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Honda Motor Company, Ltd. (Honda), incorporated on September 24, 1948, develops, produces and manufactures a variety of motor products, ranging from small general-purpose engines and scooters to specialty sports cars. The Company’s business segments are the motorcycle business, automobile business, financial services business, and power product and other businesses. Honda conducts its operations in Japan and worldwide, including North America, Europe and Asia. On March 22, 2011, the Company completed the selling of all stake in Hero Honda Motors Limited to Bahadur Chand Investments Private. Ltd. and Hero Investments Pvt. Ltd. In August 2012, the Company acquired Usha International Ltd. Motorcycle Business

Honda produces a range of motorcycles, ranging from the 50 cubic centimetres class to the 1, 800 cubic centimetres class in cylinder displacement. Honda’s motorcycles use internal combustion engines developed by Honda that are air or water-cooled, two or four cycle, and single, two, four or six cylinder. Honda’s motorcycle line consists of sports (including trial and moto-cross racing), business and commuter models. Honda has also produced all-terrain vehicles (ATVs), personal watercraft (PWC) and multi-utility vehicles (MUVs). Motorcycles are produced by the Company in Japan at the Kumamoto factory. Honda’s motorcycles are also produced by subsidiaries in countries worldwide, including Italy, Thailand, Vietnam, the Philippines, India, Brazil and Argentina. Honda’s unit sales of motorcycles, ATVs and PWC total 9, 639 thousand units during the fiscal year ended March 31, 2010 (fiscal 2010). Automobile Business

The Company’s automobiles use gasoline engines of three, four or six cylinder, diesel engines and gasoline-electric hybrid systems. Honda also offers alternative fuel-powered vehicles, such as natural gas, ethanol and fuel cell vehicles. Honda’s principal automobile products include passenger cars, minivans, multi-wagons, sport utility vehicle, and mini cars. Its passenger car models include Legend, Accord, Inspire, Civic, Insight, City, Acura RL, Acura TL, Acura TSX and Acura CSX. Its minivans, multi-wagons and sport utility vehicle brands include Elysion, Odyssey, Step Wagon, Stream, FREED, FR-V, Airwave, Fit/Jazz, Partner Pilot, Ridgeline, CR-V, Element, Crossroad, CR-Z, Acura RDX, Acura MDX and Acura ZDX.

Its mini cars brands include Life, Zest, Vamos and Acty. Automobiles are produced by Honda at two sites in Japan: the Saitama factory and the Suzuka factory. The Company’s major production sites overseas include those located in Ohio, Alabama and Indiana in the United States; Ontario in Canada; Swindon in the United Kingdom; Ayutthaya in Thailand; Uttar Pradesh in India, and Sao Paulo in Brazil. Yachiyo Industry Co., Ltd., one of the Company’s consolidated subsidiaries, assembles mini cars for the Japanese domestic market. Honda’s unit sales of automobiles total 3, 392 thousand units during fiscal 2010. Financial Services Business

Honda offers a variety of financial services to its customers and dealers through finance subsidiaries in countries, including Japan, the United States, Canada, the United Kingdom, Germany, Brazil and Thailand, with the aim of providing sales support for its products. The services of these subsidiaries include retail lending, leasing to customers and other financial services, such as wholesale financing to dealers. Power Product and Other Businesses

Honda manufactures a variety of power products, including tillers, portable generators, general-purpose engines, grass cutters, outboard marine engines, water pumps, snow throwers, power carriers, power sprayers, lawn mowers and lawn tractors (riding lawn mowers). Honda has introduced a compact home-use cogeneration unit. In addition, Honda sells thin-film solar cells made of crystalline silicon for home use, as well as for public and industrial use. Honda’s unit sales of power products total 4, 744 thousand units in fiscal 2010.

Identify the Marketing Problems
We have discovered quite a few marketing problems of customers’ needs of buying Honda CR-V. First of all, customers that seek a great car will be interested in a car that has good engine performance and high horsepower. Many drivers these days enjoy driving their cars comfortably, especially along the highway, they will definitely want their cars to perform smoothly. Secondly, as a smart customer, they will hope that their cars are safely enough to drive around. By ensuring trustable safety features, customers will feel more comfortable when driving and it gives out a secured feeling to the drivers. Thirdly, a customer would like their cars fuel-friendly. No one would want a car that consumes fuel rapidly because it can cost a lot of money and to be able to drive a car around without worrying the consumption of fuel is a choice for everyone.

Fourthly, a customer would want to purchase affordable cars, not expensive and luxurious cars. Not everyone is rich and so, they might not be able to afford a car that is priced above their ability and expectations to purchase. Fifthly, in order to attract customers, navigation systems (GPS) must be installed into the car. Drivers might not be able to drive to every of their destined locations accurately because they may not be familiar with the locations or they are new to the places, so an installed navigation system is definitely a plus. Other than that, keyless feature can be another implementation that customers need. Although it may not be a main selling point, but many customers may seek convenience while driving a car. Furthermore, some of the customers will seek a smaller car rather than a larger car, especially female drivers and this is because a smaller car will be easier to drive around instead of a big car. Some of the drivers want to move in and out easily without much disturbances.

Moving on, most of the customers will prefer buying a car that comes with a long-duration of warranty. They can enjoy free maintenances and services of their cars during this period of time without spending money. This service will definitely attract customers. Last but not least, by providing promotions for a period of time will attract customers and even increase the profit of a car company. More customers will buy the car if the price is reduced in conjunction to a promotion period. After several researches and discussions, we were able to identify the marketing problems above. Based on an advertisement of Honda CR-V we found on a newspaper, we were able to meet the marketing problems with the specific features and services that were mentioned in the newspaper.

First of all, Honda CR-V provides a powerful DOHC 4 Cylinder 16 Valve i-VTEC engine. It reaches up to a maximum speed of 190km/h and accelerates from 0-100km/h for a mere 10. 6 seconds. This engine feature is provided in the advertisement. Secondly, Honda CR-V implements both Eco Assist and ECON mode functions to help save fuel consumption and also improves the fuel efficiency while driving. This is mentioned in the advertisement. Thirdly, a satellite navigation system is also installed into Honda CR-V in order to guide the drives to reach their destinations safely and accurately.

We found this feature mentioned in the advertisement too. Fourthly, Honda CR-V provides keyless feature to the customers for convenience. A smart key entry feature lets the customers start the car without even taking the key out. This is mentioned in the advertisement. Lastly, Honda CR-V provides a 5-year warranty with unlimited mileage including free services and new maintenance menus to satisfy the customers. This is also mentioned in the advertisement too. We can refer to the appendix section to compare the advertisement of Honda CR-V with the marking problems that we have identified.

Consumer Behavior Issues
Based on the marketing problem mention in above, a wise consumer would like to have a safety car since that on the road accident rate is getting higher in every year. Therefore, Honda CR-V have provide safety features that comes with six airbags including side-curtain, vehicle stability assist, hill start assist, ISO fix, head and neck support. These features were designed to satisfy consumer need in order to provide comfortable and protectable while driving the all new CR-V. Consumers feel no worry about car accident because these safety features will ensure the driver to reduce or avoid any injuries after a car accident. Besides that, consumer would like to have a car with good engine performance so that consumer feel relax and comfortable while driving on the highway.

With perfectly balanced power and fuel efficiency, the CR-V’s 2. 0L and 2. 4L i-VTEC engines promise a memorable driving experience. Its paddle shift in particular, provides a smoother, well-controlled drive – be it on the highway or when you navigate twists and turns especially when you are driving in high speed, you will have a feeling of excitement. Consumer are seeks for a fuel efficient that can help them to save fuel cost and reduce air pollution. They will feel happy because they can spend the remaining money in other matter. CR-V is provided the Econ mode system to solve this problem. The Eco Assist and ECON mode functions ensure fuel efficient driving, while its attractive combination meter design and LCD display give the driver better visibility.

CR-V has a built-in navigation satellite. The navigation satellite can locate the most convenient route to your desired destination. Consumer can enjoy sheer driving pleasure as the CR-V satellite navigation. The satellite navigation display will provide the right direction. In short, consumer feel convenient and less time consuming while using the navigation satellite since it’s provide smoothly way and prevent lost in the city. Consumer feels that bringing a key to everywhere is not so convenient. Therefore, CR-V provided a smart key entry to solve consumer’s problem. Now you can lock and unlock your CR-V without ever taking the key out. The vehicle knows when you want to enter or exit your ride. Furthermore, start the CR-V’s engine at just the push of a button and no keys required since smart key entry system has implemented. In addition, consumer feels proud to have smart key because comparing with the other vehicle without smart key.

CR-V comes out with the new service package which is 5 years warranty with unlimited mileage, new maintenance menu and new free service. This prove that Honda is confidence with their vehicles in maintain an above average standard of reliability over the course of that time span. Other than that, consumer will feel confidence with Honda too since they were provide such good service as mention in above. Consumer feels cool with a perfect balance of smooth flowing lines and aerodynamic sportiness, the CR-V’s premium styling and sophistication turn heads around every corner with its muscular front bumper and grille, eye-catching HID lights and a stylish shark fin antenna. Unfortunately, some consumers seek for a smaller size car comparing to bigger size car because large car not convenient to drive around but for those consumer who like large car, CR-V is the best choice for them.

Consumer Analysis
Maslow’s Hierarchy of Needs
Based on the theory of Maslow’s hierarchy (refer to Figure 2), consumers’ needs can be differentiate according to precedence. Physiological needs are the most basic in the hierarchy; they take top priority. People progress up the hierarchy to the next level of needs only after these needs have been fulfilled. Maslow’s hierarchy is a useful concept because it reminds us that people attach different priorities to their needs. But, sometimes consumers ignore lower-order needs in pursuit of higher-order needs.

Therefore, different needs lead consumers to seek different product benefits. Based on the Honda CR-V advertisement, the level stage of needs found in Maslow’s hierarchy are esteem needs and safety needs. For esteem needs is those consumers are strongly motivated by a desire to project a certain image are looking for a different benefit from those more concerned about safety. However, the safety needs for Honda CR-V are the safety features like airbags and antilock brakes and safety record are accorded greater emphasis for those motivate by the need for safe transportation.

Personality
Personality is the consistent responses to environmental stimuli. It is an individual’s unique psychological makeup, which consistently influences how the person responds to his or her environment Based on the Psychoanalytic Theory, human personality system consists of the id, ego and superego. By relating this theory to Honda CR-V, we found that a certain customer, who wants to drive a fast car instead of a slower car, possesses this personality. He/she may have that ego that wants to show off how cool and how high-class they are because they are driving a car that can meet up to their expectations with good engine performance that Honda CR-V provides. Other than that, the ego of the customer arises when he/she has the desire to purchase a big car instead of a small car because normally a big car is perceived as a higher-status than a small car.

The Consumer is King
Knowing why and how people consume products helps marketers understand how to improve existing products, what types of products are needed in the marketplace, and how to attract consumers to buy their products. In order to satisfy the needs of the customers, Honda listens to the voice of the customers, what they need and try to fulfill and satisfy their needs. They consistently improve their products in order to keep the loyal customers and make them want even more. In this situation, we found this new version of Honda CR-V was designed according to what and how the customers want.

According to the picture of the car in the advertisement, we can see that the car has a sporty yet luxurious exterior design. The muscular front bumper and grille, even the eye-catching HID lights are what the customers want. The alloy wheels and shark fin antenna has managed to attract the customers too. Other than that, the interior design of Honda CR-V is what the customers have been dreaming of too, spacious interior along with leathered seats, it provides maximum comfort to the drivers and the passengers. Next, in order to satisfy the customers even more Honda also provide a 5-year warranty to those who bought this car. They can enjoy free services and new maintenance menus that are included after buying the car.

Consumer Decision Process Model
Stage one, need recognition occurs when an individual senses a difference between what he or she perceives to be the ideal versus the actual state of affairs (refer to Figure 3). Stage two, search for information can be either internal or external. Stage three, pre-purchase evaluation of alternatives is the stage of consumers seeking answers to questions such as “ what are my option?” and “ which is best?” when they evaluate and select from various products or services. Purchase stage from stage four, the purchase intention can change during the purchase stage. Stage five, after the purchase is made and the consumer takes possession of the product, consumption can occur at the point which consumers use the product.

This stage might either occur immediately or be delayed. Stage six post-consumption evaluations, satisfaction and dissatisfaction can be occurred. Last stage of divestment is that consumers have several options, including outright disposal, recycling, or remarketing. Based on the consumer decision process model, consumers will normally start with having need recognition of buying a car or not (Stage 1). Follow by starting to search for more information internally or externally through mass media, newspaper and so on (Stage 2). Next, consumers will start to ask themselves whether to buy a Honda CR-V or some others car and which of it can satisfy them more (Stage 3).

After consumers have chosen the Honda CR-V, they will start to think whether to buy it or not (Stage 4). After buying the Honda CR-V, consumers will mostly consume the car immediately rather than being delayed (Stage 5). After consuming the product, consumers will start to feedback whether that the car satisfy or dissatisfy them (Stage 6). After a period of time that using the car, consumers will either resell it to second-hand buyer or send to the workshop to dismantle it (Stage 7).

The ABC Model of Attitudes
The ABC Model of Attitudes is consisting of the three components: affect, behaviour, and cognition—accentuates the relationship between knowing, feeling, and doing (Solomon, 2008). The attitude changes via affect (influencing feelings). The affect includes conditioning, feeling toward advertisement and mere exposure. Secondly is the attitude change via cognitions (influencing beliefs). It is changing consumer’s beliefs about the attributes and ideal of a brand. It is also influencing consumers to change the importance of beliefs about the product. Then the next one is changing attitudes by encouraging a change in behaviour. Based on attitude change via affect, consumers can build up positive feelings on picture with colour. The picture of Honda CR-V is included in the advertisement. If they like the advertisement, there is a greater chance they will like the product. The advertisement can lead to a positive attitude by showing to consumers.

Based on the attitude change via cognitions (influencing beliefs), the advertisement is providing information about Honda CR-V, it can change consumer’s belief about the attributes of a brand. Besides, the advertisement also specifies the importance about Honda CR-V and it will make consumers understand the specifications clearly. Changing the attitudes by encouraging a change in behaviour can be done by provided Honda service package which included five year warranty with unlimited mileage, up to six free labour services and service interval on the advertisement. It can be attracted consumers so that they will change their behaviour to purchase the car. Recommendations

Upon finishing this assignment, we have identified a few recommendations that can be implemented by Honda to their car, Honda CR-V. Firstly, the safety features of Honda CR-V were there, we are able to find information regarding the safety features of Honda CR-V. For example, SRS airbags are inserted in the front of the vehicle to protect and reduce the impact of collisions. Several others safety functions were also mentioned in the website but they are not highlighted in the advertisement of Honda CR-V. We suggest that in the next advertisement Honda should provide more details regarding the safety features of Honda CR-V. Secondly, the size of Honda CR-V is bigger than usual vehicles as it falls under the SUV category. Many drivers, especially female drivers will rather pick up a smaller-sized car than Honda CR-V due to its wide design.

It reaches up to the size of 4, 545 x 1, 820 x 1, 685 (mm). Perhaps Honda can reduce the size of this car or they can release a new sedan version of Honda CR-V to attract more customers. Lastly, the price of Honda CR-V is expensive. The 2. 0 i-VTEC edition reaches up to RM148, 000 while the 2. 4 i-VTEC edition reaches up to RM169, 800. This is the price that not many people can afford and as we mentioned before in the marketing problems section, people will go for cheaper cars rather than expensive cars unless they are reach. We suggest that Honda can tuned down the prices of Honda CR-V or they can even try to provide a promotion period so that more customers are willing to buy the car. We are sure that if all the recommendations above are fulfilled, more people will be buying Honda CR-V since that it is an excellent car with more pros than cons.

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