

Building a future

Business



In the motor vehicle industry, people are willing to pay for quality.

There are certain features that any modern vehicle must have so that it can be marketable. The features for which people are most willing to pay lie under the categories of safety, fuel efficiency and elegance (Heywood & Zoepf, 2011). Therefore, in the motor-vehicle industry, a vehicle ought to have superior features in terms of safety, fuel efficiency and elegance.

Therefore, vehicles that incorporate all these three features into the main framework sell at much higher prices than those whose ratings in these features are low. The new product that Jeep plans to release into the market will have superior safety features, including stability control, electronic brake-force distribution, stable body shells, lane-keeping technologies, load-limited and pre-tensioned seatbelts and dual-stage airbags. As far as fuel efficiency is concerned, research has shown that consumers are willing to pay up to \$5000 more for vehicles that incorporate hybrid-electric powertrain technology to save on fuel (LaMonica, Martin, 2008).

Jeep will design and manufacture a vehicle that utilizes this technology while retaining the efficiency and convenience with which it is associated. Finally, the vehicle will have an exquisitely sleek design that would make this an irresistible car. Previous makes of Jeep have lived up to the expectations of modernistic vehicles, with the Grand Cherokee leading the way. However, this new make will be an improved version of the Grand Cherokee, and it will encompass such new things as a smooth, air-brushed finish with a sleek chromium lining. Targets One of the targets that Jeep will have with the new product is to have a customer base that is 50% of its target market within a year of release of the new product.

The criterion used to curve out this target is based on the market experience of the new make's predecessor, the grand Cherokee. The criteria used are: the market price of the vehicle; the purchasing power of the target market; the willingness of the target market to purchase the product; the profit projections of the company; the time span it will take to reach the target audience; competitive makes; new advancements in the industry that may render the features of the new vehicle obsolete; and the need to place sustainability ahead of immediate profits. The new make will hit the market at an extremely high price, and few people, therefore, will have the capacity or the willingness to buy it. Therefore, a delicate balance has to be struck between immediate profits and the sustainability of the profits accrued from the product (Laszlo, 2008). The second target is to have an effective defensive strategy to fend off competition.

This era has seen very competitive showing for several automobile brands. The Cherokee would like to offer to customers a product of superior quality. In order to allay the fears of customers and instill their confidence in the new Jeep vehicle, it would be necessary to have in place a defensive strategy. This target was chosen on the following criteria: the availability of several automobile brands and the presence of information technology, which enables customers make informed choices about products. Information technology also enables the sharing of car features between different companies, so that automobile developers would improve on the features that one company possesses.

The information technology today has made it almost impossible to keep anything a secret, and competitors will sooner or later know about a

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company's features and build upon them (Winer & Dhar 2011). Another criterion why this target was chosen is that the customers go for futuristic cars, whose market value lasts for a longer time. The third target for the new Jeep automobile is to earn the company at least 25% of all the profits made. The criteria used to select this target are that the car is of superior design, and its cost price is very high. Therefore, the returns should be equally high. Moreover, the vehicle has the potential of turning a target market into a customer base, and the proceeds gained from it should be able to cover its cost price fully.

Purchase Decision Steps In order to anticipate and respond to consumer needs appropriately, it is important to identify what steps customers will have to go through before making a decision to purchase the product. There are five crucial steps, each of which will be briefly described in the paragraphs below. The steps are: problem recognition, information search, and evaluation of the available alternatives, making the purchase decision and having a post-purchase behavior (De Canniere, De Pelsmacker & Geuens, 2009). The customers would first have to recognize that they need a vehicle, and they would go further to say they need a specific kind of vehicle. Next, they would browse the internet, ask from friends, visit automobile showrooms, watch reviews and read motor journals as they seek for information on the vehicle that would satisfy their needs at the cost they are able to settle. Next, they would evaluate the alternatives they come up with by further opinion seeking and reviewing their budgets and preferences.

Eventually, they would have to make the decision to purchase the motor vehicle, if it suits their needs and if it is friendly to their pockets. Finally, they

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would have the post-purchase experience, and they would either recommend the vehicle to their friends or give a thumbs-down to it if they think it is not good enough. The new vehicle will have competitive advantages over its competitors for many reasons. Five will be detailed here. First, it will present the latest safety technology, which is a priority for most automobile purchasers.

Next its brand name will give it an advantage, as Jeep is associated with efficiency and reliability. Thirdly, the vehicle will incorporate the latest energy-saving technology, which is yet another priority for customers. Fourthly, the company will put in place various defensive strategies to ensure that the vehicle does not become obsolete soon. This will ensure that it retains a formidable position in the market. Finally, the vehicle will have the advantage of an ultra-sleek design, which will ensure that it catches the eye of a wide range of potential customers.

The vehicle will be entering the Introduction stage of a product life cycle. This is because the product will be new and previously unheard of. This is the stage where a lot of marketing will have to be done so as to promote awareness of the new model in the market, and enable potential customers enquire more about the product and its features.