## Car report

Business

## ASSIGN B USTER

You will provide A general overview of the market and identify and describe the major segments of this market. You will then select three models that are present in the Australian market and describe the mix of These models. You will also research on how the respective companies identify marketing opportunities in terms of changes to the market offer. Group task: Groups of 4 Sstudents Format: Report Format and Power Point Presentation. Words: Approximately 2500 words.

Executive Summary Motor vehicle manufacturers are having a tough time. Over the five years through 2010-11, industry revenue is forecast to contract by $6.1 \%$ annually to reach $\$ 11.91$ billion.

The woes of car manufacturers started when consumers began switching to smaller, more fuel-efficient vehicles due to environmental concerns and the skyrocketing price of petrol.

This proved to be an issue for domestic manufacturers, particularly for Holden andFord, as their core market consists of powerful, big fuel-inefficient vehicles. Truck manufacturers also noticed the shift towards cleaner trucks, but their troubles lie more in the slowdown of truck-freight demand than in environmental factors. When domestic manufacturers continued to manufacture cars that consumers were demanding less of, car buyers had no choice but to turn to imported vehicles. Import penetration has been rising in the past five years, withToyota's imported cars leading the pack.

To make matters worse, the Australian dollar has appreciated dramatically, which has led to a fall in the price of imported cars. Faced with falling demand, domestic manufacturers have been struggling to make profit over
the past five years. In March 2008, Mitsubishi gave up entirely and exited the market after years of trying to prop up production and efficiency. Car production fell by 27\% in 2008-09 due to the global financial crisis and the cancellation of the Pontiac export program, which saw Holden's production levels plummet. Ford and Toyota also cut manufacturing during that year due to lower demand across the board.

Production continued to decline in 2009-10 but is forecast to rise again in 2010-11 due to improving economic conditions.

The next five years will be more positive for manufacturers and all three car makers will be producing at least one fuel-efficient vehicle; Toyota is already manufacturing the hybrid Camry domestically. Over the five years through 2015-16, industry revenue is forecast to grow by $1.9 \%$ annually to $\$ 13.09$ billion.

Market Analysis Part A Australian Car Industry-Consumer Market Only. 1. Provide a general overview and description of the Australian Car Market. Focusing on the consumer market, identify and describe the major segments of this market. [1] [pic] [pic] 1.

1 Select a model from each of the three major firms Ford, Holden and Toyota Each model should be from a different market segment.

Identify and describe the key characteristics of each model. Describe total product offering of the brand and [2]provide a diagram illustrating core, actual and augmented elements of this total product. Model no 1 Ford Kuga [pic] The Ford Kuga is a compact sport utility vehicle (SUV) produced by Ford
since 2008. It is based on the C1 platform, that also forms the underpinnings of the Ford Focus and Ford C-MAX.

Both front-wheel drive and four-wheel drive are offered. The Kuga went on sale in the first half of 2008, and is built at Ford's plant in Saarlouis, Germany. In the UK, emphasising the car's premium market aspirations, only high-end Zetec and Titanium spacifications are offered.

The combined fuel consumption is 44.1 mpg -imp ( $6.41 \mathrm{~L} / 100 \mathrm{~km} ; 36$.

7 mpg-US) and the CO2 emissions are $169 \mathrm{~g} / \mathrm{km}$. Worldwide markets A July 20, 2007 report indicated Ford executives were considering the prospects of sales in North America. [2] This idea was later scrapped after it was determined the car could not be sold both competitively priced and at a profit in the US due to the current dollar-euro exchange rate. On July 24, 2008, WDIV-TV had announced that Ford is reconsidering bringing the Kuga to North America after all. On October 22, 2009, news leaked that Ford will build the Kuga at its Louisville plant, possibly as the 2012 Ford Escape.

On June 23, 2010, Ford announced it will end production on the second generation Escape in 2011 in anticipation to the Kuga's North American launch as the next-generation Escape. [4] The Ford Kuga is now also available in Argentina since 2010, in Japan, South Africa and New Zealand since 2011, and in Australia since March 2012. [5] A facelift was released in late 2010. [6][3] That redesigned Kuga will form the basis for the 2013 Ford Escape sold in the U. S.

Both vehicles will likely offer a hybrid option, as Ford announced in May 2010 that it would build unspecified hybrids at a plant in Valencia, Spain. If built, the Kuga Hybrid would be Ford's first hybrid to be sold in Europe, though it has sold over 100, 000 Escape Hybrids and Mercury Mariner Hybrids in the U. S. since 2004. [7] [pic] Holden, Captiva 7

Officially GM Holden Ltd is the Australian subsidiary of General Motors (GM), the world's second largest automaker. [1] Since its automotive beginnings, Holden has offered a range of locally manufactured vehicles, either of their own or foreign design.

Imported vehicles from within GM have supplemented these Australian-made cars, providing Holden with a full range of models. In the past, third party automakers have fulfilled this responsibility. 2. Identify and describe the consumer priorities, needs and preferences of each segment. Outline how each product offering (model) satisfies these consumer requirements.

Holden vehicles, in addition to nameplate, are designated by a series code.

For example, the 1971-1974 Holden Kingswood has been assigned the series code " HQ", and the 2002-2004 Holden Commodore, " VY". Often these series codes are not arbitrary. In the case of the VY above, the " V" stands for the GM V platform that underpins it. The letter " $Y$ " is not however significant; it is simply a logical successor to the previous " VX" Commodore model. Meaning can be found in other codes.

The TX Gemini and MB Barina for example, where the " T" and the " M" denote the GM T and M platforms that underpin each vehicle, respectively.

While the majority of Holden cars follow this double-letter format (not necessarily based on platform), anomalies exist.

The " V2" code applies to the 2001-2004 Holden Monaro, with " V" indicating the V platform architecture and the " 2 " possibly referring to its two-door body style. Ssimilarly, the 1998-2001 Holden Suburban designated " K8". The three-letter codes assigned to the WFR series Holden Shuttle and UBS Jackaroo are the remaining incongruous designations.

These codes are simply those carried over from the original Isuzu models that the Shuttle and Jackaroo derive from. The VY series of Holdens were not restricted to the Commodore; VY Berlina and Calais cars were also marketed. All three are essentially identical, except in terms of level of equipment and luxury and have therefore been separated using different nameplates.

Holden's record of separating fundamentally identical cars by nameplate to occupy different niches applies mainly to their locally made " large" cars, for example, the Holden Belmont/Kingswood/Premier, Commodore/Berlina/Calais and Statesman/Caprice. Derivative versions with unique body styles, like the Monaro coupe often share the series code with their donor model. Outside of " large" cars, the only other Holdens to have operated in a ssimilar manner are the UBS Jackaroo/Monterey twins and the LX and UC Sunbird/Torana[4].

Generally, only the " large" Holdens are referred to by series code, thus this list is confined to listing only these models. List of Holden vehicles by nameplate covers these excluded cars, with the " large" Holden models occupying both lists. [pic] [pic] Toyota Yaris [pic] The Toyota Yaris is a subcompact car produced by Toyota since 1999, replacing the Starlet.

Between 1999 and 2005, some markets received the same vehicles under the Toyota Echo name. Toyota has used the " Yaris" and " Echo" names on the export version of several different Japanese-market models. First generation models were marketed between 1999 and 2005 under the " Yaris" and " Echo" names depending on the market.

Hatchback, coupe, and sedan body variants were offered. Hatchback: versions derive from the Japanese-market Toyota Vitz. Coupe and sedan: versions derive from the Japanese-market Toyota Platz. oyota Motor Corporation

