Subaru is the automobile manufacturing division marketing essay

Business, Marketing

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\n[/toc]\n \nhttp://t0. gstatic. com/images? q= tbn: ANd9GcQKFejb5VXo-QwNJdePyDumSviiDFaC9cwxWXEgCbNSHzV46B2nSubaru is the automobile manufacturing division of Japanesetransportation conglomerate Fuji Heavy Industries (FHI). Subaru is internationally known for its use of the boxer engine layout in most of its vehicles above 1500 cc as well as its use of the all wheel drive drive-train layout since 1972, with it becoming standard equipment for mid-size and smaller cars in most international markets as of 1996, and now standard in most North American market Subaru vehicles. The lone exception is the RWD BRZ introduced in 2012. Subaru also offer many turbo charged versions of their passenger cars, such as the Impreza WRX. Fuji Heavy Industries, the parent company of Subaru, is currently in a partial partnership with Toyota Motor Corporation, which owns 16. 5% of FHI. Subaru is the Japanese name for the Pleiades star cluster (M45, or " The Seven Sisters"), which in turn inspires the Subaru logo and alludes to the companies that merged to create FHI. Subaru conducted the various

marketing research and all these research has led to have a upper hand in the market. The research helped Subaru to know the customers in a better way and understand their needs and requirements. Customer satisfaction is utmost important for Subaru. Subaru has been engaged in detailed market survey to find out the answers for various questions. Thus research is essential to collect facts and statistics about a company's customers, employees and competitors. On the basis of these numbers, companies are able to make better managerial decisions. The collected statistics are organized into reports and the management team uses them to take action. A good research mechanism is essential, irrespective of the size of the company and its client base. Research is imperative for staying competitive in the market. The benefits of research can be highlighted in the following points:-The primary benefit to business research is that the organization is able to learn more about consumer choices and preferences. Research provides information on the product features that lure customers and flaws in the product or marketing that contribute to slow sales. Research helps the organization fix problems and cash in on the strengths. Research also contributes to a company's ability to clearly identify the customer demographics and target demographic, including age, gender, monthly income of the household and educational levels. Research mitigates business risks and can help increase demand and sales. By conducting business research, the organization ascertains what its customers want and then takes steps to prepare a product meeting those desires. Research also helps determine whether a product is accepted in the market. Research aids expansion into new markets.

PROCESS OF BUSINESS RESEARCH

Identify the ProblemThe first step in the process is to identify a problem or develop a research question. The research problem may be something the agency identifies as a problem, some knowledge or information that is needed by the agency, or the desire to identify a recreation trend nationally. In the example in table 2. 4, the problem that the agency has identified is childhood obesity, which is a local problem and concern within the community. This serves as the focus of the study. Review the LiteratureNow that the problem has been identified, the researcher must learn more about the topic under investigation. To do this, the researcher must review the literature related to the research problem. This step provides foundational knowledge about the problem area. The review of literature also educates the researcher about what studies have been conducted in the past, how these studies were conducted, and the conclusions in the problem area. In the obesity study, the review of literature enables the programmer to discover horrifying statistics related to the long-term effects of childhood obesity in terms of health issues, death rates, and projected medical costs. In addition, the programmer finds several articles and information from the Centers for Disease Control and Prevention that describe the benefits of walking 10, 000 steps a day. The information discovered during this step helps the programmer fully understand the magnitude of the problem, recognize the future consequences of obesity, and identify a strategy to combat obesity (i. e., walking). Clarify the ProblemMany times the initial problem identified in the first step of the process is too large or broad in scope. In step 3 of the process, the researcher clarifies the problem and

narrows the scope of the study. This can only be done after the literature has been reviewed. The knowledge gained through the review of literature guides the researcher in clarifying and narrowing the research project. In the example, the programmer has identified childhood obesity as the problem and the purpose of the study. This topic is very broad and could be studied based on genetics, family environment, diet, exercise, self-confidence, leisure activities, or health issues. All of these areas cannot be investigated in a single study; therefore, the problem and purpose of the study must be more clearly defined. The programmer has decided that the purpose of the study is to determine if walking 10, 000 steps a day for three days a week will improve the individual's health. This purpose is more narrowly focused and researchable than the original problem. Clearly Define Terms and ConceptsTerms and concepts are words or phrases used in the purpose statement of the study or the description of the study. These items need to be specifically defined as they apply to the study. Terms or concepts often have different definitions depending on who is reading the study. To minimize confusion about what the terms and phrases mean, the researcher must specifically define them for the study. In the obesity study, the concept of " individual's health" can be defined in hundreds of ways, such as physical, mental, emotional, or spiritual health. For this study, the individual's health is defined as physical health. The concept of physical health may also be defined and measured in many ways. In this case, the programmer decides to more narrowly define " individual health" to refer to the areas of weight, percentage of body fat, and cholesterol. By defining the terms or concepts more narrowly, the scope of the study is more

manageable for the programmer, making it easier to collect the necessary data for the study. This also makes the concepts more understandable to the reader. Define the PopulationResearch projects can focus on a specific group of people, facilities, park development, employee evaluations, programs, financial status, marketing efforts, or the integration of technology into the operations. For example, if a researcher wants to examine a specific group of people in the community, the study could examine a specific age group, males or females, people living in a specific geographic area, or a specific ethnic group. Literally thousands of options are available to the researcher to specifically identify the group to study. The research problem and the purpose of the study assist the researcher in identifying the group to involve in the study. In research terms, the group to involve in the study is always called the population. Defining the population assists the researcher in several ways. First, it narrows the scope of the study from a very large population to one that is manageable. Second, the population identifies the group that the researcher's efforts will be focused on within the study. This helps ensure that the researcher stays on the right path during the study. Finally, by defining the population, the researcher identifies the group that the results will apply to at the conclusion of the study. In the example in table 2. 4, the programmer has identified the population of the study as children ages 10 to 12 years. This narrower population makes the study more manageable in terms of time and resources. Develop the Instrumentation PlanThe plan for the study is referred to as the instrumentation plan. The instrumentation plan serves as the road map for the entire study, specifying who will participate in the study; how, when, and

where data will be collected; and the content of the program. This plan is composed of numerous decisions and considerations that are addressed in chapter 8 of this text. In the obesity study, the researcher has decided to have the children participate in a walking program for six months. The group of participants is called the sample, which is a smaller group selected from the population specified for the study. The study cannot possibly include every 10- to 12-year-old child in the community, so a smaller group is used to represent the population. The researcher develops the plan for the walking program, indicating what data will be collected, when and how the data will be collected, who will collect the data, and how the data will be analyzed. The instrumentation plan specifies all the steps that must be completed for the study. This ensures that the programmer has carefully thought through all these decisions and that she provides a step-by-step plan to be followed in the study. Collect DataOnce the instrumentation plan is completed, the actual study begins with the collection of data. The collection of data is a critical step in providing the information needed to answer the research question. Every study includes the collection of some type of data—whether it is from the literature or from subjects—to answer the research question. Data can be collected in the form of words on a survey, with a questionnaire, through observations, or from the literature. In the obesity study, the programmers will be collecting data on the defined variables: weight, percentage of body fat, cholesterol levels, and the number of days the person walked a total of 10, 000 steps during the class. The researcher collects these data at the first session and at the last session of the program. These two sets of data are necessary to determine the effect of

the walking program on weight, body fat, and cholesterol level. Once the data are collected on the variables, the researcher is ready to move to the final step of the process, which is the data analysis. Analyze the DataAll the time, effort, and resources dedicated to steps 1 through 7 of the research process culminate in this final step. The researcher finally has data to analyze so that the research question can be answered. In the instrumentation plan, the researcher specified how the data will be analyzed. The researcher now analyzes the data according to the plan. The results of this analysis are then reviewed and summarized in a manner directly related to the research questions. In the obesity study, the researcher compares the measurements of weight, percentage of body fat, and cholesterol that were taken at the first meeting of the subjects to the measurements of the same variables at the final program session. These two sets of data will be analyzed to determine if there was a difference between the first measurement and the second measurement for each individual in the program. Then, the data will be analyzed to determine if the differences are statistically significant. If the differences are statistically significant, the study validates the theory that was the focus of the study. The results of the study also provide valuable information about one strategy to combat childhood obesity in the community. As you have probably concluded, conducting studies using the eight steps of the scientific research process requires you to dedicate time and effort to the planning process. You cannot conduct a study using the scientific research process when time is limited or the study is done at the last minute. Researchers who do this conduct studies that result in either false conclusions or conclusions that are not of

any value to the organization. Subaru conducted the survey in order to find out the customer loyalty of its product. Surveys are an important part of new product development process. When you're developing a new product, whether it be a blanket with sleeves or a new line of automobile, you want to make sure it will be a success. You can survey your target market, find out what they think and adjust your plans as needed. With product development surveys you can roll out your products with confidence. There are many things to consider when developing a new product. Its up to you how you would like to approach your research. Generally, product surveys are concerned with branding, concept testing, pricing, product positioning and more. Customer satisfaction surveys are a quick and easy way to improve customer relationship management. You want to keep your customers happy and we want to help by giving you access to the most advanced survey tool on the market. The Research Suite gives you access to a wide range of time-saving tools that will drastically improve your research experience. Automated Surveys allow you to listen to your customers 24-hours-a-day without taking up staff time. You can instantly follow-up on positive or negative customer reviews and immediately make managerial decisions based on the reviews. There are variety of distribution methods that help you survey your customer where and when you would like. Possible distribution methods include: EmailsPop-upsSurveys embedded in your siteCustomer satisfaction survey can help you collect quantifiable data that measures the overall thoughts and feelings of your customer. TYPICAL SATISFACTION MEASUREMENT QUESTIONSOverall, how satisfied are you with (brand name)? Would you recommend (brand name)? Do you intend to

repurchase (brand name)? Customer satisfaction surveys typically require multiple questions that address different dimensions of the satisfaction concept. Customer service research includes measures of overall satisfaction, satisfaction with individual product and service attributes, and satisfaction with the benefits of purchase. The best approach to measuring customer satisfaction and building customer satisfaction surveys depends on the kind of product or service provided, the kinds of customers served, how many customers are served, the longevity and frequency of customer/supplier interactions, and what you intend to do with the results. There are very different approaches to customer satisfaction surveys and most produce meaningful and useful findings. Market segmentation identifies and targets the groups of customers most likely to purchase the products or services that you offer. Customer groups are identified using a variety of techniques and descriptors, such as demographics, psychographics, behavioral activities, technical knowledge, occasions of use, purchase situations, benefits sought, usage rates and even geographic areas. The effectiveness of any marketing plan is a reflection of management's perspective of and ability to reach these segments. The degree of market segmentation (aggregation or disaggregation) ranges from offering one product to the entire market to total customization for each customer. REQUIREMENTS FOR THE MARKET SEGMENTATIONMust be able to measure the segment. Must be able to reach the segment in an efficient and cost-effective manner. The market segment must have the ability to purchase. The market segment must produce the differential response when exposed to the market offering. Which method market segmentation is most

effective? Of course it depends on the specific product or service being considered. The preparation of content for advertisements or web pages would rely heavily on benefit segmentation. The design of an economical automobile for a young single woman would of course rely heavily on demographics as well as psychographics. POSSIBLE MARKET SEGMENTATION QUESTIONSWhat are the external characteristics of the segment? Do they have the ability to buy? What are the internal characteristics of the segment? What do the segments like and dislike? What product or service attributes made a difference in their purchase? How do members of each segment make decisions or behave? How do members of the segment intend to behave? How have they acted in specific situations in the past?

HOW BUSINESS RESEARCH HELPED SUBARU

Subaru market research has indicated that consumers no longer purchase a car on a whim. Therefore, the company has made researching prospective customers a major priority. Along with expanding their target market and researching efforts to expand further, Subaru uses their findings to determine the best and most appropriate sites for new dealerships. Thus, the company continues to recognize the needs of their customers and expend their resources in satisfying those needs. There is no confusion as to why Subaru customers keep coming back for more. The detailed business research helped Subaru to understand the various segments of the market and thus helped it formulate the following marketing mix.

PRODUCT

As a company Subaru's intent is to develop products and product support services that are valuable enough to the consumer to purchase. Subaru creates product value by offering a product tailored to their client base, namely; active, pet owning, environmentally aware, socially involved people. Subaru accomplishes this value creation by maintaining superior safety ratings, engine reliability, design, symmetrical AWD, engineering excellence, along with service and parts support. Subaru also creates product value through their corporate responsibility, environmental policies, and community outreach programs. Subaru's product value creation is this; Subaru is not a result of their products and services, rather their products and services are a result of their attitude. Customers are purchasing a way of life not Justaproduct.

PRICE

Their customers believe in their purchase, and their testimonials to the integrity of the product have won over countless additional loyal customers. Many customers who purchase a Subaru have researched the MSRP and Invoice pricing and are aware of the many advantages to owning a Subaru, giving Subaru the unique advantage of marketing to consumers that are educated about the product and at the same time are aware of the value in the pricing. Since price negotiation at Subaru is less of a strategy than with some other automobile Manufacturers in the same class, you are less likely to see a promotion offering $1, 000 off the sticker price for recent college grads, a program that Toyota recently promoted. Rather than discount their

product, Subaru promotes available financing for recent college graduates. Part of Subaru's appeal is that, other than their VIP Program, which is available to Subaru of America employees and or corporate sponsors, pricing remains pretty consistent across the board. The MSRP is right in line with the other cars in its class, and in some cases is slightly higher. The opportunity cost, of course, is saving the extra money or forgoing the sleek new body styles of some of the other popular cars in its class, but Subaru owners are willing to decline these inconsequentialities in order to maintain their love affair. As long as the price isn't raised exponentially they will maintain that love and continue to purchase the product.

PLACE

After Subaru manufactures their products they need to make these products readily accessible to the consumer and have do so through the use of multiple direct delivery systems. By visiting your nearest Subaru dealer or their web page consumers are able to build and purchase vehicles, purchase parts and accessories, and schedule service. At these points of sale the consumer is handily taken care of by an educated and experienced staff delivering intangible value online or in store.

PROMOTION

From granola crunching, tree-hugging ' hippies' and auto cross racers to economically conscious car consumers Subaru wants you! Subaru touts their niche benefits aimed at their target market with promotions like, " Love. It's what makes a Subaru a Subaru." Subaru has managed to make the " love" theme stick beautifully with ads depicting Subaru owners keeping their

vehicles virtually forever. Subaru's promotions are linked to the brand's core values to those of their active, pet-owning, environmentally aware, socially involved customers. Subaru has tied into causes and activities that matter to owners illustrated by theircorporate responsibility and Subaru of America foundation. http://t0. gstatic. com/images? q= tbn: ANd9GcRy8ekMg7UFy0YncCaCM3PmBtEOPhwn7_3IuL0MMXlffbs5T60VSubaru's sustainable competitive advantage essentially lies with maintaining its superior safety ratings, engine reliability and design, along with it's AWD. Moreover, it is dependent upon keeping it's Target Market satisfied. Subaru has a unique advantage in that most Subaru owners are loyal. They aren't looking for a deal, they aren't looking for new sleek designs; they are merely relying on the dependability that they have experienced in the past. It is this dedication to excellence that maintains the core customer base that Subaru has maintained over the years, so much so that their US line was unaffected by the recession. While GMC and Chrysler were receiving bailout financing, Subaru was maintaining its strong sales growth. This may in part be due to the frugal nature of the demographic purchasing Subaru. In the future, in order to maintain that demographic, Subaru needs to stay focused on what it does best: producing quality engines and quality designed automobiles that meet the needs of their target market rather than designing sleek new styles that deviate from Subaru's original image of a " rugged" style. Subaru recently experienced some customer dissatisfaction and a resulting decline in sales with the Tribeca SUV, which was launched with a sleek new body style very unlike the original Subaru. Subaru officials now admit that the launch of a new body style may not have been the best decision for Subaru

and because of " slow sales no second-generation model is in development."
Subaru's secret is that it understands the customers who drive its cars and
has gotten smarter and more aggressive about reaching out to new ones
who would feel at home as part of that clan. The company has the type of
customer base that's particularly attractive to carmakers. The average
household income of a Subaru owner is $88, 000, the same as Honda Motor
(HMC) and $10, 000 more than Toyota (TM), says Alexander Edwards,
president of market researcher Strategic Vision. Plus, Subaru buyers are
three years younger than the industry average and a quarter more likely to
have a college degree. They are a thrifty lot, traditionally buying less car
than they can afford. Some 36 percent pay cash. Subaru has played to that
frugal bent by cutting roughly $1, 200 from the $26, 342 average price of its
cars in 2004. Those cuts haven't killed profit margins because the lower
prices allowed Subaru to reduce sales incentives and rebates on its cars
substantially. Much of the automaker's marketing focuses on cementing its
connection to customers. Subaru's research shows them to be an eco-
friendly bunch who value the freedom to go where they want, when they
want. Unlike luxury car buyers, Subaruers are " customers who are not
buying things, but experiences," says Chief Marketing Officer Tim Mahoney.
That meshes nicely with Subaru's all-four-wheel-drive lineup, showcased by
TV ads that star one of its cars caked with road grit, being applauded by
admiring spectators on a suburban Main Street. The tagline: love. " In their
marketing they've been focusing on what creates love between the owner
and the automobile," says Edwards. " The 'share the love' campaign has
been effective. They play up fun, the adventure you can have in a Subaru."

MODELS OF SUBARU

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