

Situation analysis target market identification report for ford falcon ute

[Finance](#), [Market](#)



1. 0 Situation Analysis/Current Marketing Mix

1. 1 Current Product

Ford Falcon Utes (FFU) are eye-catching utility vehicles that are available in several bright colors. The facade of the vehicles is sleek and sporty with flashy rims which promises power and the back of the FFU is like a truck. The FFU is unique and will allow use for both work and play. The car would appeal to masculine audiences who find use in a utility vehicle. The distinctive aspect of the product is the 'Ford' emblem which is oval and dark blue with a silver outline and inner ring with the brand 'Ford' in a cursive font.

The emblem is recognizable worldwide. The basic benefit that customers get when purchasing an FFU is transportation. But, the FFU offers more; the car serves as an icon and an Aussie bloke's style accessory (McDowall 2012). Not only useful for work, the vehicle is multi-purpose as it allows them to be romantic when it is fitted-out with an old mattress for stargazing (McDowall 2012). Also, the consumer may head to the beach with mates for some fun and throw a 'barbie' with some beer and prawns in the back (McDowall 2012).

The extra services that customers can get from the purchase of this vehicle are excellent long-term customer service and dealer warranty services for the car. Customers may also visit the website to understand the company and the vehicle more. In addition to that, extra accessories for the FFU are available for customers to purchase. For example, car insurance, GPS, rubber floor mats, tow bars, mud spats, and many more (Ford 2012). Customers may also be gifted with Ford merchandise for example, caps, umbrellas, key

chains, or mugs when they purchase the vehicle. The FFU comes in many makes and models.

There six different models of the FFU that customers can choose from. Customers can choose between auto or manual transmissions, and customize down to what color and trimming to preference and specification. Being able to customize and personalize the FFUs is a big selling point for customers, as they will feel that their vehicle is unique and one of a kind. Potential buyers will spend a significant amount of time looking for the product as it is a big investment. They will begin with information search, consulting relatives and friends, salespersons, do online research, and read a testimonial from real customers on forums and blogs.

If customers cannot find the FFU, or if the wait is too long for the vehicle to be delivered, they might accept a substitute. There are many competitors with similar products in the market, for example, the Holden Ute, Nissan Ute, Mazda Ute, and many more. On the other hand, when a customer has had their heart set on a product which they had spent so much time researching on, they might prefer to wait, especially since it would be a significant investment. The FFU has been in the market since 1961 (Hammerton 2012). Ford produces all types of vehicles which range from cars, sports utility vehicles, commercial and performance.

The FFUs are known to be fast, reliable, and durable. The FFU is different from competitors because of the stylish design and the reputable brand name that has been in the market for more than 50 years.

1. 2 Current Price

The FFU exists in a monopolistic competitive environment. It is the market where lots of sellers exist to offer similar products and sellers have to differentiate themselves using branding, quality, and features of the product (Martin 2012). Sellers also use prices to differentiate themselves from the competitor. Price makes an impact on the demand for vehicles as the FFU costs a significant amount.

If an FFU costs A\$40, 000 and if the price of the FFU decreases by 10%, it will be a discount of A\$4, 000, which makes it a very good deal where demand will most likely increase. On the other hand, if the price of the FFU increases by 10% it will mean that buyers will now have to pay A\$44, 000 for exactly the same vehicle, then demand will most likely decrease. Customers will begin searching for another option with a better value to purchase as there are many similar vehicles in the market. The business costs are very important when determining the price of FFU.

This is because every cost that is going into the production, advertising, and distribution of the car is passed on to the customers. Sellers will have to search for the most effective and efficient option of producing the vehicle parts and assembling the cars. Some of the sellers' decisions that will affect the prices of the vehicles are costs of having the vehicles assembled in the countries the vehicles are sold at compared to the shipping costs of assembled vehicles to be sold internationally. Shipping costs are expenses that must be considered when setting the price of the FFU.

Labor costs play a significant part as the vehicle has to be produced from raw material up until the sale of the product. Some considerations to reduce the costs may be to employ intermediary agents to assist with other operations that may require some special expert knowledge. The price of the FFU is in the middle range amongst its competitors. The current price of a basic FFU compare to competitors areas listed in the table below; Ford Falcon Ute Holden Ute Mazda Ute Volkswagen Ute From \$41, 595 (www.ford.com.au) From \$38, 990 (www.holden.com.au) From \$28, 560 (www.mazda.com.au) From \$43, 990 (www.volkswagen-amarok.com.au) Buyers of the FFU will base a purchase on the image of the product (please refer to section 3 for a detailed explanation of the target market). The buyers are looking for a product that is a distinctive and unique and durable vehicle. The vehicle will be used to travel extensively on an everyday basis for both work and leisure. Hence, vehicle buyers choose to purchase will have to be able to withstand the weather, terrains, and wear. Price is not so much an issue, however, when compared alongside other similar vehicles (as started in the table above), the FFU seems to be selling on the more pricey side.

Therefore, if the buyers are budget sensitive, they may decide to weigh in other brands and test-drive the other brands of Utes that are more budget-friendly.

1.3 Current Place

The FFU uses intermediaries in their business. The use of intermediaries in businesses ensures the effectiveness and efficiency of how the business is run. It also reduces costs and increases the competency of a business.

Therefore, customers are not able to buy the product directly from the Ford factory. There are many places aside from the factory that customers can purchase FFU from.

Ford is an international brand and the company strives to ensure that customers can find their products easily. Locations that customers can purchase the FFU are official dealerships, private sellers, franchised dealers, and private car yards. The most obvious location customers can purchase the FFU is from a Ford dealership that is available worldwide. Customers may search on the Ford official site for a dealer location closest to them. The vehicles are also available for purchase from a licensed dealer, for example, John Hughes, AHG, and many more.

Customers may also choose to purchase the FFU second hand from a third party; for example a previous owner (a private sale), a licensed private car yard or even a franchised car dealer. Customers may search for car listing information in the classified section of the newspapers or on though the internet. Major newspapers like The West Australian and free community newspapers like the Canning Times or Freemantle Gazette will have these listings and information similar to free onlineadvertisementpages like www.carsales.com.au or www.gumtree.com.au and many more.

The characteristic of the FFU that influences its distribution is the size, rules and regulation of export countries, durability, and demand. A vehicle is a huge product to ship and transport internationally, hence as stated above in Section 1. 2 of the report, Ford may have partnerships in various locations to produce parts of the cars and have the parts shipped to be assembled in

different locations to save costs. However, if the costs are too high and it is not viable to produce or ship a car in certain countries, then Ford might decide not to distribute to that particular country.

Affecting distribution decisions are also the taxes and regulations of imported cars in certain countries. In Malaysia, the government aims to protect its local car brands and had imposed exorbitant tax prices on imported cars. In this instance, it may reduce Ford's affluence in the Malaysian market and definitely reduce sales. Hence it is important for Ford to conduct extensive research and consider if distributing their products to certain countries will be profitable. A positive aspect of the distribution of vehicles is that they have no use-by date. There is no shelf-life and a car is a machine that will still work after 6 months.

The only downside is to consider the year the car was made as cars lose their value from the date it has been produced. The longer it has been sitting in the showroom or the store, or has been driven (odometer has a reading) the least value the car has. Hence, Ford has to extrapolate and forecast the production and distribution amount. Similar to demand, Ford will have to conduct market research and consider whether customers will use the FFU in their country, or region. For example in states like Western Australia, the need for Utes is high as there are plenty of off roads terrains and plenty of development and mining sites.

On the other hand, the demand for Utes may differ significantly in Victoria where it is more developed and there is less need for a utility vehicle.

1. 4 Current Promotion

The first promotional ad for the FFU was a television ad (available through this link: <http://www.youtube.com/watch?v=AUbgfWTptoU> (YouTube 2000)). The ad was aired on national television in the year 2000. It features the FFU racing a modified jet-look alike race car on flat but rocky terrain. In the ad, as the FFU drive past the jet race-car, the passenger of the FFU made a cheeky remark, “ must be stuck in third”.

Then the driver decides to accelerate, and the FFU speeds ahead of the jet race-car leaving the jet race-car driver with an amazing look on his face. Then there is a voiceover, mentioning “ The XR8 Falcon Ute, It’s Unbelievable” and the ad moves to the next screen which shows steel bars coming together with the words, ‘ Built Tough’ and the Ford logo in the middle of the screen. The next ad is one of the few from a series of an ad. It is a series of an ad using the humor appeal which is found on the myFord website (myFord 2012) (refer to the appendix for the ad). The ad shows an FFU parked at the top of a cliff, overlooking the beautiful scenery at sunset.

A lady sits by the car with her picnic mat and basket and her partner is in the car. They are watching the sunset together while holding hands (with his hand out of the window and she reaching out for him on the mat from the grass). The caption at the bottom of the ad is “ You’ll never want to get out of the all-new Falcon Ute”. Other series of these ads include a guy barbequing from the window of his car on the beach, a couple getting married in a garden with the bride holding the groom’s hand from the car,

and a lady sunbathing at the beach while the only visible thing about her partner's hand, holding a bottle of beer from the car window.

The TV ad and the website ad are not sending the same message. This could be because these ads are for a slightly different product; they are for the 'upgraded' versions of the originals. Hence, Ford wants to send a different message to the buyers that they have identified as their target audience and their needs at that particular point in time. For the TV ad, the general message of the TV ad is that the FFU is built for speed, and for the web ad, is that the FFU is built for comfort. The theme in the first ad is comparison and demonstration while the theme for the second ad is humor.

For the first ad, the business is trying to rule out any misconception of a utility vehicle being slow. Hence, they compared the FFU to the speed of jet race car and showing (but not exactly proving) that the FFU in fact can be faster than a jet race car. For the web ad, the Ford used humor to show how the FFU, being a utility vehicle can be used on all terrains (mountain, beach, garden) and at the same time it is still very comfortable (that the driver will not want to leave the car for any reasons).

At a glance, the messages and the themes of the ads are different but there exists an inherent common goal for both the ad, which is, " it is built tough, spacious, just for male young adults who like fast, durable, comfortable cars. " Ford wants to attract the masculine audience that has a need for utility vehicles. Ford focuses on promoting to the audience that they do not need to compromise utility for speed and style. The fact that the vehicle is so versatile is a plus point.

2.0 Segmentation Theory

2.1 Define Segmentation

(using more than just the textbook's definition)

According to Lamb et al. (2009, 29) segmentation is when marketers diversify their products to attract different groups of customers. Elliott, Rundle-Thiele, and Waller (2010, 188) states that the group characteristics that customers are divided into are called segmentation variables. These segment variables include things customers have in common that may be attributed to their buying behaviors.

This segmentation variable influences the decisions for Ford and how they position and place their product in the market. There are four broad segment variables; these are Geographic, Demographic, Psychographic, and Behavioural (Kotler et al. 2008, 229). Geographic segmentations are customers' characteristics of the locations they live; like climate, local population, topography, and if are urban, suburban, or rural.

2.2 Explain Segmentation

For example, for the purpose of this assignment, the FFU marketers will target customers living in Western Australia.

The demographic characteristics are the customers' age, sex, ethnicity, income, and household composition. The FFU will be targeted towards males that are approximately age 26 to 37. The psychographic segmentation characteristics include personality attributes and motives, lifestyles, VALS characteristics, and Roy Morgan's values. FFU will focus its efforts on advertising a segment that will be most lucrative which will be young male

adults who have an active lifestyle and that requires a durable vehicle for work and leisure.

The behavioral characteristics include how often customers purchase, how loyal they are to the brand and others.

2.3 Three benefits to Ford Falcon Ute from Using Segmentation

- Targeted, effective advertising - The Ford marketers can create advertising campaigns that are focused and targeted towards the segments in the market that they want to sell to. Targeted advertising is effective as potential buyers will find the message of the advertising relevant to them. For example, if the ad were to show a 60-year-old man as the spokesperson for a Ute the ad may be ineffective.
- Save money on advertising - If Ford produced which is targeted to appeal to a particular segment; they can also set the image of the product. This will also increase efficiency as there will be less wastage of valuable time, effort and advertising funds. It is better to produce one ad that is focused on where the target audiences will understand and be able to relate to rather than 10 ads that have little relevance to the market and will more likely cause confusion.
- Easier to monitor changes in a segment than a whole market - If Ford places a team to focus on the target market of the FFU, they will be able to foresee and predict to market changes that are specific to the segments. The car industry and society's choices are deeply impacted by both macro-environmental and micro-environmental forces. For example, if the targeted market is expected to be impacted by the bad

economic conditions to come and sales of the FFU is predicted to fall, FFU can react to it in a timely manner by producing budget versions of the FFU to attract the segment during the bad times.

3. 0 Target Market Characteristics/Images/Rationale Table

Column 3. 1: Specific Characteristics of your assigned brand's primary target market AND explanation of why they are relevant to your product. 3. 1. 1

Column 3. 2: Image that illustrates characteristic given in Column 3. 1 (Insert pictures below)v 3. 2. 1

Column 3. 3: Explain how the image provided in Column 3. 2 illustrates the characteristic provided in Column 3. 1.

3. 3. 1 Geographic

Specific Characteristics Country: The Target Market has to be located in the country where the unit is being taken. Hence, the Target Market for the Ford Falcon Ute lives in Australia.

Explanation of why According to MUARC, TAC, VicRoads, and RACV*, when choosing large cars, Australians like Ford as they are perceived as having the safest large cars (Michelle Ainsworth 2011). The Australian flag in the shape of the Australian continent represents the geographic location of the Target Market.

* MUARC - Monash University Accident Research Centre, TAC - Transport Accident Commission, RAVC - Royal Automobile Club of Victoria.

Specific Characteristics Climate: The Target Market for the Ford Falcon Ute lives in places that experience all types of climatic conditions.

Explanation of why The Target Market will find the Ute reliable in all types of harsh weather. As mentioned in the Australian Bureau of Statistics, “Australia experiences many of nature’s more extreme phenomena; including droughts, floods, tropical cyclones, severe storms, bushfires, and the occasional tornado” (ABS 2009). The image depicts that Australia goes through a four-season weather change.

Specific Characteristics Topography: The Target Market for the Ford Falcon Ute is located in Western Australia Explanation of why Western Australia is mostly made up of the deserts and outback.

As quoted from the Australia Bureau of Statistics, “Australia is the second driest continent in the world and has the largest desert region in the southern hemisphere. More than a third of the continent is effectively desert; over two-thirds of the continent is classified as arid or semi-arid.” The Target Market for the Ford Falcon Ute will find it particularly suitable on the rough terrain.

Specific Characteristics Urban: The Target Market for the Ford Falcon Ute lives in or near major metropolitan centers. Explanation of why There is easy access to services, food, entertainment and provides many choices when it comes to buying a vehicle.

The convenience factor of living near the city is worth paying more for which may be an indicator that the Target Market would be willing to pay a premium price. The Pinnacles desert is a popular symbol of Western Australia.

Geographic

This picture of the Central Business District depicts that the targeted segment lives in the vicinity of the city.

Column 3. 1: Specific Characteristics of your assigned brand's primary target market AND explanation of why they are relevant to your product. 3. 1. 2

Column 3. 2: Image that illustrates characteristic given in Column 3. 1 (Insert pictures below)v 3. 1. 2

Column 3. 3: Explain how the image provided in Column 3. 2 illustrates the characteristic provided in Column 3. 1.

3. 3. 2 Specific Characteristics Sex and Age: The Target Market for the Ford Falcon Ute is a male between 21 and 35 years old.

Demographic

The image portrays a male in his late 20s' enjoying a beer, ready to have fun. Explanation of why The target market has a full driver's license and likes driving big cars with 'power'. He is energetic and always on the move, therefore a vehicle that is tough, powerful and dependable like the Ford Falcon Ute will suit his needs.

Specific Characteristics Job: The Target Market for the Ford Falcon Ute has a blue-collar job. Explanation of why He loves what he does as it allows him flexibility and he is not a 'rules kind-of-guy'. He is spontaneous and hates routine. He likes the Ute as it enables him to transport his work supplies and still look good. This picture shows a guy happy with his job as a blue-collar worker/trade.

Specific Characteristics Household composition: The Target Market for the Ford Falcon Ute is a young adult who is most likely in stage 1, young singles (bachelorhood) of the Family Life Cycle.

Explanation of why He has just gained his financial independence, has no commitments, and has all his disposable income to spend. Now, he is in control and he can make his own decisions on what to purchase. He chooses the Ute because it makes him look good to the ladies. The picture demonstrates the target market's family life cycle stage. Being an eligible bachelor, he is very popular among the ladies.

Demographic

Me! Specific Characteristics Income: The Target Market for the Ford Falcon Ute makes a sizeable salary between \$75K and \$100K per year and spends it all.

Explanation of why He has no financial commitments and does not have a reason to save, yet. He purchases the Ute, which symbolizes his masculinity and spending power. Financial independence accompanies the bachelorhood stage. The picture shows that he has his own sizable income now.

Column 3. 1: Specific Characteristics of your assigned brand's primary target market AND explanation of why they are relevant to your product. 3. 1. 3

Column 3. 2: Image that illustrates characteristics given in Column 3. 1 (Insert pictures below)v 3. 2.

Column 3. 3: Explain how the image provided in Column 3. 2 illustrates the characteristic provided in Column 3. 1.

3. 3. 3 Psychographic

Specific Characteristics VALS: The Target Market for the Ford Falcon Ute belongs to the VALS Group - Experiencers (The VALS Types 2006)
Explanation of why He is motivated by self-expression and has a lot of energy; he loves trying new things and goes by the motto ' No Fear'. The Ute is best suited for his lifestyle as it brings him to places no other cars can reach (rough terrains, mountains, sand)

The picture portrays him and a buddy skydiving in the Avon Valley, Western Australia.

Specific Characteristics Personality Attributes: The Target Market for the Ford Falcon Ute loves hanging out with his mates and is socially aware.
Explanation of why He has moved out of home and no longer has a curfew to abide by. He also does not need to rely on public transports or a taxi cabs to get him home after his weekly partying escapades. He owns his own car now, and he frequently offers his friends a ride on his Ute. He is proud to show it off and loves receiving compliments on his car.

As depicted in the picture, he places importance in his social circles. He enjoys dinners, drinking, and entertainment with his friends. He uses the Ute to take his friend's home when he is the designated driver.

Psychographic

Specific Characteristics Roy Morgan Value Segments: The Target Market for the Ford Falcon Ute is in the ' new and different' segment. Their attraction to things that are new and innovative usually means that they are the first to

adopt new products and services, often just for the excitement of having a new toy - regardless of the cost. Roy Morgan Research 2012) Explanation of why The target market likes the Ford Falcon Ute because it is new to the market and boasts advanced technology. It has the EcoLPi, Bluetooth mobile phone integration, and iPod integration (Ford 2012). As shown in the picture, the Ford Falcon target market is attracted to innovative products and new toys.

Specific Characteristics Lifestyle: The Target Market for the Ford Falcon Ute has a typical laid-back Australian lifestyle. Explanation of why What better way to transport ingredients for a good old 'barbie' and a slab of beer than in his Ute?

Like all Aussie blokes, he LOVES his 'barbie' and hanging with his mates on a warm summers' day, particularly when there is beer involved. The picture shows a typical Aussie barbeque menu: steaks and chicken wings. Missing in the picture is a can of beer.

Column 3. 1: Specific Characteristics of your assigned brand's primary target market AND explanation of why they are relevant to your product. 3. 1. 4

Column 3. 2: Image that illustrates characteristic given in Column 3. 1 (Insert pictures below)v 3. 2. 4

Column 3. 3: Explain how the image provided in Column 3. 2 illustrates the characteristic provided in Column 3..

3. 3. 4 Specific Characteristics Loyalty: The Target Market for the Ford Falcon Ute is not brand loyal.

Behavioral

The image depicts that the target market for the Ford Falcon Ute is not brand loyal. Explanation of why Being an Experiencer (The VALS Types 2006), he prefers new-to-the-market and new technology than to limit himself to particular brands. He likes trying new brands and new things. He purchased the Ford Ute as some of his mates already own the Holden Ute.

Specific Characteristics Benefit expectation: The Target Market for the Ford Falcon Ute values the benefits of status, usability, and low maintenance.

Explanation of why The benefits sought in the Ute are serving as symbols of his masculinity and status as well as transporting his work supplies. He needs the vehicle to be durable and dependable. The picture shows how the target views himself. Customers purchase products consistent with their ideal self-image. The Ute is an extension of the symbol of his masculinity.

Specific Characteristics Price sensitivity: The target market is not worried about the price tags on his purchases. He feels that spending big bucks in exchange for style is worth it.

Behavioral

Explanation of why He prefers to spend on things that are classy and upmarket. He likes the Ford Falcon Ute because it looks stylish, even if it means spending more compared to the Holden Ute. This is a picture of the target market's bachelor pad. He has a race car simulator with 3 flat screens, high-end gym equipment and an elevated flat-screen LED TV in the entertainment corner of his apartment.

Specific Characteristics Volume usage: The Target Market for the Ford Falcon Ute has a high usage rate. Explanation of why The picture depicts that the usage rate of the Ute will be high.

The Ute will be used to transport work supplies, fetch his mates to AFL games and drive through road-less terrains. The image depicts a dirty car that is used frequently. The target market possibly went off-road for a job yesterday.

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