eisenach, Germany, or Gliwice, Poland, instead of South Korea also Chevrolets will be built locally in Europe. In addition to this Vauxhall is close to realising its goal of sourcing 25% of parts for the new Astra, which will be built at Ellesmere Port from 2015, from UK suppliers as they have just secured £1bn of secured orders. Only 10% of parts for the current Astra are sourced from UK-based companies. Creating a supplier cluster around the plant will reduce transport costs leading to lower CO<sub>2</sub> emissions and shorten the supply chain. Ellesmere Port MP Andrew Miller said that there is land available on the Vauxhall Park and planning should not be an issue and that he is optimistic in the long term that this will persuade parts suppliers to relocate back to the UK (Hodgson, 2013).
- Key to this rapid model expansion is GM's joint venture with PSA, which includes the co-development of engines and several new platforms for small medium and large cars. These will allow GM to reduce costs dramatically and launch more variants of each model than ever before. "Where products are European specific, we should use PSA," Girsky explained. He also stated that "We know how to use scale, and they are (PSA) smaller and can do things quicker, it's a good combination." (Rix, 2013)
- Opel plans to sell six facilities in Europe to its U.S. parent GM in order to win extended funding. The transaction includes an engine plant in Hungary, a development centre in Turin, Italy, and a facility in Gliwice, Poland (Zacks, 2013).

The plan is simply to increase profits whilst reducing costs however the plan has been split up into three separate phases.

*1<sup>st</sup> Phase* – Optimise manufacturing costs, reduce the cost of materials and sharpen the brand image, in Germany the brand is seen as boring and sales have dropped significantly.

*2<sup>nd</sup> Phase* – Match supply closely to demand, produce cars currently made outside Europe locally and launch variants of models with alliance partners PSA.

*3<sup>rd</sup> Phase* – Increase market share in growing economies such as Russia and Turkey, break into the top 5 in customer satisfaction and ensure factory utilisation reaches around 90%.

The reason GM, Opel and Vauxhall believe that this plan will work is because of a new company culture, a new team in charge and the fact that they are not relying on hope as a strategy anymore (Rix, 2013).

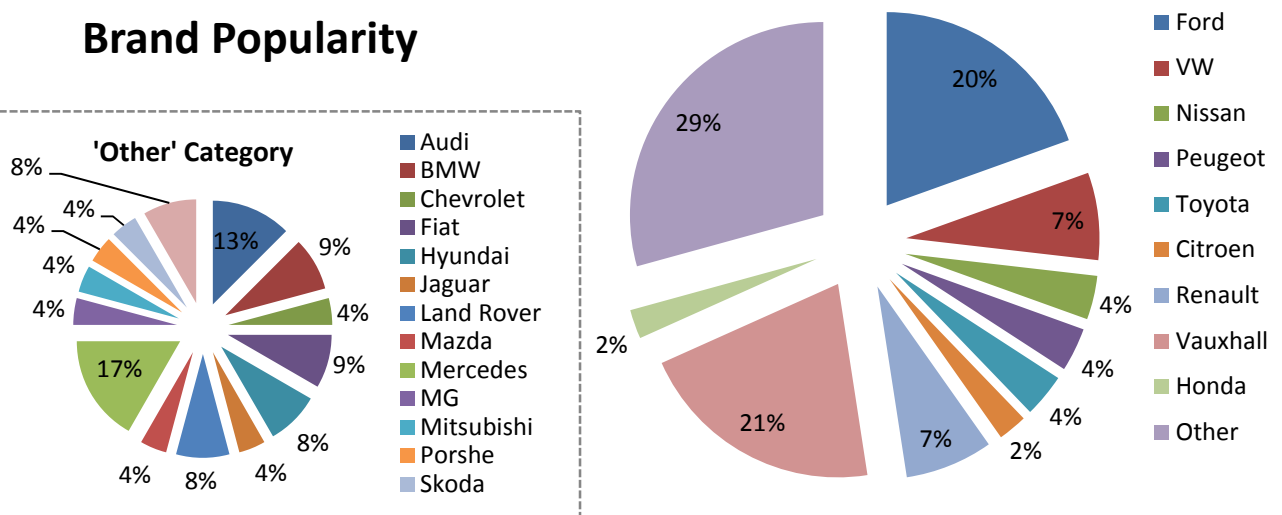
### 3.0 Survey Results

An electronic survey with nineteen questions was posted on automobile forums and websites, the survey was also emailed to colleagues. There were fifty two responses in the two week waiting period. This data has been analysed to portray results to show if Vauxhall is heading in right direction with its Drive! 2022 plan and depicts the future of the company and the publics' perception on the vehicles. The survey can be seen in the appendices under section A6.

#### 3.1 Brands

Vauxhall and Ford are the two highest selling automobile brands in the UK this is clearly evident in the results of question 1, which asked participants what car makes they own. Ford had 13.7% and Vauxhall had 12.1% of the UK new car registrations in July 2012 (Mintel, 2012).

**Brand Popularity**



**Chart 1- Results from Question 1 on Brand Popularity**

Vauxhall and Ford are clearly the two largest segments of the pie chart with 21% and 20% share respectively. Vauxhall is three times more popular than the third and fourth most

popular brands, VW and Renault. The most likely reason why Vauxhall is more popular than Ford is because the survey was posted on Vauxhall related websites and forums. The popularity of Vauxhalls is also shown in results from question 5 and 6 where 59.6% of respondents said that they had bought a Vauxhall vehicle and 44.2% would consider buying a Vauxhall in the future and 26.9% said that they may buy one.

It is worth noting that the ‘Other’ category is made up of 14 marques and can be seen in the pie chart above to the right. The most popular brands in this category were Mercedes Benz and Audi and these were more popular than some of the lower scoring makes in the main chart this shows reasonably high demand for more premium cars.

The popularity of Vauxhall is also evident from question 17 where respondents ranked their favourite brands from a selection of nine marques. This question took into account the desirability of marques without the influence of price affecting the results, thus differentiating it from question 1. A mean average was taken for each brand and the lowest scoring brands were the most popular as the question defined that ‘1’ was their most preferred brand.

Marque:	Ford	VW	Nissan	Peugeot	Toyota	Citroen	Renault	Vauxhall	Honda
Score	3.8846	3.3269	4.5769	5.5	4.3076	5.3846	5.3653	4.2115	4.6538
Rank	2 <sup>nd</sup>	1 <sup>st</sup>	5 <sup>th</sup>	9 <sup>th</sup>	4 <sup>th</sup>	8 <sup>th</sup>	7 <sup>th</sup>	3 <sup>rd</sup>	6 <sup>th</sup>

Table 3- Brand Preferences, Results from question 17.

This shows that Ford is in a more preferred brand to Vauxhall this directly correlates to the new car registration statistics and question 1. Volkswagen taking first place is not so surprising when looking at the data for new car registrations, see A3 section in the appendices, at the end of 2011 they were the 3<sup>rd</sup> highest with 9.2% market share however they had a 1.1% increase between 2011 and 2009, much higher than Ford and Vauxhall which had a percentage increase of -2.2% and 0.2%, respectively.

From these survey results Vauxhall may fall from second to third as the UKs most popular brand. A position it has held for a number of years, which 46.2% of respondents were aware of (see question 8 on the survey). Forty-eight per cent of respondents also knew that Vauxhall was currently the second most popular brand. This fall may have come due to their ratings on styling/design when compared to competition and value for money which was both just above average, this can be seen in diagrams 1 and 2. When taking an average score styling/design got 3.31 and value for money got 3.21. It is worth noting that 1 on the scale is very bad.

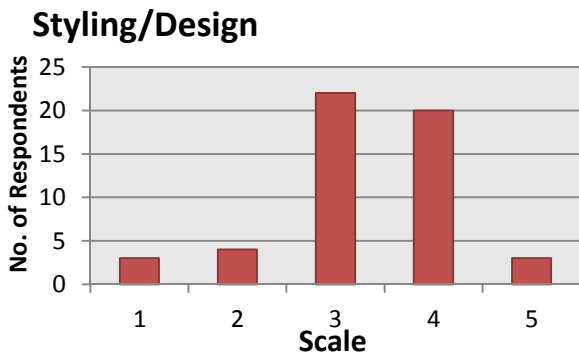


Diagram 1- Styling/Design Ratings

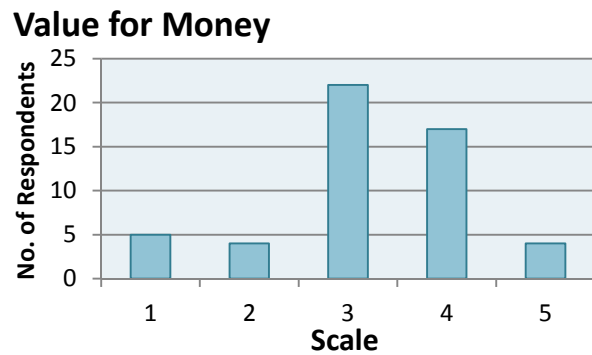


Diagram 2- Vale for Money Ratings

This may mean that Vauxhall still has some work to do in shifting its dull and unreliable reputation it has acquired, although these scores may have been worse a few years ago they still need to be higher to increase desirability. It may also mean that the public is still unaware of the new models that have been launched recently and Vauxhall needs to increase spending on advertising.

### 3.2 Classification

Considering the public's average perception of Vauxhall vehicles they were asked how much they would spend on a certain class of Vauxhall vehicle in question 11.

### Expenditure and Class of a Vauxhall Vehicle

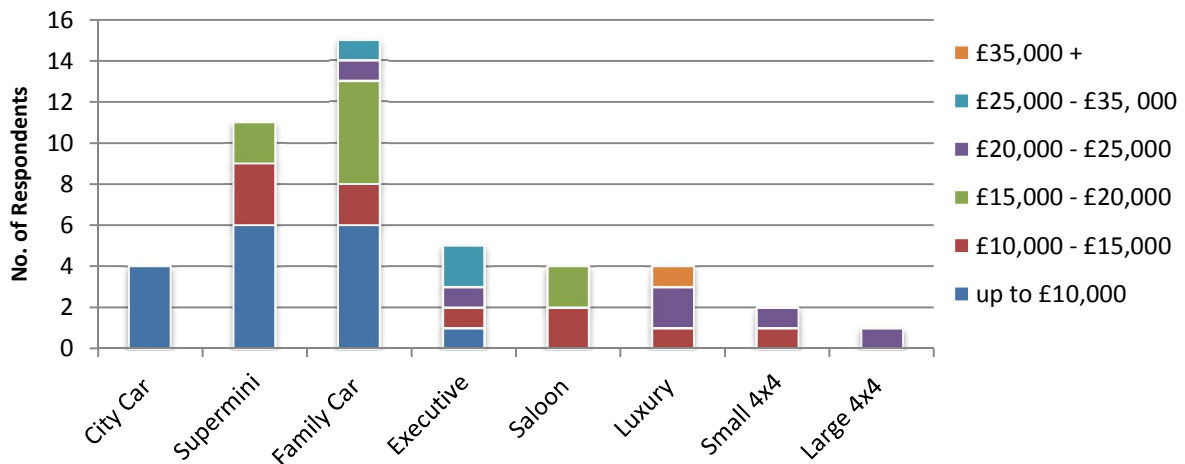


Diagram 3 - Expenditure and Class of a Vauxhall Vehicle - Results from Question 11

The graph shows that the most popular car classes are the Superminis and the Family Cars; this is also shown from results gained from question 2 when looking at Chart 2 below. When looking at diagram 3 it is useful to compare it to the Table in the appendices under section A4 which shows the classes and prices of car models of Vauxhall and other competitive manufacturers.

All manufactures have a city car for under £10,000 however

Vauxhall has the most expensive with the Agila costing £8,495. Studying the second most popular class, the supermini, Vauxhall has the cheapest supermini with the Corsa being £505 under £10,000, it also has the more personalised Adam that costs £11,225 that may attract a buyer looking for a more individual car, considering add-ons for the customisations the price will reach into the £10,000 to £20,000 range,

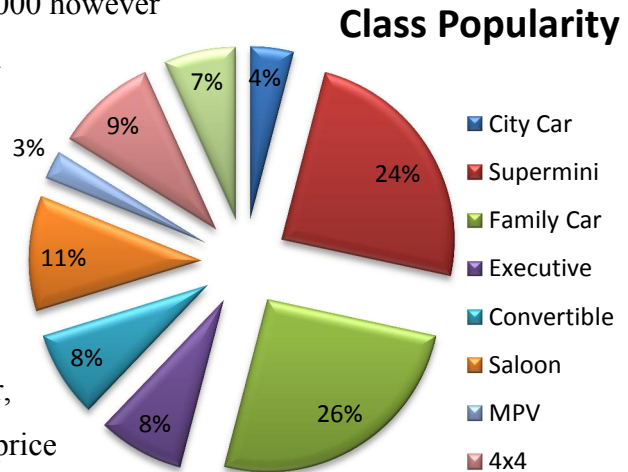


Chart 2- Class Popularity- Results from Question 2

where just over half of respondents would be willing to spend and this is the price range where largest proportion of new cars, 57%, are bought for (Intel, 2012). Family Cars are the most popular class of car, Vauxhall has the Astra and the Meriva which are both priced just below £13,000. The majority of people wanted a Family Car for under £10,000; looking at the comparison table no manufacturers offer this price on this class. Nissan has the lowest price with its Note model for £11,500, this may be a market niche that Vauxhall may want to explore. It may be viable as Vauxhall's cars are cheaper than most brands in many other car classes, showing they have the knowledge in reducing costs. Vauxhall also has the Zafira range which are larger family cars or MPVs these fit within the second highest popular, of which a third of respondents chose, price range of £15,000 to £20,000.

### 3.3 Attributes

Vauxhall has favourably priced cars within their classes and against competition, it is necessary to look at other aspects of cars that attract people to buying them.

### Important Attributes

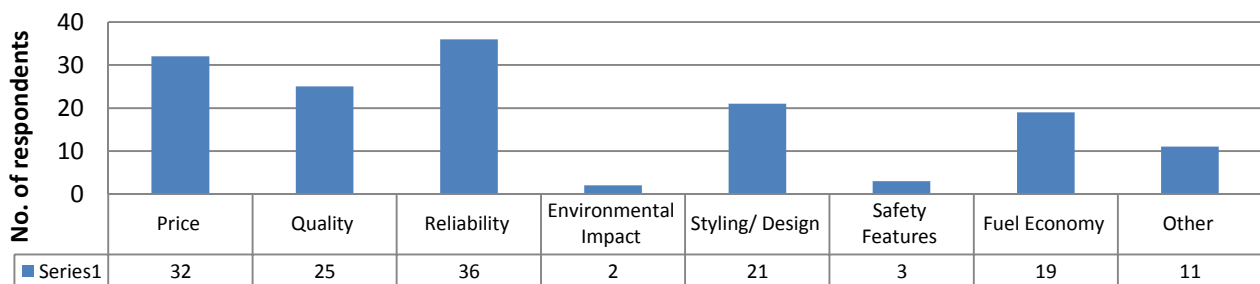


Diagram 4- Important Attributes when Purchasing a Car



Surprisingly price was not the most important factor for people when deciding on buying a new car, reliability was 12.5% more important than price, and quality was the third most important attribute to cars then styling/design and fuel economy. It is hoped that Vauxhall will shed its previous reputation for poor reliability and build quality in the near future, Karl-Freidrich

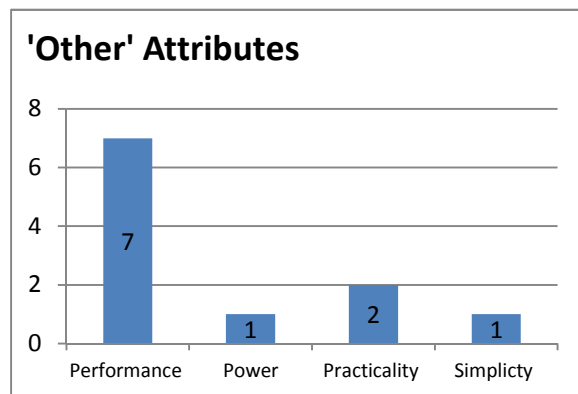


Diagram 5- Attributes listed under 'Other'

Stracke a former CEO of Opel/Vauxhall said that the company needs to focus on its engineering efforts and needs to gain driving passion (Horrell, 2012). This is also encompassed by the Drive! 2022 plan where the company is aimed at being in the top five for customer satisfaction and also by building the vehicles in Europe and making engineering decisions in Germany. Styling/Design was important to 14% of respondents and Vauxhall scored just above average in the questionnaire however this is may improve as the reviews from the latest cars the Mokka and Cascada have noted their aesthetics. Vauxhall has the EcoFLEX range of engines which can give up to 85.6mpg and 99g/km of CO<sub>2</sub> this aids in attracting the 12.6% of respondents that listed fuel economy in the survey. In the 'Other' category performance, see diagram 5, was also highlighted as an important attribute Vauxhall is continuing the VXR range and under the plan there is going to be 13 new engines many of which will be orientated towards performance and increasing fuel economy.

### 3.4 Near Future

With the introduction of the Ampera, Vauxhall's first hybrid vehicle, the survey asked if this would be the most prevalent engine type in the future and whether Vauxhall should focus on designing these or other types of engines. The Ampera is a hybrid [2] as described under the graph below, as the combustion engine charges the batteries for unlimited range.

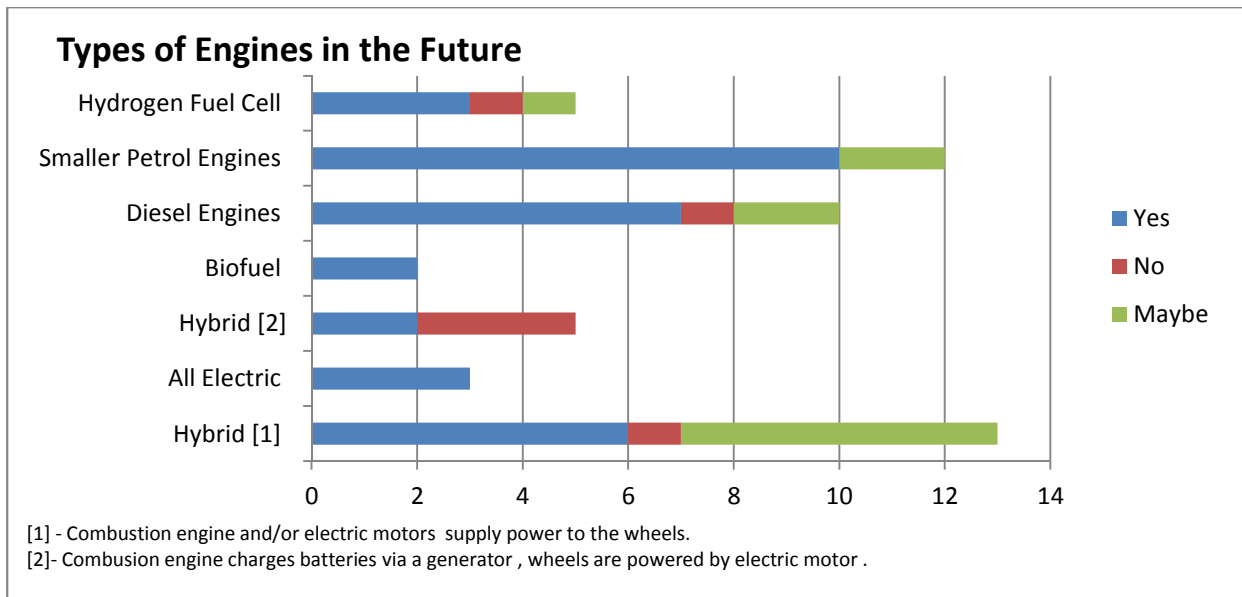
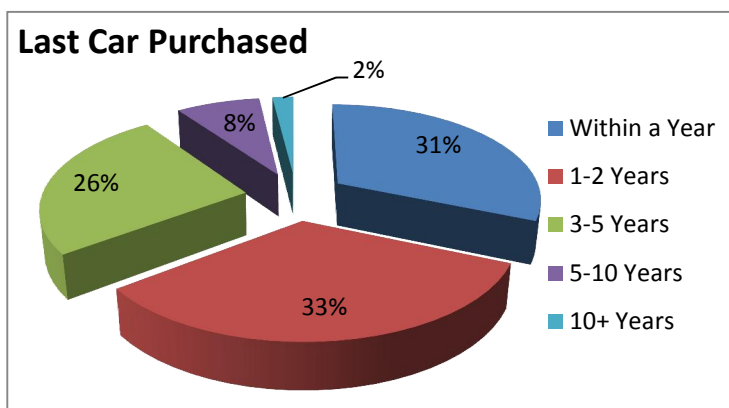


Diagram 6- Future Engines and their Popularity

Unfortunately from these results Vauxhall seems to be innovating with the wrong engine type, with a majority vote that says they should not focus on this technology. Hybrid [1] has the most response with people feeling that it has great potential in the future indicated by the large proportion of 'maybe' and 'yes' replies. The greatest amount of positivity comes from smaller petrol engines and diesel engines, the Drive! 2022 plan may have taken this into consideration when designing the 13 new engines. When looking at engine options for Vauxhall vehicles, there is a larger range in the diesel and EcoFLEX engine type than petrol engines. Even in the petrol engine types there is the option for six-speed transmission making it more economical to drive at motorway speeds.

The UK has seen car sales reach a four year high, new UK car registrations rose 5.3% in 2012 as private individuals bought around 929,000 new cars. This is likely due to the discounts offered on new cars and the shortage of cheap used cars, which kept the prices high and decreased the gap between the two categories (BBC, 2013). These sales are portrayed in the results of question 3, see chart 3 below.



This trend is expected to continue into 2013 however with the UK as the only country in Europe to have increasing sales on cars there will be aggressive competition.

Chart 3- Time Since Last Car Purchased

### 3.5 Public's Knowledge of Vauxhall

Largely the public was aware that Vauxhall is a subsidiary company of General Motors with 71.2% of respondents knowing this fact. Interestingly they were very familiar with the financial losses that have been made by GM Europe, as 75% of people were aware that Vauxhall/Opel has lost around €18bn in the past fourteen years. Although Vauxhall is an exclusive brand to the UK 94.2% of the public knew that the majority of the cars were imported from other areas of Europe, the models and where they are assembled can be seen in the table in the appendices under section A5. With the vast majority aware of the importation only 17.3% of respondents disapproved that the vehicles were manufactured elsewhere, instead of the UK. With the public being very well informed about the losses Vauxhall is incurring and the indifference people feel about the importation of Vauxhall vehicles a large percentage of people, 42.3%, would have an issue if GM stopped manufacturing the marque and 38.5% answered that it may disappoint them.

## 4.0 Conclusion

Despite the huge losses that General Motors has incurred from Vauxhall, the subsidiary company is still in a very strong position in the UK. The company is 156 years old and one of the oldest in the country, which instils the moniker with pride and heritage, it is also currently the second most popular brand with 12.1% of new car registration sales. The public is generally aware of the situation that Vauxhall is in but the majority would be disappointed if the brand disappeared. This is not very likely to happen as Girskey and Sedran, two chairmen at Opel, named Vauxhall as the fastest growing retail brand in 2012. GM also gave €1.9bn in 2010 to fund to Opel/Vauxhall's viability plan, showing their commitment to the brand that they almost sold to Magna and Sberbank in 2009.

All car manufacturers in Europe are facing financial losses due to the huge overcapacity problem. To help alleviate some of these losses GM Europe aims to cut \$500m in costs under its Drive! 2022 restructuring plan. The first phase of the plan also aims to tackle the perception that the cars are boring and to increase customer satisfaction, an issue that has

affected the brand for years. The situation in the UK is improving with car sales in 2012 at their highest in four years and improvements in adults' wealth between 2008 and 2011.

Vauxhall has favourably priced cars that are cheaper than its main rival, Ford and also Japanese brands, in most car classes. They have a wide range of cars that fit into all classes and a sizeable range of engines that are predominantly diesel or economical petrol engines. The Ampera may be seen to be using an unpopular engine technology amongst the public however industry awarding bodies and the media are very favourable towards it and Vauxhall is claiming that the car is revolutionary. It is still yet to be seen if this is the future or if it is GM touting its engineering prowess.

The Drive! 2022 plan is set to tackle Vauxhall and Opel's issues and has addressed key problems with the company and aims for the company to break even by mid-decade. The two companies are intrinsically linked and dependent on each other, there is very little difference between the vehicles apart from the badges, this means that if Opel was closed or sold then Vauxhall would go with it. Vauxhall is currently in a better position than its continental equivalent however the inclusion of Opel into emerging economies outside Europe, such as Turkey and Russia, could boost sales significantly. The plan has a great chance of success and has already delivered highly rated vehicles such as the Mokka and Cascada, which are set to be very popular. The plan is designed to change the company's culture by attacking complacency and increasing morale. The main restraint that may cause the plan to fail is the poor management of Opel by GM as Opel has had three different CEOs in the past year and there is pressure from GM investors to sell the marque. If Karl-Tomas Neumann is able to hold a long term position as CEO of Opel, which is uncertain as he has never held a top job for long, he has the experience and enthusiasm to lead Opel to success, as he led VW's highly profitable China operations (McVeigh, 2013).

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Word Count – 5,052

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# Appendices

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## **A1 Current UK Car Market**

### **New Car Market in the UK**

The recent recession has affected the new car market by steering the high sales of medium-sized vehicles towards smaller and more specialist models. The best performing segment of the market is the mini segment where sales between 2007 and 2011 nearly doubled despite overall new car sales dropping by nearly a fifth. The popularity of smaller vehicles could have been partly driven by the government's scrappage incentive scheme that ran from May 2009 to March 2010. Scrappage accounted for around 20% of new cars sold when the incentive was run (BBC, 2010). The scheme saw many owners of older vehicles scrapping these in favour of cheaper and smaller newer models. Vauxhall's Corsa, Insignia and Astra models were all in the top 10 most sold cars of August 2009 sales (BBC, 2009). By the end of the scheme Vauxhall had sold 26,415 cars of the total 395,499 cars sold in the incentive scheme (SMMT, 2010).

Between 2011 and 2007 there was a large number of mini vehicle models launched and buyers were enticed by the savings offered by a smaller engine as well as the impact of low emissions and a lower car tax. Other categories of cars also were successful such as the executive category where sales grew 5.5% in the 4 year period. The SUV and supermini category both saw a drop in volume sales however this was far below the overall market average. Despite these positive outcomes from these categories the new car market is still dominated by mid-priced models mostly in the supermini and lower medium categories of car. Together these segments accounted for 61.5% of new car sales in 2011. German brands are doing well in the UK with three marques being in the top six, taking third, fourth and fifth place, of shares in new car registrations (Mintel, 2012).

### **Internal Car Market**

Within the UK market Ford and Vauxhall are the largest selling brands and combined, account for just over a quarter of total new car sales.

Consumer expenditure data suggests that the amount spent on car purchases has fallen by 1% from 2011 to 2008 the cost of other motoring expenses has risen. The amount spent on servicing and repair increased by 9% and other motoring expenses rose by 12%. The large rise in other motoring expenses is likely due to the rising cost of fuel. As of March 2012

unleaded petrol had risen 64.5% against its retail price in January of 2009 while diesel rose 49.8% in the same period.

**Figure 10: Consumer expenditure on car purchasing, servicing and repair and motoring expenses, seasonally adjusted at current prices, 2008-11**

	Car purchase		Motor servicing & repair*		Motoring expenses**		Total	
	£m	Index	£m	Index	£m	Index	£m	Index
2008	34,559	100	20,223	100	36,476	100	91,258	100
2009	34,827	101	20,603	102	34,097	93	89,527	98
2010	37,248	108	21,441	106	39,062	107	97,751	107
2011	34,362	99	22,042	109	40,796	112	97,200	107

\* includes vehicle maintenance and repair costs, motor vehicle spare parts costs  
 \*\* includes vehicle fuels and lubricants and other vehicle expenses

**Table A1- Consumer Expenditure (Mintel, 2012)**

This shows that there is the increasing need for cars with smaller engines or eco-friendly cars that use less fuel whilst also being highly reliable. However the drop or stability in car purchase amount may indicate that people are not buying the newer hybrid or electric cars as they are more expensive (Mintel, 2012).

### **Broader Market Considerations**

Consumer confidence is at its lowest since the recession in the early 1990s, this confidence is critical information for automobile manufactures as large amounts of money is spent when buying a new car, with consumers borrowing finances for their purchases. People are going to be more cautious when purchasing high price items such as cars. Despite the recent slowdown in the economy and the rising cost of motoring the rise in multiple car ownership has risen, the latest data has shown that 33% of households have two or more cars/vans this is up from 32% between 2005 and 2009 and 29% in 2002, the growth in multiple car households is encouraging given the recent economic. The percentage of households that do not own a car has fallen from 27% to 25% between 2002 and 2010.

Sales of cars are likely to be affected by the population structure in the future. The increase in the number of older adults is most prominent in the 65-74 and 85+ age bands with 12.1% and 16% increase forecast, respectively, between 2012 and 2017. This increase in older adults is expected to boost the interest of smaller vehicles. There is also a smaller growth in the 25-34 age band with a 9.4% expansion forecast, this may increase the demand for family cars. The

expansion in the 45-54 and 55-64 age bands may help boost sales of higher value vehicles such as executive models due to their relatively high wealth.

There have been improvements of UK adults wealth as the percentage of adults in the AB, C1 and C2 groups increased by 7%, 0.3% and 11.3%, respectively, between 2007 and 2012. This wealth may increase the sales of more expensive or new cars as opposed to used cars. There is a trend of the average household size decreasing this is due to the facts that more adults are choosing to live on their own as well as the ageing population this is likely to reduce the sales of family cars and push the demand for smaller vehicles. There has been a very large increase in the number of elderly that hold a full driving licence with 78% of men over 70 holding a licence, this is up from 32% in 1975, and with 41% of women over 70, up from 4% in 1975. There has been a sharp decrease in the number of young male drivers with a full licence; this is very noticeable between 2010 and 1995/97 with a fall of 15% from 50% in 1995/97 in the 17-20 age group, and a fall of 14% from 80% in the 21-29 age band (Mintel, 2012).

## A2 SWOT Analysis

### Strengths

- Vauxhall is owned by GM and the latest figures from Q1 in 2012 show that it has 11.3% global market share. Being a global company GM can enjoy the benefits that come with size, such as economies of scale and the risk of failure being spread over several products and geographical markets (GM, 2012).



Figure A1- Vauxhall 30-98 – Britain's first 100mph car (Telegraph, 2013)

- Vauxhall has the second highest UK market share with 12.1% in 2011, next to Ford which has 13.7% (Mintel, 2012). Vauxhall has held this position for several years.
- Retail innovations – Vauxhall's Adam has a very wide range of personalised customisability even with interchangeable wheel design using clips that attach to the

wheel spokes, so that customers can change designs at home, Vauxhall/Opel is the first manufacturer to offer this design feature (NetCarShow, 2013). Vauxhall was also the first manufacturer to sell cars on the internet which they started to do in 1999 (Business Teacher, 2012).

- Vauxhall is one of the UKs oldest companies and has had great racing success by winning over 100 races. Giving the company heritage and pride.
- New car models and engine launches (see Drive! 2022 section).
- Full range of emergency vehicles. Vauxhall is the largest supplier of police fleets with a 70% market share (NewCarNet, 2013).
- Award winning cars: The Ampera won the European car of the year award in 2012 and the Green car of the year in 2011; the Zafira Tourer won the Golden Steering Wheel Award in 2012; the New Meriva won the Golden Steering Wheel Award in 2010; the EcoFLEX fleet won the 2009 World Environmental Award (Vauxhall, 2013).
- High performance VXR range aimed at car enthusiasts.
- Approval of new cars from reviewers. The Mokka is said to have excellent manoeuvrability, which is important in a small city SUV, a spacious interior and is pleasing to the eye (Nottingham Post, 2013). The Cascada a four-seat convertible that will compete with Audi's A5 in the premium market, has a modern look, the roof folds open or closed in 17 seconds whilst driving at speeds up to 30mph (English, 2013).

## Weaknesses

- Saturation of the UK market.
- Consistent losses for the past 13 years.
- Previous reputation for poor reliability (What Car, 2004).
- Electric vehicle market Ampera is aimed at is insecure and undeveloped still. The extended range technology has not been marketed effectively and this hybrid technology is evolutionary and not revolutionary, as Vauxhall claims. Advantages between the Ampera and Toyota's hybrid engines are difficult to justify.



Figure A2- Bochum Plant (Die Welt, 2013)

- GM is aiming to reduce workforce to cut some of its targeted \$500m costs.
- GM has already shut down one of Vauxhall/Opel's factory in Antwerp, Belgium and aims to phase out auto production at the Bochum plant until 2016. After which it will be converted to a components and logistic site. The Bochum plant is one of Opel's oldest and costliest factory (Global Post, 2013).
- Alliance partner, PSA, is struggling and announced losses of €5bn (£4.3bn) early in March 2013 (PSA Peugeot/ Citroen, 2012).
- According to JD Powers in 2012 Vauxhall was second from last in the customer satisfaction ranks. Chevrolet, another division of GM's was the worst. Hopefully the alliance with PSA will help as Peugeot improved 8 places on the previous year and is expected to move to above average next year (Aucock, 2012). The issue with poor customer satisfaction is also coming from the dealerships and Karl-Freidrich Stracke is said to have had strong words with them (Horrell, 2012).
- Astra sales fell 28.9% in 2012, despite the fact that the Astra is on average 11% cheaper than the VW Golf. There were increased sales of its two main rivals, the Ford Focus and the VW Golf in 2012 (Hodgson, 2013).
- All plants are running under full capacity, roughly a third of Europe's auto assembly plants are operating below the 70% usually needed to turn a profit. Opel's Bochum plant currently has 4,500 employees down from 25,000 when the plant was running at full capacity (Wall Street Journal, 2012).

## Opportunities

- New restructuring plan is a chance for Vauxhall to re-invent themselves to appeal to more individualistic and premium tastes (Mintel, 2012).
- Vauxhall Ampera will be trialled in the ambulance service (Fleet News, 2013).
- Vauxhall Adam is marketed towards women (Telegraph, 2013).
- Change in management and marketing executives.
- Alliance with PSA, Peugeot and Citroen.
- Rise in multiple car ownership in UK.
- New corporate strategy and restructuring being implemented with billions of dollars in investment.
- Near term and long term low carbon technologies.
- Safety technologies (PWC, 2009).

- Vauxhall implements many employees' cost-saving ideas and entices employees to think of them by giving the inventor a fifth of the savings, or capping that at £12,000. In 2002, 2,004 of the 8,000 ideas suggested were implemented and has saved the company millions of pounds (Business Teacher, 2012).
- EcoFLEX models that have lower carbon emissions reducing vehicle tax to either A or B VED band.
- Bringing the Opel brand to the UK could raise the reputation to being a premium make due to the fact that the company is based in Germany and the reputation of German engineering.
- Weakening of the pound against the euro means that importing of goods is more expensive and Vauxhall's boss, Duncan Aldred, said that the prices may have to go up. The weakness of the pound and the relative strength of the UK car market compared the European market may mean that competition pushes products through at discounted prices (AM Online, 2013).

### Threats

- Overcapacity in European car market.
- GM cuts and decisions, GM almost sold Vauxhall/Opel to Magna in 2009.
- Despite the write-off GM has been successful recently as revenues reached \$152bn in 2012 up from \$135.5bn in 2010. It has been announced that GM may not have to pay federal taxes for several years, given by the government due to impairment and amortization of assets. Globally moving forward Vauxhall/Opel is GM's biggest challenge, the losses incurred by GM Europe offset the success the company is having in the US and China (Huffington Post, 2013).
- Government intervention, US government still owns 26% of GM.
- Increased competition from German and Japanese brands that have a reputation for a higher level of reliability.
- Changes in Government legislation, new rules on safety may cause issues with new models and increased tax may reduce demand.
- Little sign of economic recovery.
- Tough competition from Ford, as every type of model Vauxhall makes Ford has an alternative.
- Increase in fuel prices.

- Steady rise in the cost of motoring.
- Expenditure on cars falling
- Higher end auto manufacturers such as Audi and Mercedes bringing out models that will invade Vauxhall's target market.
- Ellesmere plant to start producing Chevrolets (Car and Van News, 2013)
- Speculation that Vauxhalls UK plants will take on Peugeot workload (Meadowcroft, 2013).

### A3 New Car Registration 2012 Statistics

	2009		2010		2011		% point change 2009-11
	000's	%	000's	%	000's	%	
<b>Ford</b>	316.4	15.9	280.4	13.8	265.9	13.7	-2.2
<b>Vauxhall</b>	237.8	11.9	247.3	12.2	234.7	12.1	0.2
<b>Volkswagen</b>	161.1	8.1	174.7	8.6	179.3	9.2	1.1
<b>BMW</b>	98.7	5	109.4	5.4	116.6	6	1
<b>Audi</b>	91.2	4.6	99.8	4.9	113.8	5.9	1.3
<b>Nissan</b>	77.9	3.9	89.7	4.4	96.3	5	1.1
<b>Peugeot</b>	102.6	5.1	109.3	5.4	95	4.9	-0.2
<b>Mercedes-Benz</b>	72.3	3.6	75	3.7	81.9	4.2	0.6
<b>Toyota</b>	102.6	5.1	87.4	4.3	73.6	3.8	-1.3
<b>Citroen</b>	72.5	3.6	73.3	3.6	68.5	3.5	-0.1
<b>Renault</b>	63.2	3.2	95.6	4.7	68.4	3.5	0.3
<b>Hyundai</b>	56.7	2.8	61.8	3	62.9	3.2	0.4
<b>Kia</b>	50.6	2.5	56.1	2.8	53.6	2.8	0.3
<b>Honda</b>	74.8	3.8	63.7	3.1	50.6	2.6	-1.2
<b>Mini</b>	39.9	2	43.9	2.2	50.1	2.6	0.6
<b>Skoda</b>	37.3	1.9	41.2	2	45.1	2.3	0.4
<b>Fiat</b>	60.3	3	53.1	2.6	41.6	2.1	-0.9
<b>Land Rover</b>	29.2	1.5	37.3	1.8	37.6	1.9	0.4
<b>SEAT</b>	30	1.5	32.9	1.6	36.1	1.9	0.4
<b>Volvo</b>	34.9	1.8	37.4	1.8	32.7	1.7	-0.1
<b>Mazda</b>	47.9	2.4	45.4	2.2	31.2	1.6	-0.8
<b>Suzuki</b>	28.5	1.4	21.5	1.1	20.3	1.1	-0.3
<b>Other</b>	108.6	5.4	94.6	4.8	85.5	4.4	-1
<b>Total</b>	1,995.00	100	2,030.80	100	1,941.30	100	

(Intel,2012)

Table A2 - New Car Registrations 2012

#### A4 Comparison of Car Manufactures Models and Prices

	UK/German/US		German		French		American		Japanese		Japanese	
	<b>Vauxhall</b>	£	<b>Volkswagen</b>	£	<b>Peugeot</b>	£	<b>Ford</b>	£	<b>Nissan</b>	£	<b>Toyota</b>	£
City Car	Agila	£ 8,495	Up!	£ 8,095	107	£ 7,195	/	/	Pixo	£ 7,250	Aygo	£ 7,995
Supermini	Adam	£ 11,255	/	/	/	/	Ka	£ 8,725	/	/	/	/
	Corsa	£ 9,495	Polo	£ 10,490	208	£ 9,995	New Fiesta	£ 9,795	Micra	£ 9,750	Yaris	£ 9,995
Family Car	Meriva	£ 12,500	Golf Plus	£ 16,305	3008	£ 15,695	B-Max	£ 12,995	Note	£ 11,500	Verso S	£ 15,145
	Astra	£ 12,995	/	/	/	/	Focus	£ 13,995	/	/	Auris	£ 13,995
Saloon	Astra Sports Tourer	£ 17,295	Golf estate	£ 18,595	308sw	£ 14,895	/	/	/	/	Avensis	£ 15,995
Electric Vehicle	Ampera	£ 29,995	/	/	/	/	/	/	Leaf	£ 23,490	Prius	£ 12,845
Large Family Car/MPV	Zafira Tourer	£ 20,135	Sharan	£ 24,300	/	/	S-Max	£ 22,800	/	/	/	/
	Zafira	£ 18,565	Touran	£ 17,515	5008	£ 16,595	C-Max	£ 17,695	/	/	New Verso	£ 16,995
Convertible	Cascada	£ 23,995	Golf Cabriolet	£ 21,040	308cc	£ 19,995	/	/	/	/	/	/
	Insigna	£ 18,040	Eos	£ 26,140	508	£ 17,695	Mondeo	£ 18,100	/	/	/	/
Executive	Insigna Sports Tourer	£ 20,240	Passat Saloon CC	£ 19,710 £ 24,050	508sw	£ 18,695	/	/	/	/	/	/
	Mokka	£ 15,995	/	/	2008	tba	/	/	Juke	£ 12,995	/	/
Large 4x4	Antara	£ 19,765	Tiguan	£ 20,975	508RXH	£ 31,495	Kuga	£ 20,895	Quashqai	£ 16,595	Rav 4	£ 22,595

Table A3 – Comparison of Car Manufacturers Models and Prices



## A5 Assembly Locations of Vauxhall's Models

Car Model	Assembly Plant Location
Agila	Esztergom, Hungary
Adam	Eisenach, Germany
Corsa	Eisenach, Germany and Zaragoza ,Spain
Meriva	Zaragoza ,Spain
Astra	Ellesmere Port, UK
New Astra	Gliwice, Poland
Astra Sports Tourer	Ellesmere Port, UK
Ampera	Ellesmere Port, UK
Zafira	Bochum, Germany
Zafira Tourer	Bochum, Germany
Cascada	Gliwice, Poland
Insignia Range (Hatchback)	Rüsselsheim Plant, Germany
Insignia (Saloon)	Rüsselsheim Plant, Germany
Insignia Sports Tourer	Rüsselsheim Plant, Germany
Mokka	Bupyeong-gu, South Korea and Shanghai, China
Antara	Bupyeong-gu, South Korea and Ramos Arizpe, Mexico and Saint Petersburg, Russia

Table A4 – Locations of Vauxhall Assembly Locations (Vauxhall, 2013)

## A6 Survey Questionnaire

### 1) What car make(s) do you own?

- Ford
- VW (Volkswagen)
- Nissan
- Peugeot
- Toyota
- Citroen
- Renault
- Vauxhall
- Honda
- Other:

### 2) What type of car(s) do you own?

- City Car (Ford KA, Toyota Aygo)
- Supermini (Fiesta, Corsa)
- Family Car (VW Golf, Mondeo)
- Executive (Citroen DS5, BMW 3-Series)
- Convertible (Hard or soft top)
- Saloon (Audi A8, Insignia)
- MPV (Zafira, Galaxy)
- 4x4 (Nissan Juke, Range Rover)
- Other:

**3) When did you last buy a car (new or second hand)?**

- Within a year
- 1-2 Years
- 3-5 Years
- 5-10 Years
- 10 + Years

**4) What 3 most important attributes do you look for when purchasing a car?**

- Price
- Quality
- Reliability
- Environmental Impact
- Styling/Design
- Safety Features
- Fuel Economy
- Other:

**5) Have you ever bought a Vauxhall vehicle?**

- Yes
- No

**6) Would you consider buying a Vauxhall vehicle in the future?**

- Yes
- No
- Maybe
- Never

**7) Did you know that currently Vauxhall is the second most popular car brand in the UK?**

- Yes
- No

**8) Were you aware that Vauxhall has been the second most popular brand in the UK for a number of years?**

- Yes
- No

**9) On a scale of 1 to 5 (1 being very bad) how do you rate Vauxhall's styling/design compared to its competitors?**

1   2   3   4   5

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**10) On a scale of 1 to 5 (1 being very bad). How do you rate Vauxhall cars in terms of value for money?**

1   2   3   4   5

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**11) How much would you pay for a new Vauxhall car and what car type would you want? Select one check box with the range of money and one with the type of car**

- up to £10,000
- £10,000 - £15,000
- £15,000 - £20,000
- £20,000 - £25,000
- £25,000 - £35,000
- £35,000 +
- City Car
- Supermini
- Family car
- Executive
- Saloon
- Luxury
- Small 4x4
- Large 4x4

**12) Were you aware that not all Vauxhall vehicles are manufactured in the UK and that many are imported (e.g. from Spain, Germany, and Poland)?**

- Yes
- No

**13) Do you care/mind that the cars are imported into the UK?**

- Yes
- No
- Maybe

**14) Did you know that Vauxhall is a subsidiary company (wholly owned) of General Motors?**

- Yes
- No

**15) Did you know that General Motors Europe (Vauxhall/Opel) have posted approximately \$18bn in losses since 1999?**

- Yes
- No

**16) Considering overcapacity in Europe would you care/mind if GM stopped manufacturing Vauxhall vehicles?**

- Yes
- No
- Maybe

**17) List these brands in order of your preference** 1 being your most preferred

	1	2	3	4	5	6	7	8	9
Ford	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VW Group (Volkswagen Group)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nissan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Peugeot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Toyota	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Citroen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renault	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vauxhall	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Honda	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**18) What type of car/engine do you think will be the most popular in the future?**

- Hybrid (combustion engine & electric motors power wheels)
- All Electric (batteries only power source)
- Hybrid (engine charges batteries via-generator, wheels powered by electric motors)
- Biofuel
- Diesel Engines
- Smaller petrol engines
- Hydrogen fuel cell
- Other:

**19) Do you think Vauxhall should focus on designing these types of cars/engines in the near future?**

- Yes
- No
- Maybe