

Marketing case – buick motors

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As mentioned above, the average age of a Buick buyer in the early to mid 1970s was in their early seventies. This was compared to the average age of 52 for a new car buyer in general. In 2008, Buick sold just over 137,000 new cars for only a 4.6% share of overall GM sales and only a 1.04% market share in the United States. Advertising was almost non-existent. Buick's idea of branding through corporate sponsorship of sporting events was to sponsor the Buick Open Golf Tournament. Golf is not exactly geared towards a younger audience. Doesn't mean that the younger audience will buy into the message and be converted.

There has to be a legitimate reason for a young audience to be attracted to the product and not just because advertisers and marketers say you should. The main issue facing Buick was that they had a fleet of old-looking cars that were not nearly as stylish as other luxury cars in similar segments.

Management made a clear decision to market its class of automobiles to a young "urban" crowd in major cities with the hopes that if these urban trendsetters liked what they saw and began to purchase Buick, this would have a ripple effect into the mainstream market and would increase demand for Buick products across the board.

This strategy was pursued by customizing and detailing Buick Lucerne's with larger wheels, upgraded sound systems and detailing packages that catered to this younger urban buyer. The main problems with this strategy were threefold. The first problem highlighted in the case which I agree with is that management came across as insincere and out of touch. The media panel brought in by Buick commented that management "showed a disconnect

between the brand and its target audience" and that " Buick idea of urban seems a bit old fashioned".

Take for example Buick using Tiger Woods to promote Buick cars. As a part of Tiger's sponsorship deal with Buick, I would believe that he may own a Buick or two but I also believe that Tiger's car of choice is not a Buick! The second problem with this strategy was that by attempting to target a young urban audience, Buick risked alienating its core consumer which was an elderly suburbanite who didn't have the first clue what " urban" was. If Buick customer base was alienated, that could mean the end of the brand.

The third issue that I see with the strategy is a touchy one because it's a touchy subject and that is the issue of racism. When a predominantly Caucasian management team and brand attempt to target a Hip and African American audience, if they are perceived as not being genuine or sincere, management could face whispers of racism and an anti-Buick backlash could easily taint and destroy the brand. Solutions In order to support management's desire to attract a younger buyer, there has to be substance behind the marketing and advertising blitz.

Management has to seriously review the existing cars in the Buick brand and determine what young buyers are looking for in a luxury sedan. Once these consumer wants are identified, management must cater to them and design a younger looking class of cars with a level of luxury, quality, options, performance and price point that rivals or beats its competition within the class. Strong marketing campaigns can trigger consumer demand for only so

long with smoke and mirrors. At the end of the day, the product has to meet customer and price determine success.

My personal observations of young car buyers are that certain aspects of a car are important to them. A sleek and sporty design is usually first and foremost. A car with regressive features like GAPS, MPH and Pod compatibility along with a high performance sound system resonate with young buyers as well. Of course young buyers don't usually have as much money as older buyers so price and affordability are important to a young buyer. In today's economy and society, young buyers are more conscious of going green and gas consumption so the cars should be fuel efficient and exceed emissions standards.

I also believe that Buick isn't ready to Jump into the " urban" market. While I do believe in marketing towards a younger audience, I'm not sure I would risk the brand on ailing to the urban market in the hopes that this will crossover to mainstream America. There are plenty of marketing opportunities that can target a younger audience in mainstream America. Today, movie theaters show ads prior to movies and as we all know, young people make up the largest share of movie goers.

I like Buick strategy of displaying Buick outside of clubs, bars, trendy shops and restaurants. At this stage of their brand repositioning, any " buzz" about a Buick is great for the brand and to have it on the tips of people's tongues is the first step in hanging consumer perception that a Buick can be an option for a young buyer. I would also look to supplement traditional marketing

strategies like print, TV, billboards and national campaigns with an internet and social media marketing strategy and campaign on Twitter and Facebook.

Young consumers have a vast and important presence on these social media outlets. I would look to sever ties with the Golf sponsorship and Tiger Woods and either eliminate the use of celebrity endorsements altogether or revisit the celebrity spokesperson to be a more realistic Buick user. Any strategy to increase market share in the luxury segment must involve dealing with the strong presence that imports have. The main way that domestic cars can compete with imports is on price.

Young buyers are also very focused on price especially if they are a first time car buyer or even a baby boomer looking to save money in a tight economy. Based on my problem cited above with young buyer perceptions of what a Buick is, it would seem that Buick would struggle to get potential young buyers into their showrooms to even test drive a Buick. As such I would consider providing incentives to prospective buyers to come to a dealer and test drive a Buick. These could include cash payments or a reduction in price if they purchase a Buick.