

Gm holden ltd analysis



**ASSIGN
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Introduction

GM Holden Ltd, commonly designated Holden, is an Australian automaker that operates in Australasia and is headquartered in Port Melbourne, Victoria. The company was founded in 1856 as a saddler manufacturer. In 1908 it moved into the automotive field, before becoming a subsidiary of the United States-based General Motors (GM) in 1931. After becoming a subsidiary of GM, the company was named General Motors-Holden's Ltd, becoming Holden Ltd in 1998—the current name was adopted in 2005. There is a high demand for Holden in New Zealand market. Market segmentation is a concept in economics and marketing. A market segment is a sub set of a market made up of people or organization with characteristics that cause them to demand similar products based on qualities of those products or as price. True market segmentation meets all of the following criteria: it is distinct from other segments (different segments have different needs), it is homogeneous within the segment (exhibits and common needs); it responds similarly to a market stimulus, and it can be reached by a market intervention. The term is also used when consumers with identical product needs are divided into groups so they can be charged different amounts.

In this assignment the New Zealand market for Holden products is segmented to understand the customer needs and provide them with different kinds of Model and developing a marketing mix that will sustain the target market.

In this study segmentation is analysed in four stages:

1. Assess the potential for market segmentation.

2. Apply market segmentation process.
3. Determine positioning strategies for chosen segments.
4. Relate market segmentation to the marketing mix.

Question 1:

Assess the potential for market segmentation.

- Examine the implication of market segmentation to determine precise targeting of marketing in terms of the needs, wants and behaviours of markets.

Ans. Reference to use of resources: The resources in the business can be people, money, place etc. The main resource to run the business is people and money. There is a need of investment to start and run the business in a profitable way. People are also very important in the business without people we can't start our business. Holden establish its business at that places from where they can get raw material very easily and reduce transport expenses.

Understanding and meeting customer's needs: It is very important to find out what the customers want. Firstly Holden identify the needs of the customers and then according to the need of the customers they made different models.

Identification of competitor's activities: To gain the competitive advantages, Holden collect information about the competitor's activity, what they are doing in the market to do more sales like as Toyota, Hyundai, Mazda and many more.

Evaluation of market performance by segments: Market performance is the amount of sale in a business. There are different groups in a business which gives different turnover in the market. So it is necessary to find the most suitable group providing the expected market performance.

Identification of significant cultural influence: New Zealand is a multicultural country. The customer's priorities are affected by his/her ethnic background. So it could not satisfy all the needs of the market of cultural groups at the same time. Therefore, Holden make necessary efforts in the market to attract different cultural groups.

Question 2: Apply market segmentation processes.

- Identify segmentation bases for markets and include geographic, demographic, psychographics and behavioural usage.

Ans:

Holden

No.	Name of product	Income segment	Product usage and potential	Segment size and growth	Segment attractiveness	Objectives and resources
1	Commodore	Above \$35,000	Low	10 %	Average	Average
2	Captiva	\$20,000-\$25,000	Medium	30%	Very good	Sufficient

3	Cruze	Below \$20, 000	High	60 %	excellent	Plenty	H
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Commodore: People buy this model that have above \$30, 000 income. The competition of this model in the market is low as the price is very high. Due to high price the usage of this car is also very low. Segment size and growth is also very less.

Captiva: The usage of this car is medium in the market as the price is affordable to middle class family. Income group between \$20, 000-\$25, 000 buy this car. The competition of this this car in the market is medium. Segment attractiveness is also good.

Cruze: Most of the people prefer to buy this car. Below \$20, 000 income group buy this model. The usage of this car is very high in the market. The competition of this car is very high because the price is affordable. Objectives and resources of this car are plenty. Segment attractiveness is excellent.

Question 3: Determine positioning strategies for chosen segments.

3. 1 Select target market segments and apply segmentation strategies.

Ans: Positioning: A marketing strategy that aims to make a brand occupy a distinct position, relative to competing brands, in the mind of the customer. Companies apply this strategy either by emphasizing the distinguishing features of their brand (what it is, what it does and how, etc.) or they may try to create a suitable image (inexpensive or premium, utilitarian or luxurious,

entry-level or high-end, etc.) through advertising. Once a brand is positioned, it is very difficult to reposition it without destroying its credibility.

Undifferentiated Market: Sales-growth strategy that ignores market segment differences and attempts to appeal to all prospective customers with a single, basic product line through mass advertising and distribution.

Differentiated Marketing: A sales growth strategy in which several market niches or population segments are targeted with different products for each niche or segment.

Concentrated marketing: Growth strategy in which resources of a firm are focused on a well-defined market niche or population segment.

Individualised Marketing: Any kind of communication to individuals by the companies or retailers can be termed as individual marketing. Individual marketing is often customized as per the individual customers. The demand can be directly communicated to the suppliers or manufacturers and they can be provided with customized products as per their demand.

3. 2 Establish positioning variables for each target market segment and determine positioning strategies.

Ans: Product Attributes: The HOLDEN produces all kind of vehicles, such as sports cars, luxury cars, sports utility vehicles and fuel efficient cars as well. These all are the product attribute. This provides a wide selection range to the buyers. That's why, HOLDEN manufactures vehicles of all classes according to the demands of the people and their choice, in this way, the business can increase more value in the New Zealand market.

Usage and Users: Usage is defined as the way that something is being used, or to the proper way to make use of something. In a market, it is very necessary to look into the usage of the products and the users. The use of the vehicles may vary according to the age group of users. The Holden made its product according to the different type of users. Such as luxury cars for elite class, sports racing cars for youngsters and fuel efficient cars for middle class.

Product Class: Product class means that the group or range of products according to the class of people. For example, HOLDEN makes their cars to target the every class of society. They make cars from 1500-2000cc up to 7000cc sports cars. They are classified into different people according to their income, and class.

Customer Needs and Benefits: It is very important in the automobile industry that the cars which are available for users are satisfying their needs and providing the benefits to them. That means the car which is purchased by customer is fulfilling his requirements and putting no additional pressure of maintenance cost on buyer. **Competition:** Holden have a lot of competitors in NZ automobile market. Everyone introduce cars with better features and affordable prices. So, it is necessary for HOLDEN to build such type of cars which are able to compete with the rival companies. It's also very important to keep the price of newly built cars in the reach of customers.

Cultural Factors: Culture is the most basic reason is that effects person's choice while buying a vehicle in New Zealand. New Zealand is a multicultural country, so they need to make the cars for satisfying needs of all ethnic

groups. Like, the people from Asian countries are always show interest to buy cars from Asian manufacturers because they are less costly as compared to other brands. This factor also effects the sale of Holden's vehicles.

Question 4: Relate market segmentation to the marketing mix.

4. 1 Assess the implications of market positioning strategies for marketing mix decisions in terms of organisational marketing objectives.

Ans: Marketing Mix: The marketing mix is a business tool used in marketing and by marketing professionals. The marketing mix is a planned mix of the controllable elements of a product's marketing plan commonly terms such as, Price, Product, Place and Promotion.

Product: In every business, quality product is the main factor for running a business. So if the products are not qualitative enough, then there is more probability of losing the customer but if we have qualitative product, then more customer's gets attracted and there will be more sale. Hence, qualitative product for the customers helps to make more profit in a business. As our Company is Holden, our products must meet that standard. All the customers must feel they are getting more than they paying.

Price: If the price of the Holden cars are affordable and economic, and if there are more models and offers then it's obvious the sales will increase. If the price doesn't worth then people buy other brands of car because the competition is more in the NZ market so it will effect on the business.

Promotion: To run the business, it is very necessary to do the promotion of the newly cars. There are various ways to promote the business such as give advertisements of the different models of cars. In this ways, we can create good picture of our product in different style into people's mind.

Place: In the car business, it is essential to choose the right place for the business to run successful. If the place is not suitable then no one will go there and buy. We should establish our car business in the city where people can see upcoming models. And can buy and fulfil their needs.

4. 2 Recommend monitoring mechanisms for market positioning strategies according to strategic marketing plans.

Ans. Plan Control: The Plans are done by the top and middle management to get the annual report of the results whether the results are achieved or not. With the help of plan control, one can compare the actual plans with the standard plans to get the variance between them and also it provides the sales and market share analysis.

Feedback: we need to get feedback from our customers whether they like our new models or not. If not which feature they don't like or what feature should include according to them. From the feedback we can know the need of the customers.

Survey: in this survey there are questions and you needed to tick or give yes or no according to the customers need. From the question given in the survey we can find out the actual needs of the customers like any new features etc.