

Company overview of proton



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PROTON is a Malaysian automobile manufacturer headquartered in Shah Alam, Selangor. Its name is a Malay acronym for Perusahaan Otomobil Nasional (English: National Automobile Enterprise). It was established in 1983 under the direction of the former Prime Minister, Dr. Mahathir Mohamad.

The current portfolio of PROTON models includes the Waja, Gen. 2, Perdana V6, Arena (Jumbuck), the proven Saga range, the fun-to-drive Savvy, Satria Neo, Persona, and Malaysia's first home-grown MPV, the Exora. The Group also has in its portfolio, the world- renowned Lotus sports cars.

We are here creating the Integrated Marketing Communication Plan (IMC Plan) for the PROTON latest MPV Proton Exora. IMC is a Marketing communication is the process of presenting an integrated set of stimuli to a market with the intent to evoke a desired set of responses within the market set and setting up channels to receive, interpret and act upon messages from the market for the purpose of modifying present company messages and identifying new communication process and opportunities.

Therefore, company needs marketing communication to add value in term of product, brand, organization and customer and the reasons why we choose PROTON Exora is because that this product the newest of PROTON editions and it is still in the growth state. We want to develop this product to a successful maturity stage in resulting to achieve PROTON's objectives.

2. 0 Situational Analysis

The company's internal and external environment is ever-changing and has significant effects towards the operation and profit level. Therefore, it is

important to conduct the situational analysis in order to improve the understanding of the various factors that affecting the company as well as the position and market share.

2. 1 Market Characteristic

Proton is the second market marquis with the share of 26. 3% and now their latest attempt on vehicle is their MPV. The society's high attention has turn to Multi Purpose Vehicle (MPV). As a solid prove, sales of MPV has enormously increased (Refer to Appendix 5 and 2) as the population of Malaysia is growing where it is estimated that Malaysians has 3 to four kids per family (refer to appendix) and this brings in a bright opportunity where Proton Exora is mainly targeted to family oriental, (refer to appendix).

Competitors

The current competitor for Exora is Perodua Alza (refer to appendix) and it was launched few months after the launched of Exora.

Distribution Channel

Proton sales outlet and sales centers are available in all states in Malaysia and their amounts are based on the potential sales happens in a state (refer to appendix). Their cars are distributed directly to their outlets and centers than to local agents.

2. 4 SWOT Analysis

SWOT analysis mean information obtained from the market situation assessment can be effectively organized through a SWOT analysis. The SWOT analysis organizes the information from the situation assessment into four categories. Strengths and weaknesses represent internal assessments

of the firm's current capabilities. However, opportunities and threats are external assessments which analysis a firm's performance.

External

Internal

Opportunities – O

New technologies

Current economy growth

Changes in population

Political and legal changes

2nd market leader

Threat – T

Competitors similar product

Interest rate increase

Strengths – S

Research and develop department

Strong cost management

Stable currency

Merge with lotus

Dedicated and loyal employee

SO- Strategies

Opening a new market segment

Provide training and upgrade employees ability contributing to sales of proton

Upgrade existing models with latest technologies

ST- Strategies

Come up with more sport oriented car with the support of lotus

Corporate with bank for lower interest

Weaknesses -W

Inability to introduce new models frequently

Could not compete in technology

WO- Strategies

Hire technological experts to give advice on this issue

WT- Strategies

Set a benchmark with the strong competitor

SO Strategies

SO strategies are about pursue opportunities that are good fit to the company strength where Proton could open up a new market segments in the term where it has a stable currency and support of lotus together with the strong political / government support could help proton to enter into larger markets countries such as Japan. Where proton currently has reach many countries (refer to appendix) and it needs to develop to more countries in order to achieve its objectives. Proton also has to develop the talent of its employee by sending then to training where they could be more talented in making sales from their end in all outlets of proton. Lastly will be upgrading editions of proton car by the research and development department with the support of latest technologies, this will create a competitive advantage.

WO Strategies

Proton has to overcome weakness by having hiring technological experts on upgrading its technologies , example better engine power, 6th gear, auto

parking and others(refer to appendix) which could rise up proton advantages.

ST- Strategies

Proton should try to give more interest related promotion to reduce the impact on the rise on interest for local cars and when it comes to competitors proton could try up to vary its collections buy sport cars as it has merge with lotus. This will be hard for the competitors to copy as they have not reached sport car technologies.

TW- Strategies

Proton should establish a benchmark with strong competitors as a highly defensive plan to prevent Proton's weakness from making it highly susceptible to external treats. By doing this Proton could improve and learn to upgrade its mistakes and stick to the market current trends.

Objectives

To increase the market share of proton by 5% resulting only from Proton Exora by the end of 2011.

Proton has lost its market leadership to Perodua, and this objective could help proton to gain back its market leadership position where we have aimed to increase the sales of proton Exora which will result to the increase of the market share by 5% only. Speaking of 5%, the reason why we choose the 5% is because the current market share of proton is (26. 3%) and Perodua is (31. 1%) and by achieving the 5% will ensure the current market share hold by proton to increase to an equaling level with Perodua and there are other models car's to support the further incensement of the market share

To strengthen the brand position of Proton Exora of its benefits within 12 months of our promotional campaign.

This objective is mainly about to elaborate on the benefits of Proton Exora and besides the fact of its being the family car it has other factors to be consider as a buying factor. Our mission here is to attract potential customers to as well consider the fact that it is affordable and the benefits they get within the 12 months time.

Execute a CSR Program within 12 months of our promotional campaign.

CSR programs are argued to be most effective at increasing customer loyalty, enhancing attitude toward the company, and decreasing consumer skepticism. We here aim to achieve the exact criteria where promotion and advertisement tools alone would not be enough.

Budgeting for advertising

We need to determine a budget for our advertising campaign based on its financial and other resources, the objectives of the campaign and what it expects the return on the investment to be (which should be achievement of the objectives). We also need to allocate human resources and time to the advertising campaign. It is difficult to predict the success of an advertising campaign so there is never an answer to “ what is the right amount of time and money to spend?” instead, ensuring it remains within the resources it has available. So we decide to use the percentage-of-past-sales method, by using this method we sets the PROTON Exora’s advertising budget by simply establishing the budget as a fixed percentage of past sales volumes.

A more suitable guide to the level of advertising expenditures is the past sales experience when the level of past expenditures has achieved management's objective. The average percentage of advertising expenditures to sales for the past several years can be applied to the current year.

While simplicity is certainly an advantage in decision making, the percentage-of-sales-approach is fraught with automatically decline. Period of decreasing sales may be precisely the time when a firm needs to increase spending on advertising: if a percentage-of-sales budgeting method is being used, this won't happen. Second, this budgeting method can easily result in overspending on advertising. Once funds have been earmarked, the tendency is to find ways to spend the budgeted amount. Third, and the most serious drawback from a strategic standpoint, is that the percentage-of-sales approach does not relate advertising dollars to advertising objectives. Basing spending on past or future sales is devoid of analytical evaluation and implicitly presumes a direct cause-and-effect relationship between advertising and sales. But here, we have sales "causing" advertising. That's backward!

PROTON earned RM 367, 170, 000 in 2009, so we decided to use 2% of the profit that PROTON earned last year which is RM 7343400 to implement our advertising campaign which is the budget of this plan. In this plan we decide to use 60% from the budget to implement the advertising campaign, 30% to implement the sales promotion activities and 10% to implement a CSR program. The total of all these costs represents the level of investment

necessary to accomplish the promotion objectives that had been established earlier in the marketing communications plan.

Advertising

We select the advertising as our promotion mix; advertising is the transmission of paid messages about an organization, brand or product to a mass audience. The main benefit of advertising is the ability it offers to reach a lot of people at a relatively low cost per person. While advertising is expensive, its ability to reach a lot of people makes it cost effective based on price per exposure.

In general, advertising is valued because it performs five critical communications functions, which is informing, persuading, reminding, adding value and assisting the company's other marketing efforts.

Communication by marketers that informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response.

Objectives of advertising

Maintain consumers' top-of-mind awareness of PROTON Exora toward customers within the period of advertising campaign. Brand awareness measures the accessibility of the brand in memory. When people want to buy MPV car they will think of Exora, know the PROTON Exora was existing, so that can increase demand. The product that maintains the highest brand awareness compared to its competitors will usually get the most sales.

Maintain brand awareness, because advertising may builds strong, favorable and unique images in consumers' mind, by creating the creative advertising message; the messages can lead the consumer remember your brand.

Enhance consumers' beliefs toward PROTON Exora's attributes or benefits within the advertising campaign period. Effective marketing communications enhance a brand's equity by creating brand awareness and developing favourable, strong and perhaps unique associations in the consumer's mind between the brand, its attributes and its benefits. When the advertising and other forms of marketing communications create unique and positive messages, this will lead the consumers believe our product.

To achieve AIDA Concept through advertising campaign within the period of advertising campaign. The acronym AIDA stands for Attention, Interest, Desire and Action. These are the four steps we need to take our target audience through, because we want them to buy our product (Exora). We need to attract attention of our target audience and persuade them take action to buy our Exora, if we want to grab their attention, interest them in how our product or service can help them, if the target audience feel interest in our product they will spend their precious time to understand our product, the interest and desire parts of AIDA go hand-in-hand, when we building the audience's interest, we also need to help them understand how what we are offering can help them in a real way and then persuade them to take action buy our product (Exora).

We choose television, newspapers and billboards in our IMC plan.

Television

The strengths of television was many, from a creative point of view, this medium is very flexible and the impact generated by the combination of sight and sound should not be underestimated. Consumer involvement and

likeability of an advertisement is dependent upon the skill of the creative team. The prestige and status associated with television advertising is higher than that of other media: in some cases, the credibility and status of a product or organization can be enhanced significantly just by being seen to be advertising on television. The cost of reaching members of large target segments is relatively low, so the medium is capable of a high level of cost efficiency. We choose TV3 and NTV 7, because these are the top 2 highest viewership in Malaysia, and we choose every Monday and Wednesday in January, February, May, June, November and December, those months is festival time and generally people receive bonus; we advertise our advertising at 8. 00pm to 11. 00pm; because generally this timing is the time worker off and back to home and after dinner. (Refer to appendix.....)

Newspapers

The strengths of newspaper advertisements are seen positively by readers because they are in control of the speed and depth of reading the newspaper. This means that they choose which advertisements to read. This facilitates what is referred to as comparison shopping. Newspapers provide wide exposure for advertisements, and market coverage in local, regional or national papers can be extensive. These media vehicles are extremely flexible as they present opportunities for the use of color and allow advertisements of variable sizes, insertions and coupons. We advertise on every Sunday in The Star, Sin Chew Daily and Harian Metro; these three Newspaper and Sunday are the highest readership in Malaysia, we advertise on January, February, March, September, October, November and December, because these few month is the festival time and generally people receive

bonus on June or December, so they have more purchasing power. (Refer to appendix.....)

Billboards

One of the main advantages of this medium springs is its ability to reach a large audience. This means that most members of a target audience are likely to have an opportunity to see the message, so the cost per contact is very low. It has become recognized that outdoor media can provide tremendous support to other tools in the media mix, particularly at product launch, as back-up and when attempting to build brand name recognition. The medium is characterized by its strong placement flexibility. Messages can be placed geographically, demographically or by activity, such as on the main routes to work or shopping. The potential impact is high, as good sites can draw the eye and make an impression.

We advertise our advertising at 9 places per annum, which are Malaysia-Singapore Second Crossing, Ampang-Kuala Lumpur Elevated Expressway, Shapadu Highway, Guthrie Corridor Expressway, Maju Expressway, North-South Expressway, Penang Bridge, North-South Expressway Central Link and North-South Expressway Central Link. (Refer to appendix.....)

Sales Promotion

Sales promotion is also one of the tools suggested in this IMC Plan. It is a promotional method using special short-term techniques to persuade members of a target market to respond or undertake certain activity and they will be rewarded accordingly base on their participation. Sales promotion is an activity or material or both that acts as a direct inducement,

offering added value or incentive for the product to resellers, salespeople or consumers. (G. Elliot, S. Rundell, 2008) When used moderately with careful planning, sales promotions increase sales even after the promotions are finished. When they are used too regularly, the excitement or urgency around them wears off.

Objective of Sales Promotion

Creating interest in Proton Exora among the potential customers by the year 2011

Marketers find that sales promotions are very effective in creating interest in a product. In fact, creating interest is often considered the most important use of sales promotion. In the retail industry an appealing sales promotions can significantly increase customer traffic too.

A favorable brand image does not happen automatically. Sustained marketing communications are generally required to create favorable, strong, and perhaps unique associations about the brand.

To reward the loyal customers by the promotion plan within the 12months of our promotional campaigns.

All this can be done through affecting the behaviour of our consumers and the trade people. Through this sales promotion, we can give some benefits, incentive or reward to our consumers or trade people. This will encourage them to purchase more products or continue to use our service. Sales promotion also can increase the brand switching, because we can through different promotion methods to persuade our customers to use our service, if

customers think our product is better than our competitors, they will switching from other brand to our brand. Increase of buying confidence of customer and increase our short-term sales also are the reasons we choose to use sales promotion method.

To stimulating demand of proton Exora within the period of our promotion activity

Next to building initial product awareness, the most important use of sales promotion is to build demand by convincing customers to make a purchase. Special promotions, especially those that lower the cost of ownership to the customer example, reducing interest rate can be employed to stimulate sales.

Pull strategy

We have choose Consumer Market-Directed sales promotion and we are doing two main sales promotions where both of it uses the pull strategies. A “ pull” selling strategy is one that requires high spending on advertising and consumer promotion to build up consumer demand for a product. If the strategy is successful, consumers will ask their retailers for the product, the retailers will ask the wholesalers, and the wholesalers will ask the producers. Pull is about rewarding the customers instead of the suppliers or the sales person, here we would like to reward our customers rather than the sales person.

Interest rate reduction plan

Interest rate for car loan has rose up to 4. 0 just for local cars (refer to appendix) , this could be business stopper for car sales where even now the

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economy growth is slowly recovering (refer to appendix). Here we have decided to give an only 2months promotion on interest rates. Many automobile company has take up this plan (refer to appendix) and this will be the right time to come up with an attractive interest rate. By joining the Proton's official bank EON, Proton could make a simple agreement of low interest rate for purchase of Proton Exora in order where by taking loan in EON bank.

Rates for new national cars were 3.85% (5-year tenure), 4.10% (7-year) and 4.10% (9-year) and here we have decided to bring down the interest rate to 2.10 (5-year tenure), 2.25 (7 years) and 2.40 (9 years)

Proton Exora challenge 2011 – Malaysian Face Of

This even is more similar to the Subaru Asian face of challenge held in Singapore. The reason we are doing this even is because, there were no even in such ever held in Malaysia and as resulting of the Subaru Asian face of challenge's tremendous success. We are making it more to a promotion oriented in where in this day of event; Proton Exora will be the car in the challenge where participant is required to place their right hand on the Exora and the longest lasting participant will win the Proton Exora. Proton Exora will also be exhibited and there will be a special booth called Now or never to promote Proton Exora and sales person placed there to explain on the benefits of proton Exora. Special offers are given to the people who books Exora on that very day, which are to increase of warranty for 1 year (6 years / 175,000km), Free 2 years service, 40,000km (major service), lowest interest rate ever on 1.99% but only applicable in that day.

Sponsorship

Sponsorship is a partnership between a corporation and a right-holder or property (retrieve from <http://www.sponsorshipcouncil.org/aboutsponsorship.asp>).

The sponsor provides financial or other support to the right-holder or property which in return provides access or exposure for the purpose of satisfying the sponsor's specific objectives (retrieve from <http://www.sponsorcouncil.org/aboutsponsorship.asp>). Through sponsorship, it helps companies to respond to consumers changing media habits. The event is developed to match the target audience and to maximize the opportunity to enhance the brand's images and sales. (chitty barker and shrimp, 2007)

Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (retrieve from http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm). According to a journal, corporate social responsibility-a challenge for a company, the author show that company can improve the relationship with your customer (Wilhelm Authischer, p. 2). By implement a CSR program, let people know and understand what we are doing, understand more about our company. The companies who have real commitment increase the value to society by contribute to the society. (Wilhelm autischer, p. 2)

The CSR programme will held at Kuala Lumpur (One Utama Shopping complex) on #####. We choose this shopping complex is because it have a convenient in transportation, such as #####the profit which <https://assignbuster.com/company-overview-of-proton/>

collect from the competition participate fee from the event “ Proton Exora Challenges-Malaysian Face Off” will 100 percent donate to World Wide Fund For Nature (WWF) which was formally known as World Wildlife Fund for saving tiger. The reason we choose WWF is because it is the organisation that focused on scientific research of wildlife and important natural habitats and our work covers the broader issues of the natural environment and the amount we donate will be useful and significant. We choose tiger is because recently WWF is active in a new event “ Freeze Tiger Trade” and the tiger is respectively symbolize the logo of Proton. Besides that, environment is not a good choice for us because car produce pollution. So the money that we donate to will be meaningful.