



Business Environment Article

The nature of changing influences on consumer spending and factors that influence the demand and Supply of products or services within the general motors.

Introduction

The general motors or GM as it is popularly known has been in the providing vehicles for its consumers since 1908 when the company was founded in Michigan. It started as a holding company for Buick and started merging with other companies to emerge as the second largest vehicle company in the world today in terms of sales. In its formative years the general motor corporation was a global phenomenon. Dominating the sales in the motor vehicle sector from

the early 1930 up to the year 2007 when it was relegated to the second place in terms of sales after seventy seven years of domination and with one hundred and fifty assembly plants .However in the year 2009 the company faced bankruptcy and only emerged from its predicament after the federal government stepped in to rescue the second largest corporation in the vehicle industry.

Throughout the corporations history the company has been reorganized many times to meet the demands of its consumers. Some of its acquisitions have been discontinued to meet with the modern consumer trends. In its formative years the company traded throughout the world with brand portfolios structured to meet the various demand required in some of the regions that the corporation was doing business in. In the southern Asia region mainly in Korea and Vietnam the general motor corporation traded through the Daewoo brand. While its Holden brand traded in mainly in New Zealand and Australia. Its Opel brand did well mainly in the Middle East, Africa, Europe, Asia and the Pacific regions. While in the United Kingdom the Vauxhall brand reigned supreme. However some of its brands such as Chevrolet did well globally except in such regions as South Korea, Australia, Vietnam and New Zealand. The corporation also had to discontinue some of the brands. These brands were discontinued after they lost their consumers. Such brand as Bedford, Beaymont, envoy, ranger, yellow coach carter car, Elmore to mention a few were taken out of production for lack of consumer demand and changing consumer and business trends. This article mainly aims to address some of these

changing influences on consumer spending and factors that influence the demand and Supply of products or services within the general motors.

Consumer behavior can be described as the attempt to understand the process of individuals or groups' decision making when buying products. Through this we understand their individual or group wants and the factors that influence their decisions. By studying consumer behavior we also attempt to understand the various influences their choices. Such as trying to understand how the consumers are influenced by individuals or groups in their decision making process. Its is influenced by a number of factors such as the income, choices, substitute goods, consumer decisions, information available and the additional satisfaction that is derived from consumption of additional units of the product. Consumers are also influenced by environmental factors such as cultural factors, technology, political factors, natural factors demographic and economic factors. They behaviors can also be greatly influenced by psychological factors such as lifestyle personality, knowledge, perceptions personality, and motivation as well as their attitudes. When making decisions to buy vehicles these are some the factors that derive the consumers when they are making their preferred choices. These behavioral characteristics exhibited by the consumers dictate to a larger extent the kind of brands that the general motors corporation produces.

When making a decision on the kind of the model of vehicle to buy the

first consideration consumer has the amount they intend to spend. The general motors has various brand with differential price levels so one has to chose the brand that fits their price range. The issue of the amount to be spent also may depends on the economical conditions when the consumer behavior of a society is being considered. When majority of the members of the society have extra amount to spend their choices may lean toward the luxury side. In the 1990s when the economy was doing well such luxurious models as the hummer were doing well. But after the global credit crunch the general motors had to sell this brand as part of their restructuring since it was not as profitable. Environmental factors have also influenced consumption behaviors in the vehicle industry. Eco-friendly vehicles and hybrids that emit lower levels of carbon have had higher demand from most of the environmental conscious consumers. A number of the G.Ms brands have also been accused of un-environmentally friendly. Other consumers are largely influenced by their personality when making vehicle choices. In other words they use they make vehicle choices based on the image that they intend to cultivate models. This factor that has greatly influenced the sports cars models production and it higher price range.

The other factor that influences consumer choices is the alternatives vehicles available. The general motors corporation main competition the Toyota Corporation has largely benefited by mass producing cheaper less fuel consuming models. These cheaper models have taken a larger group of motor vehicle consumer mainly because their

prices are pocket friendly and they consume lower fuel and their spare parts are cheaper. This makes them cheaper to maintain. Therefore the cost of complimentary goods such fuel and spare parts can also influence consumer behavior. There also GM brand that only do well in certain markets such models as the Vauxhall brand have only been successful in United Kingdom and the Opel in the Middle East. Their consumers largely feel that their society owns these model and they are seen to define their society and their culture. Political reasons are also known to influence consumption behavior. Depending on a regions political ideology certain models that seem to reflect their enemies' ideology may be banned from being used in such regions.

The Vehicle consumer are also influenced by their after sale services the GM provides up to a year of free vehicle services to their high cost models to their consumers. Such incentives can influence consumption of their products. The availability of spare parts and trained personnel to handle arising problems can also be of influence. There also models that are produced to fit the glamorous life styles of the rich and famous the Cadillac limousine is one of such models. In conclusion these are some of the Factors that the general motor and its product consumers face when making choices on which products to buy or manufacture. They influences on consumer spending and also influence the demand and Supply of products or services within the vehicle industry.