



# LAMBORGHINI VS FERRARI

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# INTRODUCTION

Lamborghini	Ferrari
Italian Brand	Italian Brand
Founded in 1963	Founded in 1939
Deals in automobiles, marine engines, Lamborghini motorcycle and branded merchandise	Deals in motor sport and road cars



# Strategic Analysis through SWOT

Lamborghini	Ferrari
<b>Strengths</b>	<b>Strengths</b>
Superior Quality and High Performance	Use of advanced technology and innovation
Share of technology with sister and parent company	Strong brand image
Skilled and capable employees	Integration of design and performance
Known as established brand	Providing high value to its employees
<b>Weaknesses</b>	<b>Weaknesses</b>
Negative Perception of customers about higher fuel consumption	Production with low volume
Impact of macroeconomic events	Dependence of specialised employees (high cost and critical resource)

Source: (Castriotta and Di Guardo, 2016; Groh, 2014)

## Cont..

Opportunities	Opportunities
Increase of ownership experience	Developing economies
Global expansion	Diversification of market
Increase in demand for luxury cars	Increase in income of people
Threats	Threats
Increase in intense competition	Increase in substitutes
Change in government policies	Uncertainty in economy
	Threat of new entrant

Source: (Castriotta and Di Guardo, 2016; Groh, 2014)

# Strategic Responses to Issues & Challenges

## Use of Innovation for coping up with changing demands of customers

Lamborghini	Ferrari
In accordance with nature of different project specifications, Lamborghini uses carbon fibre in order to develop innovative technologies.	The company uses product innovation in order to meet changing demands of customers.
The management of Lamborghini did partnership with Sesto Elemento. This helped the company in competing with its competitors through practicing with aerospace world.	F1 technologies are integrated with carbon-fibre applications and electronic control systems .
The use of carbon fibre in vehicle cockpit' structure and constant advancement in technological processes helped in fulfilling demands of young customers for super sports cars.	In order to meet the demand of customers for sports car, Ferrari has used high pressure fuel injection, reduced internal engine friction and dual-clutch gear boxes for sports car

Source: (Florea and Corbos, 2015; Groh, 2014 ).

# Cont...

## Use of Employees' advanced skills and capabilities

Lamborghini	Ferrari
The human resource management of Lamborghini provides wide variety of training opportunities to its employees in order to enhance their skills and capabilities.	One of the greatest assets of Ferrari are its 2,900 employees. The management of Ferrari focuses on growth and development of its employees.
In order to keep employees' motivated and for ensuring higher performance, the management provides reward to its employees on the basis of their skills and capabilities. This helps the company in overcoming issues and challenges.	At Ferrari, the merit culture is a part of DNA, because they believe that only excellent people have capability of winning challenges being faced in the industry.
	In Ferrari, the management has implemented a five-year personal training plan called as 'Progetto Tailor Made'.

Source: (Florea and Corbos, 2015; Trocchia et al, 2015).

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## Design

Lamborghini	Ferrari
The company focuses highly on design of automobiles for meeting demands of customers.	In order to compete in automotive industry, high quality design is endured by the firm.
While designing cars, core values and standards are properly followed.	Cars are being manufactured as recognisable by the company in order to maintain its traditional values.
The company ensures environmental sustainability while designing cars.	Cars are designed in such a way that polluting emissions can be reduced

Source: (Uggla, 2014)

# Cont...

## Structure

Lamborghini	Ferrari
Decentralised Structure	Centralised Structure
Employees are encouraged to take part in decisions	Top management takes decision and employees have to strictly follow those decisions
Decentralised structure is followed for ensuring high performance of employees.	The company follows centralised structure to ensure no compromise on quality.

Source: (Uggla, 2016)



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