

Holden analysis essay sample

[Business](#), [Marketing](#)



In the years 2012 – 2013, Holden has seen some unusually drastic declining of vehicle sales, to the extent that Holden announced they would stop local manufacturing in 2017. Despite its brand presence, Holden suffered a steep slump in sales in both their medium (Commodore) and small-car range (Cruze). Holden may want to find out why their sales have declined to the degree that they have with a view to understanding the needs of the market in order to discover the most effective and efficient way to promote their range of vehicles. MDP: Should Holden launch a new ad campaign using a different message appeal promoting the small-car market to change consumers' attitude? In the last few days of 2013, Holden launched a new ad campaign “ Here to stay” with an ambiguous message targeting unclear markets. This campaign has not received positive feedback from consumers, yet increased public confusion and anger (Jaques, 2014). It is not about Australians buying Australia-made cars anymore but whether suppliers meet the right demand for cars.

It goes far more than just the image and pride in cars but the value the cars can bring in. Holden yet again fail to promote the demanded small vehicles but waste too much effort in promoting the no longer wanted model, the Commodore (Bainbridge, 2013). Furthermore, Holden has used the wrong advertising technique to approach consumers and failed to create a strong argument for what it has to offer. That being said, the brand is using cues to promote a product of high involvement while it should focus on product-relevant attributes consumers are looking for in automotive ads (Richard T. Petty, John T. Cacioppo and David Schumann, 1983, p. 143). MRP: To determine how to build value into Holden's small car range in such a way

that potential customers would be receptive to marketing communication. Because attitude is one of the key factors to determine the likelihood of purchase intention, looking at the path to change attitude will benefit Holden more in reconnecting with consumers again.

Products of different involvement levels require different advertising approaches, and using positive or negative simple cues or issue-relevant argumentation can greatly alter attitudes (Richard T. Petty, John T. Cacioppo and David Schumann, 1983). It's important to know if Holden should increase the quality of ads message arguments and change the negative beliefs by featuring its small-car vehicles. Thus, marketing research plays a major role in providing information needed to assist management decision. Qualitative research is best in use to produce non-quantifiable insights into behaviour, motivations, and attitudes. It is less structured, conducted in small samples, and respondents are carefully selected. Qualitative research will benefit the management decision problem by focusing on understanding and gaining insights on consumers' value-driven attitudes (Wilson, 2010, p. 57). Research Objectives:

1. To identify the needs of the medium/large car market vs. the small car market generally.
2. To determine awareness and perception of Holden as a brand.
3. To reveal under what circumstances potential customers would be receptive to and connect/engage with marketing messages involving motor vehicles.

Repertory Test:

Repertory test is useful in identifying the salient attributes of brands as perceived by consumers. It is designed for the purpose of operationalizing personal construct theory. Kelly's (1955) Personal Construct Theory (PCT) viewed individual man as a scientist whose ultimate aim was to predict and control his environment. At the core of PCT are constructive alternatives, which proposed that we have the creative capacity to interpret our environment, rather than simply respond to it in a stimulus-response manner. (Pike, 2010)

1. Element selection

To determine awareness and perception of Holden as a brand

2. Construct identification

Use triads (groups of 3). Comparing how group of two are similar or different to another one. In this case we want to get insights on Holden as a brand therefore we compare it with Toyota, Ford and Mazda.

3. Element comparisons. Use grid.

To understand the test better we use the grid test. We took into consideration the factors that affect the buying decision of a customer when it comes to buying a car and relating those factors to the car brands. (F. Fransella, 2004) Figure : Factors considered when buying a motor vehicle, March 2011 – March 2012

(ABS Environmental Issues: Waste Management, Transport and Motor Vehicle Usage Survey, 2012) Using the six popular factors which influence the decision of consumers from one brand to another in Figure 1: cost, fuel

efficiency, safety, manufacturer reputation, appearance and reliability, a grid is built to test consumers' attitudes.

After analysing the four elements maximum respondents favoured Toyota as compared to other cars. “ Despite the long running Bathurst 1000 competition between Holden and Ford, it was Toyota which had the greatest number of cars registered in Australia in 2012 (2. 6 million), followed by Holden (2. 0 million) and Ford (1. 6 million)” (Car Nation, 2014). Toyota is still the market leader and when it comes to brand perception it gains more points compared to Holden. Holden has not able to maintain a good reputation and that has had an impact on its brand perception. Recently Holden recalled its Cruze – small car for the seventh time in five years – but the latest safety campaign is the second recall for a fault identified late last year(Business : GM Holden issues second recall for Cruze car with same fault, 2014).

Qualitative Research Technique – Focus group.

Other than repertory test, focus group is also an ideal qualitative research method to address research objectives, particularly the third one in this case. The intention is to understand people's perception and attitudes towards particular advertising stimuli. It would likely be challenging to gauge using a questionnaire alone due to its limiting ability in obtaining a behavioural or attitudinal response(Wilson et al, 2010, 57). To keep the respondents on topic, the intended format of each session is: Open up the conversation (‘ ice-breaker’) by asking respondents to think of advertisements that are currently or previously in circulation and discuss

what engaged/did not engage respondents and why. The moderator is to provide examples of various vehicle advertisements (both Holden and non-Holden) to the group and ask them to discuss these in the same manner as above.

The advertisements should include a combination of media platforms and still material. The data produced from a focus group is ideal as it allows a forum that encourages respondents to share and explore their various thoughts, attitudes, motivations, and behaviours when viewing advertisements which generates a greater depth of understanding into what advertising is/is not appealing (Lukas et al, 2004, p. 124). Because this segment of the research focuses on advertising and how receptive consumers are to advertising, it is important to consider who would most likely be the ideal audience of any car advertising – namely, those who are in the market for a vehicle within the next 12 months. Participants will be selected with a mix of people who are customers (or brand-loyal), non-Holden customers and first-time vehicle buyers so that a selection of purchasing situations are allowing for an unbiased mix of opinions. The traditional number of 8 – 12 respondents will be utilized in order to allow for absenteeism and simultaneously limits a high number of respondents for the purpose of allowing the moderator to efficiently manage the topic of conversation (Wilson et al, 2010, 75; Lukas et al, 2004, p. 130).

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