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A study at Volvo Cars Corporation identifying differences between customer types

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Abstract

The purpose of this study is to create an understanding of the differences between both the Volvo Cars fleet user-chooser and the Volvo Cars used car buyer to a general new car buyer, on different regions around the world, EMEA, APAC and Americas. This is achieved by creating customer profiles with the help of a survey investigating variables identified by the help of literature and existing market research. These variables are car characteristics, personal reasons, financing, total cost of ownership, test drive, first-time buyers and sustainability.

The profiles are then compared to data found on the general new car buyer in order to identify similarities and differences between the different segments.

The results from the study show that there are differences between the customers investigated on both regional and customer type-level. The data cannot support a deeper analysis of the differences, but they may serve as a basis for further research into how these differences manifest and how they impact the automotive industry and Volvo Cars. Three paths for further study are then identified on how to examine these differences on a deeper level.

Table of contents

Definitions:

The Americas:	Region including North, Central and South America.
APAC:	Region including Asia and the Pacific excluding the Middle-East.
EMEA:	Region including Europe, the Middle-East and Africa.
Fleet:	Cars purchased by an organisation for use by their employees, either a job car or as a benefit car.
Fleet user-chooser:	An employee of a company that has access to a car as a work benefit for both professional and private use. This car is usually chosen from a list of different brands and models that have been approved by the company.
Fleet manager:	A Volvo representative in contact with companies that purchase Volvo cars for their company fleet.
NSC:	National Sales Company, a Volvo sales-entity placed in its respective market.

1. Introduction

The following chapter aims to introduce the study and the reasons behind its creation. The first part will consist of a background to the studied company and a problem description, followed by a purpose and two research questions.

1.1 Background

The focus company of the study, Volvo Car Corporation, hereafter referred to as Volvo, is the largest car manufacturer in Sweden. Volvo produces premium cars in Sweden, Belgium, USA and China for markets worldwide (Volvo Car Group, 2017a). Volvo is growing, from 2013 until 2017 Volvo increased their number of cars sold by around 7 percent per year. Volvo operates in the premium car segment. The non-private market is a growing market for Volvo, e.g. company cars. At Volvo this market is called the "Fleet market" often referred to as fleet. The official definition of a fleet is "cars purchased by an organisation for use by their employees, either as a job car or as a benefit car". Fleet cars are usually leased for two to four years and then sold as used cars to private consumers, increasing the sales of used Volvo's as well. Offering opportunities for Volvo with programs such as Volvo Selekt, where used cars meeting certain criteria are refurbished by Volvo and then re-sold as used cars with warranties matching those of a new car.

Information about the end consumer in both these two growing segments, i.e. the used car buyer and the fleet driver is limited. Volvo believes they have a good understanding of their private and new car customers and their thought-process when buying and owning a Volvo car. However, as previously stated the understanding of the Volvo fleet driver or used car buyer are not as extensive. This is partly because of different information flows back to Volvo in the different segments as well as private consumers being the main focus.

Aiming to be considered as one of the premium brands in the automotive industry it is now important for Volvo to understand how the consumers perceive Volvo. Volvo has their own mapping of how they want to be viewed, often reflected in who their optimal customer would be. This optimal customer can be described as a persona. In order to be able to match their brand with their aim, they need to create an understanding of how their brand is viewed. As it is now they understand how buyers of new Volvos perceive Volvo but many of the Volvo drivers of today, for example, fleet user-choosers and used car buyers, are not part of that category and therefore their perception of Volvo is not as well understood.

The art of grouping customers according to certain characteristics, also known as market segmentation, will be investigated to understand how consumer groups are constructed and on what basis. This will be supported by customer profiling, which is a concept used to understand and illustrate the customers, their needs, behaviours and decision-making process. This understanding can then be used by an organization either to understand how to market themselves to these customers better but also to compare the branding that they want to achieve and how to get there. Volvo suspects that the customers buying used cars and fleet cars have different profiles than the customers that buy new cars. The hypothesis is that this difference if identified can be used to differentiate marketing efforts between markets to increase sales in the two respective markets potentially.

1.2 Problem description

In order to find these differences, profiles for used and fleet car drivers need to be created. Therefore, the first step of the process is to create an understanding of how to create customer profiles.

After such a framework has been created the next challenge is to adapt it to the automotive industry and fleet driver and used car buyer specifically. This will allow for a comparison, both of results found using this framework with existing results and between the different frameworks. The final problem would be to use the resulting framework to gather and analyse real data and create customer profiles. If the previous problems have been handled correctly, the result should be new customer profiles based on academia.

As the aim is to understand the decision-making process, it is important to understand that the fleet market works in a different way compared to the private markets. There are several decision-making units within a company. Most often a company will have a person managing the company's fleet who is responsible for choosing what cars will be available to the employees. This person will have a different decision-making process compared to the employee who will drive the car in the end, the user-chooser. This study will survey the end-customer that is the user-chooser who is the person who will drive the car.

1.3 Purpose

The purpose of this thesis is to create and compare customer profiles for used car buyers and fleet car user-choosers to the customer profile of the new car buyer. The comparison will focus on benefits sought and the decision-making process, i.e. the reasoning behind choosing a Volvo car. In order to reach this purpose, a literature study will be conducted to create a better understanding of why and how customer profiling is performed. Furthermore, two surveys together with industry reports will serve as the empirical data to create different profiles. The results of this study will then be compared to existing data in order to create an understanding of the existing profiles. Using this analysis, customer profiles for used and fleet car drivers will be created.

1.4 Research Questions

Given the purpose of this study the following research questions have been formulated:

1. How does academia suggest that a customer profile should be created?
2. How can the teachings from academia be used to create profiles for the fleet user-chooser and the used car buyer at Volvo Cars?
3. How do the created profiles compare to a general new car buyer and what implication are found?

2. Literature review

This chapter will present the literature review of the study. First the topic of market segmentation is presented. The topic consists of a background on the subject, followed by criteria for success within market segmentation. Furthermore, an overview of appropriate variables and methods are presented. Finally, an introduction to brand marketing is carried out together with an aspect of cross-cultural discrepancies.

2.1 Market segmentation

Dividing existing and/or potential customers into different segments depending on shared characteristics is called market segmentation (Wedel and Kamakura, 2000). Creating segments allow companies to understand the needs of their customers and recognise where in the market they have the highest potential. Companies would, of course, like to please all customers, but that is neither practical nor economically feasible (Zeithaml, Rust and Lemon, 2001) Understanding customer's needs is important for companies so that they can offer the right product to the right people with the most appropriate advertisement (Yankelovich and Meer, 2006; Sandström 2003). Offers that better match customer needs free companies from spending unnecessary resources and provides a more desirable product (Pine and Gilmore, 1995; Hogan, Leman and Libai 2003). There are millions of unique humans with different needs and wants, and it is too expensive for companies to produce millions of unique products and marketing campaigns to match these various needs and wants (Wedel and Kamakura, 2000). Grouping markets into segments become a cost-effective way to target and serve customers with similar needs.

2.1.1 Background

At the beginning of the 20th century, industries of the western world used mainly mass production and marketing as their primary strategy to sell increase profits (Wedel and Kamakura, 2000). Focusing more on the manufacturing process, e.g. economies of scale and cutting cost in production than the actual need of the consumers. After the Second World War, years of continuous economic growth led to consumer affluence and more flexible production processes. Consumers now had the opportunity to have more diverse demand, and companies gained the means to realize these demands. Companies that could distinguish between groups of consumers and make them more accurate offers gained a competitive advantage.

Venkatesh (1995) acknowledges that the different needs of modern consumers were rather a creation of market processes than a discovery made by them. According to him, this creation of needs derives from several sources: consumers rise of expectations, marketing activism and advertising in creating new needs and wants, and the formation of a new identity, the consumer. A different view, expressed by Kotler (2012) is that needs pre-exist marketers. An example used is that marketers can promote the idea that a premium car will fulfil a person's need for social status, however, the need for social status is inherent. Wherever these demands originate, no one disputes their existence.

Smith (1956) describes the shift from a production-oriented view to a marketing-oriented view as instead of the demand side bending to the will of supply, and the supply side now bends to the demand side. Bending to the whole demand side was not manageable due to the diversity, so companies had to differentiate. In the 50s, Smith (1956) introduced market segmentation and described it as splitting the heterogeneous wants of consumers into several homogeneous

segments, to easier identify and target different consumer groups with what they want (Wedel and Kamakura, 2000). Smith further acknowledges that market segments were formed by managers' perception of their customers and not always based on empirical data on consumer characteristics. The practice of dividing markets based on customer wants instead of what products are being produced is according to Wedel and Kamakura (2000) essential for effective marketing planning. Consumer characteristics that were traditionally used in market segmentation were of demographic nature, e.g. age, sex and income (Yankelovich and Meer, 2006). In 1964, the characteristics were further expanded by Yankelovich who argued that the characteristics that had traditionally been used are not enough to capture differences between customers (Yankelovich and Meer, 2006). Consumer purchasing patterns were not aligned with their age and social status anymore, purely demographic segments had lost their ability to indicate consumers purchase preferences. Instead, traits of a more qualitative nature like consumers' values and tastes were found to more likely influence consumer purchases. Hague and Harrison (2017) argue segmentation of demographic nature is less resource consuming than segmentation that includes other variables such as purchasing patterns, but they are also not as valuable.

Entering the 21st century, Yankelovich and Meer, claim in an article from 2006 that market segmentation has lost some of its intended use. That is, guiding companies to adapt their offering to consumers to the groups most probable to buy them. Instead, advertising has taken over and uses market segmentation to find characters that consumers can identify with for their marketing campaigns. Using psychographics, i.e. people's attitudes, values and aspirations, to come up with characters like for example, High-Tech Harry and Joe Six-Pack captures some reality of people's lifestyles, attitudes, aspirations and self-image. However, psychographics does not always capture what products these people will buy in a given product category. Finding patterns in consumers, actual buying behaviour requires different data, e.g. which benefits and features consumers like, price sensitivity and social trends. An example used by Yankelovich and Meer (2006) tells about a commercial for light-beer that featured mud-wrestling, that certainly captured the interest of the young male segment is intended to reach, however, it did not increase sales. Instead, a commercial that informed that the same light-beer had fewer calories than the main competitor apparently spoke more to consumer behaviours since it managed to increase sales — influencing consumers to think warmly of a brand or product is not always enough to generate purchases.

New technologies also enable new ways of segmenting markets that were previously impossible. One example is a study made by Dam and Velden (2015) that managed to put users who liked a business's Facebook page into different segments, depending on what other sites they had also liked. Another trend enabled by new technology is one-to-one marketing, where individual customers are targeted based on data mining of previous purchasing behaviour (Baker and Hart, 2008). For example, a consortium consisting of, amongst others, Unilever, decided not to concern themselves with attitudinal customer data gathered from interviews and surveys and instead relies on the massive volume of transactional data they generate to understand their customers' behaviours.

2.1.2 Criteria for success

In order to be effective and profitable when conducting market segmentation, six criteria have been recognised by academia: identifiability, substantiality, accessibility, stability, responsiveness and actionability (Wedel and Kamakura, 2000). The first one, identifiability, is

the ease which customer groups can be identified with the used variables by internal personnel, e.g. managers. Substantiality goes to show that the targeted segments must be large enough to be profitable, this is however not only dependent on the segment itself, and for instance, the applied business model affects this criterion. Accessibility is the extent to which the targeted segments can be reached by marketing and distribution efforts. Furthermore, the segments must be stable, and if customers change their behaviours during a marketing effort, it is likely to be unsuccessful. Each identified segment must have a unique response to marketing efforts if not, basing marketing campaigns on non-responsive segments will be fruitless. More specifically, if different segments react similarly to the same marketing efforts, the segmentation has not added much value. Actionable segments match the identified need of the segment with what product the company is willing to offer, and this can depend on the goals and core competencies of the company.

McDonald & Dunbar (2012) summarizes the potential advantages of market segmentation as the following. It can lead to a better match of the customer needs and the company's offering. With a better understanding of customers, companies can develop products that are superior to competitors. It also enables niche marketing, allowing companies to dominate certain segments that would not have been possible focusing on a total market. Segmentation lets companies concentrate resources in the market where their competitive advantage is the greatest and profitability seems the highest. Furthermore, carrying out segmentation helps companies to test their assumptions about the market, and it might lead to discoveries of up till then unknown customer needs.

The success of market segmentation depends heavily on the characteristics one base the segmentation on as well as the method used to define them (Wedel and Kamakura, 2000). Using different methods and bases will yield different sets of segments. Therefore, the purpose of the segmentation should directly influence the choice of bases and method. Furthermore, the choice of characteristics and the methods to define them are not independent. The choice of segmentation methods should derive from the purpose and from the characteristics chosen to define the segments.

2.1.3 Segmentation variables

The segmentation base is the set of variables that are used to split customers into homogeneous groups (Wedel and Kamakura, 2000). These variables can be classified as being either observable or unobservable. Observable variables include demographic, geographic and sales data. Unobservable variables include psychographics, values and preferences. Unobservable variables are harder to quantify than observable. The segmentation bases/variables can further be classified as being general or product specific. Where general variables are long lasting consumer characteristics that do not vary between products, e.g. age, occupation or lifestyle. Product-specific variables link the consumer to a specific product class, e.g. usage frequency or perception of the product.

There are more ways to classify these base variables, (Baker and Hart, 2008) chose to use a similar version but expanding the product-specific category into two categories. Where one is product-specific, and the other is brand specific. However, sticking with the variable classification of Wedel and Kamakura (2000) produces four different variable categories, observable general, unobservable general, observable product-specific and unobservable product-specific. This can be illustrated as a two by two matrix as seen below in Figure 1.

	General	Product-specific
Observable	Cultural, geographic, demographic and socio-economic variables	User status, usage frequency, store loyalty and patronage, situations
Unobservable	Psychographics, values, personality and life-style	Psychographics, benefits, perceptions, elasticities, attributes, preferences, intention

Figure 1. The four categories of segmentation variables, with applicable variables, as defined by Wedel and Kamakura (2000).

Observable general

This category includes demographic, cultural and socioeconomic variables. This type of variable is relatively easy to collect, reliable and somewhat stable (Wedel and Kamakura, 2000). The resulting segments are easy to communicate and implement for companies, i.e. identifiable. This is due to the fact that resulting segments are often already defined and well-known. For example, consumers with a specific household income are known as middle class, or single young males are known as bachelors. However, this type of variable is usually not responsive. For example, a priest and a rock star might share the same demographics and socioeconomic status but might not react similar to the same marketing efforts. Observable general variables where the most commonly used ones at the beginning of the market segmentation era.

Unobservable general

Within this category, there are three groups of variables, personality traits, personal values and lifestyles (Wedel and Kamakura, 2000). This category is almost only used for business to consumer markets. These variables provide a broader perspective and a more lifelike portrait of consumers, that can, for example, be useful for the development of advertisements. Measuring this type of variable and comparing it, for example, personal values, can be hard since they are qualitative. However, there are ways that tries to quantify qualitative variables. A frequently used scale for measuring this type of variables are the Edwards personal preference schedule, which ranks personal values against each other to quantify them. In relation to the six criteria for successful market segmentation, this type of variable is the strongest when it comes to identifiability, accessibility and stability.

Observable product-specific

The variables in this category relate to buying and consumption behaviour, such as user status, usage frequency, brand loyalty and usage situation (Wedel and Kamakura, 2000). This kind of variable is traditionally gathered via customer surveys. However, with the rise of new technologies and such, e.g. e-commerce and retail loyalty programs each customer can be linked to what products they buy and when. Revealing detailed purchasing patterns cost-effective and on a large scale. Observable product-specific variables generally reveal substantiality, stability, identifiability and responsiveness.

Unobservable product-specific

Product specific psychographics, perceptions, brand attitudes are amongst the variables found in the unobservable product-specific category (Wedel and Kamakura, 2000). Product-specific variables show a stronger correlation with purchasing behaviours than general ones. Back in 1968, Haley claimed that the benefits people seek when consuming products are the basic reasons for heterogeneity in their behaviour, making it the most relevant base of segmentation. For example, toothpaste is used by most people to keep their teeth healthy. However, in this generic toothpaste market, there are multiple segments that buy differently and for various reasons. Some people choose toothpaste for the flavour others for promises of ultra-white teeth and some for the low price. The claim that buying intentions correlates the most with buying behaviour is supported by Wedel and Kamakura (2000). Furthermore, unobservable product-specific variables respond the most effective to the six criteria mentioned earlier. More specifically, identifiability, substantiality, stability, actionability and responsiveness are criteria that this type of variable can evaluate properly. Accessibility is the only criterion that these variables are not suitable to evaluate properly. However, for successful market segmentation, a variety of bases should be combined in one way or the other. Unobservable product-specific are often measured with a Likert-scale, i.e. evaluating a qualitative preference on a quantitative scale, e.g. strongly agree to strongly disagree (Baker and Hart, 2008).

Determining the set of variables, base, to use for market segmentation is crucial (Wind and Bell, 2007). Useful variables are able to explain variation in the usage of a company's products and services. Variables that have no correlation with choice or other behaviours is of little value. The selected base should be aligned with the strategic purpose of the segmentation. According to Wind and Bell (2007), there are two types of segmentation, general and specific segmentation. The purpose of general segmentation is strategical and focuses on large and stable segments. Specific segmentation has a more limited scope and can, for example, be done for positioning, new product concepts, pricing decisions, advertising decisions, distribution decisions and a general understanding of a market. Essentially, the general and product-specific variables as classified by Wedel and Kamakura (2000) are used for their respective type of segmentation as defined by Wind and Bell (2007), i.e. general market segmentation uses general variables, and specific segmentation uses product-specific variables. For advertising purposes, variables of a more general character are preferably used (Wind and Bell, 2007). For a general understanding of a market, which is not necessarily general market segmentation albeit its name, variables like benefits sought, criteria for purchase decision, product purchase and usage patterns are desirable. Using Wedel and Kamakura's (2000) classification of variables, benefits sought are in the unobservable product specific category. Product purchase and usage patterns are in the observable product specific category. However, criteria for purchase decision belong to both the observable and unobservable product-specific categories as well as the unobservable general category.

2.1.4 Segmentation methods

Identifying segmentation variables and collecting the data does not automatically form segments, a method is required in order to construct segments (Wedel and Kamakura, 2000). There are many different methods to form segments using the different variables. There are two ways to classify segmentation research methods. First, they can be categorized as either a-priori or post-hoc approaches. A-priori is when the number and type of segments are decided before the gathering of data and post-hoc when they are decided after the data has been gathered and analysed. Secondly, segmentation methods can be either descriptive or predictive, depending on which statistical methods are used. Descriptive methods analyse the relations from a single set of variables, without any distinction between dependent and independent variables. Predictive methods, on the other hand, analyse the relationship between two sets of variables, where one of the sets consists of dependent variables to be determined by the other set of independent variables. These two classification results in four categories of methods, this can be illustrated with a two by two matrix as shown below in Figure 2. There also exists hybrid forms of segmentation which combine a-priori and post-hoc solutions. The most prevalent segmentation methods are cluster analysis, mixture regression and scaling.

	A priori	Post hoc
Descriptive	Continegency tables, Log-linear models	Clustering methods: Nonoverlapping, overlapping, Fuzzy techniques, ANN, mixture models
Predictive	Cross-tabulation, Regression, logit and Discriminant analysis	AID, CART, Clusterwise regression, ANN, mixture models

Figure 2. The four categories of segmentation methods, with applicable methods, as defined by Wedel and Kamakura (2000).

A-priori descriptive methods

In this category, the number and type of segments are already decided when data collection starts — for example, a fast-food chain manager that divides her customers into three different usage situations: breakfast, lunch and dinner. This early division is often desirable to distinguish between customers with different behaviours such as; business and private users or national and international users. This a-priori approach is usually the first step in a two-step process, combined with a post-hoc method. The initial a-priori step increases the usefulness of the segmentation for management. This type of method is good to obtain insights about easily identified segments quickly.

A-priori predictive methods

A-priori predictive methods start with defining a-priori descriptive segments based on one set of criteria. Then using predictive models to describe the relation between segment membership and a set of independent variables (Wedel and Kamakura, 2000). It can be carried out forward

or backwards. An example of the forward approach: the creator of a news site could identify demographic segments among internet users and then see if these segments accurately predict what type of articles they are the most interested in. In a backward approach, the same creator of a news site would identify heavy readers on her site and then see if for example, demographic characteristics, can differentiate between heavy and light readers.

Post-hoc descriptive methods

This category identifies segments by grouping customers that are homogeneous across a set of measured characteristics. For example, in lifestyle segmentation demographic and psychographic data is collected on consumers and then a clustering method is used to identify segments that are similar in terms of their values, interests and activities. Clustering methods can either be overlapping, non-overlapping or fuzzy. Overlapping methods means that customers can belong to several segments, whereas in non-overlapping methods consumers can only belong to one segment. In fuzzy methods belonging to a segment is not binary; instead, consumers are divided among segments. For example, a consumer can belong 10 percent to segment A, 20 percent to segment B and 70 percent to segment C. Overlapping and fuzzy methods better reflect reality where customers are more complicated than a segment defined with a limited number of variables. However, non-overlapping clustering methods are the most commonly used in segmentation research.

Post-hoc predictive methods

Identifying customers based on the estimated relationship between a dependent variable and a set of predictors is known as using a post-hoc predictive method (Wedel and Kamakura, 2000). The relationship between dependent and independent variables becomes homogeneous between segments using this method. As an example, a European dairy producer might want to segment consumers in Europe depending on the importance they assign to different characteristics of yoghurt, e.g. fat percentage, price and packaging. Forming groups depending on a dependent variable, e.g. purchase behaviour, based on a set of independent variables, e.g. socioeconomic and lifestyle. For example, revealing that low-income customers living an active life prefer to buy yoghurt with a low-fat percentage.

2.1.5 Profiling segments

Segments created from different variables and methods are not always easily grasped and can be hard to target with different kinds of advertisements and promotions. Creating profiles for segments enhances the identifiability and accessibility criteria (Wedel and Kamakura, 2000). Demographics and socioeconomic variables are the most commonly used for profiling, helping both consumers identify with a product and employees themselves to recognize the segments.

2.1.6 Brand

Competition in markets gives consumers various options of products and brands to choose from (George and Anandkumar, 2018). Differentiating one's brand solely on functional attributes becomes harder with increased competition. In order to stand out in a market, companies can also focus on differentiating one's brand. In consumer behaviour research, brand personality refers to a set of human characteristics that are associated with a particular brand (Aaker, 1997). As in an example used by Aaker (1997), the Swedish brand Absolut vodka can be described as cool, hip and young, whereas other brands may be described as intellectual and conservative. Furthermore, brand personality enables consumers to express themselves through the use of a

brand, e.g. their own self or an ideal self. The use of brand personality is key to differentiate a brand in a product category. Additionally, it is a denominator that can be used to market a brand across cultures and is a central driver of consumer preferences and usage. Although brand personalities resemble those of human personalities, they are formed in different ways (Aaker, 1997). Human personalities stem from individual behaviour, attitudes and characteristics. Brand personality, however, is formed through direct or indirect contact with consumers, for example through commercials or by the typical users of the brand.

In a study from 1997, Aaker showed that American consumers' perception of different brands could be described in terms of five personality dimensions, sincerity, excitement, competence, sophistication and ruggedness. However, in 2001 Aaker et al. found that three of the five dimensions also applied for Japan and Spain, but some dimensions had to be replaced (Keller and Lehmann, 2006). Apart from cultural settings influencing brand personalities, different brand personality dimensions also affect different types of peoples in different consumption settings.

3. Methodology

The following chapter outlines the methodology of the project. The emphasis is to explain the different steps in the project and motivate their use. Furthermore, the chapter aims to evaluate the validity and reliability of the chosen method.

3.1 Research approach

The starting point for the thesis is to create a larger understanding of the customer profiles in the area rather than solving any specific issues. In line with this, the report will be of an investigative nature. In accordance with the purpose of the study, this will mean mapping how to create customer profiles for the areas suggested and identifying potential differences. The final result of the thesis will be in the form of eight customer profiles. One general fleet user chooser as well as one general used car buyer plus six profiles for each of the three regions for the fleet user chooser and general used car buyer.

Following the purpose and research questions, a research approach had to be chosen. Because the study aims both to create a framework and describe differences an abductive approach is used (Malhotra, 2017). This means a combination of the inductive and deductive approach. It entails a parallel process of studying literature and collecting data. The data collection will primarily be through a quantitative approach consisting of a survey.
Literature study
Parallel to the data collection a theoretical framework was created and reviewed in an iterative process. This framework was created partly to give an understanding of the profiling process and the theory behind it and also to lead the data collection process in the right direction.

During the search for literature, the following search engines and library sources were used:

- Chalmers University of Technology's library and their online portal
- Google Scholar
- Scopus
- Web of Science

Keywords used were market segmentation, segmentation bases, customer profile, marketing, brand personality, postmodern consumer.

3.2 Data collection

The project was based on three sources of data: Interviews with Volvo employees, existing profiles, customer data available to Volvo and the results of the survey carried out during the study. The existing profiles mainly describe B2C customers that buy new Volvos, and this information will be used as a template for what information Volvo are using to identify customers. The interviews and surveys will be carried out with NSC representatives and fleet managers and will act as a basis for the customer profiles.

3.2.1 Interviews

As a first stage of the project interviews were carried out with people deemed by Volvo to have insight into this issue to create a deeper understanding of how Volvo sees the issue and what

data is available to use. There were three such interviews, carried out with one employee at Volvo and two marketing consultants that work with profiles and customer behaviour. These interviews were complemented by meetings and lectures from the project supervisor.

3.2.2 Secondary data

Since the purpose of the study was to create profiles that could be compared to profiles for new car buyer secondary data was needed to create an understanding of the general new car buyer profiles and how they were constructed. During the interviews and lectures, sources of data for new car buyer profiles and general data for used car buyers were identified.

The data was used in two ways. Firstly, it was used as a base for the survey questions and answer choices, and secondly, a general car buyer will be created to serve as a basis for the final comparison between new car buyer and fleet car user-chooser.

This data was mainly found as Volvo internal resources. Some were reports from the automotive industry, such as the DAT-report, and others being internal Volvo documents such as the existing customer profile for new car buyers. The DAT-report is one of the main data sources used for understanding what knowledge Volvo already has regarding the used car market. That is a study conducted in the German automotive market, but the results are generally assumed to be applicable to other markets as well since the German market is a large, mature and well-studied market. Making it useful for benchmarking and insights. The results in the DAT-report will be the main source for what will be referred to as the general car buyer.

3.2.3 Survey

As a base for the creation of the profiles, two online surveys were created to gather data about the customers, both the fleet user-chooser and the used car buyer. The online survey was chosen because compared to other forms of surveys it is cheaper, faster and easier to reproduce the survey. (Czaja, R. & Blair, J., 2005) Using a platform such as SurveyMonkey allow for faster compilation and analysis of the data. A traditional survey that can be sent out via mail might be more personal and create a higher incentive to answer the survey but as the project had restrictions both when it came to time and resources this was never an option.

The choice of self-completion surveys was taken because it is quicker to administer and convenient for the respondents compared to doing normal interviews (Bryman and Bell, 2015). Using surveys is also scalable which is good when respondents are numerous. Another reason for the choice of format was that the existing profiles are based on quantitative studies and it will, therefore, be more suitable to create new profiles based on the same kind of data. It could be reasoned that conducting interviews would have been better as it would have allowed for the collection of additional data and provided more in-depth answers (Bryman and Bell, 2015).. However, the aim of the study is not to do an in-depth analysis of the used car and fleet car buyer profiles but to compare them to the new car buyer profile.

Two links to the surveys were sent out via email to 95 fleet managers and NSC representatives working for Volvo all around the world. For some market there is one person covering both the fleet and used car market, for others there can be one covering used and one for fleet and for some, there are several people covering the same markets. Respondents were asked to respond for their respective market, both geographically and type of market. The surveys got 32

responses over a period of three weeks, 15 for the fleet market and 17 for the used market. Thus, making the response rate of 34 percent.

However, there is some redundancy in the 95 fleet managers and NSC representatives, a few representing the same market, making 34 percent a low estimate. The completion rate was 100 percent, meaning that everyone that started the survey completed it. It took respondents on average 7 minutes to complete the survey, ranging from 2 to 29 minutes. The geographical spread of the respondents is shown below in Figure 3.

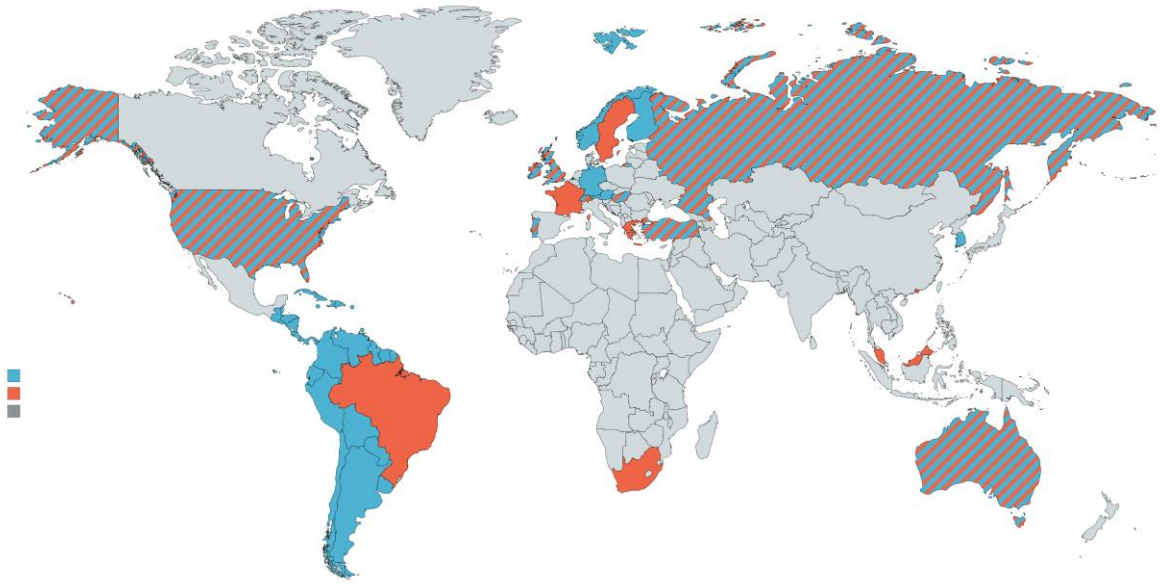

Figure 3. *Blue shows the geographical spread of respondents who only answered the fleet user-chooser survey. Red shows the geographical spread of respondents who only answered the used car buyer survey. Finally, striped shows markets that responded to both surveys.*

The questions of the survey were based on the findings from the literature review and the secondary data as illustrated by Figure 4 below. Through analysing the literature, several categories of questions were identified and matched to the data that existed for the new car buyer profile. With this match, new questions were created such that they would fit with categories identified in the literature and allow for comparison to the new car buyer profile or to allow for a better understanding of the surveyed segment. More specifically, the question is formed to fulfill the aim of the study that is to create profiles that can be used to compare the reasoning behind Volvo's different types of customers choice of a Volvo car. The questions in the survey focuses to quantify variables that are good for this kind of understanding of the market, e.g. benefits sought, criteria for purchase decision, product purchase and usage patterns (Wind and Bell, 2007). However, to some extent the respondents of the survey did not have all the required information about some categories of variables. For example, not knowing specifically the everyday usage patterns of the car buyers and user-choosers. Therefore, this type of variable is excluded from the survey.

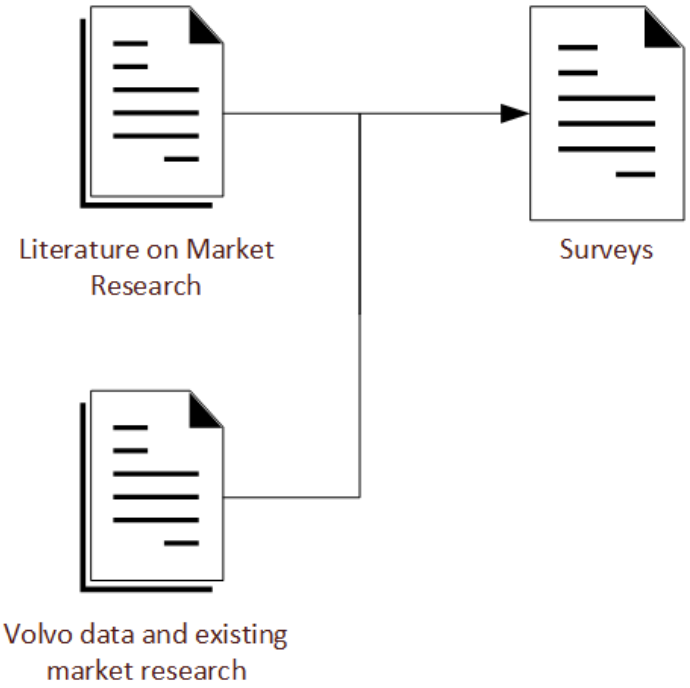

Figure 4. Illustration of survey creation.

According to (Wedel and Kamakura, 2000) the chosen types of variables are in the categories unobservable general and product-specific, i.e. of a qualitative nature. Therefore, techniques like the Likert-scale and asking respondents to rank different values against each other, are used to quantify the qualitative variables. Furthermore, the questions focus on product-specific variables rather than general ones. Because such variables show a stronger correlation with buying behaviours, as well as responding more effectively to the six criteria for successful segmentation (Wedel and Kamakura, 2000). Combining different types of variables promotes strength in the creation of consumer profiles. However, this survey does not need to collect all types of data since some are already available to Volvo internally and because the survey cannot be too long in order to avoid respondent fatigue and encourage a high response rate (Bryman and Bell, 2015). For example, Volvo already has data on how many cars and what models are sold in each market, why this data is not collected. A key distinction here is that when gathering data separately the data is not linked, e.g. knowing which models are the most popular and what values are important to people buying them, but not knowing what values correspond to which model. For the purpose of this survey, to gather this much data would not be feasible considering the length-limitation of the survey format and the limited knowledge of the respondents.

The method used for the segmentation can be considered an a-priori predictive method. A-priori because the segments are predefined before the data gathering i.e. used car buyer and fleet user-chooser for the EMEA, APAC and Americas markets. Predictive in that independent variables, e.g. attitudes, attempts to predict dependent variables, e.g. a car purchase of a specific brand.

Survey questions

The surveys consist of 10 questions, where 9 of the questions asked are the same for both fleet car driver and used car buyer markets. The question that separates the two different surveys is used to find further valuable information that is unique for the two segments, in this case, asking

for fleet size and how many used car buyers that are buying their first car ever. There is also a slight difference in the answer alternatives on the question regarding how cars are most often financed in the respective market as the available financing options differ between companies and private buyers.

The survey starts off with a question regarding what market the respondent work in. This question exists so that an intra-survey comparison can be made between markets and so that the size and structure of the market can be identified. For the fleet survey, the respondent is then asked about the spread of fleet sizes in their market. Afterwards, both surveys have two questions where the respondent need to choose 5 answers from a list of 15 available alternatives. The questions ask about what car characteristics and what personal reasons deemed most important in their customers choice of car. Due to the brevity of the survey, having more than 15 available answers to choose from was not considered feasible. The selected characteristics for both of these questions are based on data found in automotive consumer reports and information from the automotive industry. In order to improve the accuracy of the questions, the order of the answers will be randomised for every respondent. A comment section is included so that if the respondent feels that one or more important characteristics are not available in the provided list, they can add it. These two questions about what car characteristics and what personal reasons deemed most important in their customers choice of the car both relate to benefits sought and criteria for purchase decision as described by Wind and Bell (2007) and are placed mainly in the unobservable product-specific category as described by Wedel and Kamakura (2000). However, these questions also touch on the unobservable general and observable product-specific categories.

In the survey there is also a question regarding if the buyers inquire about sustainability, this question was included to see if Volvos ambition to be one of the leading car manufacturers when it comes to sustainability is reflected in their fleet and used car customers. This question relates to the customer's values and lies in the unobservable general category as defined by Wedel and Kamakura (2000).

The remaining three questions are all based on data found in reports that were available through Volvos internal channels and represent recurring aspects that were deemed to be of interest and are within the knowledge of the sampled population. The questions investigate aspect such as in what way the purchase is financed, the importance of different aspects of total cost of ownership and how often buyers test drive their car before the purchase. The two financing questions can together with the test drive question be related to product purchase as defined Wind and Bell (2007) and placed in the observable product-specific category as defined by Wedel and Kamakura (2000).

The used car buyer survey includes a unique question about what percentage of used car customers are first time buyers. This question is often found in reports about the automotive industry and is included to see how Volvo compares to the industry average. The question can be related to product purchase as described Wind and Bell (2007) and placed in the observable product-specific category as defined by Wedel and Kamakura (2000). In Figure 5, all variables explored in the survey are visualised into their appropriate category.

	General	Product-specific
Observable		Financing Total cost of ownership Test drive First-time buyers
Unobservable	Car chararacteristics Personal reasons Sustainability	Car chararacteristics Personal reasons

Figure 5. The variables explored in the surveys are sorted into their appropriate category, as described by Wedel and Kamakura (2000).

The survey also includes an open-ended question regarding if the respondent considers that there is anything special about the regional market that they represent. This question exists to capture anything that the other questions did not touch upon that the respondent still finds relevant information that could provide an interesting background to some of the results from the other questions and for Volvo to make more in-depth analyses in the markets that are surveyed.

In order to secure the functionality and validity of the survey, it was tested and approved by a selection of the interviewees. A pilot survey was never used due to the time restrictions on the project. Using a pilot survey might have increased the validity of the survey if used.

Sampling

Alan Bryman and Emma Bell (2015) present several different forms of sampling quantitative research. When conducting the initial interviews and collecting the interviewees were identified by the Volvo supervisor. As the supervisor can be seen as a patient zero for the interviews the sampling can be considered both convenience sampling and snowballing. The same goes for the secondary data that was used in the study. The data itself was identified by the interviewees, and often reports would recommend other reports.

As the main purpose of the survey will be to create profiles that can be compared to the sampling also must take into consideration the samples of the existing profiles. Therefore, probability sampling cannot be used. Instead, a combination of purposive sampling and convenience sampling was used. The purposive sampling was used in order to select markets that could be compared to those included in the new car buyer personas. The convenience sampling was then used in order to identify targets within the chosen markets that would be more likely to respond to the survey as the selected markets were very important for the comparability of the resulting survey. The lack of access to the identified markets makes it convenient to use the Volvo employees that are responsible for said markets as samples. It is clear that using probability sampling among Volvo customers in the respective markets would have most likely created a better sample space, but due to lack of resources and time there would be difficulties even reaching out to that sample space.

The respondents of the survey are fleet managers and national sales company representatives employed by Volvo in different markets around the world. Fleet managers respond to the fleet survey while NSC representatives respond to the used car survey. These professionals are

knowledgeable in areas like tax legislation, car policies, methods of funding, total cost of ownership and the user-chooser decision-making process in their specific market. Therefore, they were expected to know the information that was asked for in the survey.

Overall, it can be said that the study made use of snowballing during the initial phase of creating the basis for the survey and that the aim of the survey was to use purposive sampling. Though, the purposive sampling had to be adjusted to secure enough data by combining it with convenience sampling.

3.3 Analysis

The analysis of the data will be divided into different steps. First, the results from the survey will be compared with the collected data from the DAT-report and other market research documents. This analysis will be the basis for creating an understanding of the differences between the new car buyer market and markets surveyed. As there is data on the used car buyer in the DAT-report, this data will also be used to compare with the used car survey. This kind of comparison is not made in regard to the fleet survey as there is a lack of data regarding fleet user-choosers in existing market research. The second step will be an analysis of the differences found between the different geographical regions that participated in the survey. This analysis will be done in order to separate global trends from more regional trends and allow for the creation of regional customer profiles. This process is illustrated in Figure 6 below.

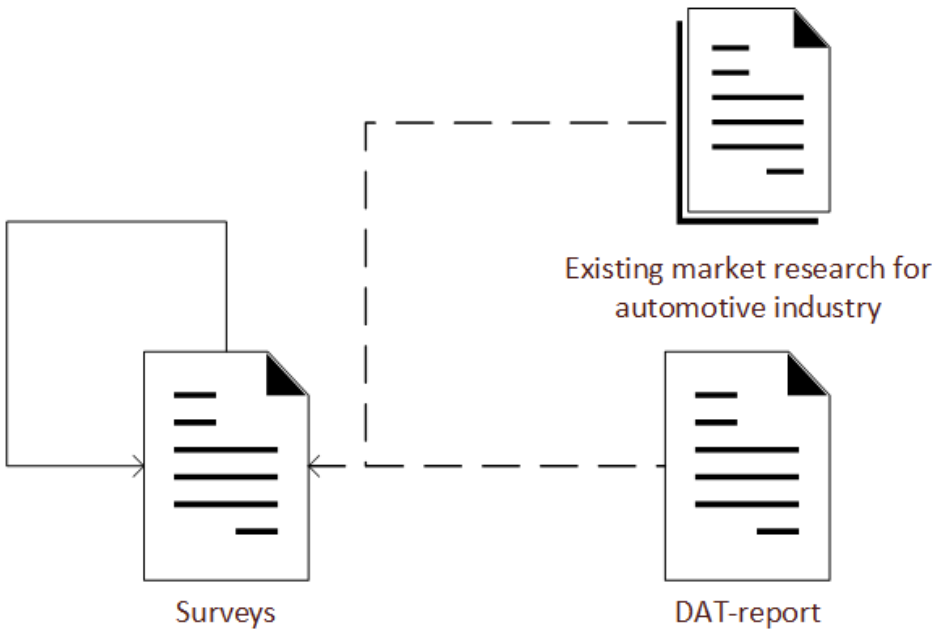

Figure 6. Illustration of analysis model used in the report.

The analysis will be presented in a textual form as well as in cross-tabulation form for the comparison. At the end of the analysis, customer profiles will be created from the data found on a regional level. These profiles will be a summary of the trends found in the analysis.

4. Empirical findings

In this chapter findings from interviews with different experts in and around Volvo, several automotive reports and two surveys are presented. The empirical findings aim to find out how automotive profiles are created, what variables they use and to gather this data for the used car buyer and fleet user-chooser.

The structure of this chapter will be as follows. The data found in the secondary sources will be presented along with the result from the surveys under the headings of general new car buyer, used car buyer and fleet user-chooser. For every heading, the data will start with general data followed by data on the topics covered in the survey presented in the order that it is found in the survey.

4.1 General New Car Buyer

In this section data found in automotive reports is presented to construct a general new car buyer.

4.1.1 Car characteristics and personal reasons

When it comes to the most important characteristics when buying a new car, the DAT-report (2018) reports that in 2017 the most important assessment criterion was reliability followed by appearance/design. More important criteria were price (3), standard equipment (4) and fuel consumption (5). Amongst the least important criteria eco-friendliness, package solutions, trade-in of previous car and connectivity are found. The DAT-report investigated the importance of 19 reasons when buying a new car, and all the reasons were counted as important or very important for the new car buyers. (DAT, 2018)

A 2013 brand perception survey ranked seven factors according to how important they were when buying a new car (Consumer Reports National Research Center, 2014). The two most important factors were quality and safety. Both factors scored around 90 on a scale between 1 and 100. The following three factors, performance, value and fuel economy, scored around 82 points. The least two important factors were design or style and technology and innovation scoring around 70 on the same scale. The same survey also ranked Volvo as the top brand when it came to safety.

4.1.2 Financing and total cost of ownership

Comparing the average annual income of a new car buyer in Germany (EUR 52,500) with the average price of a new car in Germany (EUR 30,400) reveals that new car buyers spend on average around 60 percent of their annual income on their new car (DAT, 2018). On average half of the capital used to purchase new cars came from credit or loans and 19 percent of all purchases being without any form of financing. Moreover, 17 percent of all new cars were leased.

For the German new car customer, monthly costs are ranked as the seventh most important criteria for used car customers when purchasing their car (DAT, 2018). Ranked individually fuel consumption, tax and insurance costs, finance and resale value are considered important, in that particular order. However, when compared to all other criteria they are considered less important than most.

4.1.3 Test driving

According to the DAT-report (2018), 48 percent of new car buyers see test driving their car as a key offline source of information when buying a used car. Furthermore, the option to test drive the vehicle before purchase is considered as important by 90 % of new car buyers.

4.1.4 Sustainability

After several scandals involving manipulation of emissions from diesel engines, customers are moving away from diesel engines, both in fear of having a driving ban issued on their car and because of the general negativity surrounding diesel (DAT, 2018). As measured by the DAT-report (2018), from 2016 to 2017 scepticism for diesel engines increased by 10 percentage points to 38 percent amongst new car buyers. This increased scepticism is supported by a 13,2 percent drop in new cars sold with diesel engines between 2016 and 2017. Furthermore, a quarter of new car buyers considered buying a car with alternative drive systems, e.g. battery-powered, hybrid or natural gas. Around ten percent of new car buyers had looked into alternative drive systems in-depth. However, three percent of new car registrations were of an alternative type, with the remaining 97 percent being of petrol or diesel.

4.1.5 First ever car

According to the DAT-report (2018), 9 percent of new car buyers bought their car as their first ever. The first ever car buyers spend on average EUR 16,000 which is almost half as much as additional-car buyers and replacement buyers spend on their car.

4.2 Fleet user-chooser

In this section data from the fleet user-chooser survey and automotive reports is presented. A table summarizing the data collected will be presented at the end of the section.

4.2.1 Fleet Context

Fleet is the sale or lease of a car to a private company to be used by their employees, either as a tool in their work or as an employee benefit. (Volvo Car Group, 2017b) There are two kinds of choice policies for the employees, fixed choice or user choose. In the former one, fixed choice, the company decides what car the employee will drive, and this is most common when the car is used during work time as a work tool. In the latter one, user choose, the employee can choose a car of their liking, within certain boundaries. The company usually has a list with approved models and brands to choose from. The car is then used for both work and private life. This is considered both a benefit for the employee and a way for the employer to drive representable cars.

In Europe, it is common that companies offer fleet cars as a form of compensation to their employees. The main motives being favourable tax options and status thinking, i.e. getting a car in a higher price range than one could if buying privately. Because of the evolved user-chooser market in Europe, employees expect a multi-brand portfolio of cars to choose from. The portfolios range from functional vehicles to premium cars, seeking to satisfy the large variation of demand that employees have.

4.2.2 Car characteristics

As demonstrated in Table 1 below, the most dominant car characteristic customers look for is safety, chosen by 87 percent of fleet managers as one of the top five most important car characteristic. Technologically advanced and economical follows shortly after, being chosen by 80 percent. The fourth and fifth most important characteristics are reliable and elegant being chosen by 67 respectively 40 percent of the respondents.

If the question is filtered by the three markets, the result changes slightly. In EMEA, reliable now draws the fourth place with elegant, and the first place is now a tie between the top two from the total market. In the Americas both respondents chose safe, technologically advanced, economical and reliable. For APAC both markets chose safe, economical and reliable. Also, one European market added a comment mentioning hybrid or electric car availability.

	Total	EMEA	Americas	APAC
Safe	87%	82%	100%	100%
Technologically advanced	80%	82%	100%	50%
Economical	80%	73%	100%	100%
Reliable	67%	55%	100%	100%
Elegant	40%	55%	0%	0%
Distinctive	33%	45%	0%	0%
Functional	33%	27%	50%	50%
Prestigious	27%	27%	0%	50%
Family oriented	20%	9%	50%	50%
Robust	13%	18%	0%	0%
Fun to drive	7%	9%	0%	0%
Sporty	7%	9%	0%	0%
Powerful	7%	9%	0%	0%
Dynamic	0%	0%	0%	0%
Traditional	0%	0%	0%	0%

Table 1. The distribution of answers between regions as well as the total average for the fleet user-chooser when asked to choose the five most important car characteristics in their choice of car.

4.2.3 Personal reasons for buying a Volvo

When it comes to personal reasons for choosing a Volvo as a company car the top reason was Value for money, being chosen by 67 percent, as illustrated in Table 2 below. After that, the second place is tied by two different reasons both being chosen by 53 percent. Those were Equipment/ equipment level and General safety features. On fourth and fifth place exterior styling/ appearance and price were found at 47%.

If filtered on EMEA, the result changes once again. General safety features are replaced by prestige/class as the second-place tie. Price drops out of the top five factors in EMEA. Price and Value for money are chosen by both American markets and general safety features and price by both markets in the APAC region. Once again, a European market added another comment highlighting the importance of the availability of electrical solutions. This was the same market that commented about this issue on question 3.

	Total	EMEA	Americas	APAC
Value for money	67%	73%	100%	0%
Equipment/ equipment level	53%	55%	50%	50%
General safety features	53%	45%	50%	100%
Exterior styling/ appearance	47%	45%	50%	50%
Price	47%	27%	100%	100%
Prestige/ class	40%	55%	0%	0%
General durability	33%	27%	50%	50%
Reputation	33%	27%	50%	50%
Size	33%	27%	50%	50%
General comfort	27%	36%	0%	0%
Performance	20%	27%	0%	0%
Terms of payment	20%	27%	0%	0%
Seat comfort	13%	18%	0%	0%
Interior roominess	13%	9%	0%	50%
Always buy the same	0%	0%	0%	0%

Table 2. *The distribution of answers between regions as well as the total average for the fleet user-chooser when asked to choose the five most important personal reasons in their choice of car.*

4.2.4 Financing and costs

According to the respondents of the fleet driver survey 61 percent use contract hire/leasing, 27 percent outright purchase and the remaining 12 percent personal lease to finance their fleet car purchase. Both EMEA and APAC have regional results similar to the global average, but in the Americas, 0 percent uses personal lease to finance their purchase. Instead, contract hire/leasing is very dominant representing 79 percent of the funding in those markets. There are a couple of individual markets in EMEA and APAC where the personal lease is used for 0 percent of the financing. These markets are a mix of markets with different fleet sizes.

When asked about important car characteristics in the fleet user-chooser survey, economical is among the top five most important ones, indicating the perceived importance of the total cost of ownership. When it comes to the aspects of total costs that are important for the customers the weighted average shows that financing is the most important and taxation is the least important aspect. In between service & repairs, depreciation and fuel costs are ranked in the order presented. Apart from financing standing out as the most important one the other aspects are fairly evenly scored scoring within a span of less than 0,5 out of 5. Apart from APAC, these scores are fairly representative of all regions. In APAC, taxation is considered the least important by far being chosen as the least important by all markets.

4.2.5 Test driving

The responses to the fleet driver survey, suggest that on average 80 percent of user-choosers decide to take their Volvo on a test drive before choosing it as their company car. EMEA is the market with the highest average at 83 percent this number with Austria being an outlier as only 50 percent test drove before their purchase. In APAC and in the Americas the average was 70 for both regions. It is notable that the US and Australia both, similarly to Austria, have between 50-60 percent of fleet drivers that test drove.

4.2.6 Sustainability

According to the Corporate Vehicle Observatory's 2018 Fleet Barometer, that annually covers trends in the European fleet market, companies are becoming more and more aware of their impact on the environment. This increased sense of CSR impacts companies fleet strategies. Companies are moving away from heavy emission vehicles, e.g. diesel and opening their car policies to alternative energies such as fully electric vehicles and hybrids. This is partly due to recent scandals where diesel has been branded as harmful to the environment and that the TCO of alternative energies have come down to match the one of combustion engines. However, if this is driven by companies trying to greenwash themselves or if it is the user-chooser wishing for more environmentally friendly cars is not stated in the source. Nonetheless, 60 percent of all new fleet registrations in the 15 largest European fleet markets in 2017 was with a diesel engine (Dataforce GmbH, 2018). A reduction from the previous year by 5 percentage points and a reduction of 14 percentage points from 2011 when diesel had its largest share of new registrations since 2004. Furthermore, from 2008 to 2017 the share of SUVs as new fleet registrations has increased from high single digits up to low thirties.

The fleet driver survey suggests that on average 48 of fleet drivers ask about sustainability before deciding to choose Volvo as their company car. The answers range from 3 to 90 percent and vary a lot from market to market. In the Americas, no market indicated lower than 80 percent but in both the other regions the answers were evenly spread with EMEA having 6 markets below the total average and 5 above and APAC one over and one under.

4.2.7 Other comments

Comments were made for the specific markets regarding the development of their market. Many of the comments are not presented due to confidentiality but some of the comments hinted on that taxation is very important in some markets. Furthermore, in the comment section, the German market highlights the importance of electric vehicles for success in 2019.

	EMEA	APAC	Americas	Total average
Car characteristics	Safe Technologically advanced Economical Reliable Elegant	Safe Economical Reliable	Safe Technologically advanced Economical Reliable	Safe Economical Technologically advanced Reliable Elegant
Personal reasons	Value for money Exterior styling/ appearance Price Equipment/ equipment level General safety features	General safety features Price	Value for money General safety features	Value for money Exterior styling/ appearance Price Equipment/ equipment level General safety features
Most important TCO's	Financing Service and repairs	*None outstanding*	Service and repairs	Financing Service and repairs
Contract hire/ leasing	58%	58%	79%	61%
Outright purchase	28%	28%	21%	27%
Personal lease	13%	15%	0%	12%
Test drive	83%	71%	70%	80%
Inquired about sustainability	39%	58%	90%	48%
First-time buyers	-	-	-	-

Table 3. The empirical findings for the fleet user-chooser summarized for the three different regions as well as the total average for all markets explored.

4.3 Used car buyer

In this section data from the used car buyer survey and automotive reports is presented. A table summarizing the data collected will be presented at the end of the section.

4.3.1 Criteria for purchase

According to the DAT-report (2018) when presented with 19 different criteria for the reasoning behind their car purchase, used car buyers ranked reliability, purchase price, appearance/design, monthly costs and fuel consumption as the five most dominant ones, with reliability as the most important one. Amongst the least important criteria eco-friendliness, finance/leasing deal, packages (e.g. service plan included), trade-in of previous car and connectivity were found.

4.3.2 Car characteristics

As shown in Table 4, for used Volvo car buyers, the most important characteristic is safe, chosen by 94 percent of the respondents. Followed by reliable and family oriented chosen as an important factor by 75 respectively 56 percent. In fourth place with 44 percent, economical and functional are tied.

If filtering by EMEA, the top three remains the same, but functional loses importance and is instead replaced technologically advanced. Safe and reliable were chosen as important by both American markets. In the APAC region, all three markets chose safe and functional as important. No market chose that fun to drive was an important car characteristic for their used Volvo car.

	Total	EMEA	Americas	APAC
Safe	94%	91%	100%	100%
Reliable	75%	73%	100%	67%
Family oriented	56%	64%	50%	33%
Economical	44%	27%	50%	100%
Functional	44%	45%	0%	67%
Robust	38%	36%	0%	67%
Distinctive	38%	36%	50%	33%
Technologically advanced	38%	45%	50%	0%
Prestigious	25%	36%	0%	0%
Elegant	19%	18%	50%	0%
Dynamic	13%	9%	50%	0%
Powerful	6%	0%	0%	33%
Sporty	6%	9%	0%	0%
Traditional	6%	9%	0%	0%
Fun to drive	0%	0%	0%	0%

Table 4. The distribution of answers between regions as well as the total average for the used car buyer when asked to choose the five most important car characteristics in their choice of car.

4.3.3 Personal reason

The two top personal reasons for choosing a used Volvo are general safety features and value for money, indicated as important characteristics by 81 percent of the markets, this can be seen in Table 5. The third place is tied between general durability and general comfort both being chosen by 56 percent of the respondents. There is another tie at 44 percent for the fifth place between equipment/ equipment level and reputation.

When only EMEA answers are viewed, the internal ranking of the top five stays the same with the exception that the first place is no longer tied as value for money takes the first place, and general durability ranks before general comfort. Both American markets chose general safety features, general durability, general comfort. Finally, general safety features and value for money were chosen by all three APAC markets.

None of the markets chose always buying the same brand or performance as important personal reasons when buying a used Volvo.

	Total	EMEA	Americas	APAC
General safety features	81%	73%	100%	100%
Value for money	81%	82%	50%	100%
General durability	56%	55%	100%	33%
General comfort	56%	45%	100%	67%
Equipment/ equipment level	44%	45%	50%	33%
Reputation	44%	45%	50%	33%
Exterior styling/ appearance	31%	36%	0%	33%
Price	31%	27%	0%	67%
Prestige/ class	25%	27%	0%	33%
Seat comfort	19%	18%	50%	0%
Size	13%	18%	0%	0%
Terms of payment	13%	18%	0%	0%
Interior roominess	6%	9%	0%	0%
Always buy the same	0%	0%	0%	0%
Performance	0%	0%	0%	0%

Table 5. The distribution of answers between regions as well as the total average for the used car buyer when asked to choose the five most important personal reasons in their choice of car.

4.3.4 Financing and total cost of ownership

According to the DAT-report (2018), the average price of a used car in Germany is EUR 11,250 and the average income of a used car buyer is EUR 37,700. This shows that the used car buyer spends on average around 30 percent of their annual income on their used car. Around 40 percent of the capital used to purchase used cars came from loans or credit. However, 55 percent of all used car purchases were without any type of financing.

According to the used car buyer survey, buyers finance their purchases as an outright purchase in 39 percent of cases whereas the remaining buyers use some kind of financing. This result is representative as an average across all regions; EMEA, APAC and Americas. However, when

looking into individual markets, the answers range from up to 90 percent outright purchases all the way down to 15 percent.

For the German used car customer, monthly costs are ranked as the fourth most important criteria for used car customers when purchasing their car, with only reliability, purchase price and appearance/design ranked higher (DAT, 2018). Ranked individually the most important TCO-categories are fuel consumption, insurance costs and vehicle tax.

When asked about total cost of ownership in the used car buyer survey, cost of service and repairs was ranked the most important one followed by depreciation. Taxation was deemed the least important one by marginal. Fuel and financing are important on some markets and unimportant on some, making them, on average, neither important nor unimportant. Across the three regions, the responses have in common that service and repairs are important and that taxation is not. When looking into individual markets rankings are very diverse, and all five categories have been selected as both the most important and least important by different markets, except service and repairs which no market thought to be the least important.

4.3.5 Test driving

According to the DAT-report (2018), 41 percent of used car buyers see test driving their car as a key offline source of information when buying a used car. Furthermore, the option to test drive the vehicle before purchase is not considered the most important by used car buyers; however, it is still considered important.

Answers from the used car buyer survey reveal that on average 69 percent of used car buyers test drive their vehicle before purchasing it. APAC is the region where customers are most prone to test drive, with an estimated average of 96 percent of customers who test drive before purchasing their car and no market showing number below 90 percent. Americas also indicate a high average of 86 percent of test drives. However, EMEA has an average of 58 percent, with numbers ranging from 10 to 90 percent.

4.3.6 Sustainability

Environmental trends and diesel scandals affect not only the new car buyers but also the used car buyers. The DAT-report (2018) shows that from 2016 to 2017 scepticism against diesel engines increased by 14 percentage points to 38 percent amongst used car buyers. However, used diesel cars sold declined a mere 2.7 percent between the same years. Eco-friendliness is not ranked as of much importance when buying a used car. 16 percent of used car buyers had considered buying a car with alternative drive systems. Less than five percent of used car buyers had looked into and gathered knowledge about alternative drive systems in-depth. However, only two percent of all ownership transfers, i.e. used car sales, in 2017 were with alternative drive systems. When asked about 19 different criteria for their used car purchase eco-friendliness showed up down at rank 15.

According to the used car buyer survey, on average one quarter of all buyers made inquiries about sustainability as a broad topic before buying a used Volvo. However, the median is 10 percent across all markets, revealing that there are a few markets with a much higher average and many with 10 or lower as an answer. One of these markets is Brazil that has one of the highest estimates with 60 percent of used car customers that made inquiries about sustainability as a broad topic. Contributing to a high number for the Americas region with 35 percent in

total. In APAC and EMEA the average percentage of inquiries about sustainability are 22 and 24 percent respectively.

4.3.7 First-time buyers

According to the DAT-report (2018), 20 percent of used car buyers bought their car as their first ever car. The same group paid on average half as much for their car as additional and replacements buyers did.

The used car survey estimates that 20 percent bought their used Volvo as their first ever car. With answers ranging from 1 percent up to 55 when looking at individual markets. Looking at the three regions EMEA and Americas have varied answers, but an average close to 20 percent, APAC, on the other hand, comes in unified slightly lower at around 8 percent.

4.3.8 Other comments

Other comments that were made regarding the uniqueness of the respondents' markets revealed that warranty and having OEM or third-party audit-certification were also important issues in some of the markets. When allowed to comment on the used car market, in general, some respondents pressed on the growing importance for the used car market.

	EMEA	APAC	Americas	Total average
Car characteristics	Safe Reliable Family oriented Economical Technologically advanced	Safe Functional Reliable Economical Distinctive	Safe Reliable	Safe Reliable Family oriented Functional Economical
Personal reasons	Value for money General safety features General durability	Value for money General safety features General comfort Price	General safety features General comfort General durability	General safety features Value for money General comfort General durability
Most important TCO's	Financing Service and repair Depreciation	Service and repair Depreciation	Service and repair Depriciation Fuel	Service and repair Depreciation
Financing	59%	67%	65%	61%
Outright purchase	41%	33%	35%	39%
Test drive	58%	96%	88%	69%
Inquired about sustainability	24%	22%	35%	25%
First-time buyers	23%	8%	21%	20%

Table 6. The empirical findings for the used car buyer summarized for the three different regions as well as the total average for all markets explored.

5. Analysis

In order to find out what is different for the two user types compared to the general new car buyer in each of the three regions, this chapter includes several comparisons. First, the Volvo fleet user-chooser is compared to the general new car buyer. Secondly, the used car buyer is compared to the general new car buyer. After that, the regional difference between the fleet user-chooser is compared followed by the same regional comparison for the used car buyer. All comparisons will be followed by a table presenting the profiles that have emerged in each section. Lastly, the profiles are evaluated on the six criteria for successful market segmentation as presented by Wedel and Kamakura (2000).

5.1 Volvo fleet user-chooser compared to general new car buyer

This section contains a comparison between the general new car buyer and the results from the fleet user-chooser survey.

5.1.1 Car characteristics and personal reasons

Comparing the results from the fleet survey to the data found regarding the priorities of the general new car buyer some interesting remarks can be found. Safety is found in the top of surveys where it is included as an option. It is interesting to notice that technologically advanced was a very important characteristic for Volvo user-chooser but a topic such as connectivity is considered one of the least important characteristics for new car buyers according to the DAT-report.

5.1.2 Financing

The financing of Volvo fleet cars does not lend itself to a comparison with the general new car buyers financing habits since companies and private consumers do not have the same options for financing, and a company's choice of financing often depends on their desired capital structure.

5.1.3 Total cost of ownership

According to the fleet user-chooser survey total cost of ownership is deemed important. This is similar to the general new car buyer who ranks monthly costs as important but not the most important criteria. Looking at the individual categories of TCO, what categories are important differ between the general car buyer and the fleet user-chooser. Financing is viewed as the most important cost for the fleet user-chooser, however, for the general new car buyer fuel consumption is considered the most important. This discrepancy continues when looking at the least important TCO category, here taxation is found for the fleet use chooser and depreciation for the new car buyer. Otherwise, the remaining categories for both cases are neither important nor unimportant.

5.1.4 Test driving

Test driving is important for both the Volvo fleet user-chooser and the general car buyer. Yet, according to the fleet user-chooser survey, 80 percent of fleet user-chooser test drive their car

before choosing it, indicating that it might be even more important for fleet user-choosers than for general new car buyers.

5.1.5 Sustainability

Both the new car buyer and the fleet user-chooser have been affected by recent diesel scandals. Becoming more concerned with environmental issues and not using a fuel type that is considered more harmful than others. Both markets show similar interest in moving towards cleaner driving systems for their vehicles, mainly hybrids and electric vehicles. The numbers show a significant drop in diesel cars sold in both markets. According to the fleet user-chooser survey, 48 percent made inquiries about sustainability as a broad topic, indicating that the Volvo user-chooser also is affected by and concerned with sustainability. For example, the German fleet market is experiencing a boost from the fact that their diesel cars are up to date regarding recent European emission standards.

5.2 Volvo used car buyer compared to general car buyer

Compared to the previous comparison between the Volvo fleet user-chooser and general new car buyer, a lot more information could be found about the general used car customer, why this section includes both a comparison to the general new car buyer and the general used car buyer.

5.2.1 Car characteristics and personal reasons

In a comparison between the results of the used car survey to the general used car market when it came to the criteria for purchasing the car, many similarities were found. Reliability is in the top for both studies along with price/value for money. On the other hand, appearance and design ranked high in the DAT-report but ranked lower in the used car survey. When comparing the used car buyer to the new car buyer safety is considered very important for both. Furthermore, durability is a personal reason that appears more important for the used car buyer than for the new car buyer. Reliability and quality seem to be factors that score high in surveys where they are presented as alternatives to the respondents.

5.2.2 Financing and Total cost of ownership

According to the DAT-report, 55 percent of used car purchases are carried through exclusively with cash. Meanwhile, the used car buyer survey estimates that, in total, 39 percent out of all used car purchases are carried out with only cash. The numbers are similar but indicate that slightly more financing is used for customers buying used Volvo's around the world than the typical German used car buyers do. One explanation for this is that Volvo, operating in the premium segment, is more expensive than a general car and thus requires more financing. Compared to new cars which are typically even more expensive, this explanation holds true. 19 percent of all new car purchases are without any type of financing. However, Volvo used car buyers are still estimated to use twice as much financing as the typical new car buyer.

When asked about important car characteristics in the used car buyer survey, economical is among the top five most important ones. This is in line with the DAT-report numbers for used car customers, which puts monthly costs in the top four. Compared to the new car customers who rank monthly costs as the seventh most important one, Volvo used car customers are more concerned with monthly costs. However, when looking into specific categories, there is a lot of difference between Volvo's used car buyers and the general car buyer case (both used and

new, which are similar). Cost of service and repairs followed by depreciation are the most important for Volvo used car buyers and fuel consumption for the general case. Taxation is unimportant for Volvo used car buyers but deemed as important for the general car buyer case. Taxation is considered as unimportant for Volvo consumers, whereas it is the most important category for the general case.

5.2.3 Test driving

For the general used car buyer test driving is of importance, however not crucial. This attitude is reflected amongst the Volvo used car buyers where it is estimated that 69 percent test drive their vehicle before purchasing it, making these two groups on par. The same similarity can be observed when comparing the Volvo used car buyer to the general new car buyer.

5.2.4 Sustainability

The DAT-report reveals that environmental issues are increasing in importance for used car buyers in their choice of car. For example, increased scepticism of fuels like diesel that are portrayed as dirty by the media. However, less than five percent of used car buyers actually looked in-depth into buying an alternative drive system. Furthermore, the impact of eco-friendliness as a decision-making criterion remains low compared to others. It both ranks low in comparison to other criteria and for example diesel purchases did not decline as much as could have been anticipated by the increased scepticism. The used car survey estimates that a quarter of used car buyers asked about sustainability as a broad topic, with some individual markets as high as 60 percent and some markets as low as 5 percent. The low median of 10 percent compared to the average indicates that in a few markets the interest is much higher than the average. The interest in sustainability amongst Volvo used car buyers are not significantly higher than for used car buyers in general. Compared to new car buyers the Volvo used car buyers are less interested in the sustainability topic. As can be expected when comparing used car buyers with new car buyers, who naturally are seen to be more progressive.

5.2.5 First-ever car

According to the DAT-report, 20 percent of used car buyers bought their car as their first ever car. This is in line with the survey estimate that 20 percent did buy their used Volvo as their first ever car. This can be considered somewhat surprising when first time buyers of used cars usually spend half as much money on their car purchase compared to replacement and additional-car buyers. Volvo as a premium car is more expensive than the average car, and this should imply a lower share of first-time buyers than for the average car. Compared to new car buyers, that has a 9 percent share of first-time buyers, Volvo used car buyers are twice as likely to buy their car for their first time. Which with the previous argument of the more expensive the vehicle, the lower share of first-time buyers is on point.

	General new car buyers	Volvo fleet user chooser	Volvo Used car buyer
Car characteristics	Safe Reliable Appearance/ design Economical	Safe Economical **Technologically advanced** Reliable Elegant	Safe Reliable Family oriented Functional Economical ***Appearance/ design considered less important***
Personal reasons	General safety features Value for money Equipment level	Value for money Exterior styling/ appearance Price Equipment/ equipment level General safety features	General safety features Value for money General comfort **General durability**
Most important TCO's	Fuel consumption Tax and insurance costs	**Financing** ***Taxation considered least important***	**Service and repairs** **Depreciation** Financing
Outright purchase	19%	27%	**61%**
Financing	81%	73%	39%
Test drive	~50%	**80%**	69%
Inquired about sustainability	~40%	48%	**25%**
First-time buyers	9%	-	20%

Table 7. The main differences between the Volvo fleet user-chooser and used car buyer compared to the general new car buyer as discussed in this section highlighted in bold.¨

5.3 Regional comparison

In this section the regional data for the fleet user-chooser and used car buyer profiles are compared.

5.3.1 Volvo fleet user-chooser regional comparison

This section contains a comparison between the fleet user-chooser profiles from the three regions.

Car characteristics and personal reasons

Compared across the three regions safety is the most important factor for all of them. Reliable and economical were also both chosen by all the markets surveyed in the Americas and APAC. Both were among the top five for EMEA. In conclusion, the markets have answered similarly regarding the most important car characteristics and personal reasons.

Financing and costs

Comparing the funding methods across the three regions the average for EMEA and APAC are very similar with both having; 58 percent contract hire/ leasing, 28 percent outright purchase and about 15 percent for personal lease. However, there are great variances within these regions, but overall contract hire/ leasing is usually the most commonly used funding method.

This also holds true for Americas were 61 percent use contract hire/ leasing, 27 percent use outright purchase, and the personal lease comes in on noteworthy zero percent.

Test driving

When it comes to test driving all three markets estimate that 70 percent or more of fleet user-choosers test drove their car before choosing it. With the average across all markets being 80 percent, all three markets show coinciding numbers. EMEA is the market with the highest estimate of fleet user-choosers that test drive their car before choosing it; however, it is not significantly higher.

Sustainability

The average estimate of fleet user-chooser that made inquiries about sustainability before choosing their car is 48 percent according to the fleet user-chooser survey. The highest estimate comes from APAC where 90 percent of fleet user-choosers are estimated to have made inquiries about sustainability. Americas follows with 58 percent and finally EMEA had 39 percent that made similar inquiries. This implies that sustainability is regarded differently in different regions.

	EMEA	APAC	Americas	Total average
Car characteristics	Safe Technologically advanced Economical Reliable Elegant	Safe Economical Reliable	Safe Technologically advanced Economical Reliable	Safe Economical Technologically advanced Reliable Elegant
Personal reasons	Value for money Exterior styling/ appearance Price Equipment/ equipment level General safety features	General safety features Price	Value for money General safety features	Value for money Exterior styling/ appearance Price Equipment/ equipment level General safety features
Most important TCO's	Financing Service and repairs	*None outstanding*	Service and repairs	Financing Service and repairs
Contract hire/ leasing	58%	58%	79%	61%
Outright purchase	28%	28%	21%	27%
Personal lease	13%	15%	**0%**	12%
Test drive	83%	71%	70%	80%
Inquired about sustainability	39%	58%	**90%**	48%
First-time buyers	-	-	-	-

Table 8. The main differences between the three regions for the Volvo fleet user chooser as discussed in this section highlighted in bold.

5.3.2 Volvo used car buyers regional comparison

This section contains a comparison between the used car buyer profiles from the three regions.

Car characteristics

Again, safety is a top concern for all three regions being the top characteristic for EMEA and chosen by all respondents in both APAC and Americas. Neither Brazil nor USA chose economical as an important characteristic, but it was chosen by about half of the markets in the other two regions.

Personal reason

General safety features is chosen by all respondents in the Americas and APAC and is highly ranked in EMEA as well. The trend when it comes to personal reasons is that the markets are ranking many of the same reasons highly. An exception might be price were none of the American markets chose it as an important reason.

Financing and costs

When it comes to financing methods used by used car buyers around the world, great market variances are revealed in the survey, especially inside EMEA. For example, the Russian market shows most purchases are made in cash (90 percent) and for the UK market financing methods are dominant (80 percent). In APAC and Americas, financing is the dominant financing method with some differences into what extent. Furthermore, all three regions explored has a mix, meaning that all markets use both outright purchase or financing methods to some extent. The great variance in financing methods used in the different markets makes it hard to generalize a norm for the regions.

Test driving

Answers from the used car buyer survey reveal that on average 69 percent of used car buyers test drive their vehicle before purchasing it. APAC is the region where customers are most prone to test drive, with an estimated average of 96 percent of customers who test drive before purchasing their car and no market showing number below 90 percent. Americas also indicate a high average of 86 percent of test drives. However, EMEA has an average of 58 percent, with numbers ranging from 10 to 90 percent.

Sustainability

According to the used car buyer survey, an average of 25 percent of used car buyers made inquiries about sustainability before buying their car. EMEA and APAC both show slightly above 20 percent of used car buyers that made similar inquiries. Americas had a higher percentage of inquiries, at 35 percent, than the other two regions.

First-ever car

On average the used car survey indicates that 20 percent of used car buyers are first time buyers. This matches the average for both EMEA and Americas, however, both regions show great internal variance with number from 1 percent up to around 50 percent. The APAC stands out a bit with the region showing consistently low numbers, at or below 10 percent, with a final average of 8 percent.

	EMEA	APAC	Americas	Total average
Car characteristics	Safe Reliable Family oriented Economical Technologically advanced	Safe Functional Reliable Economical Distinctive	Safe Reliable	Safe Reliable Family oriented Functional Economical
Personal reasons	Value for money General safety features General durability	Value for money General safety features General comfort Price	General safety features General comfort General durability ***Price not choosen by any market***	General safety features Value for money General comfort General durability
Most important TCO's	Financing Service and repair Depreciation	Service and repair Depreciation	Service and repair Depriciation Fuel	Service and repair Depreciation
Outright purchase	41%	33%	35%	39%
Financing	59%	67%	65%	61%
Test drive	58%	**96%**	**88%**	69%
Inquired about sustainability	24%	22%	**35%**	25%
First-time buyers	23%	**8%**	21%	20%

Table 9. The main differences between the three regions for the Volvo used car buyer as discussed in this section highlighted in bold.

5.4 Evaluation on six criteria for success

Looking at the variables the survey explores as a base for the segmentation, the survey's effectiveness and potential profitability can be evaluated on six criteria, as identified by Wedel and Kamakura (2000). The variables used can be placed in the observable and unobservable product-specific categories as well as the unobservable general category. The six criteria are identifiability, substantiality, accessibility, stability, responsiveness and actionability.

Looking at the type of variables that have been collected in the survey, all six criteria for successful market segmentation as described by Wedel and Kamakura (2000), should presumably be covered. However, when evaluating the profiles, the six criteria are not covered fully. The lack of demographic characteristics lessens the profiles identifiability, i.e. the profiles are without an easily recognizable face. The proximity of the profiles and the general new car buyer suggests that the segments are substantial. Since all the customers researched are owners of a Volvo car, the accessibility could be considered good.

Nonetheless, depending on the marketing effort used this could vary between profiles, as this was not covered in the surveys. The stability is hard to know from a one-time analysis but differ between variables in this case. Some variables seem to be stable over time, e.g. safety and reliability have been important factors for car owners for an overseeable past. However, variables like sustainability have seen a great change in the last years. Evidence suggests that there is some variance in the benefits sought between profiles, this should also imply that different marketing efforts should yield different results between profiles. This would mean that the profiles are responsive. The actionability of the segments needs to be evaluated in relation to the business model of Volvo, which is something that is not fully explored in this paper. However, increased interest in sustainability among the profiles and characteristics sought such as elegant and safety match with Volvo's aim to be more environmentally friendly and to sell premium cars.

6. Discussion

When evaluated on the six criteria as presented by Wedel and Kamakura (2000), the profiles fell short on identifiability and stability. The identifiability could be increased by adding further types of data to the profiles, like demographic and socioeconomic data. However, this would better be done by surveying the customers directly, instead of going through the fleet managers. As the fleet managers do not have all information about their customers accurately at hand. Furthermore, as stated by Yankelovich and Meer (2006), demographic and socioeconomic variables are not the best at determining customers purchase patterns. Why they would have served a limited purpose for this study, as the purpose of the study was to examine the markets in general and not as a base for a marketing effort. In conclusion, the lack of identifiability was hard to avoid and having it would have not served any greater function. When it comes to the stability some variables were deemed more stable than others. With a onetime snapshot, like this survey, it is hard to recognize stability. Why doing a similar investigation in the future would be of great interest when it comes to the stability of the profiles.

The purpose of the study was to see if there were differences between the new car buyer and the used car buyer and fleet user-chooser. The results of the surveys suggest that these differences do indeed exist. Not only do differences seem to exist when it comes to new car buyers versus used car buyers or fleet user-chooser but also between different regions and markets. The details of these differences need to be further examined. In order to pinpoint what these differences are further study is recommended. Such a study could single out interesting aspects from this report and make an in-depth analysis of how those aspects differ in, for example, two different markets or regions. In that way, the study might be able to identify not only what differs but why certain aspects differ between different markets. If Volvo is to use that data, it will be important for them to understand if it is the brand that is perceived differently or if the certain regions have different interpretations of the different aspects.

One of the apparent trends that can be found across all regions and surveys is that safety is considered important both in the general market and when it comes to customers that decide to buy a Volvo, used or as a company car. Volvo has a tradition of being viewed as a safe car, and it seems that is an image that they still have even as they are in a move to position themselves as a premium car brand.

It is important to note that the APAC-profiles do not include any data from the Chinese market as no answers were received from that market. Being the largest Asian market, it might deserve a profile of its own. Another aspect to keep in mind is that the different profiles are not based of the same amount of responses nor the same markets, for example the APAC profile for used car buyers does not have responses from the same set of markets that the APAC profile for fleet user-choosers. This means that comparisons between those profiles would need to take this into account or request further data.

The significance of cultural and personal differences could also have an impact on the diverse results noted between markets. The fleet managers that responded on the survey are all employees at Volvo and should therefore have a shared perspective on knowledge about the car market. However, cultural differences are harder to predict and so are the impact of these differences, both from a customer perspective as well as from a survey respondent perspective. To clarify, safety is a dominant car characteristic in most markets, however, what is meant by safety in these regions is not controlled for. As noted by Aaker (1997), brands are constructed and perceived with abstract concepts. Concepts that Keller and Lehmann (2006) show are not always the same between different cultures.

7. Conclusion

The study shows that with the help of academia, variables suitable to create the desired profiles were identified. Furthermore, with the variables the profiles could be created for the used car buyer and fleet user-chooser across three regions, EMEA, APAC and Americas. Furthermore, differences between these profiles and the general new car buyer were discovered. These differences vary between the different profiles as well as within the profiles when looking at different regions. This study serves mainly as an overview to identify potential differences. Thus, the results are not accurate enough to pinpoint these differences on a detailed level.

In order to take this research further three paths are suggested: either focus on specific aspects of these profiles and compare them in-depth by, for example, surveying the buyers of two markets on one specific topic, expand the research onto more markets in order to widen the sample space or re-do the study at a later point in time to assess the stability of the profiles.

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Appendix A – Fleet user-chooser survey

Fleet driver survey

This survey is carried out to investigate the decision-making process for the fleet driver that chose Volvo as their car. Please keep in mind that the questions concerns the Volvo customer and the specific market you work in. Some answers will be based on "gutfeeling" rather than hard facts.

* 1. In which market do you work?

* 2. Please indicate in percent for each fleet size, where the Volvo fleet drivers in your market are currently coming from in terms of fleet size. The total needs to add up to 100, so please split accordingly.

Large fleet

Small to medium enterprises

Single driver/business owner/entrepreneur

* 3. What are the five most important characteristics of the car for the fleet drivers who choose a Volvo in your market?

- ☐ Safe
- ☐ Functional
- ☐ Reliable
- ☐ Family oriented
- ☐ Fun to drive
- ☐ Technologically advanced
- ☐ Elegant
- ☐ Robust
- ☐ Economical
- ☐ Sporty
- ☐ Powerful
- ☐ Prestigious
- ☐ Distinctive
- ☐ Traditional
- ☐ Dynamic

Please comment if answer not available:

* 4. What are the five most important personal reasons for the fleet drivers who choose a Volvo in your market?

- [ ] Exterior styling/ appearance
- [ ] Always buy the same
- [ ] Price
- [ ] Equipment/ equipment level
- [ ] Reputation
- [ ] Value for money
- [ ] General durability
- [ ] Interior roominess
- [ ] Size
- [ ] Performance
- [ ] General safety features
- [ ] General comfort
- [ ] Prestige/ class
- [ ] Seat comfort
- [ ] Terms of payment

Please comment if answer is not available:

5. Please indicate for each of these financing methods, what the fleet drivers in your market are currently choosing for the funding method for their Volvo company car. The total needs to add up to 100, so please split accordingly.

Contract hire/leasing	
Outright purchase	
Personal lease	

* 6. Please estimate the percentage of fleet drivers in your market who test drove the Volvo before choosing it.

0% 100%

* 7. Please estimate how many of the fleet drivers who chose Volvo in your market made inquiries about sustainability as broad topic?

0% 100%

* 8. Rank the following costs on importance relating to total cost of ownership for fleet drivers choice of a Volvo in your market?

	1. Most important	2	3	4	5. Least important
Depreciation	○	○	○	○	○
Fuel costs	○	○	○	○	○
Service & repairs	○	○	○	○	○
Financing	○	○	○	○	○
Taxation	○	○	○	○	○

Please comment on any options not available:

9. Do you think there is anything unique about your market with regards to the decision making process for the fleet drivers?

10. Do you have any other comments, questions, or concerns?

Appendix B – Used car buyer survey

Used car buyer survey

This survey is carried out to investigate the decision-making process for the used car buyer that chose Volvo as their car. Please keep in mind that the questions concerns the Volvo customer and the specific market you work in. Some answers will be based on "gutfeeling" rather than hard facts.

* 1. In which market do you work?

* 2. What are the five most important characteristics of the car for the used car buyers who choose a Volvo in your market?

- [ ] Safe
- [ ] Functional
- [ ] Reliable
- [ ] Family oriented
- [ ] Fun to drive
- [ ] Technologically advanced
- [ ] Elegant
- [ ] Robust
- [ ] Economical
- [ ] Sporty
- [ ] Powerful
- [ ] Prestigious
- [ ] Distinctive
- [ ] Traditional
- [ ] Dynamic

Please comment if answer not available:

* 3. What are the five most important personal reasons for the used car buyers who choose a Volvo in your market?

- [ ] Exterior styling/ appearance
- [ ] Always buy the same
- [ ] Price
- [ ] Equipment/ equipment level
- [ ] Reputation
- [ ] Value for money
- [ ] General durability
- [ ] Interior roominess
- [ ] Size
- [ ] Performance
- [ ] General safety features
- [ ] General comfort
- [ ] Prestige/ class
- [ ] Seat comfort
- [ ] Terms of payment

Please comment if answer not available:

* 4. Please indicate for each of these financing methods, what the used car buyer in your market are currently choosing for the funding method for their Volvo. The total needs to add up to 100%, so please split accordingly.

Financing

Outright purchase

* 5. Please estimate the percentage of used car buyers who choose Volvo as their first ever car purchase?

0% 100%

* 6. Please estimate the percentage of used car buyers in your market who test drove the Volvo before choosing it.

0 % 100 %

* 8. Rank the following costs on importance relating to total cost of ownership for fleet drivers choice of a Volvo in your market?

	1. Most important	2	3	4	5. Least important
Depreciation	○	○	○	○	○
Fuel costs	○	○	○	○	○
Service & repairs	○	○	○	○	○
Financing	○	○	○	○	○
Taxation	○	○	○	○	○

Please comment on any options not available:

9. Do you think there is anything unique about your market with regards to the decision making process for the fleet drivers?

10. Do you have any other comments, questions, or concerns?