CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

FACULTY OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF MANAGEMENT

Diploma Thesis

Reasons for Different Marketing Strategies - Automobile Companies in the Arabian Gulf States compared to Western Europe

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DIPLOMA THESIS ASSIGNMENT

B.Sc. Miros Mariwan Omer, BSc

Economics and Management
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Thesis title

Marketing and Culture

Objectives of thesis

The objective of this diploma thesis is to identify and explain the marketing strategy approaches and consumer behavior analysis in two different cultures: Western Europe and the Arabian Gulf States. It illustrates the role of these two cultures in the process of marketing management in the automotive industry, specifically focusing on the giant European, Japanese, and American car manufacturers.

Methodology

There are two main parts of this thesis: Theoretical and practical.

The theoretical part is based on a thorough review of current relavent literature, taken from appropriate sources.

The practical section comprises quantitative and qualitative research, and sociological research including questionnaire and its outcomes. It is expected that factors like gender, age, tradition, education, income, environment, and Porter's five forces will be of particular interest during the analysis of this diploma thesis.

The proposed extent of the thesis

approx 80 pages

Keywords

Arab Gulf Countries, Western Europe, Consumer Behavior Analysis, Management, Social Factors, Automotive Industry, Marketing Strategies, Vehicles and Sustainability Plan and Culture

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Recommended information sources

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Thesis Title

Reasons for different marketing strategies - automobile companies in the Arabian Gulf States compared to Western Europe

Objective of Thesis

This diploma thesis aims to identify and explain the marketing strategy approaches and consumer behavior analysis in two different cultures, Western Europe and the Gulf States. It illustrates the role of these two cultures in the process of marketing management in the automotive industry, specifically focusing on the giant European, Japanese, and American car manufacturers, and the reasons why these car manufacturers use different marketing strategies in these two cultures. Furthermore, how the automobile industries plan, design, produce, price, place, promote, adapt, compete and finally evaluate these two cultures. Also, how do they manage their sales in the two cultures.

Methodology

Quantitative and qualitative research, sociological research including questionnaires and its outcomes, and literature review and SWOT Analysis. Using factors like gender, age, tradition, education, income, environment, and Porter's five forces for the statistical and theoretical analysis of this diploma thesis.

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Keywords

Declaration

I declare that I have worked on my diploma thesis titled "Reasons for Different Marketing Strategies - Automobile Companies in the Arabian Gulf States compared to Western Europe" solely by myself and I used the sources mentioned at the annexes of the thesis.

In Prague on 29.03.2022 …………………………….

Miros Omer

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Reasons for Different Marketing Strategies - Automobile Companies in the Arabian Gulf States compared to Western Europe

Summary

Transportation is one of the daily needs of individuals such as transporting humans and goods from one place to another. At the end of 19th century, vehicles were introduced by Karl Benz, and since then the use of cars has become so popular that it fit into the societal trends and norms. Nowadays, there are about 1.5 billion cars globally, and from one country to another, numbers and volume vary based on the density of population, economic factors, political and legal dimensions and access to the outer world.

Today's automotive industry is totally different and much more complex than a few decades back due to the technological advancements, introduction of new environmental plans and regulations imposed on the car manufacturers by the governments and unions. The automobile brands are already going through a transitional period when there are doubts and puzzles about the future of the mobility whether the traditional ways and types of vehicles can endure or convert into the electric, battery, and other advanced types of vehicles with the use of the high-tech and features. Furthermore, this diploma thesis aims to identify key factors which influence the marketing strategies of automobile brands and consumer behavior such as cultural, sociological, legal, political, economic, and technological factors.

The main aim of the diploma thesis is to pinpoint the differences in the automotive approaches and marketing strategies of the top automotive players in the Western European countries such as the Czech Republic, France, Germany, and the UK versus the Arabian Gulf States including Kuwait, Iraq, Saudi Arabia, Qatar and UAE, and key indicators which impact consumers reaction towards certain aspects of such brands' products and services.

Důvody pro různé marketingové strategie - Automobilové společnosti ve státech Arabského zálivu ve srovnání se západní Evropou

Southern

Doprava je jednou z každodenních potřeb jednotlivců, zahrnující i přepravu lidí a zboží (z jednoho místa na druhé). Koncem 19. století představil Karl Benz vozidla na benzinový pohon. Od té doby se jízda automobilem těšila vzrůstající oblibě. A postupem času se stala součástí společenských trendů a norem. V současné době je na celém světě asi 1,5 miliardy automobilů. Jejich počet se v jednotlivých zemích liší, a to dle hustoty/počtu obyvatelstva, ekonomických faktorů, politických a právních rozměrů a přístupu do vnějšího světa. V současné době se automobilový průmysl zásadně liší od toho z před několika desetiletí. Důvodem je technologický pokrok, zavádění nových ekologických plánů a předpisů, které byly na výrobce automobilů uvaleny vládou a odbory.

Automobilové značky procházejí přechodným obdobím, kdy se zvažuje alternativní budoucnost mobility. Dále se zvažuje, zda tradiční způsoby dopravy a typy vozidel zůstanou neměnné nebo se zcela přejde na jejich elektrické protějšky. Tyto nové a pokročilé typy vozidel budou využívat špičkové technologie a funkce.

Dalším cílem této diplomové práce bude identifikovat klíčové faktory, ovlivňující marketingové strategie automobilových značek a chování spotřebitelů. Především se zaměříme na kulturní, sociologické, právní, politické, ekonomické a technologické faktory.

Dalším cílem této diplomové práce bude identifikovat klíčové faktory, ovlivňující marketingové strategie automobilových značek a chování spotřebitelů, jako jsou kulturní, sociologické, právní, politické, ekonomické a technologické faktory.

Hlavním cílem této diplomové práce je poukázat na rozdíly v automobilových přístupech a marketingových strategiích předních automobilových hráčů v západoevropských zemích jako je Česká republika, Francie, Německo a Velká Británie oproti státům Arabského zálivu včetně Kuvajtu, Iráku, Saúdské Arábie, Kataru a Spojených arabských emirátů a klíčové ukazatele, které ovlivňují reakce spotřebitelů na určité aspekty produktů a služeb těchto značek.

1. Introduction

These days, with the advancement of technology, education, and world businesses, the process of marketing and especially marketing management became more resourceful and complicated for multinationals and global players. Especially, with the introduction of new technologies in the second decade of the 21st century such as the use of smartphones, cloud computing, automation processes, and other advanced technology, a lot of opportunities and ideas were born by the big industries. Among them, the automotive industry was a big part of this phase of change in world demand and consumption. The advancement of technology came alongside the use of sustainability management, and more obviously manufacturing goods and services in a way that would not leave a huge impact on the environment since the aims of most of the big firms and multinationals were to follow the local and international regulations and policies. A lot of automotive companies took advantage of this new phase of world demand and business models by investing more in their research and development to create and manufacture products that would fit the new demands of consumers and the world's tastes. Among them, the initiation of autonomous cars, fully electric cars, battery cars, biofuel, and other non-carbon fuels vehicles were aligned with the world organizations and Paris agreement terms and conditions. And to reduce carbon emissions and cooperate with sustainability and green programs towards creating a better, greener, and cleaner environment for the next generation.

The process of marketing also saw another chance for the global players and multinationals since the new demands required more strategic plans for better and more sophisticated marketing management. The automotive industry strategies in their existing markets and global markets changed by entering new and improved products that could have met the expectations of the consumers and the latent and incipient demands. Since a lot of people became aware due to the advancement in the internet and social media, more information and sources became available to the consumers regarding companies' plans, products, business models, strategies, etc. The access to data and information online by consumers made the marketing and advertisement procedures harder for the firms especially

when most people around the world became aware of the information that was hardly accessible before.

The aims of multinationals and big players in the automotive industry were to create more demands and sales by minimizing the efforts and costs of marketing. However, this was not impossible due to the mass investments of these big automotive companies in research and development. As it is obvious, the goals and expectations of any international and multinational firm are to maximize their profit and at the same time minimize their costs. To obtain such goals, they need to adopt better strategies and hire more professional people to handle such plans and strategies efficiently. Besides, more types and forms of marketing were initiated such as social media marketing, online search engine optimization, online content marketing, digital marketing which had a huge role in the new phase of marketing management. The digitalization of media and information made it easier for marketing analysts and experts by personalizing the contents and advertisements. Big companies like Facebook, Google, and Microsoft allowed more services for international corporates and multinationals by accessing consumers' data and capturing preferences, tastes, and desires. With the initiation of Internet-based or digital marketing, companies could have accessed consumers' data more easily than before by using the classic ways of marketing, such as focus groups, television advertisements, and other traditional marketing strategies which were time-consuming and costly.

The automotive industry again followed the trend and benefited from such technologies and innovations by capturing more and more information on consumers' tastes and expectations with more time efficiency and less cost. It allowed them to gain more and more profits and sales due to planning more effective marketing strategies especially, personalized advertisements and promotions that could easily engage all types of consumers. Another big influence on companies' marketing and promotions was the initiation of the digital influencers (bloggers) and models on the platforms of Instagram, Facebook, YouTube, Twitter, and other ones which made the firms invest more efforts in marketing through such characters on social media platforms who became a celebrity and public figures. According to Celebrity's Intelligence Age of Influence report, on average a 17.21 British Pound is returned from any 1 British Pound spent on a talent-led campaign through a digital influencer or model

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which explains that such marketing strategy and advertisement gives companies more and better return on investment than the traditional advertisements and marketing strategies (Mortimer, 2018).

Despite all the innovations and advancements in the world, there are still challenges for the automotive industry players and companies. Since most of the automotive industry are now well-known to the world and global consumers, the big players such as Toyota, Ford, General Motors, Mercedes-Benz, BMW, and other European companies are marketing in each market with different sets of marketing strategies and plans due to the aspects impacting the demands of their vehicles such as legal, political, regulatory, economic, environmental and more importantly the cultural aspects. For automotive companies, culture has a big role in playing in certain markets, especially in those markets where products should always reflect cultural norms, beliefs, and expectations. Automotive companies such as Toyota, Volkswagen Group, and Ford segment their markets distinctly by producing and developing a set of different product lines and services. In this thesis, we emphasize the reasons behind different marketing strategies set by the automotive companies in different cultures and regions, more obviously, the Western European market versus the Arabian Gulf countries market where the differences are more visible. Also, we will pinpoint the types and categories of marketing strategies that are being used by the automotive companies in both cultures.

2. Aims, Objectives, and Methodology

The given diploma thesis aims to categorize and illustrate approaches to different marketing strategies and plans in different cultures, specifically, in Western Europe and the Arabian Gulf States. It will also include the roles of these cultures and other aspects which impact the marketing of the big Japanese, American, and European automotive companies by adopting various strategies and distinct business models in each culture. Also, how these automobile firms plan, design, produce, price, place, promote, adapt, compete in these two cultures. More importantly, how influential are the cultural aspects in sales of the automotive industry in both cultures.

To achieve the aim of this diploma thesis, the following objectives must be attained:

- To create a thorough analysis of the role of culture in marketing management.
- To emphasize certain cultural aspects and other culture-related aspects that will impact the decisions of companies and multinationals.
- To explain the consumer tastes, expectations, and demands in Western Europe versus Arabian Gulf Countries.
- To describe the process of international marketing and its implications.
- To illustrate the future of the automotive industry and marketing strategies.
- To describe the role of the automotive industry on the world economy and demands.
- To define the categories and types of modern and traditional marketing strategies used by the automotive industry.
- To define the relationship between social factors such as gender, age, education level, environment, religion, and nationality with purchasing decisions, expectations, and demands.
- To design a research-based list of questions.
- To create surveys and questionnaires on Google forms.
- To use results from surveys and data from the audience and use it in business analysis tools.
- To use SWOT Analysis and Porter's Five Forces Analysis on several automotive companies like the top main players to identify their market's power and position.

Methodology

- Quantitative and qualitative research
- Sociological research including questionnaire and analysis of its outcomes on diverse respondents from both cultures
- SWOT Analysis of the top 3 automotive companies like Toyota, VW Group, and Ford Motors, which have the largest share in both markets
- Using Porter's five forces and factors like gender, age, tradition, education, income level, and environment for the statistical and theoretical analysis of the diploma thesis
- Literature review and data collected from primary and secondary sources

3. Literature Review

3.1. What is Marketing?

The meaning of marketing comes from its name to market or to promote a certain product or service in a particular market. The term marketing indicates several procedures and steps which companies use to sell and target their customers in a specific market. This is usually done through a rich and research-based analysis of the particular market and consumer demands or tastes. It is always important to ensure that products and services are delivered to the targeted customers. By analyzing the market, the company will be able to find the market niche and segment the market into categories of behavioral, demographics, geographic, and psychographic. Segmentation is the most crucial part of the marketing plan in that it allows the company to offer the service and products to the right people or targeted audience (Blasbalg, 2020). It will be also very cost-efficient because you will categorize customers into groups according to their preferences and tastes impacted by the factors like social, age, gender, nationality, occupation, relationship status, and income level.

Marketing as an approach is evolving and changing according to the advancement in technology and changes in the business world. As it is obvious, today's business world is a world of trends, and consumers' preferences change over time. It is stated that the consumers are the king in terms of the modern marketing concept (Kamola, 2019). Furthermore, consumers' demands and need are always influenced by culture, working environment, society, and environment. Any changes that occur to consumers' tastes, will impact the company's business model and marketing strategies. Therefore, the marketing plans and procedures are not always the same, and there are always editions and additions to the marketing concept, especially during the modern era. For companies, to maintain competency and stay up-to-date with the tech trends and consumers' needs, their marketing plans should always be backed up by a strong follow-up strategy. The marketing experts who are working for such companies need to adapt to any trends affecting the customers' needs and demands. There are so many examples of the success and failures of companies in coping with modern trends and consumer demands. A company like Apple which is always seen at the top of the

companies had been a great player in marketing the trend and customer needs by developing and introducing advanced and improved products and services which meet the customers' needs and expectations. The release of the iPhone and its models each year twice had become a trend among customers, and each new model of the iPhone meets the expectations of the customers. Another example in which lack of engagement and dedication to the customer needs and trends led to failure and bankruptcy was the company and phone maker Sony Ericsson which had been eaten by other giant tech companies and got behind the market needs and trends, so they ended up acquired by Sony and finishing the strategic partnership.

To add, the marketing plans and approaches are not stable, so from time to time, new forms and types of marketing strategies are made. To list the marketing types in the new era of businesses and technology, we can list them into five categories which are Green Marketing, e-Marketing, Social Marketing, Service Marketing, and Holistic Marketing (Kamola, 2019).

1. **Social Marketing**

Social marketing is to use of marketing and commercials to achieve a social objective. The main point of this type is not basically to make financial gains but to bring ideas and change the behavior of society such as promoting safety measures in commercials, asking people to quit smoking, and so on. It is basically for the benefit and goodwill of customers rather than the company. A range of tools and approaches should be used to target the subgroups divided and chosen carefully by the marketers who research social marketing. These tools will include communication tools like media, billboards, stationeries, and other tools of interaction that allow customers to encounter and realize them. The main point for social marketers is that they should be accountable for any misleading or subliminal messages since their responsibility is to maintain a high standard of ethics, honesty, and integrity to educate people about the goods. The process of social marketing is done in six stages which are preparation, defining the issue, understanding the customer, establishing strategy, implementation, and finally evaluation.

2. **Service Marketing**

Services are intangible most of the time which are sometimes related to tangible goods (Kamola, 2019). Services cannot be touched or felt easily, however, they are indeed experienced. Therefore, services like car oil change and other services, catering, technicians, haircuts, concerts are indeed experienced and felt rather than being tangible products. The unique structures of services are intangible, variable, devoted, and unpreserved. Marketing for services is a different procedure where the marketer attracts the customers with their positive experience and touch that makes the customers satisfied; or by showing the quality and punctuality of the service being given to the customer since the customers pay for the experience. Any small details missing or mistakes from a service provider or employee will result in losing customers and trust.

3. **Green Marketing**

The name green marketing itself gives an understanding of preserving the environment and sustaining the health of the planet by providing, manufacturing or giving service in a way in which it will not impact or just affects the environment and the planet a little. It is to market the products in an environmentally friendly way (Kamola, 2019). Most companies especially automotive companies are now implementing this marketing due to the big concern from governments and organizations regarding CO2 emission and the environment's preservation. Therefore, automotive companies spent billions of euros on marketing and developingthatronmentally friendly products. The four elements of the marketing mix such as produce, price, position, and promotion are used carefully to fulfill the green and environmentally friendly procedures in this marketing approach to deliver to the targeted customers efficiently. Customers, on the other hand, are nowadays more careful with buying products due to the advancement of technology and their access to the information on the internet, so customers are now more aware and educated regarding environmental problems, sustainability, and the ecosystem.

4. Holistic Marketing

These days, companies look beyond marketing one product in one specific market, they rather look into marketing standardized products and services in different locations and markets. Holistic marketing of whole the business system while designing a marketing plan (Kamola, 2019). The focus is not on the products or services; however, it is on everything concerning the marketing process such those who create the marketing strategies and promote them, and each part of the marketing process is seen as a part of a unified system. The four mechanisms of holistic marketing are integrated marketing, internal marketing, relationship marketing, and performance marketing. Integrated marketing is basically by its name to integrate all the marketing efforts and activities, and plans to deliver a greater value to the consumer which includes the steps, product-designing, pricing strategy, placing and channels of supplies, promotional activities, salesperson and people who are responsible for customers, the steps and procedures, physical components of the service like facilities and buildings. Internal marketing is basically to look at the employees as customers of the company as well and ensure their satisfaction which is related to the management of human resources in the most efficient ways. The core values of the company with those of the employees need to be taken into consideration carefully for the goals and objectives to be clear for the employees and treat them as their life goals and achieve a better outcome. Relationship marketing is to create a very deep and stable relationship with the stakeholders of the company in which it is established through understanding the needs, desires, and expectations of the stakeholders and environment that they live in. Finally, Performance marketing is related to the performance of the company in which financial accountability and social responsibility are great characteristics of performance marketing.

5. Direct Marketing

Direct marketing means selling the services and products to the customers directly without any other distribution channels or retailers (Kamola, 2019). This marketing aims to create a better image of the brand and show customers that you care about them, and you are delivering and promoting the products and services to their needs directly which encourages them to be loyal to the company and its values, which in turn creates more value to the

company itself and for the customers as well. For example, brands like Louis Vuitton which is selling their products directly to the customer and provides them direct customer service and quality without giving them to retailers or other distribution channels to deliver the products for them created a big image and made Louis Vuitton a global brand, and the name has become a symbol among customers.

These were all examples of marketing in the modern era and their purposes and approaches by the companies. As stated before, the marketing process is entitled to changes and adaptation due to the instability of trends and initiation of new tastes, needs, desires, and customer expectations.

3.2. Marketing Channels and Tools

1. **Direct Mail**

    Direct mail is one of the most traditional marketing tools used which is very effective and useful if it is used properly since it targets the customers based on their needs, purchases, and visits. It is done by segmenting customers based on demographics, education, and social patterns by basically mailing promotional catalogs, brochures, magazines, and other press-related promotions to their mailing addresses and boxes.

2. **Email Marketing**

    Email marketing is one of the newest approaches which was introduced after the foundation of the Internet and the World Wide Web. This method is one of the most influential and promising tools to engage customers and target the audience by sending the recipients and customers personalized emails based on data captured and collected by marketing analysts on their preferences and tastes. It usually involves existing and new customers and engaging them with offers and new products release. The ways used for this method are through interactive advertisements which they can click and go to the message you want them to receive, social media sites, and SEO which is Search Engine Optimization.

3. **Mobile Marketing**

It is also one of the modern tools of marketing that started at the beginning of the 21st century. This method is to directly use mobile phones for marketing and targeting customers through SMS, MMS, Mobile Banner Advertisements, and Address Based advertisements.

4. **Telemarketing**

Telemarketing is one of the most used ways of marketing in which the company uses telephone and calls to the customers by delivering a marketing message of a product and service through salespersons.

5. **Direct Sales**

Direct sales are to contact the customers face to face and sell them the products or services by explaining and advertising for them while encountering the customers through salespersons. This procedure is usually done by visiting the customer's places and offices, making calls and appointments, or on mall stands.

6. **Direct Response Television Marketing**

This is done by explaining the features and manufacturing of a product through tv programs which allows the customer to have a better understanding of the company's products and services. It also ends with a website visitation message or phone call for purchasing particular services and products.

3.3. International Marketing

As discussed above marketing is a process in which a company uses its strategies to target customers in a specific market by following some procedures and steps. For companies, marketing at the domestic level is always easily done and requires less time, and it is more cost-efficient. However, when it comes to out of their domestic market, it will become more challenging, time-consuming, and costly. For big firms and especially the big automotive

companies, they need to invest more in other markets; in other words, to market internationally, a company needs to establish a team of experts and researchers who have experience in that particular market to develop their products as to the new market's preference and expectations. Not always, the needs of one country are as same as or similar to another country overseas. Also, it is very common that any company which is trying to enter a new market, they are likely to be faced with tough competition. For them to win or compete efficiently, they need to consider the aspects such as culture, economy, education, government, religion, legal system, and stereotypes since these are the main aspects that will allow the marketing analysts to better understand the new market and decide what to do next. The type of competition that might exist in the new market is usually from two sources which are local competitors and foreign companies or multinationals. For the companies to meet the new market's customer needs and expectations, they need to consider the three types of demands which are existing demand, latent demand, and incipient demand (Gilligan, C, & Hird, M 2012).

Existing demand is basically to identify the existing needs and try to compete with products that meet the demands of the customers, and these products are so-called competitive products. New entrants and companies basically will compete directly with existing products or services at the same price. However, this is less risky and costly to open to the market and launch the product since the company does not need to produce or develop new products to compete in the new market. Companies who are taking more risks tend to compete with improved products to the existing demands and needs which is by offering superior and improved products which allow them to gain a more competitive advantage and ease the market entry. Hence, the cost and risk to launch the new product are more than before, but the cost and risk related to entering the market are still low. On the other hand, some companies go beyond that and try to provide breakthrough products to the existing market which will allow them to introduce high superior and self-evident products, and this will make a competitive advantage high. Again, the risk and cost to open or enter the existing market are low, but the risk and cost regarding launching the breakthrough product are very high.

Latent Demand is basically to meet new needs and try to compete with competitive, improved, or breakthrough products to meet the new demands. If a company wants to provide

competitive products to the new demands, they need to persuade the new demands about the previous undeveloped products which is no direct competition; nevertheless, the cost and risk of opening up to the market are high, but there is a low risk and cost concerning launching the product. Moreover, if the company wants to compete more and provide improved products to the latent or new demands, they will have to offer developed products which offer greater benefits to the market; though, the cost and risk of opening to the market and launching the improved product is high. More precisely, if the company wants to gain great competency, it would offer breakthrough products to meet the latent or new demands. This will be by any means useful for the market and provide better outcomes, but consumer resistance may become high. Yet, the cost and risk of opening up to the market, in this case, are high; however, the cost and risk of launching the breakthrough product are extremely high.

Incipient Demand is basically to meet the future needs of customers through providing competitive, improved, or breakthrough products. For a company to meet the future demand of a market by providing the competitive product, they need to find the consumer's needs and study them to develop the products to improve the products or persuade them with competitive products, but again cost and risk of opening to the market is very high as well as the cost and risk of launching a new improved product becomes also high which might lead to failure. Finally, if a company wants to go high by providing breakthrough products to the incipient demand, it would offer the company advantages, yet the market needs to be developed and clearly illustrated. In the end, the consumer resistance might be very high, and the cost and risk related to opening up to the incipient market and launching the breakthrough product will very high.

Figure 3.1: Product and Market (Scope for Competitive Advantage upon Market Entry)
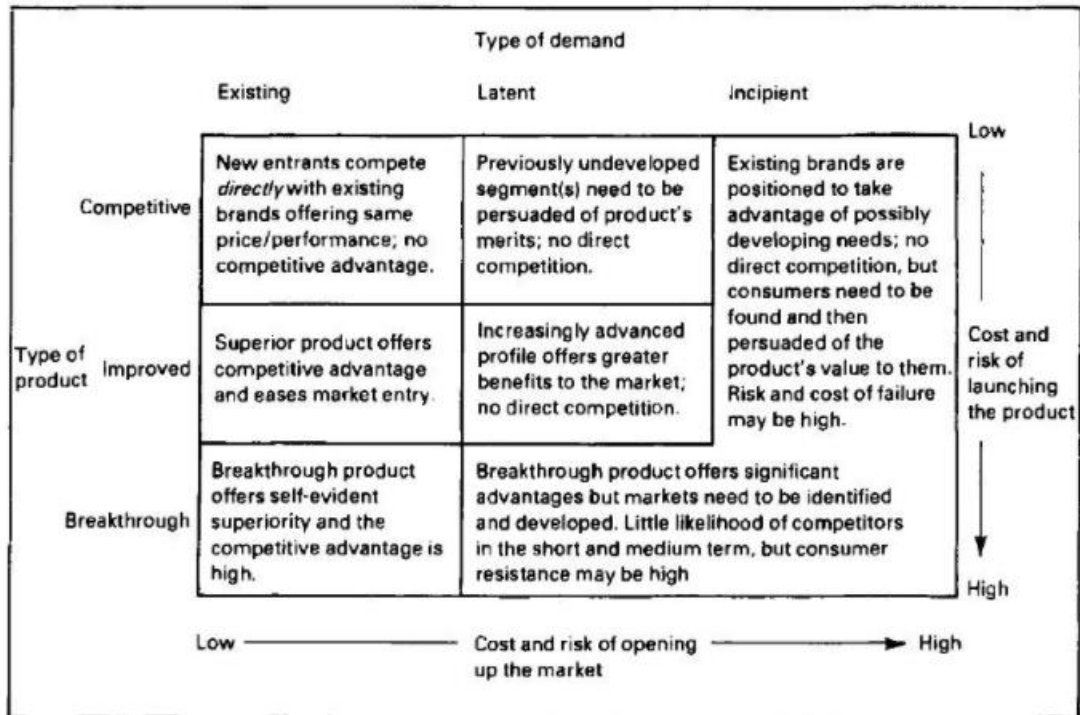
3.4 Influence of the Economic Environment on Marketing Strategies

The need to make a thorough economic analysis comes from the way that how the environment would illustrate the marketing opportunities for any international processes. This means that the economic situation always links to having a niche or chances for companies to enter into an international market and start operating. The research of the economic analysis will be done by determining the effects of exchange rates changes, levels of inflation, differences in tax legislation or systems, and the rules and barriers to imports in that particular market or environment. This will illustrate that for any company deciding to operate overseas and internationally, they have to take into consideration the economic factors that are going to restrict them from operating, and they have to study it carefully since the overall state of the economy will be necessary to impact the decisions made by the international marketer or company. This analysis usually includes cost and benefit analysis in which the international market needs to identify the market's consumers, competitors, and level of financial commitments in that particular market. Another important analysis that should be taken into consideration is risk/reward or return analysis to find out how promising will be to market in

that particular international market, and how much would be the return involved in the investment and risk linked to it.

3.5 Impact of Cultural Environment on Marketing Strategies

One of the most important factors and major factors which will be restricting and influencing the international marketing process is culture. Differences in behavior, beliefs, perception and other cultural factors are very important for the international marketer to notice and study since they will be affecting the nature of the marketing process and its decisions and plan concerning it. Culture is a set of values and forms of learned actions which are established as a result of living inside a particular society and community (Gilligan, C, & Hird, M 2012). Culture as a set of actions, behaviors, and values which is made from interactions and experience of a particular group of people will be very impactful on the nature of purchasing decisions and making choices or preferences. For an international marketer, it is very essential to notice the differences in culture when marketing internationally and in another culture than where it is based and operates. Furthermore, cultural analysis is also a vital part of the marketing procedure. In some countries or societies, there is more than one culture living within the society such as Belgium, Canada, the USA, the UK, Israel, and many other countries. Companies, need to consider the norms and values of any particular culture which will directly impact the choices of consumption. Another big challenge for international marketers is that culture is changing over time as a consequence of environmental and technological forces including advertisements and the influence of other cultures upon another. For instance, the culture of a country like the UAE has changed over 20 years due to the influence of other cultures in which they started to reside and live in the country over the years, and the high level of establishing expats community in that particular country.

The cultural analysis will be a hard and time-consuming procedure for any company in deciding upon entering a new market. However, it is very vital to be done, and if it is done efficiently and professionally, it will advantage the company a lot. By focusing on the most important aspects or factors of culture which will impact individuals' or consumers' decisions, it will be more efficient for the international market to do. Such factors include

ways of social interaction, the role of women and men within that particular culture, the role of religion and beliefs, the importance of social class, and the effect of education level. Companies and firms must determine relevant motivations in that particular culture, determine characteristics and patterns of behavior, determine which cultural values are connected to products and purchasing decisions, determine types and structures of decision making, determine which promotional methods will be accepted by that culture or would be appropriate and find what would customers in that particular think of their products. Other factors like ethics and morale are always important when entering other cultures, and this will be slightly high in some cultures and respected; on the other hand, it would not be that emphasized in another culture. Another factor would be aesthetic factors such as the use of colors, symbols, and formalities which in some cultures are very important and perceived differently by the customers.

3.6 Impact of Political Environment on Marketing Strategies

Political factors and particular government attitudes towards businesses and the functionality of companies are very important to consider upon deciding to market internationally. Since the level of political stability and freedom of working and investing is not the same in all countries, it will always be hard for businesses to conduct business overseas. In essence, companies need to identify and classify the political environment of any particular market in which they enter since entering into some market might include lots of risks including the risk of losing control and expropriation by the government of that particular country on the company and business. Therefore, it is always advisable for companies to perform a political analysis of any particular country and government upon deciding entry to this market. The countries which have a high level of expropriation are very risky and hard to operate a business in. Companies must know how or for what purpose they could invest in that market, and it is always the case for big companies and multinationals since they generate more revenues; as a result, the risk of expropriation of their business by the particular government is higher. Other political risks and factors include the level of import restrictions, tax controls, pricing control, labor control, market control, and monopoly of public firms owned by the states. The use of market control and public control over giant companies had been so common in the Arabic countries in recent years with the connection to

boycotting international corporations which has a link to Israel. In which happened in the past that the Arabic countries attempted to prevent the construction of pipelines between the USSR and Europe.

For companies to decide to enter into a new market, they need to consider the below questions regarding the political status of that particular countries (Gilligan, C, & Hird, M 2012).:

- What type of government is in that particular market?
- Level of stabilization of that particular government in the recent 15 years?
- Role of the political oppositions?
- History of trade unions in that country?
- Effectiveness of that particular government's economic policies?
- The level of stabilization of the monetary system?
- Anti-private sector lobbying level?
- How does the government see or deal with the foreigners who invest in the country?
- History of expropriation?
- How is the relationship between the host government and the local government of the company?
- How is the expats' view from the perspective of the locals of that market?
- How fair is the government of that particular market.

These measures need to be considered and studied carefully to minimize the risks related to entering particular countries due to political interruptions and barriers which would endanger the business and its operating level. In case of interventions of host governments on a foreign or international marketers' business, the best way to deal with such intervention is to withdraw from this market immediately, adapt to the new changes and conditions enforced by the government of the particular market.

3.7 Impact of Legal Environment on Marketing Strategies

The legal environment impacts the companies by the nature of the law of the host country in which the marketer wants to market. It is important to find out how the law of this particular country impacts the decisions and marketing strategies of the international

marketer. The factors in the legal environment which impacts international marketing strategies and entry to the market are, the type of tariffs imposed on exports, constraints, and barrier upon imports, anti-dumping law existence, price legislation existence, restriction on foreign investments, the existence of agreements and partnerships (trade unions), labor law, the existence of anti-monopoly or anti-trust law, tax legislation on foreign companies, the existence of patent and copyright law, effectiveness of the overall legislation, and finally anti-bribery legislation existence. These factors are all important dimensions and factors which would impact the nature of marketing strategies and decisions upon investing in particular countries. At the same time, the legislation of the parent or local country matters as well since it will have an impact on the internal decisions of the company and would reflect on other affiliates and branches overseas. As well as, the nature and effectiveness of international laws which would big firms and MNCs.

The importance of the local or parent legal system is that sometimes import quotas to safeguard the local industry will be significantly beneficial for the big firms by making a competitive advantage over controlling the local market. For example, the voluntary quota on Japanese cars imported into the UK market each year which is been legislated by the British Government, and is in benefits the local automotive industry and companies to gain more competencies (Gilligan, C, & Hird, M 2012). Another great example will be the decision of the USA to pass the foreign corrupt practices law in 1977, which forbids and restricts US firms and Americans who live in other countries from illegal activities and acts such as bribery from foreign nationals and governments. Marketers also need to figure out the nature and type of the law of the particular country in which they enter. The marketer needs to start examining the types and forms of any limitations upon the products' patterns and procedures such as manufacturing, distribution, pricing, and promotion. In the case of the European Automotive industry in the 1970s, there was a severe impact on the big European Automotive exporters to the US where they faced lots of constraints by the US government's safety legislation, and it was costly and very impactful on these European companies (Gilligan, C, & Hird, M 2012). Another big barrier to international marketing is the hardness of price legislation by the foreign governments which would make it harder for the international marketer to compete or set prices to align with the local and international prices due to the

high level of taxes, import quotas imposed, and the intervention of the legislation of that particular country on the pricing strategies.

3.8 Impact of Advertisement and Promotional Legislation upon International Marketing

One of the major barriers facing international marketing and big companies when entering into a new market is the legislation and restrictions upon advertisements and promotional activities in that particular market. The advertisements' purpose is to deliver a message and promote a product's usage. The laws imposed by foreign governments on advertisements are:

- Most common legislation on advertisement in which it enforces the marketer to ensure the truthfulness of the advertising message and avoid any false statements.
- Imposing control upon the time and place of an advertisement of a product.
- Restricting scripts and casting of advertisements from allowing certain groups of people to participate.
- Or, to limit international marketing and its distribution.

For example, it is illegal to promote politics, alcohol, slimming drugs, and some other products and services through television and newspapers in Finland (Gilligan, C, & Hird, M 2012).

3.9 International Market Planning and Strategic Planning

It is always hard to make international market planning due to the relationship between headquarters and subsidiaries, especially the more the geographically dispersed markets and managerial attituded towards internationalization, the more complicated it is to execute the planning. What this is referring to is that the better the connection and touchpoints, the more convenient the international marketing result will be and greater outcomes evolve. Some researchers claim that for small businesses, it is always best to practice a top-down strategy which is more feasible, than and bottom-up or goals-down approach for large businesses and markets. For this purpose, there is a study that assesses the companies by size and business scope is called International Orientation Management. It

recognizes the businesses as being ethnocentric, polycentric, and geocentric. The ethnocentric views the international as secondary, polycentric type has a unique pattern in which each local brand produces products independently to be consistent with the local taste and country, and finally, the geocentric which looks at the world as one single market which refers to the big firms such as Apple, General Motors, Microsoft and so on. International and strategic planning is usually done on a country or regional basis.

In the field of strategic planning and international market, there is an important strategy and theory which is called SBU or Strategic Business Units. SBU is used as the means of determining strategy. SBU is established around the market in different parts. For example, some firms might manufacture color TV in one particular country, and radios with stereos in another country. It is also essential to have more markets and operation locations to have a more efficient planning process. International strategic planning is done by how many corporations implement a mostly short-term focus with having a limited amount of time for decision-makers to think strategically. This results in the emphasis being placed upon satisfying the day-to-day demands of the headquarters and parent company instead of allowing the managers of the subsidies to think of long-term based market plans and strategies. The problems of planning are classified into two categories which are management-type problems and planning-type of problems.

Structures of Marketing Plan

A marketing plan varies from one company to another depending on the nature of the company's operations and products. However, there are also several common elements of the marketing planning process which trigger the marketing plan to be more convenient and clearer. The elements are a statement of stakeholders' outlooks, an internal audit that included strengths and weaknesses, an assessment of the external audit which are threats and opportunities, corporate objectives, alternative approaches in place of the firm, selection of the best strategies for the firm, and finally a very strategic plan in which it clarifies the involvement of each purpose that makes the company to achieve their goals. The company will be led to several self-questioning about where is the company at? Where do the company want to approach? How would the company get there? To answer the first question that we

need to analyze the situation, to answer where to go in the future, we need to clarify the objectives and define them, and finally how to get there will be done through the creation of strategies and tactics to fulfill the objectives.

Situation Analysis is basically to assess the company's current performance and outputs discover any importance of a potential change in the market which might take place, and interpret the results of the occurring outcomes from the company's operations. The planning objective is to identify and classify the targets for the company. More obviously, to ask where would the company should be in the next two to three years. It is to carefully set goals for the sales, supply chain, market entrance into new markets, profitability, enlargement of the outputs and productivity, and finally to increase the brand awareness and create more brand values for the firm. To fulfill the targets, set for the company, we need a set of strategies and tactics to satisfy the set aims and targets for the future of the firm. Strategies should be made upon cost and pricing and at the same time offer excellent qualities to meet the demands of customers. To make strategies that allow the company to be competitive in terms of pricing to the competitor's products and at the same time offer good qualities which meet the expectations of consumers. Therefore, the structure of marketing planning is done in three stages analyzing the company's position, setting targets and goals, and finally defining strategies and tactics.

Short-term International Planning vs Long-term International Planning

The factors that restraints short-term planning are the nature of demand, the level of technological awareness, sociocultural matters, the number of cultures in which the firm operates, the grade of participation in each of the markets, the political and legal perspective, consumer behaviors and preferences, and finally the level of competition. The most important question for marketers is always to ask how to make efforts and harmonize between international and domestic markets. For marketers to assess the long-term opportunities, they need to make a systematic approach by scanning the environmental factors to identify threats and opportunities such as economic, legal, technological, governmental, political, social, demographic factors, and level of competition. To assess these, we need to quantify the population levels in both global and single markets, to classify the income levels and

consumptions, the level of development in place, the nature of politics in the market, acceptance, and approach to technological development, social and cultural values and norms, and changes of the consumer tastes and approaches of competitors towards expectations of customers. Nowadays, the best technique which successful companies follow is trend-extrapolation which has a huge impact on consumer's taste because nowadays, individuals such as vloggers, celebrities, and officials have a huge impact on marketing certain products and making them a new trend for society because people's expectations for such individuals are too high.

The best way to deal with marketing decisions is to make a comparative analysis in which markets are ranked by criteria such as political stability, shapes of growth, competitors, and income levels in the individual markets. The challenges that face multinational corporations are so many, and the most strategic challenges are to minimize the economic consequences of social and political disorders by applying effective management approaches to foreign assets, to initiate policies for growth and expansion of the firm which is constrained by political and economic instability and volatility in particular markets, as more and more countries demand local products, the decentralization of processes will make it more challenging for firms, the political pressure, and embargo on Western firms by obeying the rules of labor since the use of cheap labor is becoming a big approach in competition globally, finally the level of automation of assembly in which it impacts the costs of manufacturing goods, and finally the globalization of common tastes and preferences of consumers.

International Product Policies and Strategies

The policies in place for international products are important for the health of the firm. The total package which buyers buy as products, services, franchises, warranties, and after-sales services are considered to be a product rather than a physical product only (Gilligan, C, & Hird, M 2012). Companies sell the same products overseas or they adjust them a little. Furthermore, firms infrequently make big changes to their products or develop entirely different products in the international markets. Since the advantages of selling a standardized product globally are very essential for the firms, it still stems from the economics of scale which is the consequence of production, research, development, and marketing. The best

marketing strategy is to practice and fulfill the standardization of products internationally since it will be more unified for the company to promote, advertise, and market the same product elsewhere around the world, and it will be more cost-efficient for the company. Then, the questions will arise such as how appropriate is the product for the particular markets which has been added as an essential policy of international products. For example, if the technology supports the aims of the country's development policy, the usefulness of the product and service to customers, and their acceptability towards the product, does the production make an impact on the economy of the market, how does fit in the production processes to the culture and environment of particular markets.

It has been stated that third-world countries usually have different perspectives on international corporates and their products because it is always important to consider the mentality and acceptability of particular cultures when marketing internationally, especially in third-world countries where stereotyping products are very important.

Keegan's Five Strategies

- One product, one message globally
- Production extension, promotion, and adaptation
- Product adaptation, promotion, and extension
- Dual adaptation
- Product invention

The first strategy is the best out of all since it will be dominating international markets easily. The second strategy is done because products have different uses for consumers from one country to another. The third strategy is to fit the products to the environmental circumstances. The dual adaptation strategy is one of the most common strategies which is used by American Companies operating in Europe. Finally, product invention is the most complicated and advanced one since it is used by the companies in the most advanced countries to enter emerging nations. The five strategies will be considered by three factors such as the product's functions, characteristics of the market and purchasing power of consumers, and finally the approximate cost of the alteration both in terms of production and marketing.

3.10 Product Life Cycle

The product life cycle is divided into three stages which are the new product stage, the mature product stage, and the standardized product stage. The new product stage is when the products are made in the domestic market and home then exported to foreign countries and the international markets. The mature product stage is when the company starts to manufacture in foreign markets, and the advantage of this is that the firm will be able to make use of the foreign manufacturing facilities. The standardized product stage is very volatile and increasing price competition is very common, so the companies go to the emerging nations to lower costs, so basically companies manufacture and export from emerging nations to their home country. The ways and speed of each life cycle are different from one market to another. The average life cycle of products in the world market is declining.

When companies decide to start exporting, the most important thing that they need to consider first is what would be the most appropriate marketing strategy. The choices for the marketing strategies are divided into three sets of initials, SWYG, SWAB, and GLOB. SWYG is the abbreviation for selling what you have got, SWAB is an abbreviation for selling what people buy, and finally, GLOB is an abbreviation of Global. The globalization of markets is near and the multinational world is getting close to an end as well as the multinational corporations. The global corporation acts as if the whole world or major regions are one single market. They sell the same product or service elsewhere in the world and in markets. The obvious rationale for global strategies is the conjunction of markets which is becoming common in the Western markets. This conjunction is brought by greater demographic similarities, the increase of divorce cases and decline in family unification, the number of children decreasing, patriarchal impacts are less common and fading, women roles changing and more opportunities open for women, and finally, the cultures become more similar and closer to each other due to exposure to international media and social media trends. The result of this convergence according to Levitt is going to be an inevitable change toward global trends being backed by global strategies (Gilligan, C, & Hird, M 2012). For companies to make world brands and change their pattern, they need to consider pressure from cost increases in stable markets, need to lower the cost of manufacturing to win market

share competition, find a better business structure, need to have economies of scale and then they will be able to establish world brands. Michael Porter even argued and suggested global strategies in which he states that firms do not have to compete globally to win, and he points out Nestle as an example of a global brand that has been successful in creating a global image and brand for its customers.

The barrier for companies not following a global strategic approach is that most of the time, the cultural differences and legislation have big impacts on the implications of pursuing it, and it leads the company to follow a differentiated strategy approach rather than a global one. For example, in Western Europe, there are too many regulations. For example, in Holland, the use of children is prohibited for any sweet commercials, and each video must show the toothbrush symbol. In France, it is allowed to show children consuming candies and sweets, but their voices must not appear. In Italy, advertisements that show political characters and public officials are banned and should not be used.

3.11 Car Industry

Future car models might be much less country-specific than previously because new technologies, such as flexible and autonomous manufacturing will allow more variation and models as well as offer economies of scale and dedicated designs for specific market segments. Global branding can also include differentiated products of a brand for major segments. For a lot of companies, the most challenging issue is the extent to which a product needs modification to be acceptable to the customers. Nowadays, even car manufacturers try to avoid modifications as much as they can to minimize cost and establish standardization of products to minimize the risk of too frequent adjustments.

It is always important to consider standardization since it allows economies of scale in production, stock control and servicing policies, economies of scale in research and development, and marketing economies that result from standardizing the content of sales advertisements.

International Products-Planning and Development

The company's worldwide portfolio of business is developed in terms of:

- the goals that are to be obtained
- the objectives such as profits, growth, and the demand for products,
- the importance of each country
- the entry strategy that allows the company to operate in other markets such as export, licensing, joint venture, and franchising
- the targeted market segments, use of appropriate technological mixture for manufacturing products
- the alternative strategies for each market

3.12 A Long-term Vision for the European Automotive Industry

Research by McKinsey and Company has been done on the European automotive industry which focuses on the global trends and European car manufacturers' vision of the future and meeting costumer's expectations as well as achieving sustainability. The European automotive sector has ascended to the top of the world. However, some essential changes in the automotive industry are intimidating Europe's lead position. This research by McKinsey Center for Future Mobility has been done to describe Europe's automotive industry future. The research has been separated into three stages such as unprecedented transformations in the European automotive industry, the long-term image of the sector, five collections of enterprises that would support the delivery of this vision.

Setting the vision is to keep Europe's leading position in terms of the global market for the automotive industry. This research shows a sketch of building structures of the vision for the year 2050.

McKinsey's vision for the European Automotive industry is made by the credence that it is already on top of the global market and a leader in the sales of technological advancements and products (McKinsey & Company, 2019). The vision is to switch from the idea that the European automotive industry sells and services vehicles to an industry in which it initiates a more advanced and simultaneous industry that helps ease the mobility of people and goods in the most convenient way. There are three important structures of the success of

the European automotive industry which are customer positioning, environmental responsibility, and economic value making. The vision for 2050 is categorized into the three basics which are people, planet, and profit.

The aims for this vision of 2050 are to advance the technologies and safety measures used in the automotive industry which guarantees 90% of individuals' mobility of the population, and another aim is to lower the number of accidents occurring and reach the target of zero fatalities and car accidents. Specifically, is to have zero accidents by 2050 with the use of ADAS technologies Another important factor is to ensure that the automotive companies are the best working places for individuals and employers. On the environmental side, there are so many targets and goals in which the Union is planning to protect and enhance the planet's health by creating zero emissions in the urban areas, changing 20 to 30 percent of the traffic areas into livable and green areas, and finally improving the traffic to be less congesting. Another goal is to minimize the cost of mobility which the target is to lower to 0.1 euro per kilometer. Also, another aim is to lower transportation cost by 40 percent per kilometer due to autonomous automobiles as well as attractive job offer which provides employees with above-average salaries. McKinsey suggests that a customer-based approach to future mobility as well as a technical approach will be an important factor in winning the next generations of customers (McKinsey & Company, 2019). More value-added time will be initiated based on the goals set for the future of mobility in Europe by 2050. Furthermore, people will be able to use their time more efficiently than before during their rides by either using their autonomous vehicle or using shared mobility services like ridesharing.

An estimate of 100 million people is in their cars every day, and it is amount to sixty-five million hours spent inside cars. If half of that time would be lowered by the use of technological advancement in the automotive industry and autonomous vehicles, the time will be compensated by spending on working and efficiently managing time. In return, it will make a huge impact on the macroeconomy of one billion euros per day in Europe. The automotive industry in Western Europe had made a huge impact on employment which created so many job opportunities and diverse offers. To keep being the leader along with the trends such as autonomous, connectivity, electric vehicles, and shared mobility, different key skills in the industry will become more essential like, software design, data analytics, AI,

networking and electric sciences, and engineering studies. McKinsey's study also states that European Union will become a major producer of diverse talents and jobs which also will be supporting transitioning labor from mechanical to data and mobility commerce.

In the past, there was too much reliance on the use of petroleum products to run vehicles and transportation which enormously impacted the pollution and release of a lot of dangerous and poisonous gasses into the air. Nowadays, the emission from fuel consumption is comparably lower than a few decades ago. In addition, the Paris agreement with the UNEP will be very effective in reducing net-impact emissions which the agreement aims at zero net-impact emission by the year 2030. The European Union aims at zero emissions by 2050 to protect the environment for future generations. Due to the vast use of fuel-cell vehicles, buses, and electric and hybrid transportation sources, cities are becoming cleaner by making zero local emissions. Alternatives to replace petroleum products are so many which could result in zero carbon and impact emissions including, synthetic fuels, biofuels, and e-fuels which nowadays most European countries consume and produce.

3.13 Making Prevalent and Feasible Economic Value

The impact of future mobility and advanced autonomous automotive industry is not only affecting the environment positively; in fact, it will cause huge impacts on the economy and create new revenue channels in which the companies alongside traditional sales of classic vehicles and after-sales services, will be able to create revenues from others like data-enabled services, AI, autonomous cars, and electrified vehicles and engines. Based on this study, McKinsey's research suggests that the revenue from the automotive industry will almost double by 2030 from 850 billion Euro in 2016 to 1,400 billion Euro by 2030 (McKinsey & Company, 2019). European companies need to strategically master most of the industry control points which are in technologies. The European players can secure such control points which are battery cells, battery-management systems, e-drive, and intelligence systems, fuel-cell systems, AI systems for autonomous vehicles, and mobility platforms (McKinsey & Company, 2019). Another new technology that is very intelligent and reduces time spent and is cost-efficient is the Movable Parcel Lockers. The use of this high-end tech is very important for cost and time management, and it is also a customer-centric delivery.

When it comes to achieving future mobility objectives, Europe is quite different from China and USA. For instance, the USA has a high valuation of market capital that enables them to not hesitate in developing new models even if they are not profitable as they should be. At the same time, Chinese companies and the automotive industry are backed by the state and government and they do not take lots of risks when they focus on a market niche and technology. European Union is enjoying future mobility since it has diversity in everything. Such diversities include a diversity of the population, diversity in the economy, diversity in technology, diversity in mobility, and diversity in consumers and trends. It is also expected that global revenue from the automotive industry will also nearly double by 2030 will get close to 5,500 billion euros compared to 2017 which was 3,000 billion euros (McKinsey & Company, 2019). the European auto industry can effectively shape the worldwide versatility ecosystem by making and building up notable portability advancements along with the four critical future components of development which are sustainable mobility set, new tech invention, business-model innovation, and designated answers for every mobility reality. As a result, the sales and profit made from the industry will see a diversifying shift from selling various business models and technologies.

3.14 Marketing Innovation in the Automotive Industry

The demand for traveling and transportation has grown massively over the past few decades which led to the pollution of the environment and congestion of the air. Now, the environmental organization and governments around the globe are trying to make use of time and try to save the environment as well as innovate the automotive industry with the use of IoT and other technological advancements in an autonomous vehicles, electric, and shared mobility to control the pollution and make transportation more efficient. As mobility is more important not just for moving people around, but for transferring goods, services, and supplies (Todorov 2017). The new ways of transportation will be influencing other sectors to become more eco-friendly and find other solutions and opportunities. It might become possible that electric cars represent %3 of the world and %4 of Europe by the year 2030 (Todorov 2017). The next decades will be a new era of vehicles and transportation from decentralizing the energy sector to the use of IoT. Two factors that make this possible are the automotive

companies already started designing and planning for mass production of electric vehicles, shared cars, and autonomous vehicles allowing more and more projects to initiate as well as the increase in urbanization nowadays will make the governments control the firms to become more sustainable in their production and diminish pollution by any means. These factors will also affect the demand for electric vehicles, autonomous and shared vehicles in the future as people are more environmentally aware and would seek better options in terms of time-efficient, cost-efficient, and environmentally efficient. Moreover, the cost of electricity might decline which will also have a huge impact. Gas stations also should consider changing their range of services.

More demands will also appear for the software engineering and IT firms as their use becomes more and more by the car manufacturers. The use of new lighter materials will make the car manufacturers produce less-heavy and lighter vehicles as well as with more emission control. The use of IoT allows the vehicles to communicate with and inspect any sudden changes on the routes by the use of V2V and V2I, and that would decline the size of traffic jams as well as accidents. Nowadays, OnStar and BMW are investing more in such technologies and advancements (Todorov 2017). The use of such new technologies allows other automotive industries to follow up the trend and meet the mass consumer demands in the future as the competition style will also shift from old traditional vehicles into newer and more advanced automobiles that require the use of IoT and Electricity.

3.15 Car Buying Behavior in the GCC

The changes and innovations in the automotive industry have impacted all automotive companies. According to this research done by Yallamotors, it is stated that there are more phone calls and requests for car-sharing services and transportation around the globe (Bialade 2019). As the use of electric vehicles alongside normal fuel-based vehicles is growing, the shift is simultaneously felt, and the use of electrified cars is becoming more mainstream. With the use of car-to-car communication, the automotive industry is making more progress and development in the manufacturing of vehicles. The saying which states that the next 10 years will change more than what has been changed in the past 100 years refers back to the very

advanced improvements in the future of mobility and life. Also, UAE leading the GCC is catching up with the trends and virality of such new technologies to adapt them as soon as possible (Bialade 2019). Yallamotor has done this research with the car owners and consumers in the GCC which helps with understanding the consumer behavior towards vehicles in the GCC countries. The research is concluding the factors that influence buyers when they purchase vehicles and discover the time and number of visits to the showrooms that consumers need to finally purchase and decide upon a vehicle. The result of this research shows that %70 of car consumers prefer and use online sources, especially third-party companies. Surprisingly, nearly %50 of the users and visitors of these websites recommend those websites to a friend and relative. This research has been done based on the 1.3 million users of Yallamotor's platform, and through online surveying (Bialade 2019).

The survey aimed to understand more about how car purchasers are seeking information, how would they purchase their cars, how many times they visit the showrooms until finally make purchasing decisions, what are the things consumers value the most and what are the sources of data they use and rely upon. The research is also based solely on the car purchasers across the GCC to better evaluate their demands (Bialade 2019). The questions were shared on all the New Car Pages on YallaMotor.com across UAE, KSA, Oman, Bahrain, Qatar, and Kuwait.

According to YallaMotor, "A total of 3,943 responses were collected between the 17th and the 23rd of June of 2019. 1,527 respondents were from the UAE, 830 from KSA, 419 from Oman, 383 from Bahrain, 408 from Qatar, and 376 from Kuwait" (Bialade 2019).

3.16 Brands and Models Popularity

A total of 6,061,625 potential car buyers' information was captured in the first half of 2019 from direct sources to YallaMotor in the GCC countries. By analyzing the consumers' responses and trafficking on the websites, it was found out the most three popular car brands were preferred by the consumers. As expected, Toyota was by far the most famous brand

which nearly had the double size audience as Hyundai which was in second place, and Nissan relatively took place on third. However, it is in the second to a third position where changes occur on. In UAE, Nissan is the second most famous brand after Mercedes Benz in the first place. In Saudi Arabia, Hyundai surprisingly kept and maintained its second place not being a lot different in consumer preferences from Toyota (Bialade 2019). In Kuwait, Mercedes Benz is in the second and Hyundai in the third. In Qatar, Nissan is in the second position Mitsubishi is surprisingly in the third place. In Qatar, the Japanese car manufacturers dominated the first three positions. Based on a model level across the GCC, the Toyota SUV range Land Cruiser is the most popular vehicle, and Nissan Patrol is its competitor in second place.

Moreover, research on the Chinese Brands has been made which surprisingly shows a positive %5.65 interest by consumers in the GCC region as they try to innovate more and meet the consumer's demands in the area such the most popular brands MG Motor, Geely, GAC and Changan.

Market Segments

To have more understanding of the market, YallaMotor has narrowed down its surveys to more specific market segments to segment the market based on the type of vehicles demanded and purchased by the consumers. Out of 1.33 million viewers, they captured in-market segment responses. The most popular three body types of vehicles that were demanded by the car purchasers were Sedans, SUVs, and Luxury vehicles SUVs and Luxury vehicles own a big portion of car sales as proofed by their mass presence on the roads. Relatively, nine percent of the demands were to the other segments like hatchbacks, sports cars, compact cars, and pick-ups. More shockingly, the hybrid vehicle owns a big portion of the car demand about 6.9 percent which inevitably dominates over the off-roaders, coupes, and convertible cars.

Also, another survey has been done on the source of information that consumers used to buy vehicles. According to the responses, %67 of the people responded that they have done their research online to make their decision on purchasing vehicles. Also, the second channel or source of information is what is called influencers. Influencers on the other hand instead of being celebrities with big social media and pages, they were mostly consisting of relatives and

friends. Car buyers trust and rely more on the recommendations of their closest ones. On the other hand, the effect of press marketing, TV, and radio is declining. In general, the GCC region is all the same and depends mainly on online research and family and friends' recommendations. However, UAE consumers depend more on online research about %74.79 (Bialade 2019). TV and Media vary across the GCC States. In Saudi Arabia, Bahrain and Kuwait, TV comes in third place while, for UAE, Oman, and Qatar, it takes place fourth.

As the responses were mainly online research-based decisions, the audience has been asked to also include their most favorite and trusted online sources. The research showed that third-party portals are the most trusted source of data with %34.92 and social media in second place with %25.23, distributors in third with %21.81, and online vlogs and magazines are the least trusted and visited in fourth place with %18.01. Going into more depth and segments, it turned out women consumers prefer social media more than third parties with %30.01 to %28.51. Men on the opposite prefer third-party websites to social media.

Purchasing Decision Time Frame

The research also has been done to find the time frame that is needed for the buyers to decide on buying vehicles like how long it would take to make the final decision. This also helps the dealers to know how much time they need to influence and impact the buyers' decisions. The GCC car buyers are slightly different than those in the US and Europe as they need less than a month to make their final decision while the European and American buyers require two to three months or sometimes longer to finally decide. In the research, it was discovered that %27.31 of the car owners decided in less than 10 days, and at the same time, it was found that %64.59 of all the car owners had made their decisions in less than a month (Bialade 2019).

Showroom Experience

Research has also been done on the impact of showroom experience on the decision-making of consumers. The research surprisingly showed that %27.56 of the car buyers visited the showrooms once and %22.77 of them twice. More obviously, car buyers are more resilient to visiting the showrooms. Also, the responses had proved that most of the car purchasers have made their decisions before entering the showrooms. Since time and location are always big factors for consumers, it is not surprising that working hours, staff, and location are also major factors that affect buyers' decisions. Furthermore, these factors also impact word of mouth as proven and shown by the survey, %50 of the car purchasers recommend the car dealers which they trust and purchased their vehicles from.

3.17 Global Automotive Consumer Study by Deloitte

In a study by Deloitte on consumers' mobility choices and transportation decisions, Deloitte Touche Tohmatsu had done a survey in 19 countries with 23 thousand individuals of all generations. This analysis has been done on a wide range of scope such as socio-economic, gender, etc. This survey was done as a basis to explore the factors and indicators which most likely influence consumers' choices for mobility and transportation. As well as the preference of owning a vehicle or not. The research also assessed the factors which affect final decisions purchasing by consumers. The research was extensively based on European countries such as Belgium, the Czech Republic, France, Italy, Germany, The Netherlands, Turkey, and the United Kingdom.

As the nature of mobility changes, the purchasing and ownership of vehicles are changing too which impacts the automotive companies to study and emphasize such factors to make decisions upon manufacturing and designing the preferred models that meet the consumers' expectations. This research, also concentrated on the topics like alternative powertrains, fully connected vehicles, and automation, consumers' experience and mobility, and the evolution of transportation. The consumer's responses were classified into 4 categories, 33% Generation Y, 33% Baby Boomers, 24% Generation X, and 10% others from the participating countries in 2014.

Generation Y Findings

The findings from Generation Y were that those types of consumers in Europe are more interested in owning or leasing vehicles with approximately 75% planning to purchase or lease within the next few years. Also, surprisingly about 44% of consumers responded that they are willing to purchase or drive alternative fuel cars in the future and willingly pay more for it. The factors limiting Generation Y consumers not purchasing are high costs and affordability issues. The factors that influence the consumers of this generation are cheap options with more fuel economy. Most of this generation of consumers are highly influenced by relatives and family when making purchasing decisions. Consumers of this generation are happier and more relaxed with the advancement of technology and autonomy especially, improved safety and fuel efficiency. Generation Y would like to have vehicles that protect them from accidents and have technologies that recognize the presence of other cars on the road and automatically react to any incident which might endanger their lives.

Why Do a Global Automotive Study?

Consumer preferences are quickly improving and evolving as technological advancements and dynamic forces continue to take shape. Factors like hyper urbanization, generational views and trends, digital exhaust, the convergence of the public and private sectors, sustainability and environmental concerns, technological advancements, and connected cars with software are all impacting the consumer's preferences and tastes in purchasing vehicles. Hyper-urbanization is a big factor influencing automotive consumer choices since urbanization reached its peak and by 2050 is expected that 70% of the world population to live in cities this will have a massive impact on mobility and transportation. The governments and automotive industry need to meet the high increase in demand for transportation as well as try to control the over-crowd and traffic issues. Hence, it might have an impact on car sales and profitability in developed countries. The other factor generational views are also important in the sense that baby boomers, generation x, and generation y have different perspectives and tastes for mobility. These differences also impact the ways of defining ownership of cars and models which new consumer tastes impact the buying behavior towards

more autonomous vehicles and newer technologies that give the automotive companies initiative to work on designing certain models with the highest level of expectation to consumer's demands. The software and connected technologies also are a big impact on influencing the automotive industry to be up to date and meet nowadays' consumers' expectations. Technologies like V2V, V2I, and other connectivity make consumers seek more than normal sales and traditional vehicles. The other factor like digital exhaust which automobiles and other infrastructure make a huge amount of exhaust and pollution into the air which creates opportunities and threats for companies, governments, and people. This data would help the automotive companies to have a better insight into the performance and behavior of consumers at the same time identifying other potential growth opportunities. The other factor like a convergence of the public and private sectors also are important as nowadays governments cannot solely fund or take responsibility for meeting the transportation demands of citizens. This needs many players and private sector influences to succeed and achieve the goals. The last factor and most importantly is the sustainability and environmental concerns which allow consumers to be more environmentally aware and concerned which also forced the companies to work on models that will be more sustainable and environmentally friendly to manage the environmental issues as well as meet the consumer's demands.

- Up to 76% of the Generation Y consumers responded that they will expect to purchase or lease their vehicle within five years. While only 17% responded that within one year.
- Affordability and costs were the biggest reasons that impacted Generation Y owning a car.
- Top three things that would this generation of consumers in buying a car are cheapness, fuel efficiency, and more affordable payment options.

4. Practical Part

4.1 Own Analysis of the Automotive Industry and Market

The automotive industry like any other industry and on the top of the list is not an exception to the robust technologies and advancement which is impacting the business models around the world. The concern is not on the adaptation of the new technologies and being in line with the digitization world; hence, the concern is to remain resistant to change and adapt to the modern world of businesses and IT because lots of companies have tried to keep with their traditional business models and remain unchanged, and as a result, they failed to compete and be in line with the other companies' growth.

The initiation of the digitization and IT world has led so many advancements and profits to the businesses around the world as proof that the digitization of processes leads to cost efficiency as well as an increase in sales since the demand for digitization shifted to the right relatively, and the customers' expectations are more than what some traditional businesses offer nowadays. Especially, the use of smartphones and tablets which has started in the past decade alongside social media has opened the eyes and ears of customers more towards technological advancements. At the same time, customers' willingness to adapt to such changes increased as a result, and nowadays not knowing or converting to the new modern world of technologies and IT is seen as being old-fashioned. What does that mean to the businesses is also that companies who would resist change will be seen as well as traditional and inexorable because customers always act as key drivers of any business sales and improvements alongside the competitors.

In fact, the automotive industry is also seen on top of this challenge nowadays due to the reason that most of the key players in the industry have shifted towards futuristic, digitized, and data-driven concepts and models since the future of the car manufacturers are expected to be more sustainable and digitized, and it seems like most of the automakers already thought and planned to switch to more mobility options such as shared-vehicles, battery-cell vehicles, autonomous cars, semi-autonomous, electric vehicles, and data-driven connected vehicles. The initiation of industry 4.0 will be more or less about cloud-based and data-driven

technologies which will be resulted from the use of IoT and other software which empowers high connectivity and data sharing alongside automation of processes.

Tesla's start and success perhaps impacted and influenced many other big automotive players into considering the future of mobility to bring more autonomy, digital and IT-based because the increasing demand for Tesla's sales and its growth surpassed the expectations of many market researchers, and it led to making Tesla one of the biggest market shareholders in the automotive industry; in fact, it became one of the top five largest shareholder companies in the stock market. Many other big automobile players considered the option to switch their business models and include more digitized, smart, and electric vehicles with the use of robust and high-graded technologies to compete and remain in their position in the market as well as grow. Companies like Mercedes-Benz, BMW, Ford, Toyota, Volkswagen, and other big automotive manufacturers have already started and included lines of products that offer the customer autonomous features, electric, and cell-battery vehicles which do not consume all conventional fuels and energy or consume fewer and emission-free sources of energy. In addition to that, consumers are nowadays more environmentally aware and informative, and they would try to be as much as sustainable in their purchases as possible due to the environmental risks and outrages which fear everyone and endangers the future of the next generations.

Eventually, consumers are nowadays more careful in their purchases than ever before because they have witnessed the mass pollution and catastrophes caused by such big manufacturers especially, car producers. Therefore, the governments and authorities' pressure are also more intensive than before on the automotive industry as they are on top of the polluting industries. Consequently, new imposes, regulations, and restrictions by governments alongside customers' pressure and competitive forces by other key players made the automobile companies rebuild and improve their business models into more autonomous, sustainable, and efficient models which serve the car purchasers more sustainability and satisfy the needs of both consumers and governments' demands and expectations.

The automotive industry is now experiencing an enormous shift in its sales models because their traditional ways of the supply chain, processing, manufacturing, and designing are

already expiring as well as the features which they offer to customers, so they are enforced to be more competent with the market demands by providing more and more futuristic products and options which provides robust technologies and more sustainability to the customers. Since the customers nowadays are trendier than before due to the advancements in technologies and easy access to data, customer satisfaction will more likely incline towards such trends and mobility options as fully electrified or semi vehicles, cell-battery, hybrid, sustainable energy, and autonomous cars; moreover, the automakers can make more sales, keep on being competitive and grow. Eventually, this does not mean that such companies must entirely switch to a new set of business models and processes since it presents more risk and a high probability of disappointment and failure. Therefore, as proven by researchers and experiences from the most successful business models and companies, remaining part or half of the original (traditional) business models minimize and control the risks associated with the initiation of entirely new business models and switching fully to new and different concepts.

According to an article which is published by The Forbes under the title *The Future of Automotive and Mobility*, "the automotive industry is shifting gears. Global disruption, technological advances, and changing consumer behaviors are altering the auto industry on many levels all at once; yet at the same time, the automotive industry is racing toward a new world, driven by sustainability and changing consumer behavior, encompassing electric vehicles, connected cars, mobility fleet sharing, onboard sensors, new business models, and always-on connectedness" (Cubiss, 2021). It is also mentioned that the pandemic had a prevalent impact on the automotive industry due to the supply chain failure, and the closing of manufacturing plants for some time due to the risks arising from the manufacturing plants' employees mixing, and the social connection was almost prohibited to maintain health sector in a good shape and cope with the infections and diminish the spread of the Covid-19 disease. Cubiss stated that this is not the first or last interruption the automotive industry has experienced since the automakers and suppliers have gained experiences sufficiently from the past economic devastation and difficulties especially the lessons from the 2008 and 2009 economic crises and market crash which taught the automobile companies big lessons and made them more resilient (Cubiss, 2021). These disruptions led many innovations and trends to be born in the automotive industry, introducing robust and innovative technologies. In

addition, the willingness and implementation of new technological innovations is a big driver of the automotive industry trends. According to Cubiss, there are five strategies for success and being competent with the automotive market innovations and meet the changing customer demands which are implementation of customer-centricity, mobility services, connected cars, digital supply chain, smart production, and finally aligning with a shifting workforce (Cubiss, 2021).

4.2 Analysis of the Results and Data from Questionnaires of the Respondents

For the purpose of analyzing the car users and consumers' behavior towards automobile purchasing and choices, I created a questionnaire composed of 23 closed-ended questions that emphasized different aspects of car purchasing like choices, behavior, thoughts, time, cost, future forecast, and cultural differences as the questionnaire mainly focuses on two different cultures the Western European Countries like Czech Republic, France, Germany, Nederland, and the UK versus the Arabian Gulf countries such as Kuwait, Saudi Arabia, Qatar, and UAE. The country choices were not just limited to only the countries mentioned before; hence, the respondents were given a choice of other where they could indicate their countries of origin, and many other multiple responses were captured from different nationalities which helps to enrich the diploma thesis by including a broader image of consumer behavior towards car purchasing and automotive industry. At the same time, the solely main aim of the questionnaire was to analyze the behavior of consumers towards car purchasing, factors that will motivate or demotivate car purchases and decisions, and the other implications when buying cars, such as culture, environment, economy, society, and income level. The questionnaire's crucial objective is to emphasize the consumer behavior differences between two distinct cultures and regions which are, the Western European Countries Czech Republic, France, Germany, Nederland, the UK, and the Arabian Gulf countries such as Kuwait, Saudi Arabia, Qatar, and UAE. The questionnaire was made in four languages, Arabic, English, French, and German. The respondent's ages ranged from 18 to 60 years old.

The questionnaire has run for two months and distributed to diverse people and regions of the Western European countries as well as the Arabian Gulf countries which were mentioned above. I was able to capture 80 responses in total, mainly from those countries which I will emphasize in the diploma thesis. The content and questions used to ask the respondents were as indicated and listed as follows:

- Do you own a vehicle already?
  - The respondents were given four answers to choose one, and the answers were yes, no, I am thinking of purchasing one soon, or I had one but I do not have it now.
- What is your gender?
  - The respondents were given the following answers to choose one, and the answers were male, female, or prefer not to say.
- How old are you?
  - The respondents were given the following answers to choose one, and the answers were 18 to 25 years, 36 to 45 years, 45 to 60 years, or 60 and more.
- Where are you from?
  - The respondents were given the following answers to choose from, and the answers were the Czech Republic, France, Germany, Kuwait, Nederland, Qatar, Saudi Arabia, UAE, UK, or others and the respondents had to specify their nationalities.
- What do you think is the most efficient way of transportation for your tasks or transferring goods?
  - The respondents were given the following answers to choose one, and the answers were public transport, personal cars, or shared transportation.
- When deciding on purchasing a vehicle for your purposes, how do you usually decide?
  - The respondents were given the following answers to choose one, and the answers were asking friends and families, conducting research online, seeking help and guidelines from car experts, or through car dealers' recommendations and online car sellers.
- When purchasing a car, do you consider fuel costs?
  - The respondents were given the following answers to choose one, and the answers were yes or no.
- What would be your choice of choosing and purchasing a vehicle through?

- o The respondents were given the following answers to choose one, and the answers were online car retailers, automotive showrooms, social Media marketplace, through friends, or car dealers and agents.
- What do you value the most when making purchasing decisions?
- o The respondents were given the following answers to choose one, and the answers were families and friends' advice, automobile salesperson recommendations, car expert advice, online research and reviews, test drive and car experience, celebrities and public figures endorsement (promotions and endorsements), or others which the respondents had to specify.
- How long do you need to decide on purchasing a vehicle?
- o The respondents were given the following answers to choose one, and the answers were 1 week or less, 2 weeks to a month, a month to three months, or need more time minimum of three months to a year.
- How often would you change cars?
- o The respondents were given the following answers to choose one, and the answers were once or more every year, once in two years, once in 3 to 5 years, or once in a decade or more.
- What is your preferred type of vehicle?
- The respondents were given the following answers to choose one, and the answers were sedans, hatchbacks, station wagons, sports cars and coupes, SUVs, minivans, pickup trucks What is that you are looking for in vehicles?
- o The respondents were given the following to choose one, and the answers were big engine and horsepower, luxury, economy, electric, semi-autonomous, or autonomous and smart.
- Which one of these countries or regional automotive manufacturers are closer to your purchasing tastes and preferences?
- o The respondents were given the following answers to choose one, and the answers were Japanese Automobile Brands, European Automobile Brands, American Automobile Brands, or South Korean Automobile Brands.
- What do you think of the high-tech and modern vehicles with smart features like autonomous driving, semi-autonomous, hybrid, fuel-cell, biodiesel, flexible-fuel, electrified, and IoT technologies?

- o The respondents were given the following answers to choose one, and the answers were would highly consider purchasing them, might consider purchasing them, need to make more research, not sure yet, or do not like them.
- Are you already aware of the environmental issues?
- o The respondents were given the following answers to choose one, and the answers were yes or no.
- Have you considered being more sustainable in your purchasing decisions when buying cars?
- o The respondents were given the following answers to choose one, and the answers were yes, no, or maybe.
- Would you rather drive a sustainable and less-polluting vehicle or drive a traditional-conventional engine vehicle?
- o The respondents were given the following answers to choose one, and the answers were would rather drive traditional (diesel, fuel, and gas) engine vehicles, would rather not pollute and drive environmentally-friendly vehicles, it depends, or have not decided yet.
- If there is a car manufacturer which manufactures new high-tech, fuel-efficient, sustainable, and less-emission vehicles with better and more advanced technologies, but with higher prices than traditional vehicles, would you consider purchasing them?
- o The respondents were given the following answers to choose one, and the answers were yes, no, or maybe.
- What do you think of the shared vehicles and transportations services and apps?
- o The respondents were given the following answers to choose one, and the answers given were they are great and would like to use them, do not yet know about them; but would like to try and see, or do not like shared transportation.
- If you consider buying conventional engine vehicles, which type or size of the engine is closer to your taste?
- o The respondents were given the following answers to choose one, and the answers given were bigger and more cylinder engines (V6 engines and above), average and medium-size cylinder engines (V4 to V6 engines), small engines, and economy (V4 and smaller engines), or do not want to buy traditional (conventional) engine cars.
- What is your favorite brand when deciding on purchasing a vehicle?

- o The respondents were given the following answers to choose one, and the answers given were BMW, Ford, General Motors Brands (Chevrolet, GMC, Cadillac, and Buick), Hyundai, Kia, Mercedes-Benz, Nissan, Tesla, Toyota, or Volkswagen Group Brands (Audi, Volkswagen, Skoda, SEAT, Porsche, and others).
- ▪ What is your attitude towards buying a car?
- o The respondents were given the following answers to choose one, and the answers given were enjoying it, like it sometimes, not sure, or do not like it.
- ▪ Finally, how do you see yourself in the future or 5-10 years from now?
- o The respondents were given the following answers to choose one, and the answers given were owning a traditional (conventional) engine vehicle, using an environmentally friendly and sustainable vehicle, using sustainable (efficient) public transport, or using car-sharing and sharing-transportation services.

As a result, the respondents were able to answer all of the questions which multiple answers, and consumer behavior tastes and preferences were captured which will be further explained and analyzed in some analytical methods such as the use of pie charts, bar charts, and histograms to illustrate and show the results of the respondents to each question. At the same time, using statistical methods like correlation P-value or statistical significance, mean, and correlations. The main aim of the questionnaire is to identify the consumer behavior differences towards automobile purchasing and choices between two cultures of the Western European Countries versus the Arabian Gulf states as mentioned above. Even though almost all of the respondents were from the two main regions, there were still other nationalities among them which might create biases and errors in the statistical implications; however, we try to identify those responses as well to capture the audience's attention into the outside of those cultures perspectives towards car purchasing and choices since the aim is to give an insight on cultural differences impacts on consumer behavior in these two regions on the automotive industry, and the ways which car manufacturers implement strategies into managing such differences and tastes.

The results that were captured from the individual questions were as below illustrated by graphs, pie charts or bar charts, and histograms using Microsoft Excel:

On the first question, the respondents were asked if they own a vehicle already, and they were given four answers to choose from, 77 responses were captured from all the four languages of Google Form questionnaires. Out of 77 respondents, 40 responses were for Yes, 15 responses for No, at the same time 14 responses said that they are thinking of purchasing one soon, and finally only 8 of them stated that they had one but do not have it anymore. The results were calculated as below which approximately 52 % person of the respondents had cars already, and at the same time, 18% of the respondents were already thinking and planning of purchasing a car soon which could indicate that roughly about 70% of the respondents were potential car owners and buyers. That is almost about a third of the respondents which is significant for our analysis of the diploma thesis, in addition, the 10% who owned a car in the past also indicates another significant value to the data which majority or more than a third of the respondents have experienced or some sort of experience with automobiles and its market. Furthermore, only 20% of the responses were for No who are those that do not own cars.
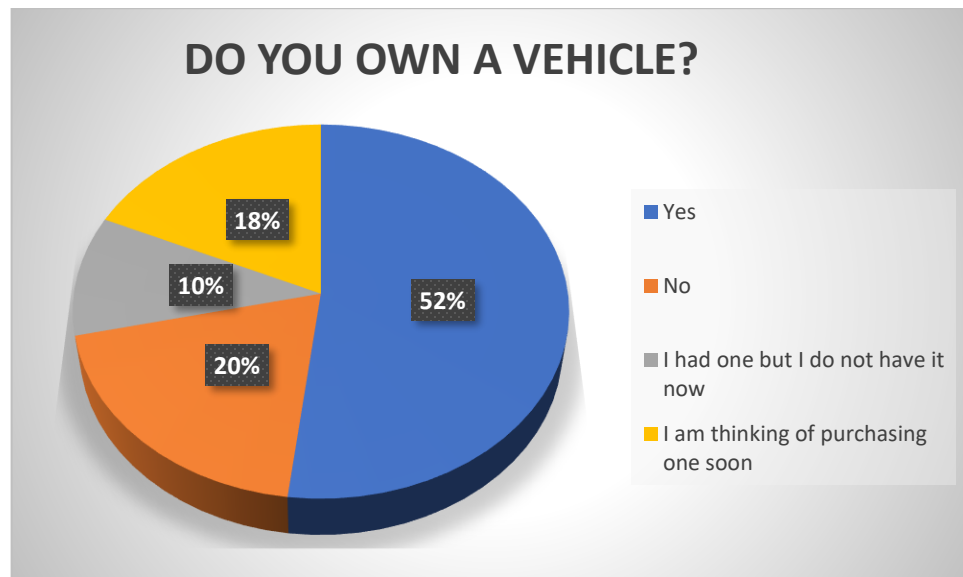

Figure 1.1: Pie chart of vehicle owning questions responses (77 Responses on Google Form)

On the second chart which the respondents were asked about their gender, and they were given to choose from three answers such as yes, no or prefer not to say, 79 responses were captured from the respondents where 41 persons responded male which is 52%, relatively 38 responses which are 48% were female, and no responses to prefer not to say. As shown in the graph below the percentage of men was more than women among the respondents; hence, the difference was not that significantly big which gives the analysis more accuracy and significant value in the consumer behavior analysis and less bias and errors.

Figure 1.2: Pie chart on respondents' gender (79 Responses on Google Form)

On the third chart, the respondents were asked about their age, and they were given to choose from five answers with age ranges, 18 to 25 years, 26 to 35, 36 to 45 years, 45 to 60, or 60 and more. The questionnaire resulted in 78 responses where 33 of the respondents were the age ranging from 26 to 35 years old, 26 respondents were between 18 to 25 years old, 10 respondents were between 45 to 60 years old, 8 respondents were between 36 to 45 years old, and only 1 respondent was 60 years old and older. A third of the respondents were between 18

to 35 years old, and only one-fourth of the respondents were between 36 to 60 years old and more. 14% of the respondents were from Generation X whereas more than half of the respondents and 52% were Millennials or Generation Y; on the other hand, 34% or one-third of the respondents were from Generation Z.
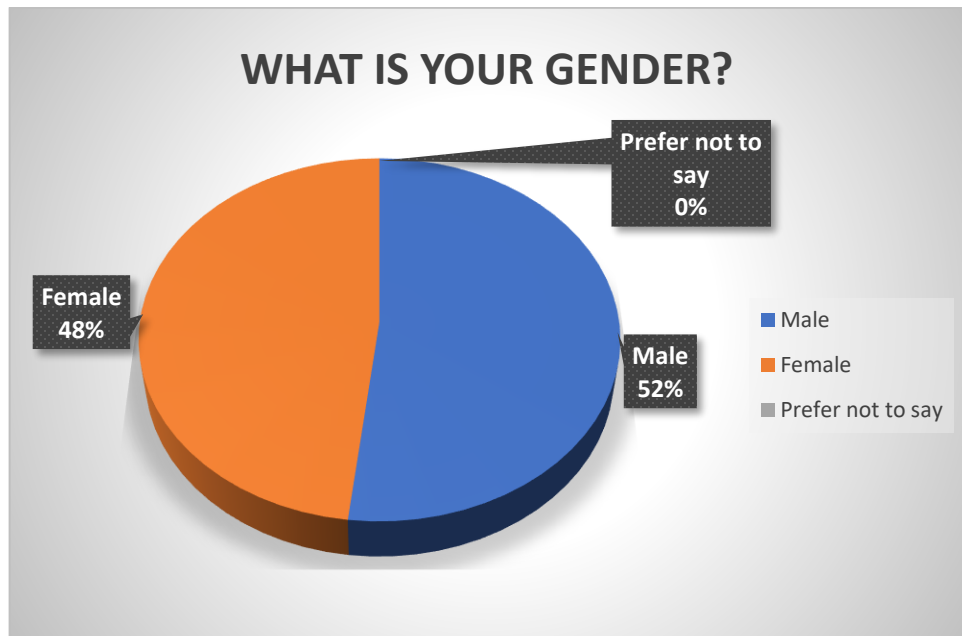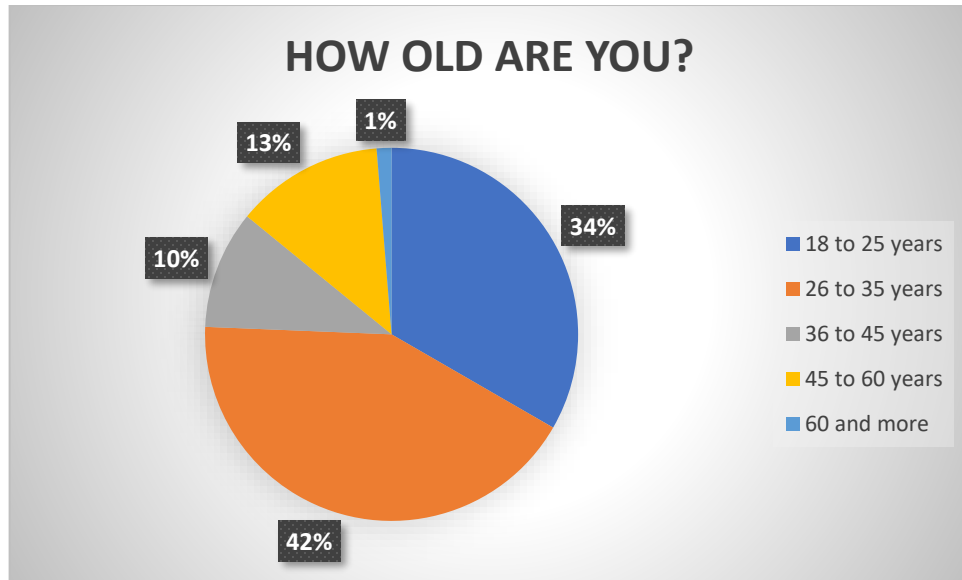

Figure 1.3: Pie chart of respondents' ages (78 Responses on Google Form)

On the fourth chart, the respondents were asked about their nationality, and they were given to choose from ten answers, the Czech Republic, France, Germany, Iraq, Kuwait, Qatar, Saudi Arabia, UAE, UK, and others which the respondents had to specify their nationality and comment. The results for this question were as follows, 12 respondents from Germany, 8 respondents from France, 6 responses from UAE, 6 responses from Iraq, 6 responses from Saudi Arabia, 5 responses from the UK, 5 responses from Kuwait, 5 other responses from Qatar, and 4 responses from the Czech Republic; alternatively, 20 other respondents chose others. I calculated those numbers into three categories which are the Western European States, the Arabian Gulf states, and the other nationalities. The Western European respondents

were 29, the respondents from the Arabian Gulf States were 28, and 20 from other nationalities. However, the aim is to identify the differences between the two main regions which are the Western European Countries and the Arabian Gulf States which were about a third of the responses and roughly 74%.
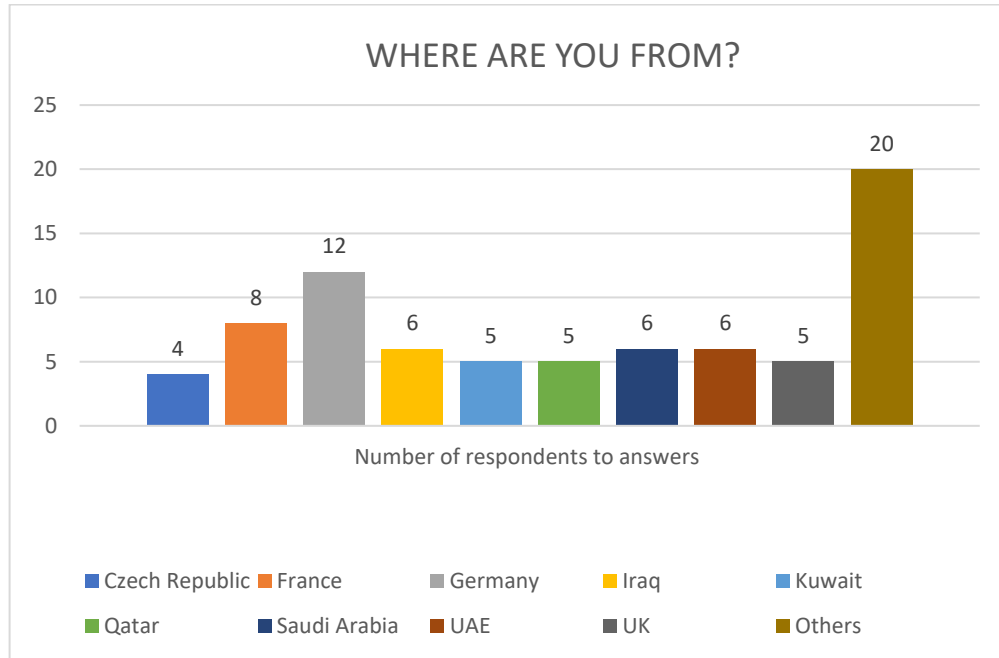
Figure 1.4: Pie chart of respondents' nationalities (77 Responses on Google Form)

Data by regions Western European Countries Vs the Arabian Gulf States		
Regions	Number of respondents	Percentage
Western European Countries	29	37.66%
Arabian Gulf States	28	36.36%
Other countries	20	25.97%
Total	77	

Table 1.1: Table on respondents by region (Calculated on Microsoft Excel)

In the fifth part of the questionnaire results analysis, we calculated the relation of two variables which are the nationalities (regions) and the respondents preferred or efficient way of transportation we calculated the relation by using the Chi-Square method. We have created

two tables at first by putting the observed data from the above table of respondents by region (Table 1.5) versus the responses from choices of transportation which respondents were asked to choose from three responses including, personal cars, public transport, and shared vehicles. calculated previously as the Observed Data Table, and we have calculated the estimated data on the second table by multiplying each observed variable total value by the other and dividing by the total value of the whole variables as shown in the tables below.

Observed Values from the Questionnaire Results (DATA)

Transportation Preferences / Regions	The European Countries	The Arabian Gulf States	Total
Public transport	5	3	8
Personal cars	21	25	46
Shared transportation	3	0	3
Total	29	29	58

Expected Value Table

Transportation Preferences / Regions	The European Countries	The Arabian Gulf States
Public transport	4.07	3.93
Personal cars	23.4	22.6
Shared transportation	1.53	1.53

Table 1.2: Tables for Observed and Expected Values for Transportation Preferences Versus Regions (Calculated on Microsoft Excel)

Then, I made the null hypothesis which is Ho and indicates that there is no relation between nationalities and preferences for transportation. On the other hand, the Alternate Hypothesis or H1 states that there is a significant relationship between nationalities and transportation type preferences. I also put the significant level or alpha at 5% or 0.05. After that, I calculated the deviation or Chi-Square $(X2)$ by subtracting the observed values from the expected value to the power of two and then dividing this result by the expected value. After finding each two variables' standard deviation, I summed all the results from each result, and I got the Chi-Square which resulted in 3.82 as demonstrated in the table below:

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Deviation	(Observed - expected) ^2 / expected			
Observed Value	Expected Value	(O-E)	(O-E) ^2	(O-E) ^2 / E
5	4.07	0.93	0.86	0.213
3	3.93	-0.93	0.86	0.220
21	23.4	-2.40	5.76	0.246
25	22.6	2.40	5.76	0.255
3	1.53	1.47	2.16	1.412
0	1.53	-1.53	2.34	1.530
				3.876
			X2 or Chi-Square = 3.88	

Table 1.3: Chi-Square Table for the values (Calculated on Microsoft Excel)

Finally, we calculated the degrees of freedom by subtracting rows from 1 and columns from1 and multiplying their results which we got the degrees of freedom value, and it was 2. We used the degrees of freedom value with alpha to calculate the relation and test our hypothesis by comparing the calculated Chi-Square from the tabular Chi-Square from the Percentage Points of the Chi-Square Distribution Table found online (Yasuda, 2016). I discovered that the tabular Chi-Square was bigger than the calculated Chi-Square, so I accepted the Null Hypothesis Ho which means there is no relation between the two variables' regions and the efficient or preferred transportation type by the respondents.

Percentage Points of the Chi-Square Distribution

Degrees of Freedom	Probability of a larger value of x^2								
	0.99	0.95	0.90	0.75	0.50	0.25	0.10	0.05	0.01
1	0.000	0.004	0.016	0.102	0.455	1.32	2.71	3.84	6.63
2	0.020	0.103	0.211	0.575	1.386	2.77	4.61	5.99	9.21
3	0.115	0.352	0.584	1.212	2.366	4.11	6.25	7.81	11.34
4	0.297	0.711	1.064	1.923	3.357	5.39	7.78	9.49	13.28
5	0.554	1.145	1.610	2.675	4.351	6.63	9.24	11.07	15.09
6	0.872	1.635	2.204	3.455	5.348	7.84	10.64	12.59	16.81
7	1.239	2.167	2.833	4.255	6.346	9.04	12.02	14.07	18.48
8	1.647	2.733	3.490	5.071	7.344	10.22	13.36	15.51	20.09
9	2.088	3.325	4.168	5.899	8.343	11.39	14.68	16.92	21.67
10	2.558	3.940	4.865	6.737	9.342	12.55	15.99	18.31	23.21
11	3.053	4.575	5.578	7.584	10.341	13.70	17.28	19.68	24.72
12	3.571	5.226	6.304	8.438	11.340	14.85	18.55	21.03	26.22
13	4.107	5.892	7.042	9.299	12.340	15.98	19.81	22.36	27.69
14	4.660	6.571	7.790	10.165	13.339	17.12	21.06	23.68	29.14
15	5.229	7.261	8.547	11.037	14.339	18.25	22.31	25.00	30.58
16	5.812	7.962	9.312	11.912	15.338	19.37	23.54	26.30	32.00
17	6.408	8.672	10.085	12.792	16.338	20.49	24.77	27.59	33.41
18	7.015	9.390	10.865	13.675	17.338	21.60	25.99	28.87	34.80
19	7.633	10.117	11.651	14.562	18.338	22.72	27.20	30.14	36.19
20	8.260	10.851	12.443	15.452	19.337	23.83	28.41	31.41	37.57
22	9.542	12.338	14.041	17.240	21.337	26.04	30.81	33.92	40.29
24	10.856	13.848	15.659	19.037	23.337	28.24	33.20	36.42	42.98
26	12.198	15.379	17.292	20.843	25.336	30.43	35.56	38.89	45.64
28	13.565	16.928	18.939	22.657	27.336	32.62	37.92	41.34	48.28
30	14.953	18.493	20.599	24.478	29.336	34.80	40.26	43.77	50.89
40	22.164	26.509	29.051	33.660	39.335	45.62	51.80	55.76	63.69
50	27.707	34.764	37.689	42.942	49.335	56.33	63.17	67.50	76.15
60	37.485	43.188	46.459	52.294	59.335	66.98	74.40	79.08	88.38

Table 1.4: Chi-Square from the Percentage Points of the Chi-Square Distribution (Online: statistics - Basic question about using the chi-square table - Mathematics Stack Exchange)

On the sixth question, the respondents were asked about how they make their purchasing decision when buying a car, and they were given to choose from seven answers such as, through asking friends and families, conducting research online, seeking help and guidelines from car experts, car dealers' recommendations and online car sellers, asking friends and families and also conducting a search online. a combination of all choices, or through research and own expertise. As a result, it turned out that the biggest influence on the individual car buyers and customers when purchasing cars or deciding is by asking families and friends in general for both regions; however, this factor is more seen and influential in the Arabian Gulf countries which 62% of the respondents chose this answer from the list of

choices as mentioned above. Also, asking about families and friends responses had the highest score of about %42 people of the respondent's responses among the Western European respondents, but at the same time, the other choice which is conducting research online score was very close to the families and friends' response. As a result, this response which is conducting research online has scored %31 of the responses on the questionnaire which is a total number of responses the difference was about 3 responses which families and friends' choice had been chosen twelve times whereas conducting research online was chosen nine times. At the same time, the response which is saying by seeking help and guidelines from car experts had ranked in the third place in both regions and scored 17% of the total responses in both, and 17% in each of the regions as well. The other responses were as follows, car dealers' recommendations and online car sellers' responses ranked in the fourth place by 3%, asking friends and families and also conducting search online response ranked in the fifth place by 2%. a combination of all choice's response ranked in the sixth place by 2%, and finally through research and own expertise response ranked the last and seventh place with 0% as nobody has chosen this answer.
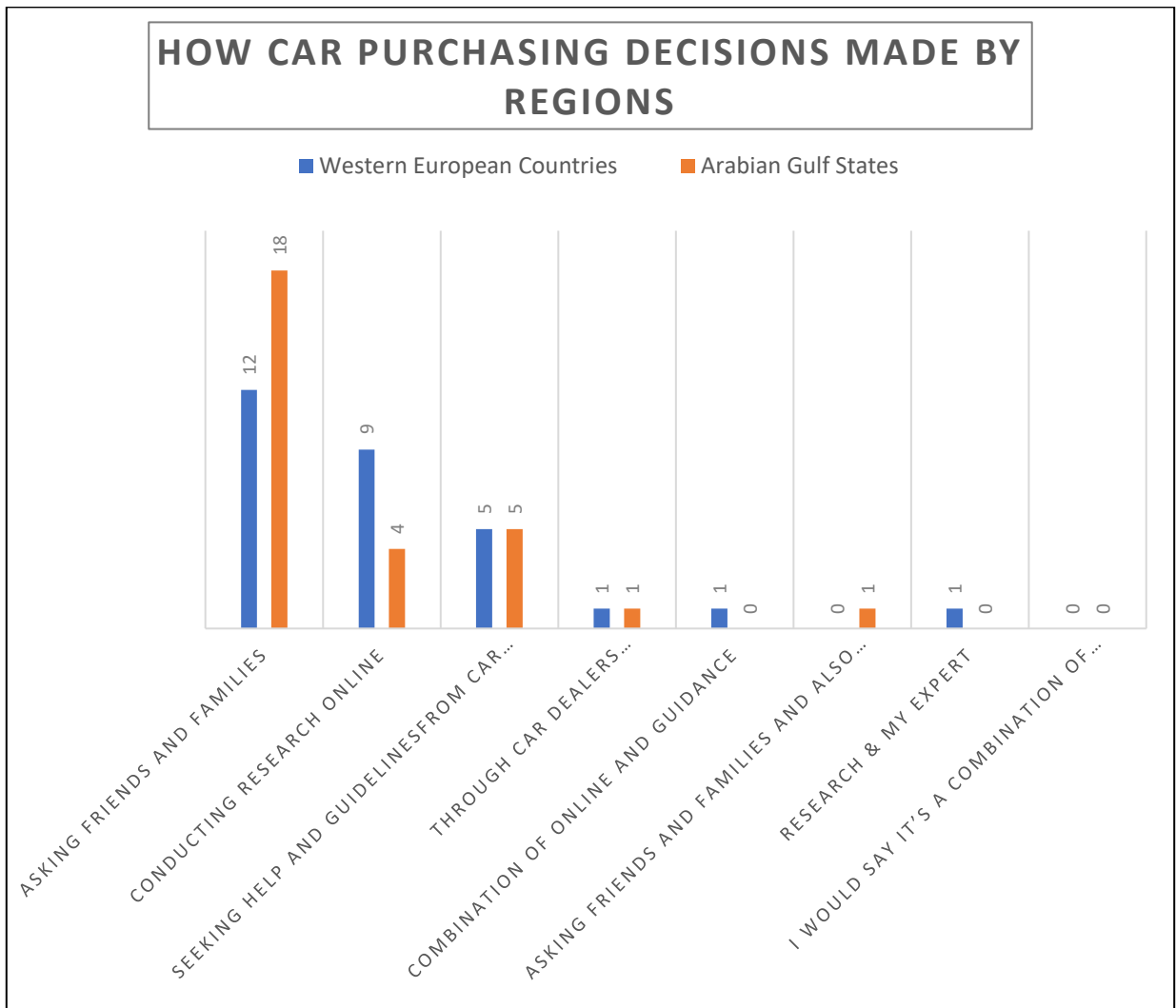
Figure 1.5: Graph Chart on Car Purchasing decision influences by region (Calculated on Microsoft Excel)

On the seventh question, the respondents were asked if they consider fuel costs when purchasing cars, and they were given to choose from two answers yes or no. In total, both regions' responses ended up with 74% yes and 26% no. However, the Western European country's responses were substantially different as 93% of the respondents voted for yes while only 7% of them voted for no. On the other hand, the Arabian Gulf States respondents'

responses were not so much different; in fact, only 55% of the voters chose yes as their response, and the rest which is about 45% voted for no.
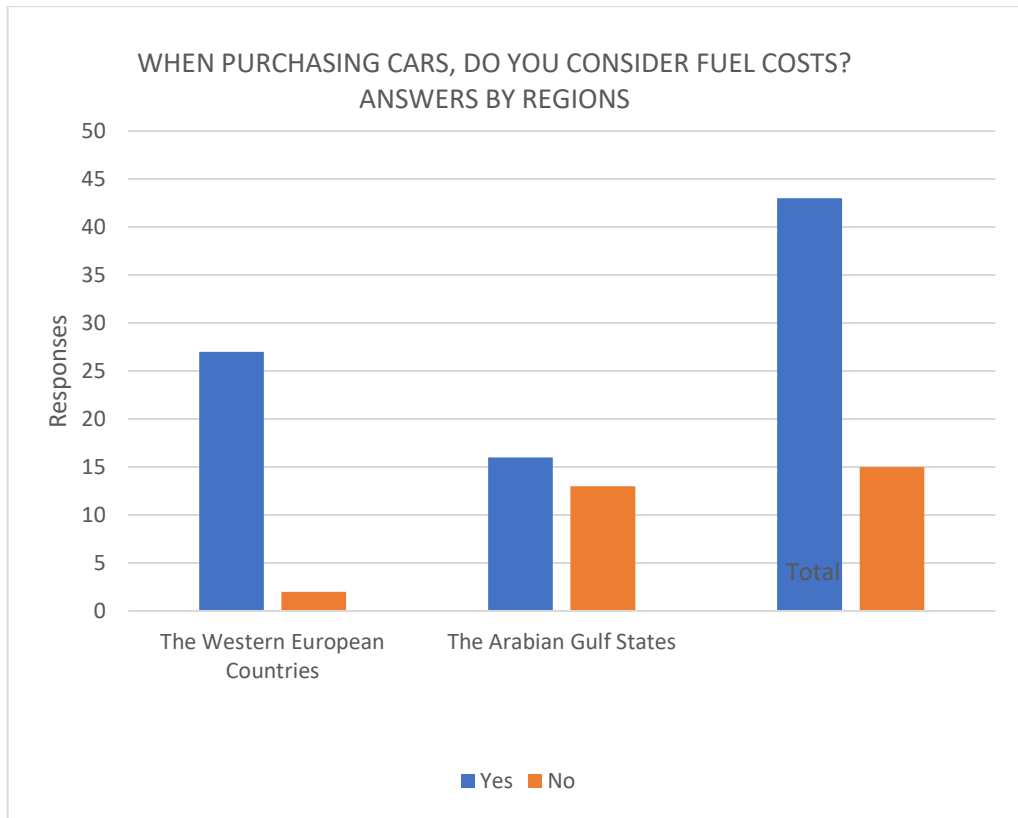
Figure 1.6: Graph Chart on Fuel Costs Impact on Car Purchasing decision by regions (Calculated on Microsoft Excel)

	The Western European Countries	Percentage	The Arabian Gulf States	Percentage	Total	Percentage
Yes	27	93%	16	55%	43	74%
No	2	7%	13	45%	15	26%
Total	29	100%	29	100%	**58**	100%

Table 1.5: Table on Fuel Costs Consideration When Purchasing Cars Responses by regions (Calculated on Microsoft Excel)

On the eights question, the respondents were asked where do they usually want or like to buy cars from, and they were given six choices choose which were online car retailers,

automotive showrooms, social media marketplace, friends, car dealers, and agents, or private sellers. In total 58 responses were given, and as shown in the graph below automotive were chosen by most of the respondents in both regions which were about one-third of the responses and 34% of total responses from both regions. At the same time, online car retailers come in the second place for both with 24% of the response; relatively, car dealers and agents are in the third place with 16%, friends in fourth place and scoring 14%, social media marketplace in the fifth place and scoring 12%, but private sellers had scored 0 since no one had chosen this response or preferred it.

To discuss the differences in each region, online car retailers won and scored 31% from the Western European Respondent's data, and at the same automotive showrooms and friends competed for second place which both scored 21%; both social media marketplace and car dealers or agents also were voted by 14% each and in competition in the third place while private sellers scored zero as explained previously.

The Arabian Gulf state respondents mostly chose automotive showrooms which this response scored 48% and about half of the responses and ranked first place. Meanwhile, car dealers and agents versus online car retailers both scored 17% and became tied in competition for second place, and at the same time, the social marketplace surprisingly ranked third place by scoring 10% out of all responses. Finally, friends ranked fourth place by scoring 7%, and no surprise the private sellers scored zero and the last place of the responses as shown in the graph below and table.
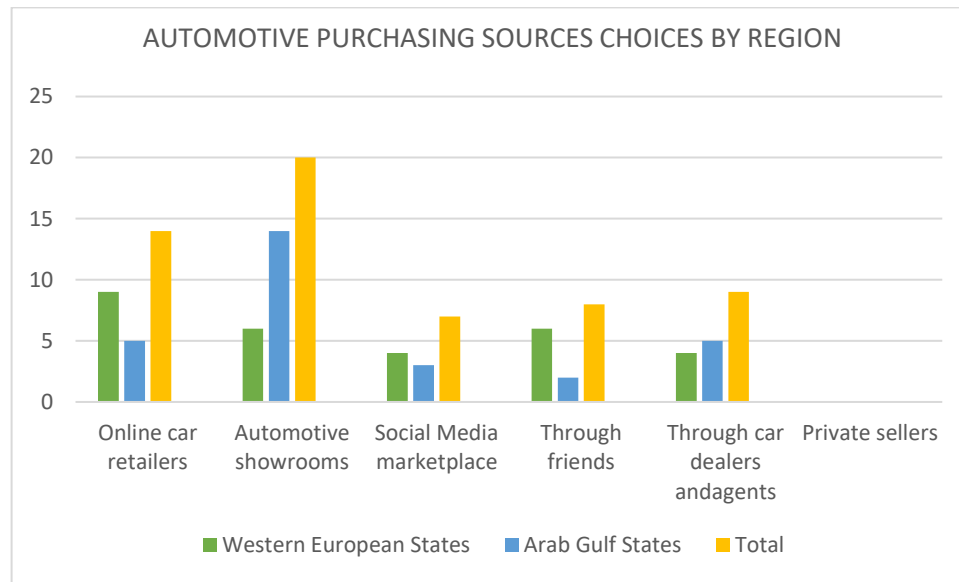
Figure 1.7: Graph Chart on Purchasing Channels Choices for Automotive Customers by Regions (Calculated on Microsoft Excel)

Responses	The Western European Countries	Percentage	The Arabian Gulf States	Percentage	Total	Total Percentage
Online car retailers	9	31%	5	17%	14	24%
Automotive showrooms	6	21%	14	48%	20	34%
Social Media marketplace	4	14%	3	10%	7	12%
Through friends	6	21%	2	7%	8	14%
Through car dealers and agents	4	14%	5	17%	9	16%
Private sellers	0	0%	0	0%	0	0%
Total	29	100%	29	100%	58	100%

Table 1.6: Table on Purchasing Channels Choices for Automotive Customers by Regions (Calculated on Microsoft Excel)

On the ninth and tenth questions, the respondents were asked about the timeline, they need to decide to purchase a vehicle versus how often they would change their cars, and they were given four responses for each question. For the first question, they were given time frames such as one week or less, two weeks to a month, a month to three months, or a minimum of three months to a year. In the second question, they were given four choices, once or more in a year, once in two years, once in three to five years, or once in a decade or

more. The respondent from the Western European states have chosen mostly answer two weeks to a month to decide for purchasing a vehicle with a score of 45%, and most of the responses for the second question was once in three years to five years which they would change their cars which this choice scored 69% of the responses. The second most answered responses for the Western European respondents were a month to three months to the first question with a score of 41% and once in a decade or more for the second question by scoring 21%. Finally, the third place for the first answer was again a tie for both answers one week or less versus a minimum of three months to one year with a score of 7% each; at the same time, the second question third place answer and fourth was as following, once in two years with 7% and relatively once or more in a year with 3% scores.

For the Arabian Gulf States respondents, the first most chosen answer for both questions were two weeks to a month answer with a score of %41, and once in three years to five years which was about 79% of the responses or most of the answers. The second chosen responses for both questions were a month to three months for the first question with a score of 31%; also, once in a decade or more choice by scoring 17% for the second question. The Arabian Gulf responses for the third place or most chosen answers were 1 week or less by scoring 24%, and once or more every day with a score of 3%. Finally, the last or least chosen responses were three months to a year choice for the second question by 3%; furthermore, once in two years choice was not answered by any respondent from the region and scored 0%.

Overall, the most answered responses for both questions in both regions were two weeks to a month for the question which asks how long would the respondents need to decide on purchasing a car, and the score was 43% which was about half of the responses. At the same time, the most chosen response for the second question which asks how often would the respondent would change their cars was once in three to five years with a score of 74% which was about a third of the responses. On the other hand, the second most responded choice for the first question in both regions was a month to three months response with a score of 36%; the third most chosen response was one week or less choice which scored 24% of the total responses by both regions' respondents. In the end, the second most answered response for the second question was once in a decade or more choice scoring 19%, and in the third place

were both answers once or more in a year and once in two years responses with a score of 3% each.

How long do you need to decide on purchasing a vehicle?						
Responses	The Western European Countries	Percentage	The Arabian Gulf States	Percentage	Total	Total Percentage
1 week or less	2	7%	7	24%	9	16%
2 weeks to a month	13	45%	12	41%	25	43%
A month to three months	12	41%	9	31%	21	36%
I need more time minimum of three months to a year	2	7%	1	3%	3	5%
Total	29	100%	29	100%	58	100%

How often would you change cars?						
Responses	The Western European Countries	Percentage	The Arabian Gulf States	Percentage	Total	Total Percentage
Once or more every year	1	3%	1	3%	2	3%
Once in two years	2	7%	0	0%	2	3%
Once in 3 to 5 years	20	69%	23	79%	43	74%
Once in a decade or more	6	21%	5	17%	11	19%
Total	29	100%	29	100%	58	100%

Table 1.7: Table on Time Frames for Making Decision on Vehicle Purchasing Vs How often the Respondents Change their Vehicles (Calculated on Microsoft Excel)

In the following questions eleventh and tenth, the respondents are asked about their preferred types of vehicles and what kind of engine they are looking for, and they were given eight choices for the first question including, sedans, hatchbacks, station wagons, coupes, and sports cars, SUVs, minivans, pickup trucks, and bigger trucks, or convertible. For the twelfth question, they were provided with six choices to choose from including, big engine and horsepower, luxury, economy, electric, semi-autonomous, or autonomous and smart. The questionnaire resulted in the sedans being in first place with 38% responses by both region's respondents. Moreover, the second most chosen response was SUVs which was about 29% of the total responses from both regions. The third answered choice was a coupe and sports cars by both which scored 10%, and the station wagon as well with 10%.

However, the most chosen or preferred vehicle type in the Western European Respondents was sedans which were 52% of the responses by the respondents, and at the same time in the Arabian Gulf states responses was the most chosen answer, but scored 28% out of all the responses. SUVs were the second choice in both regions which 31% of the Western European respondents voted for, and 24% of the Arabian Gulf respondents also chose this; however, another 24% of the Arabian Gulf respondents chose coupe and sports cars same time. The third most chosen answers for the Western European respondents were station wagons and convertibles with 7% each, yet leaving the fourth place for pickup trucks with only 3% and the rest of the other choices with zero responses. On the other hand, hatchbacks were the third most answered response by the Arabian Gulf States respondents with 17% of the responses leaving pickup trucks and minivans in the fourth place with 3% each. Convertible in the fourth place scoring 5%, and hatchbacks with 3% in the fifth place. Finally, both minivans and trucks sixth place with 2% each.

For the twelfth question, both regions' total responses result was as follows, luxury vehicles were chosen the most and in the first place with 34% of all the responses. The second most chosen response was economy with 28% out of all the answers from both regions. The third answer chosen by the respondents in total was big engine and horsepower with 24%. Lastly, the fourth and least chosen response was autonomous and smart with only 14%. To talk about each region's data differently, the Western European respondents voted mostly for luxury with 45% ranked as the first most chosen response; furthermore, the second most voted response was economy with 31% of all the responses from the region. Big engine and horsepower in the third place with 17% of the responses, and the fourth and least voted for response was autonomous and smart with a 7% score out of all the responses from the Western European responses.

The Arabian Gulf States' responses were as follows, big engine and horsepower being chosen the most with 31%, luxury and economy both scoring 24% each by the respondents

and being the second most chosen answer, and finally, the last and least responded choice was autonomous and smart vehicles with 21% out of all the answers from the Arabian Gulf States responses.

What is your preferred type of vehicle?						
Response	The Western European Countries	%	The Arabian Gulf States	%	Total	Total Percentage
Sedans	12	41%	10	34%	**22**	38%
Hatchbacks	2	7%	0	0%	**2**	3%
Station Wagons	3	10%	3	10%	**6**	10%
Coupe and Sports Cars	2	7%	4	14%	**6**	10%
SUVs	8	28%	9	31%	**17**	29%
Minivans	0	0%	1	3%	**1**	2%
Pickup Trucks	0	0%	1	3%	**1**	2%
Convertible	2	7%	1	3%	**3**	5%
Total	**29**	**100%**	**29**	**100%**	**58**	**100%**

What is that you are looking for in vehicles?						
Response	The Western European Countries	%	The Arabian Gulf States	%	Total	Total Percentage
Big engine and horsepower	5	17%	9	31%	**14**	**24%**
Luxury	13	45%	7	24%	**20**	**34%**
Economy	9	31%	7	24%	**16**	**28%**
Electric	0	0%	0	0%	**0**	**0%**
Semi-autonomous	0	0%	0	0%	**0**	**0%**
Autonomous and smart	2	7%	6	21%	**8**	**14%**
Total	**29**	**100%**	**29**	**100%**	**58**	**100%**

Table 1.8: Table on Vehicle and Engine Types Data Chosen by the Respondents in both Regions (Calculated on Microsoft Excel)

On the thirteenth question, the respondents were asked about their preferred automotive industry, and they were given four choices to choose from, including American Automotive companies, European Automotive companies, Japanese Automotive companies, or South Korean Automotive companies. In total, both regions' respondents chose European automakers with 60% of the total responses and ranking the first place. In the second place, Japanese automotive companies were chosen by both regions' respondents scoring 23% of the responses, and in third place is the American automotive companies with 14%. Finally, the least chosen response and voted for was the South Korean Automotive companies with only 4% of the total responses by both regions as shown on the graph below.

The Western European respondents had chosen the European Automotive companies with a large number and scored 62%, and the Japanese Automotive companies were chosen as the second most responded choice with 28%. The third place and voted response was the American Automotive companies with 7%, and the South Korean Automotive brands with only 3% of the responses as shown on the pie chart below.

The Arabian Gulf States respondents had chosen the European Automotive companies with a large number and scoring 57%, and the American Automotive companies were chosen as the second most responded choice with 21%. The third place and voted response was the Japanese Automotive companies with 18%, and the South Korean Automotive brands with only 4% of the responses as shown on the pie chart below.
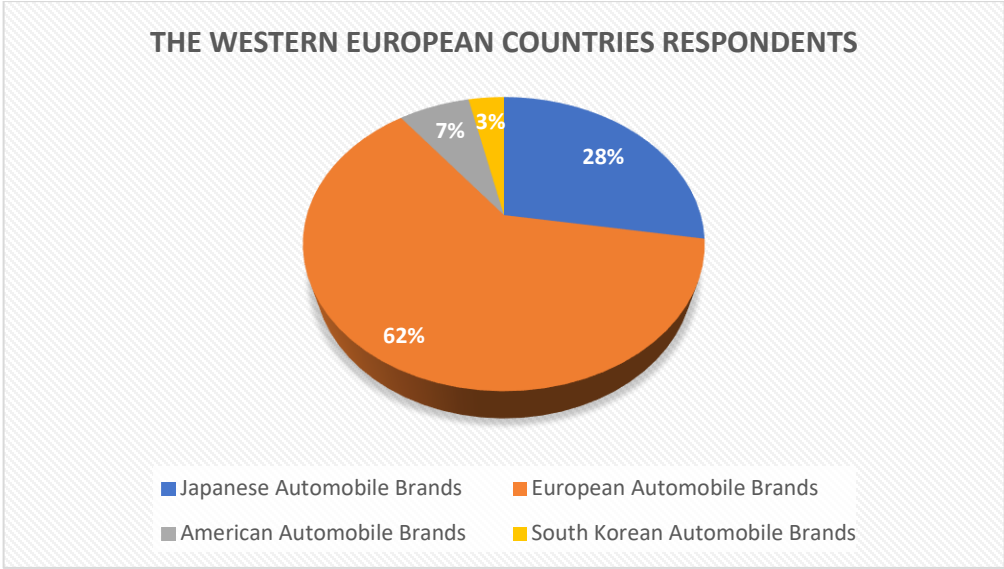
Figure 1.8: Pie chart on the Western European Responses and Automotive Manufacturers (57 Responses on Google Form)
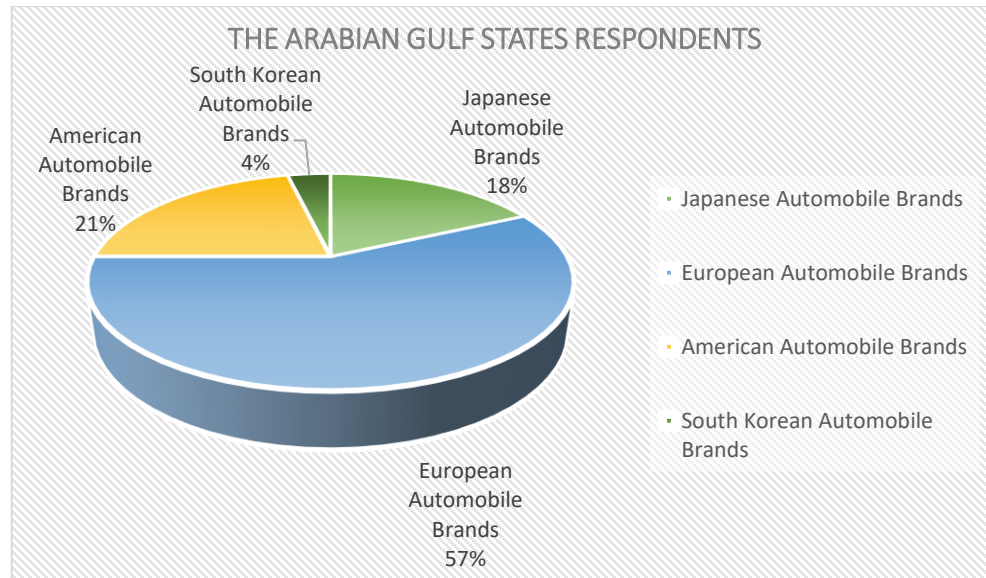

Figure 1.9: Pie chart on the Arabian Gulf States Responses and Automotive Manufacturers (57 Responses on Google Form)

On the fourteenth question, we asked the respondents from both regions what they think of the high-tech and modern vehicles with smart features like autonomous driving, semi-autonomous, hybrid, fuel-cell, biodiesel, flexible-fuel, electrified, and IoT technologies, and we gave them five responses to choose one. The responses are that they would highly consider purchasing them, might consider purchasing, need more research about them, are not sure, or do not like them at all. We ended with 58 responses from both regions' respondents. From the Western European respondents, we have gotten 29 responses. 70% of the respondents were for responded that says would highly consider purchasing them, 17% stated that they are not sure yet, 10% said that they need to make more research about them, and only 3% said that they might consider purchasing. From the Arabian Gulf States, we also received 29 responses. However, 62% of them stated that they need to make more research about them. At the same time, 34% stated that they might consider purchasing them, and 3% said that they are not sure yet. In both regions the percentage of the total responses were as

follows, 36% of the respondents said that they need more research, 34% said that they would highly consider purchasing them, 19% stated that they might consider purchasing them, 10% answered that they are not sure yet, and no one stated that they do not like them.
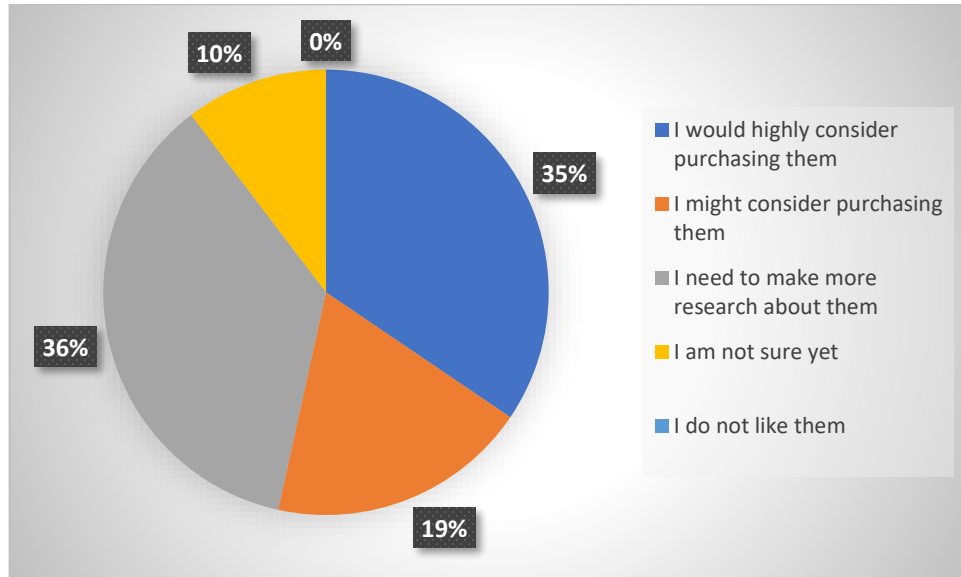

Figure 1.10: Pie chart of the total responses from both regions' thoughts on the high-tech and modern vehicles with smart features vehicles (58 Responses on Google Form)

On the fifteenth question, I asked whether the respondents were aware of the environmental issues or not, and they were given two choices to choose from either yes or no. On the analysis of the responses gathered from the questionnaire, 97% of the respondents stated yes in both regions with only 3% of responses with No. From the Western European countries' responses, 26 people stated that they are aware and stated yes, but 3 people stated that they are not aware and chose the No response. On the other hand, 28 responses were yes from the Arabian Gulf countries, and only 1 response was no.

In the following question and sixteenth, the respondents were asked if they had considered being more sustainable in their purchasing decision while looking for vehicles, and they were given three answers to choose from either, yes, no, or maybe. In total, 60% of them stated yes, 33% stated maybe, and only 7% said no. For the Western European responses, 76% of the

respondents stated yes, and 24% said maybe. On the other hand, 45% of the Arabian Gulf respondents stated yes, 41% of them also stated maybe, but 14% of the responses were no.

On the sixteenth question, I asked the respondents if they would rather drive a sustainable and less-polluting vehicle or drive a traditional-conventional engine vehicle, and they were given 4 choices to choose from either they would drive traditional engine vehicles, would rather not pollute, and drive the environmentally friendly vehicles, it depends, or they have not decided yet. In total, both regions voted that it depends with 30 responses; the second most answered response was that they would rather not pollute and drive environmentally-friendly vehicles, and 21 respondents voted for this choice. Also, 5 respondents stated that they have not decided yet, but two respondents stated that they would drive traditional engine vehicles. In the Western European Countries, the respondents majorly responded that it depends with 22 responses, four respondents stated that they have not decided yet, two responses stated that they would drive traditional engine vehicles, and only one respondent said that they would rather drive environmentally-friendly vehicles and not pollute. The Arabian Gulf States respondent also chose majorly the response which states that they would rather not pollute and drive environmentally-friendly vehicles with 20 responses. Eight respondents chose stated that it depends, and one respondent stated that they have not decided yet.
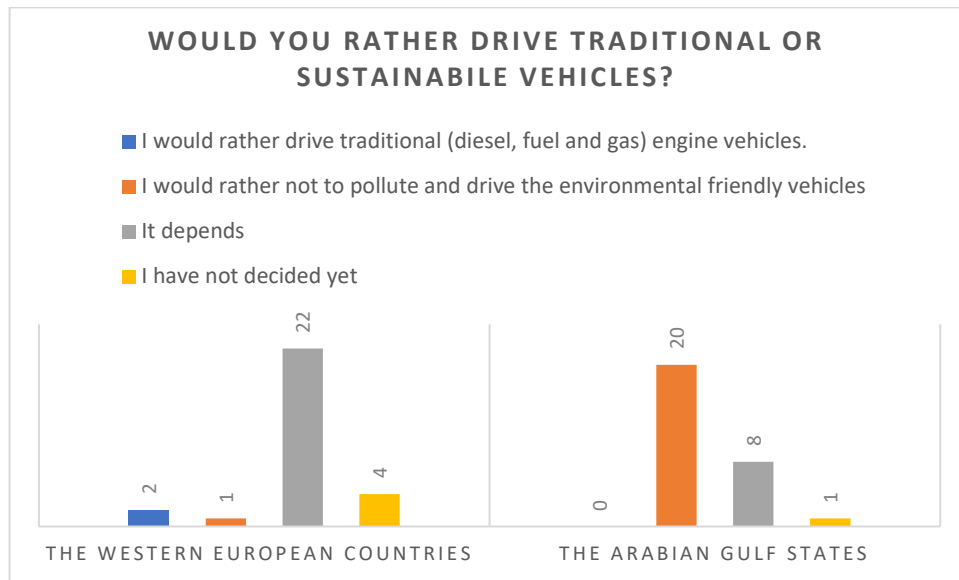
Figure 1.11: Graph Chart on the total responses from both regions' preferences regarding whether they buy traditional or sustainable vehicles (58 Responses on Google Form)

On the sixteenth question, I asked if there is a car manufacturer which produces high-tech, fuel-efficient, sustainable and less-emission vehicles with more options and more advanced technologies, but with higher prices, so if they would consider purchasing them. They were given three choices to choose from either yes, no, or maybe. In total, most of the respondents from both regions said yes with 26 votes, 12 respondents stated no, and only 20 people said maybe. The Western European country's respondents have stated yes majorly with 22 Yes and 7 No responses. On the other hand, the respondents from the Arabian Gulf States respondents voted majorly maybe with 13 responses, 12 responses for no, and only 4 people stated yes.

We asked the respondent on the seventeenth question about their preference of engine size vehicles and what they would prefer. The respondents were given four choices to choose from, bigger and more cylinder engines like V6 and above, averages and medium-size cylinders engines like V4 to V6 engines, small engines, and economies such as V4 and

smaller engines, or they would not want to buy conventional engine cars. In total, the majority of the respondents from both regions stated that they would prefer bigger cylinder engines like V6 and above which 22 persons or 38% voting for that response. Moreover, 18 persons and 31% of respondents chose average motor size vehicles like V4 to V6 engines, 11 respondents and 19% of the votes were for smaller engines like V4 and smaller motors, and only 7 responses and 12% stated that they would prefer not to use the conventional engine cars. To discuss each region individually, the Western European respondents chose by majority the small engine cars like V4 and smaller motors with 11 responses, 7 respondents voted for average motor size vehicles like V4 to V6 and at the same time, 7 other responses were to the choice which states that they would not purchase conventional motor vehicles. Bigger engine motors were preferred only by 4 persons and obtained the least votes. The Arabian Gulf state's responses were as follows, 18 responses for bigger motors vehicles V6 and bigger, and 11 responses for average size motor vehicles like V4 to V6 engine cars.

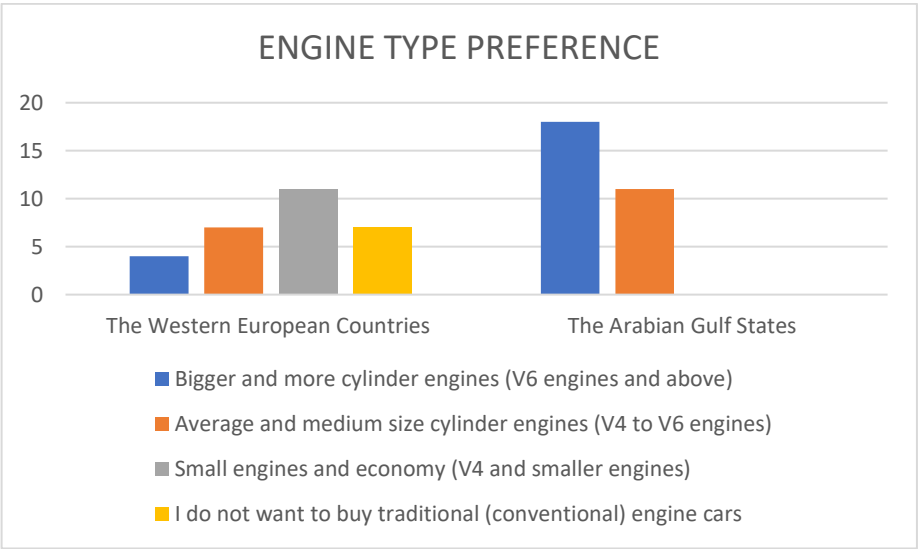**Figure 1.12: Graph chart on the total responses from both regions for vehicles preferences by engine sizes (58 Responses on Google Form)**

On the eighteenth question, I asked the respondents about their preferences for car manufacturers and brands. They were given the most famous 10 car manufacturers or brands plus a choice for others which the respondents needed to specify. The choices given were

BMW, Ford, General Motors Brands, Hyundai, Kia, Mercedes-Benz, Nissan, Tesla, Toyota, and Volkswagen Group brands like Audi, Volkswagen, Skoda, SEAT, Porsche, etc. plus other choices that the respondents had to specify the name of the brand or car manufacturers. Most of the respondents voted for Mercedes-Benz as their preferred car brand with 14 votes which 9 of them were from Western European Countries, and 5 from the Arabian Gulf states. On the other hand, the second most chosen brand was the BMW brand with 13 votes in total which the responses were 7 responses for BMW from the Western Europe respondents, and 6 responses from the Arabian Gulf states respondents. In third place, Volkswagen Group brands like Audi, Volkswagen, Skoda, SEAT, Porsche, and the other brands have got 11 votes which 8 votes were from the Western European countries and 3 votes from the Arabian Gulf states. Then, Toyota won fourth place with eight responses by getting 2 votes from the Western European Countries and 6 responses from the Arabian Gulf states. In fifth place was General Motors which got five votes; all of the five responses were from the Arabian Gulf states. Nevertheless, Hyundai was in sixth place with only three votes, two from the Arabian Gulf states and one from the Western European countries. On the other hand, Ford, Kia, and Tesla have each got one response which has left Nissan with zero votes from any of the regions.
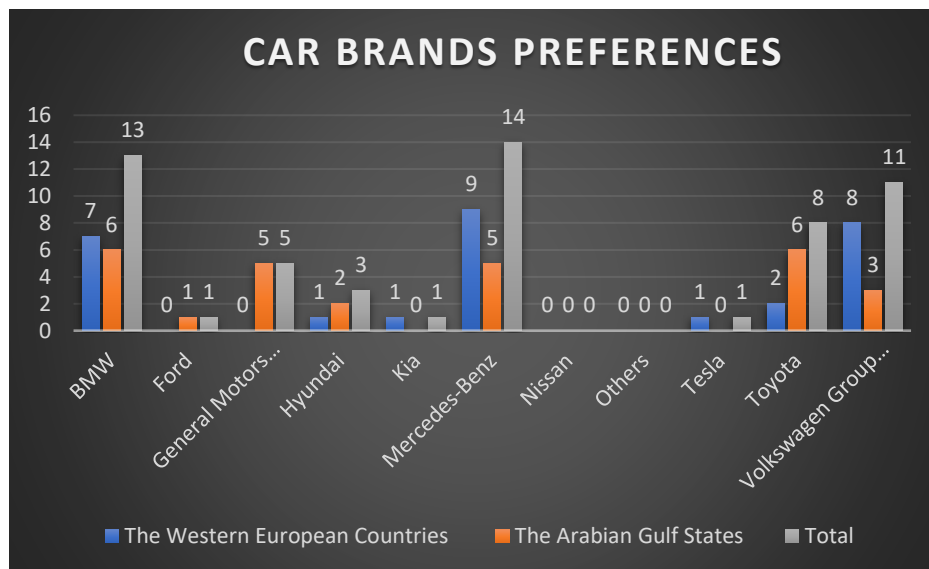

Figure 1.13: Graph Chart on the Responses from both Regions and Total for the Car Brands Preferences (57 Responses on Google Form)

On the nineteenth question, I asked the respondent about their attitude toward car purchasing, and they were given four choices to choose one which was that they enjoy it, as it is sometimes, nowhere to sure, or hate it. The majority of the respondents from both regions responded that they enjoy it with 30 responses out of 57, and 14 of those responses were from Western European countries; on the other hand, 16 responses were from the Arabian Gulf states. The second most voted response was that they like it sometimes which got 13 responses in both regions with seven responses from the Western European respondents and six responses from the Arabian Gulf respondents. The third most voted response was for the answer that stated they are not sure which eleven respondents voted with six from the Arabian Gulf respondents and five from the Western European respondents. Finally, the response that states that they hate it has got three responses in fourth place which were all from the Western European respondents.

On the last and twentieth questions, I asked the respondents how would they see themselves in the next five to ten years, and they were given four choices to choose one from them. The choices were that they would be either owning conventional engine vehicles, using an environmentally friendly and sustainable vehicle, using sustainable and efficient public transport or they use car-sharing and sharing-transportation services. In total, most of the respondents voted that they would be using environmentally friendly and sustainable vehicles with 30 responses in total which 19 of them were from Western European countries and 11 were from the Arabian Gulf states. On the second rank, the most answered response was owning a traditional engine vehicle which obtained 22 responses, and 17 from the Arabian Gulf states and at the same time 6 responses from the Western European respondents. Only six people in both regions voted for the response which states that they would be using sustainable public transport, and five of them were from the Western European countries with only one response from the Arabian Gulf countries.
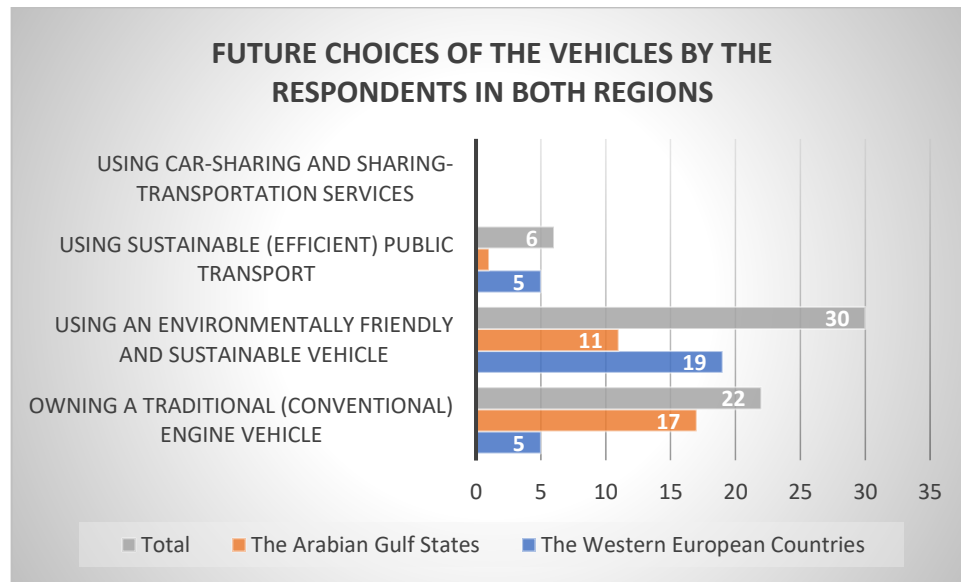
Figure 1.14: Chart of the Responses from both Regions about the Future 5 to 10 Years and their Choice of Transportation (58 Responses on Google Form)

Overall, the questionnaire resulted in impressive and quite expected results which would lead to enriching the analysis or practical part of the diploma thesis by basically explaining and proving the consumer behavior and tastes differences in vehicle purchases between both regions of the Western European countries like Czech Republic, France, Germany, and the UK and the Arabian Gulf States such as Kuwait, Saudi Arabia, Qatar, UAE, including also Iraq. As mentioned before the majority of the respondents were from 18 to 35 years old. Also, most of the respondents stated that they decide to purchase vehicles through families and friends' advice, especially the rate was higher in the Arabian Gulf States, and the second most responded choice was conducting research online for the Western European countries. Furthermore, the majority of the Western European respondents about 93% voted that they consider fuel costs when purchasing vehicles while the rate was much less in the Arabian Gulf states with only 55%. The respondents of both regions also stated by the majority that they change cars every 3 to 5 years, and they need two weeks to a month to make the purchasing decisions. Also, most of the respondents voted that they would prefer the European Car Manufacturers while the American car manufacturers scored second place in the responses from the Arabian Gulf states, and the sedans had been chosen by a majority of

the respondents as the preferred type of vehicles. Most of the respondents also stated that they are already aware of the environmental issues and would consider being more sustainable in their purchases. Additionally, the most preferred car brands were Mercedes-Benz in the first place, BMW in the second place, Volkswagen group brands in the third place and other brands like Toyota in the fourth place, GM in the fifth place, Hyundai in the sixth, and the rest of other brands in seventh place except Nissan which has not got any response. In the end, the majority of the respondents stated that they would use environmentally friendly vehicles within five to ten years, especially most of the responses were from Western European respondents with more than 70% of the responses.

The differences between the two regions are affected by the environmental, economic, political, legal, and cultural factors which highly influence the tastes and choices of individual customers on purchasing vehicles. Most importantly, the cultural factors which have a big role in the choices and purchasing decisions of each individual from both different regions. In the next stages of the practical parts of the diploma thesis, I will emphasize the role of culture on consumer behavior plus performing Porter's five forces analysis on the automotive industry to explain such factors' effects on the customers and marketing strategies of the automotive companies.

4.3 Porter's Five Forces for the Automotive Industry

Porter acknowledged five indisputable forces which play a role in shaping every market and industry in the world, with some cautions. The five forces are often used to measure the competition strength, attractiveness, and profitability of an industry or market (Chappelow, 2020). The five forces are as follows, level of competition in the industry, potential or threat of new entrants into the industry, power of suppliers, power of customers, and the threat of substitute products.

1. **Competition Level of the industry**

The automotive industry is one of the most competitive industries since entry into this industry is very difficult and requires lots of risk-taking and obstacles. However, many big players are taking a role in this market and competing with prices, quality, safety, reliability, sustainability, and durability. After World War II and with the initiation of the World Trade organization, the globalization and internationalization of the manufacturing products began to expand and many key national players within Europe, the USA, Japan, and other countries initiated increasing their sales and distribution networks overseas by designing and manufacturing products based on continental and regional customers' tastes, expectations and demands. The automotive industry like any other industry and on top of the industries had seen a big growth within the globe, and companies like Ford, GM, Mercedes Benz, Toyota, and other big players increased their numbers of manufacturing products and designed new and more standardized types of vehicles which were seen all over the world. The automotive manufacturer's rivalry initiates then and after the 1960s when most of the car manufacturers started to dominate markets not just within their origin or base country; hence, they tried to become highly competitive in other markets overseas by competing with prices and other non-prices scopes. Even later a new era of vehicles designs and standards began to establish after the 1980s when the demand for automation of certain futures of cars had escalated by the customers and lots of companies began designing such vehicles which offered, automatic transmission, automatic window control, heated seats, automatic adjusting seats, and more technological features and advancement within the scope of that era. Within a period, the sales and rivalry among each key automotive player inclined which led to the creation of new types of vehicles and concepts which made it more complicated for customers to decide. Within the US, Ford Motors has always had been in rivalry with General Motors for years after the scandal about their tires and weak marketing strategies which led Ford to be in second place after GM (UKEssays, 2019). Within Europe, Volkswagen Group has had a great role since the beginning of the establishment of its brand at the current time; however, they were still rivals with many other brands like Mercedes-Benz, BMW, and other European brands. However, up to today, the VW Group brands are among the best-selling cars in Europe and all over the world. To finalize the rivalry and competition within the automotive

industry is very intense and highly competitive. It also depends on regions in the world; for instance, some car brands are dominant over other brands in different parts of the world like Toyota, in the Arabian Gulf States versus Volkswagen in the Western European states.

2. **Threat of New Entrants**

When it comes to the threat of new entrants into the automotive industry, there are big barriers all the time for newcomers especially, those who would try to compete within big markets like Europe or the Arabian Gulf States since the already existing key automotive brands have already strong position within those markets and entering into such markets require lots of big capital investment and extensive distribution network, and the fact that those big global automotive key players are already enjoying from the economies of scale which makes it very hard for the new entrants to compete in terms of pricing. Also, another issue is that the customers' tastes are always based on assessing the past performance of the brands by evaluating several aspects like safety, robustness, quality, and consistency which makes it difficult for the new entrants to gain the trust of the customers within that market. For the new entrants, it might take years or even sometimes decades to gain strength and competitiveness within new markets and regions. For example, Toyota has established a very good reputation within the Arabian Gulf States for years which was because Toyota had begun exporting and creating big distribution networks in the countries of the Arabian Gulf as soon as the 1980s by introducing models and vehicles which was very convenient and appropriate for the desert, harsh weather, and extreme conditions of this region which required vehicles with more durability, stiffness and low-maintenance cars. Toyota won by competing with those indicators as well as pricing of their vehicles to be cheaper and more competitive to the fellow European Car Brands which already were in the market and competing. The Japanese brands pretty much have succeeded in establishing big distribution networks and sales in the GCC market and Iraq. Hence, on the other hand, reaching the European Continental and especially Western Europe was much riskier and more difficult for the Japanese Car Manufacturers, Korean and American brands since the expectations and tastes of the customers from this region was more complicated and required more time and

cost for such companies to adopt, and which the European companies already were fulfilling the market demands and expectations by being highly dominant made those other foreign automotive brands to be less competitive and compelling within the Western European markets. In the end, the threat of new entrants into the automotive industry is extremely difficult especially when looking at different regions and markets in the world as each regional market has its unique structure, customers, and preferences which require the automotive brands to carefully research and spend lots of capital in investing into those markets which already other brands are dominant in and exist.

3. **Bargaining Power of Suppliers within the Automotive Industry**

Supplier power is very important when it comes to the automotive industry as it will significantly impact the costs and quality of the manufacturing products. At the same time, the profitability of such companies will be highly dependent on the number of existing suppliers within the market and switching costs. The automotive companies need labor, parts, raw materials, and other services, and the cost and efficiency of these factors affect the profitability of such brands. Ford motors in the past were dependent on several distinct suppliers, but they had problems later with the quality, and acquiring parts made from different manufacturers was becoming very expensive with comparing to the existing suppliers (UKEssays, 2019). Then, the company followed what Toyota and other brands had started by outsourcing their parts into different entities and creating assemblies in different markets which led to more sales for the company and the provision of more supplies. The riskiest strategy or plan is when a car manufacturer relies on one exclusive supplier since it will make the supplier more monopolistic and in fact, the power of the supplier will increase which creates more pressure on the car manufacturer, and the manufacturer has to listen to the suppliers' demands and satisfy their needs rather than concentrating on their needs. When comparing the brands and analyzing their supply network, we can say that the power of suppliers is at a normal level and not high. However, this factor has to be taken into consideration when reaching into new and bigger markets with lots of competition.

4. Bargaining Power of Buyers in the Automotive Industry

Buyer power or customer power refers back to that customer influence on the prices of the products or the ability to negotiate prices which will impact the profitability and sales of the sellers. The buyers or customers are including, individuals, governments, companies, and other vehicle purchasers. When it comes to the buyer purchasing power within the automotive industry, the buyers have a massive influence on the sellers or car manufacturers since they can walk away whenever they are not interested in manufacturers' prices or products, and they can easily switch to other sellers and manufacturers. However, the individual consumers have less control or power over the car manufacturers compared to the governments and companies or dealers since they buy in bulks and big amounts from the car manufacturers. Lots of car manufacturers and especially the new ones are now researching online and everywhere to gather data from the dealers and customers to control the buyer powers and follow up with the trend to grow sales and profitability. When it comes to regions and markets, the buyer power will be different either higher or lower compared to the environmental, cultural, political, legal, and economic aspects. Therefore, car manufacturers need to consider buying or customers' power carefully when analyzing a market or designing new products within an existing market or new one.

5. Threat of Substitution in the Automotive Industry

The threat of substitutes is like any other threat and even sometimes more intense when it comes to certain types of industry. For the automotive industry, the threat of substitution was not that high or intense before the initiation of the automation processes and concepts since the trends for the cars were obvious and controlled by the automakers rather than the customers and buyers in the market. However, the threat of substitution increased over time with the introduction of new concepts and features by the automakers. Even the threat of substitution escalated after the global warming awareness raised to a peak and companies were enforced to switch to sustainability and more environmentally friendly which led so many big automotive players to switch their motor designs to more fuel-efficient powers and hybrid features since the prices of oil also inclined due to the environmental forces and

diminishing in producing crude oil after regulations and restriction made by world environmental organizations and pressures. New companies like Tesla entered the market and made a revolution within the automotive industry by influencing the customers to think more and decide more carefully when purchasing since Tesla offered electrified vehicles with so many advanced features at the same time fuel efficiency and non-emission motors. The year after 2010 was a new different era in the automotive industry which introduced lots of new products and features which has never existed or been seen in the history of automotive products. For the key automotive players, lots of substitutes were introduced and made them consider such substitutions to be used in their strategies and concepts to go with the trend and not lose market competency and position. The ideas of electrifying vehicles are a very hot topic nowadays which even led the countries to enforce the multinational car makers to be in line and follow new regulations which require them to lower the production of traditional engine vehicles and expand their electric and fuel-efficient products. Along with the trend of the electric car, so many other trends and substitutes are initiated and established like car-sharing, electric bikes, autonomous vehicles, drones for individual transportation, and other advanced transportation concepts which are driven by automation processes, data, and IoT. Therefore, the automotive industry became more complex than ever before which led the key automobile players to consider many other choices which were not ever considered or seen in their business plans and models.

4.4 SWOT Analysis of the Top Three Gian Car Manufacturers

In this part of the analysis, we are going to make a SWOT Analysis of the top three American, German, and Japanese Car Manufacturers which are Ford Motors, Toyota Motors, and Volkswagen Group, and to analyze their position in the markets of both regions, the Western European Countries and the Arabian Gulf States.

Toyota SWOT Analysis

Toyota is at the moment, the biggest automotive player as a Japanese Car manufacturer, and it was established in 1937. Toyota always used its competitive advantage to

be dominant in the automotive industry. In this part of the diploma thesis, I will be analyzing the strengths, weaknesses, threats, and opportunities of the company in order to clearly understand how Toyota uses its strengths to manage its weaknesses, and how it makes use of the opportunities to face any threats coming outside the company. Toyota is always in a tie with Volkswagen Group for first and second place; however, it was the first automotive company that made ten million vehicles in a single year. The company owns four brands which are Daihatsu, Hino, Lexus, and Toyota. The company is the most valuable automotive brand with an estimation of 50 billion USD worth. The company sells its cars mainly in China, Japan, and the USA which is estimated at 50% of its sales (Jurevicius, 2021). The company also established a great position in Asia and the Arabian Gulf States in the last couple of years. The strengths of the company are its R&D which manufactures the most innovative concepts and vehicles. Toyota has always been leading in Research and Development by producing environmentally friendly cars, safety and information technology which are the best strategies of the company which is due to its largest research facility among the other automotive companies to obtain the best outcome from research and development. The company has about fifteen research bases in different countries around the globe including Europe and USA. In Total, Toyota spends the highest amount of investment on its R&D which was roughly around 9.6 billion USD in 2018; Toyota's biggest rival Volkswagen is the only company that spends more budget on Research and development; hence, Toyota spends a budget strategically and more effectively by spending only 3.6% of its total revenue compared to its rival VW Group which spends 6.7% (Jurevicius, 2021). Another strength is the market position of Toyota since it is the most valuable automotive brand in the world which makes it even harder to break or compete with its rivals since Toyota spent billions and lots of time in creating that reputation and dominant position within the industry which made the company an easy economy of scale due to its brand recognition; nevertheless, the company easily produces and designs new vehicles to the market with less cost and more conveniently. Plus, the presence of the brand almost everywhere in the world is another big strength of the company. Lots of customers are also loyal to the brand due to its convenient products the company spends billions on customer satisfaction by listening to and understanding their needs. Toyota has established a great market presence in the Arabian Gulf

States especially the vehicles, Land Cruiser, Camry, Corolla, and Yaris which have strong brand reputations in the Arabian Gulf states. That led the company to be in a dominant position in the region and establish big customer loyalty over its product's durability, safety, and technologies. Hence, the brand is still in big rivalry with the other European brands like VW, Mercedes, and BMW in Western European countries.

Weaknesses of Toyota is due to its brand reputation loss after the company released a press in 2020 to recall back around 5.84 million cars worldwide due to fuel pump issues and maintenance which were the Toyota vehicles made from 2013 to 2020 (Shepardson, 2020). The news had led to disappointing so many Toyota owners and customers since the company states that the appealing issue will cause the cars to slow down and stop over time which they stated will damage the vehicles entirely. The brand had lost the trust of millions of customers due to this negative announcement of the brand. Another weakness is the labor costs which have increased over the years, especially in the headquarters, Japan which increased by 3% in 2020. Another weakness as lots of market researchers indicate is the weak position of the brand in such a big country like India with a population of more than a billion people. The problem is that India has a very high fiscal policy so it always prevented many foreign companies to expand within the market, and Toyota has always avoided expansion in that country due to the fact mentioned above. The company's weaknesses in the Arabian Gulf States are not so high and prevalent as compared to the Western European market due to the fact the European Automotive brands are already predominant in this region and have established big brand loyalty and reputation throughout post-World War II and so on, and as well as the expectation of the customers from those countries within Western Europe is much more than the company's original plans and capabilities which causes bigger costs and time investment for the company to involve in, so being the first valuated automaker in the world is a difficult position since the company tries to maintain that position by increasing more volume of sales. Investing more in research and newer designs in the Western European states will cause the company to lose its dominant position within the industry perhaps due to higher costs arising from such plans and decisions.

However, the company still uses its strengths in R&D and brand reputation to overcome its weaknesses within the world especially in gaining more market share and power within those regions in which the company has a weak position currently.

There are so many opportunities for Toyota to consider and jump into it. One of them is the viral trend of the new technological advancements by the customers such as efficient-fuel cars, autonomous cars, electrified cars, and flying car technologies. These opportunities if taken into consideration seriously will even lead the company into a bigger and more dominant position within the automotive industry despite the big rivalry from other competitors as a threat to the company; hence, the company's big R&D expenditure could help the company expand into more areas like mentioned before and override the competition if actions taken by the company effectively and in the right time. Other opportunities are to expand within other markets especially India which will exponentially increase the company's sales. Threats such as high competition from the other automotive brands and companies as well as a rise in fuel prices are the main threats of the company; nevertheless, by considering the opportunity choices mentioned before, the company could easily overcome such threats effectively.

Volkswagen Group SWOT Analysis

To analyze SWOT for Volkswagen Group, the company is the biggest and leading automotive manufacturer after Toyota Motors and is always in ties with other top leading automakers. The company is the biggest car manufacturer across Europe. The automobile company has always been known for its name which in German translation to English means folks' wagon or people's vehicle. The company has created a very strong brand image and position within the automotive industry since its establishment, and the company has been evolving its scope into more and much diverse product lines and designs as well as acquiring other brands into the company. The company has established so many assemblies lined around the globe which majority of them are based in the EU. However, the Volkswagen Group has many other brands like Bentley, Audi, Ducati, Volkswagen, Bugatti, Lamborghini,

Skoda, SEAT, etc. The company has been involved in so many types of vehicles for different purposes of transportation.

The strengths of VW Group are that it has the widest brand portfolio ranging from small and economy cars to sports, luxury, high-tech, bigger vehicles, trucks, and busses even which makes it less vulnerable to being challenged by other competitors, and it has also a very good diversification strategy in which could lead the company potential strengths and economies of scale. One of the biggest strengths is joint ventures with local Chinese automakers. Its range of brands and products is one of the best strengths of the company and none of the other rivals have the same level of the product range. The together strategy which has been initiated by the company recently is another strength of the company by planning for 2025 which is to introduce thirty new electric models of vehicles to be in synergy with the environmental sustainability plans set by the EU and other organizations globally. The company provides not just vehicles, it provides many other services, like financial services and maritime products.

Weaknesses of the company are negative publicity of the brand due to certain incidents and occasions happened to the company especially, the Diesel gate scandal in 2015 which the company was fined 16.2 billion euros due to its misuse of diesel emission inspection by installing software codes into the vehicles in some countries to show less emission than the standard levels. Another issue of its brand publicity or reputation was the vehicle recalls due to technical issues. The company has suffered billions of euros since 2015 due to negative publicity (Jurevicius, 2021). Another reason was a high recall of its vehicles within the US Market which was above all the brand's relatively low market share in the US automotive market. Other weaknesses are low expertise and experience with battery-driven vehicles and such kinds of technologies. The company has so far only two models of e-vehicles.

However, the company has a strong position within the EU market especially, Western Europe due to its diversified product lines providing customers with their needed vehicles from economic, luxurious, sports, family cars, bigger vehicles like buses and trucks, and many other which led the company to face its weaknesses within the market; hence, it has also

strong position within the Arabian Gulf States, yet the company still losing against its rivals Toyota, Mercedes, and other Korean brands existing in that region. I believe the strength of VW Group could be used very well to diminish all the weaknesses.

There are many opportunities arising from the automotive industry especially the new trend and era of vehicles which is more about autonomy, electrification, fuel-efficient, cell battery, and other smart technologies used in the vehicles. These opportunities could be very efficient for VW Group to research and develop products that will be meeting the mass demands arising soon within the next few years. Another opportunity is that the fuel prices and energy prices are escalating day by day which leads the company's sales to increase since the company's main brands focus are on smaller economy cars and fuel-efficient motors. As part of its existing strategy, the acquisition of other skills and companies is always the best to grow the company and reach more markets and demands. The weakening of the Euro rate has also so many opportunities for the company since the demands for their vehicles arise from foreign customers and dealers, so their export could arise. The threats to the company are the strong competition in the industry which already arises from direct competitors like Toyota, Mercedes, Ford, and other brands. The fines and damages caused by VW Group brand's products to the customers are also big threats as well as the governmental restrictions and policies. The brand could use the opportunities to invest in those areas with its existing expertise and economies of scale to overcome the mentioned threats more effectively and easily.

Ford Motors SWOT Analysis

Ford was one of the most affordable vehicles designed in the early 20th century to be purchased by people. The founder Henry Ford's main goal was to provide everyone with a vehicle with engine efficiency and affordable price. Ford has for years enjoyed a strong market position within the USA and China due to its mass sales which were one of the biggest strengths of the company. One of its other strengths is strong brand value since the introduction of its Model T. Also, very strong R&D Ford has one of the most advanced research and development departments in the industry by focusing on making the most efficient engine especially, the combustion engine. Diversified products ranges are also a

good strength of Ford which the company provides a big range of vehicles within the markets it operates. One of its main strengths is its strong supply chain which the company produces products with local supplies and labor in each international market it operates.

Hence, the weaknesses arise from its recall's problems like other auto companies due to issues arising from the vehicles and being forced to call back those vehicles for further inspection and fix. Furthermore, high costs arise from diversified product lines due to the fact the company require more investment when operating in different markets and designing products as per the expectations and demands of those particular markets. Depending on the USA and North American market was also another weakness of the company as they later discovered that they have to further invest and diversify into foreign markets to obtain more positions within the industry. Slow innovation and advancement are also another big problem and weakness of the company as compared to its competitors which there are big rivals already doing it.

As any other automakers now realized and considered, there are so many opportunities arising over the environmental issues and substitute products offered by other companies with fuel-efficient and fewer emission vehicles. Plus, the new technological advancement like IoT and autonomy are great opportunities for Ford Motors to jump into to maintain its strong position within the market or grow faster. More digital advertisements opportunities exist and the company has to consider targeting more the younger generations by fulfilling their expectations. Fuel prices also have a major impact on the company, so sooner or later, the demands shift for conventional engines and big motors will go to the left. As a result, the trends like battery-driven engines, electric cars, and other sustainable engine types are great opportunities for the company to study. The threats arising from governmental strict regulations and the risk of the engine crisis and escalating prices will have to be considered by allowing the company to invest more into the opportunities arising from solving the current energy and environmental issues. Also, competitors are big threats, especially within international markets where they already are ahead of Ford in terms of market position and growth.

Henceforth, Ford Motors has a strong presence in the Arabian Gulf states due to its innovative technologies offered in its vehicles especially, its SUV and Truck vehicles. Since the fuel prices are not comparably high to the European and other markets in the Arabian Gulf States, the demand for Ford products is more even though the company offers a wide range of vehicles from small Ford Focus or Figo, to bigger cars like Ford Expedition and F350 trucks. Though, the company has a relatively weaker position in the Western European market due to the fuel-efficiency problems and consumption. At the same time, the strong competition level especially from the European carmakers is also a big fac which Ford Motors are not doing well in that market since the already strong European carmakers like BMW, Mercedes, and VW Group are already enjoying strong market positions and economies of scale due to the customer loyalties and brand publicities. Yet, so many other car manufacturers outside the EU, are trying to compete and create a higher position within that market.

4.5 Consumer Behavior Analysis of the Arabian Gulf States and Western European Countries Culture

To start with the Arabian Gulf States, the culture has always been a big and imperative impact on the minds of consumers especially the societal norms and religions which can be seen as very reflective of n the mindsets of individuals in the countries like Saudi Arabia. The advancement in technology especially, the initiation of the digital world and changing process of marketing to a whole new different perspective full of digitization has had a great influence on the marketers' strategies and companies' approach and response to the consumer's demands and evaluation of their needs. Especially, the introduction of social media platforms created a big reform in the process of marketing since billions of people around the world switched to social media platforms for getting their daily feeds, recommendations of products, advices, and expressing their thoughts and ideas. The influence was not limited to the Arabian Gulf states; hence, many ideas had turned to be more influential than others in the process of marketing. Because the consumers from the Arabian Gulf states are more impacted by societal impacts, norms, and thoughts, the marketers soon realized the niche and discovered

innovative ways to reach the consumers' demands and mindsets. For instance, storytelling had always been a great tool for delivering a message to the audience and creating influence, so the idea has been turned by marketers and individuals into opportunities for marketing and engaging people with certain products and services in order to obtain more persuasions. It has been stated that families and friends are the biggest and most powerful ways upon which consumers can rely for their purchasing decisions. The storytelling had surpassed that method evidently which the rise of digital or social media influencers are seen enormously within the Arabian Gulf States, and in fact, lots of companies spent billions of dollars on the endorsement. The marketers soon discovered that the consumers of these countries are highly impacted by the social media and storyteller's endorsements. Now, the biggest part of the manufacturers' marketing plans is the influencer or celebrity endorsement which creates undeniable great outcomes and revenues in return, and it is seen as one of the best marketing investment opportunities even for small and medium-sized firms. We should not forget that the importance of culture and tradition shall not be ignored when planning for marketing campaigns as they are highly appreciated and sensitive matters to the consumers in most of the countries within the Arabian Gulf States. Yet, the question for the automotive manufacturers arises from whether the current trend and ideas about the future of the automotive industry are yet accepted in the Arabian Gulf States or not especially, the incline in mass production of sustainable and environmentally-friendly vehicles with use of efficient fuels, battery engines, and electrified motors. The main question or issue is that in this part of the world, the global environmental concern is not as sharp as seen in Europe and other Western countries, and still people are slowly progressing and reacting toward these concerns. It will require so much time and cost to engage consumers of these countries into accepting the conversion to such new technologies as the consumers of the Arabian Gulf States are more conservative and traditional. Furthermore, the online shopping concept and method is still not adapted fully in the Arabian Gulf countries as it is seen enormously in Western and European societies. Yet, there are countries which already started raising more awareness about the environmental crisis and alternative ways and products which can replace the old and existing lifestyles to protect the environment more and ensure a brighter future for the next generations. For automotive marketers, they have to consider engaging more in the

governments of these regions and start campaigns pre-introduction of such technologies; otherwise, it will lead to catastrophic results and losses to them if they do not, and they have to start slowly and not change their business lines entirely immediately.

To analyze the Western European countries, especially those on which the questionnaire had been made on, the consumers of these countries are a lot more different from those of the Arabian Gulf States since the cultural norms and values do not have sufficient or obvious influence on their purchasing decisions and consumer behaviors. It is because Western European societies are less conservative, yet they are more individualistic, and the influence of families, friends, and the public is not as strong as in the Arabian Gulf countries. Moreover, the modernization and willingness of these societies to change are also big factors that lead marketers and businesses to obtain optimal outcomes from their marketing strategies. Especially, the rise of online shopping after the introduction of high-speed Internet and e-commerce. Based on a study, an average European especially from Western Europe visits and purchases their needed items and services online twice in a month (Ecommerce News, 2020). Also, the rate is getting higher, and so many people have shifted to online shopping as a better alternative to traditional shopping and in-person. That also led to so many opportunities for the businesses, and so many new platforms and ideas initiated upon that which the number of online stores has surpasses thousands. At the same time, targeting online consumers is more easily and more cost-efficient for businesses since they need data analysis and capture the consumers' daily activities online. The consumers are less cultural or traditional sensitive because religion has less impact on the societies and the openness towards different subjects like gender issues, minorities, free speech, and LGBT are big factors that most businesses can easily adapt and achieve their marketing goals more effectively and efficiently in terms of time and cost. The environmental concerns and sustainability plans by the local governments and the EU is also another factor and big support for the automotive industry which can take advantage of such opportunities. On the other hand, the automotive companies already adopting newer technologies and sustainability plans into their business plans while the consumers are more aware of the fact, and they are adapting to it more compared to the other parts of the world and especially the Arabian Gulf States.

Conclusions and Recommendations

In conclusion, even though the automotive industry is going through lots of changes, advancements, and challenges, the auto makers need to take into consideration that the impacts arising from those changes will be in terms of regional scopes, and some parts of the world will be much slower than the other. Moreover, the cultural, political, legal, sociological, and economic dimensions must not be forgotten when deciding on execution of marketing plans in any particular regions especially. The aim of the diploma thesis was to differentiate and explain those aspects which affect the marketing of the automotive companies in two different regions of the Western European countries and the Arabian Gulf states. I have discovered that the Arabian Gulf states require more culture-centric approaches from those automakers in order effectively deliver the messages and target the correct audience without being distracted by other factors. Also, the Arabian Gulf countries are yet to fully divest into fully sustainable products and environmentally-friendly vehicles as the customers of these countries still not fully aware of the trend, another important factor which h that the countries within the Arabian Gulf states are rich in oil. Therefore, the fuel prices are not so high compared to the Western European states. The use of modern marketing and social media digital marketing campaigns are also very effective if used properly by the companies as the consumers of the Arabian Gulf states are relatively more influenced by online influencers and vloggers. For the Western European countries, the automotive makers need to put into consideration the current situation of high fuel prices and availability of many alternate choices like fully electric, battery cell, hybrid, and other fuel-efficient vehicles because the competitors are already doing it and approaching to fill this demand gap; on the other hand, the consumers of these countries are more likely to switch and purchase such vehicles. The German car manufacturers are already pioneering in that area and have maintained competency within the region in terms of market share and sales. Hence, the competition from foreign car manufacturers like Toyota, Kia, and other brands is still high especially with having Tesla already on top of them in the market in terms of electric and battery cell vehicles. In regards to the analysis of the automotive market as well, the future of the industry will be much more complex and totally different look than now due to the rapid changes and technological advancements initiated after 2010, and the trends are getting more varied. It will

be even harder for the automakers to compete since consumers will be offered multiple options and brands from different brands especially, the scope of transportation which will be also highly impacted by the introduction of new mobility services like shared vehicles, autonomous, flying cars, and drones as public transports and taxis. Despite the cultural differences in both regions, the technological trends and advancements have to be taken seriously because some products and use of technologies might go extinct within periods of months or years as we have seen in the past with the case of Nokia and smartphones release. Moreover, new companies with different products and services might show up and compete in the market since the gap is now already big, and the entrance risks are less likely for new companies to enter especially which already some Aerospace companies like Airbus initiated mergers with other companies to provide fully electric cars and flying cars. Therefore, the leading and competition in the industry will change as Toyota is now on top of the market. If the main key automotive players do not respond to the accumulated expectations and future trends, they will lose their positions in the market, and some of them might go extinct within decades or years. In the end, so many aspects and analyses of the automotive industry have been discussed and explained to identify the presence and future of the industry at the same time identifying the main key differences in those regions which impact the marketing plans and approach of the automotive companies. It will be necessary and efficient if the automotive market researchers and companies take those dimensions and topics into consideration to be able not to be left behind.
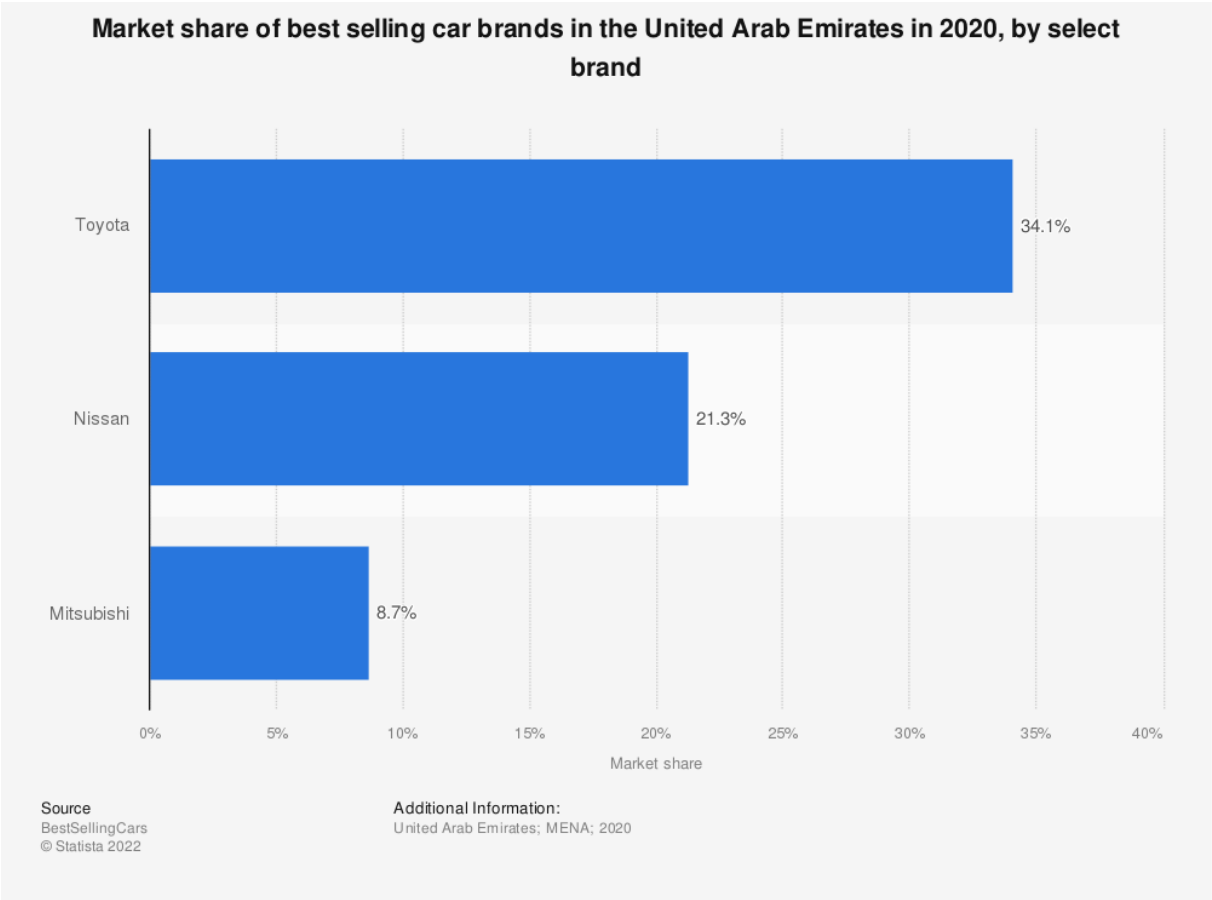
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Appendix

Graph 1. Market share of best selling car brands in the United Arab Emirates in 2020, by select brand

Market share of best selling car brands in the United Arab Emirates in 2020, by select brand

	Market share
Toyota	34.1%
Nissan	21.3%
Mitsubishi	8.7%

Source
BestSellingCars
© Statista 2022

Additional Information:
United Arab Emirates; MENA; 2020

Source: https://www.statista.com/statistics/673325/uae-car-sales-market-share-by-brand/

Graph 2: Number of searches of leading car models between 110 and 240 thousand Emirati dirhams in the United Arab Emirates in 2019

Number of searches of leading car models between 110 and 240 thousand Emirati dirhams in the United Arab Emirates in 2019

Nissan Patrol — 131,280
Toyota Land Cruiser — 53,644
Mercedes C-Class — 41,172

Number of searches

Source
Seez
© Statista 2022

Additional Information:
United Arab Emirates; MENA; 2019

Source: https://www.statista.com/statistics/1156186/uae-leading-searched-car-models-between-110k-to-240k-aed/

Figure 1: New passenger fleet co2 emission, EU (g/km, etc)

Figure 1: New passenger fleet CO$_2$ emission, EU (g/km, NEDC)
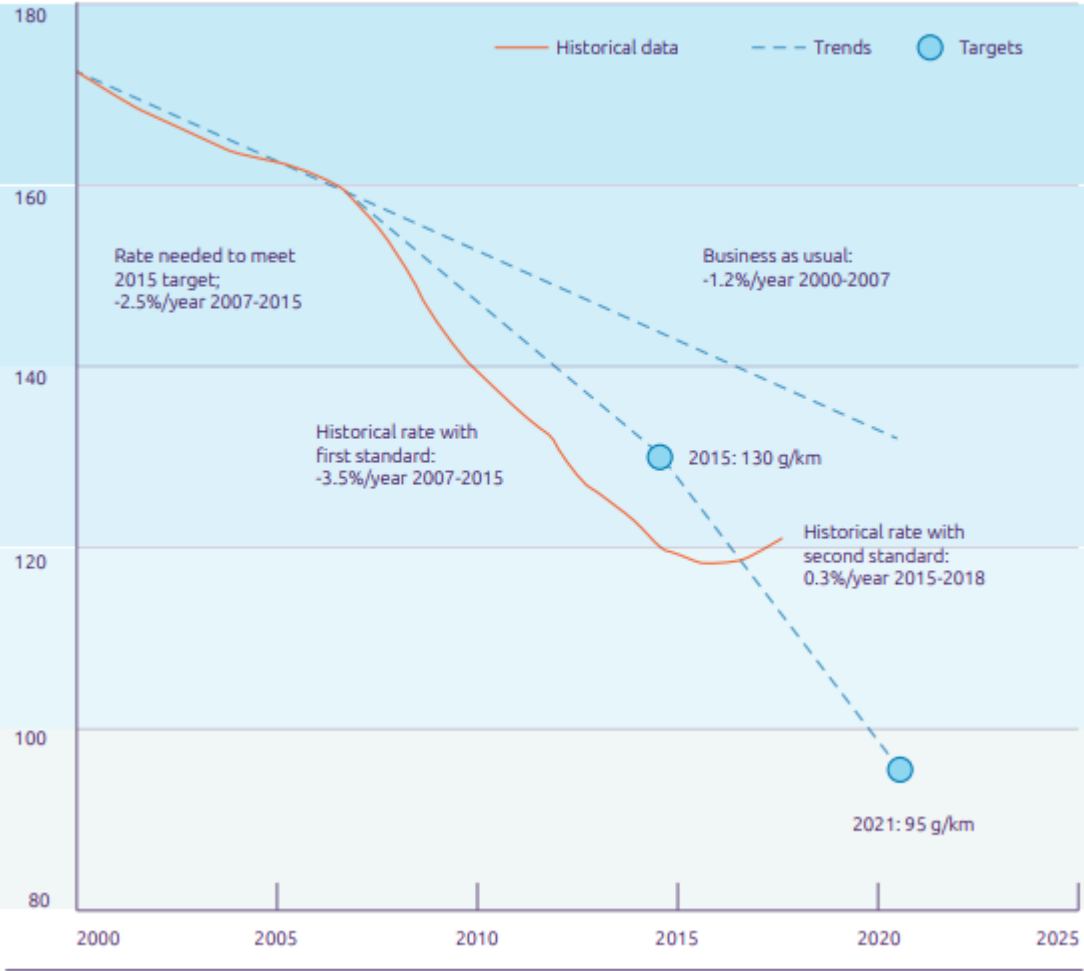
Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf

Figure 2: Investor events are public conferences, shareholder meetings, analyst roadshows, etc. discussing the company's strategy/earnings/valuation, etc.

Figure 4: Automotive industry is increasingly discussing sustainability with its key stakeholders
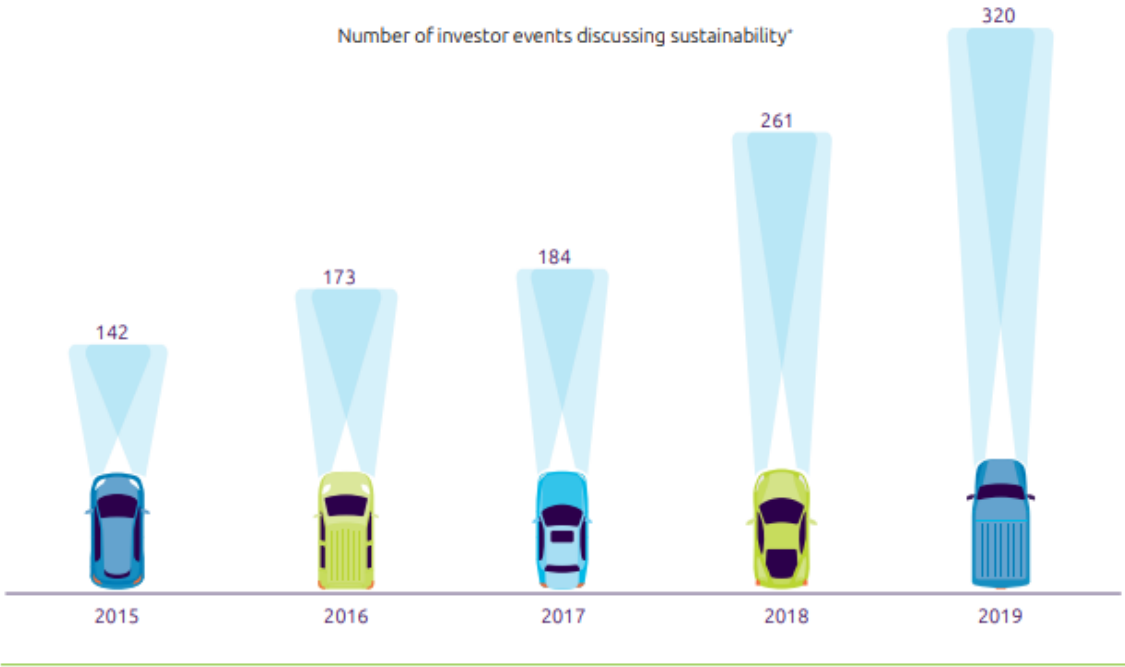
Number of investor events discussing sustainability*

320
261
184
173
142

2015   2016   2017   2018   2019

*Investor events are public conferences, shareholder meetings, analyst roadshows, etc. discussing the company's strategy/earnings/valuation, etc.

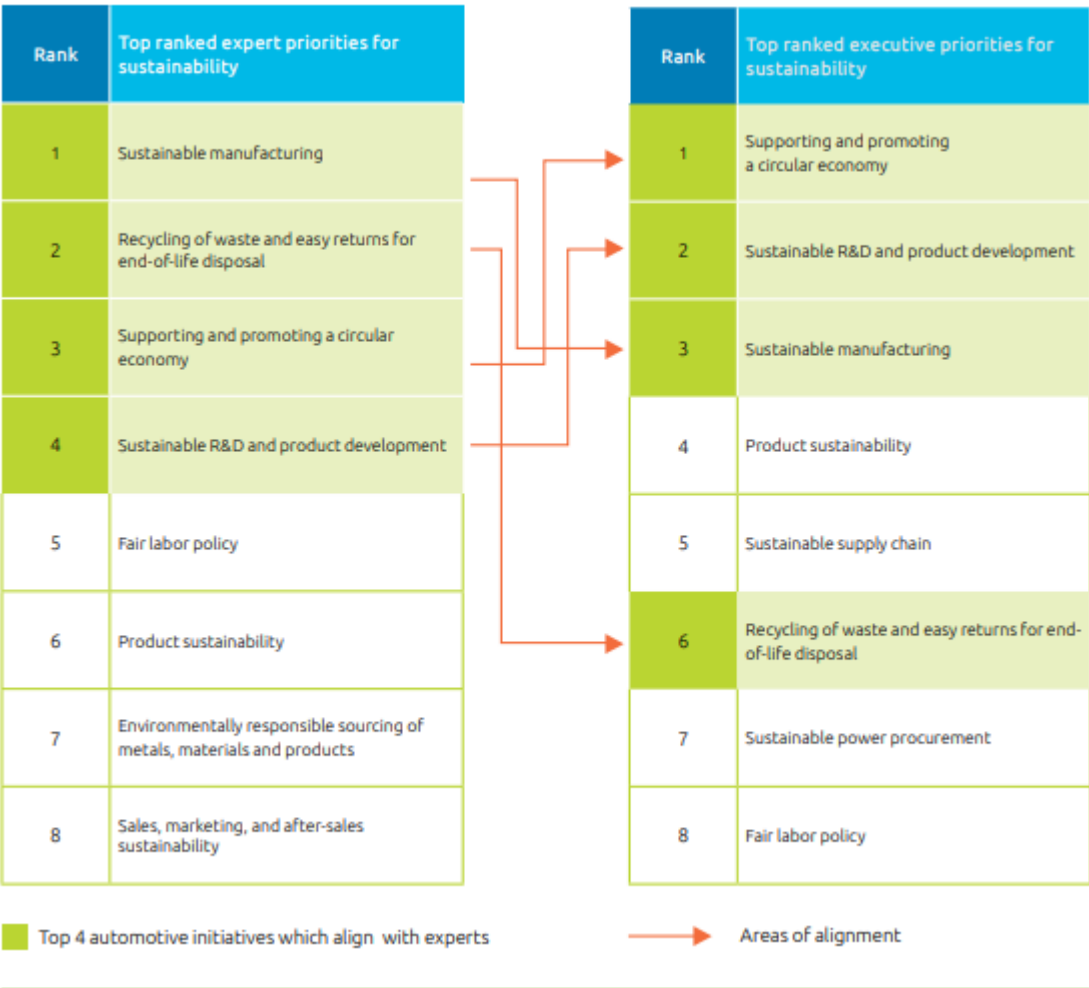Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf

Figure 3: Top-ranked priorities among experts and executives for the automotive sector

Rank	Top ranked expert priorities for sustainability
1	Sustainable manufacturing
2	Recycling of waste and easy returns for end-of-life disposal
3	Supporting and promoting a circular economy
4	Sustainable R&D and product development
5	Fair labor policy
6	Product sustainability
7	Environmentally responsible sourcing of metals, materials and products
8	Sales, marketing, and after-sales sustainability

Rank	Top ranked executive priorities for sustainability
1	Supporting and promoting a circular economy
2	Sustainable R&D and product development
3	Sustainable manufacturing
4	Product sustainability
5	Sustainable supply chain
6	Recycling of waste and easy returns for end-of-life disposal
7	Sustainable power procurement
8	Fair labor policy

■ Top 4 automotive initiatives which align with experts   → Areas of alignment

Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf

Figure 4: The highest and lowest implementation of sustainability enterprises - by country

| Sustainability initiative mandated and deployed*	Highest adoption		Lowest adoption	
	Country	Deployment	Country	Deployment
Supporting and promoting a circular economy	Germany	67%	India	22%
Sustainable R&D and product development	France	56%	China	37%
Sustainable manufacturing	Germany	55%	France	31%
Product sustainability	France	38%	India	26%
Sustainable supply chain	US	37%	France	23%
Recycling of waste and easy returns for end-of-life disposal	US	35%	UK	13%
Sustainable power procurement	Germany	31%	India	15%
Fair labor policy	US	30%	UK	6%
Environmentally responsible sourcing of metals, materials and products	Sweden	30%	France	8%
Sales, marketing, and after-sales sustainability	US	28%	UK	13%
Mobility and digital services	Germany	23%	UK	3%
Sustainability in IT	Sweden	22%	UK	13%
Due diligence of all material and product procurement	India	15%	Sweden	4%

* Deployment denotes the existence of a working initiative as part of the organization's normal sustainability processes. The number of executives who have mandated and deployed the project is represented by percentages. The following countries are being considered: the United States, the United Kingdom, France, Germany, India, China, and Sweden.

"Which initiatives as part of your sustainability plan are currently mandated and deployed?" we asked executives. It's possible that the responses won't include

similar activities that firms have elsewhere (for example, fair labor policies as part of HR) but are not part of their sustainability plan
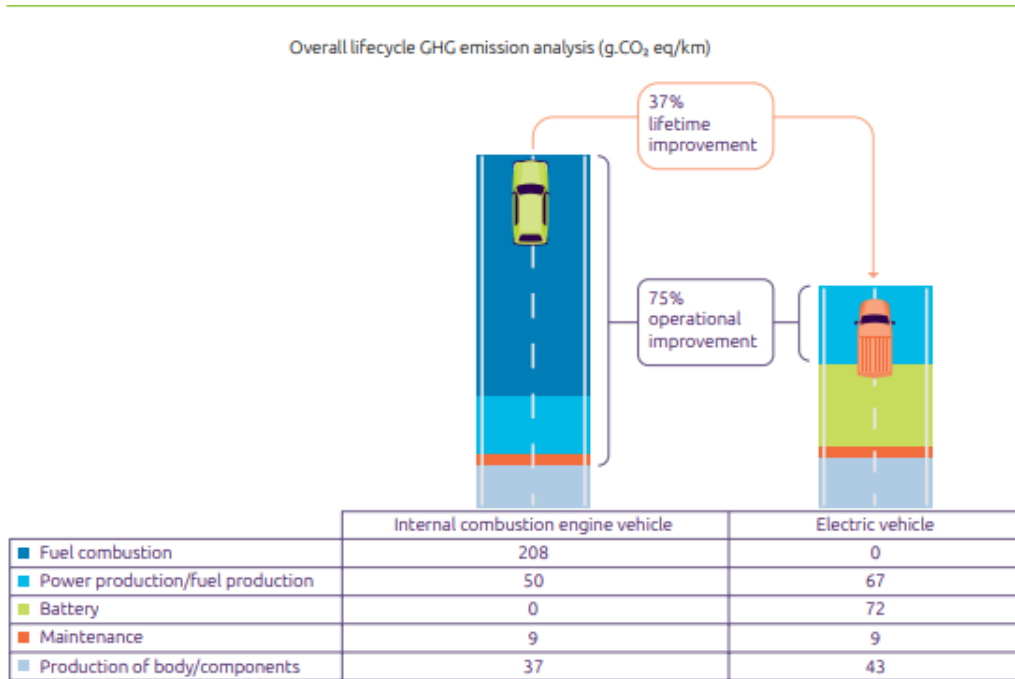
Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf

Figure 5: Growing sale of vehicles negates gains made in ICE efficiencies
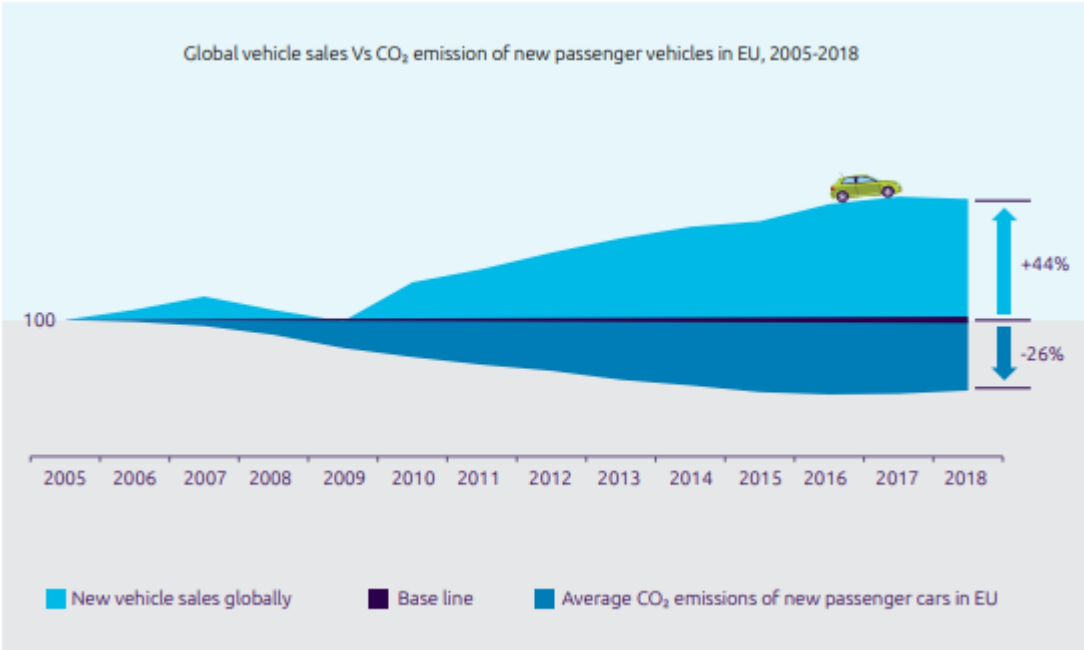

Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf

Figure 6: The GHG emission of electric vehicles is significantly lower than ICE vehicles over their entire lifetime

Overall lifecycle GHG emission analysis (g.CO₂ eq/km)

	Internal combustion engine vehicle	Electric vehicle
Fuel combustion	208	0
Power production/fuel production	50	67
Battery	0	72
Maintenance	9	9
Production of body/components	37	43

- EVs powered by the EU-27+UK grid have a cumulative lifetime distance of 150,000 kilometers. The graph compares average GHG emissions from five electric vehicles and five internal combustion engines. Tesla Model 3 standard range (2020), VW ID.3 standard range, Polestar 2, Tesla Model 3 standard 50kWh are all-electric cars (2018). Toyota Corolla Verso 177 (2013), VW Golf S2W TDI (2016), Volvo C30 2.0, and Ford Fiesta 1.25 are among the ICE automobiles under consideration (2017).

Figure 7: EV emissions vary by country depending on the electricity grid fueling them
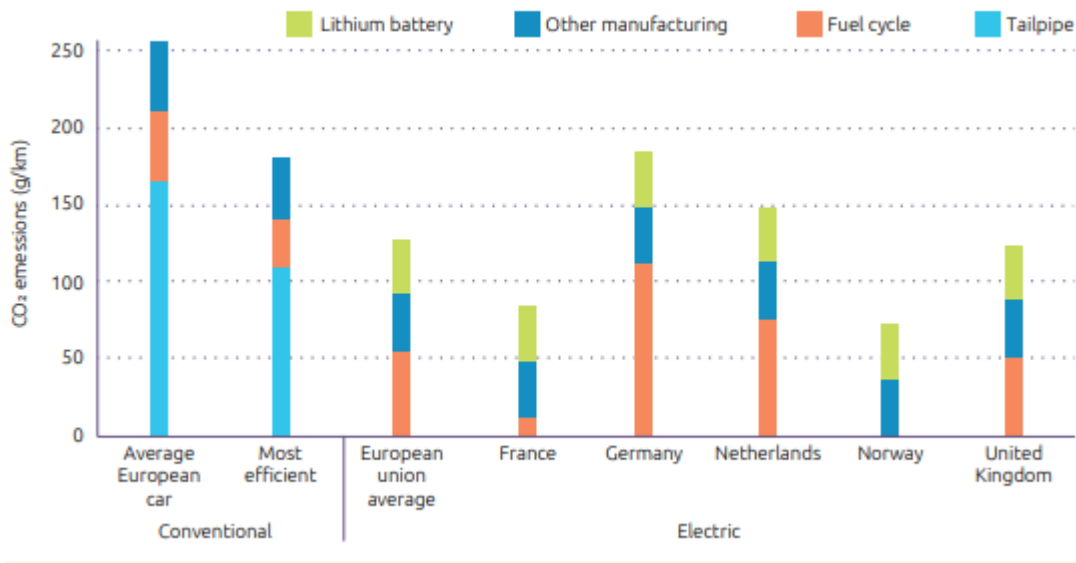
International Council on Clean Transport, "Effects of battery manufacturing on electric vehicle lifecycle greenhouse emissions," February 2018. Note: Estimate of 150,000 km lifecycle

However, private charging stations (i.e., terminals that feed directly from the grid) were responsible for over 90% of the growth.

• The majority of the charging infrastructure is effectively powered directly by the grid. By 2030, this will result in additional demand of 640 TWh, or 2.7 percent of world electric output in 2018. If demand for electric vehicles exceeds availability from renewable sources, EVs will continue to rely on carbon-intensive electricity.

• In-use EV operations by 2030 would result in an effective contribution of 230 million tonnes of CO_2 equivalent (mt CO_2-eq) while displacing 220 mt CO_2-eq, based on the two scenarios above.

Source: https://www.capgemini.com/wp-content/uploads/2020/03/Sustainability-in-Automotive_V6_Web.pdf