

Perodua assignment essay sample

[Media](#), [Advertising](#)



1. Background of Company/Product and Services

Perodua, also called as “ Perusahaan Otomobil Kedua Sendirian Berhad is a automobile limited company that establish in 1992 and also the second automobile manufacturer’s brand after Proton in Malaysia. Perodua company are produce compact cars type vehicles such as Perodua Kancil as their first car which is different compare with Proton that more like sedan type vehicles. There are tow joint venture partners of from Japan which are Daihatsu Motor limited company and Mitsui limited company (Corporate Information, 2010). Those company are being handle the manufacturing operations of the Perodua Group. Perodua do not have their own main component apply to their automobile such as engines so the company used the engines from Daihatsu company. Perodua company had produce Perodua Kancil, Rusa, Kembara, Myvi and many others until their latest products is Perodua Axia by this year 2014.

The best selling product in their company are Perodua Myvi, which sold around 80, 000 units in the year 2006 because of the design style that match to the customer demand along with affordable price. Perodua Myvi is also beat its rival, Proton company’s best selling product Proton Wira which sold around 30, 000 units in Malaysia. Other than that, Toyota, BMW, Mercedes and others are the competitors to Perodua from international market as well. In international markets, Perodua company have been export their product to Brunei, Sri Lanka, Egypt, Nigeria, Nepal and other country as well as in small numbers by local dealers. Over the years, Perodua company have been successful sold over 189, 000 units of vehicles as the company have highest sales record in Malaysia. The latest product Perodua company have been

launched recently is Perodua Axia which is also same as previous perodua that it chose to permit the Daihatsu Ayla and Toyota Agya platform for their Viva Replacement Model (VRM).

The company introduce their first car that have energy efficient vehicle along with an A-segment five door hatchback, as a replacement for Perodua Viva which has been launched around in the year 2007. The description design of Perodua Axia are bigger than the Perodua Viva but almost equal of the Perodua Myvi. The design and development of Perodua Axia are based on Perodua Viva, just to make it improvement and redesign as the successor of Perodua Viva. The design of Perodua Axia option comes out with two face, four variants and six models. Perodua Axia's variants consists of four type entry level which are Standard E, Standard G, Special Edition and Advance and for the two faces option are markedly different bumper or grilles as well as headlamp types. Before Perodua Axia was launched, our Prime Minister Najib Razak announced that it has been decided to be the cheapest or affordable price of new car in the market as a replacement of Perodua Viva.

2. 1 Target Market

With the current economical state, having a well-defined target market is most important ever. (By Mandy Porta, 2010). Definition of target market is a specific group of potential people who are willing to purchase for which business position its product and service. (By Mindy Lilyquist, 2014) Target market involves the process of breaking down a large market into smaller or sub segments which are then focus on the target potential markets. It becomes easier and enables the marketers to be more effective in setting

the price, promotion, product and distribution which are the main components of marketing mix by focusing on all marketing activities through the target market (By Susan Ward, 2014). In addition, target market can be broken down into few segments which are demographic, geographic, psychographic, and behaviors. The first target market strategy that Perodua uses is differentiated marketing. Differentiated market is chosen by numerous market segments and designed to different marketing mixes for each segment. (By Pride. et. al, 2007).

Perodua uses different segmentation to attract different consumers. Besides that, the target market strategy of Perodua is by using concentrated marketing. There are few segments which will be selected by the Perodua and a marketing mix for these few segments will be proposed (By Pride. et. al, 2007). Thus, Perodua aims to use the concentrated marketing strategy to attract large portion of once section while controlling the production costs. Moreover, Perodua also uses undifferentiated marketing as their last target market strategy. They use the marketing mix which product, place, promotion and price are the organization at the whole market. On the other hand, the organization chooses to mass market to avoid other segments from existing, (By Pride. et. al, 2007). Demographic segmentation is based on age, gender, family size, income, education, ethnic, race and religion. (By Molly Gigli, 2014).

First of all, Perodua uses demographic segmentation approach to determine their potential target. Perodua is specifically targeting youngster Y and old folks. The range of age is between 18 to 24 years old and 55 to 64 years

old.“ What’s Up, Graduates!” campaign is specifically designed to attract those people who are undergraduates and graduated students to purchase Perodua vehicles. (By Motor Trader Editorial Team, 2012). Most of the youngsters will purchase Perodua Axia as their first car, it is because they don’t have a strong financial support but they wish to get car with sporty design and modern features which they are able to afford. Perodua Axia is the cheapest car made from Perodua which starts from RM24, 600.

Moreover, the second target age range is the old folks. (It is because they children are grown up, they children may be busy with their life and cannot always be by their sides. They are willing to choose a car which is small and economical because it is easy to drive around the town (By Motor Trader Malaysia, 2014).

Besides that, Perodua Demographic of Perodua buyers are 50: 50 between Malays and the Non-Malays. (By Paul Tan, 2006). Company is targeting people of different religions like Malay, Chinese, India, and so on. The next is Psychographic Segmentation. The definition of Psychographic segmentation is to understand the consumer’s attitude, opinion and lifestyle. It considers a group of consumers who buy the product based on their AIO. For Perodua Axia, they use the tradition-oriented consumer lifestyle to target their potential customers. They are also price-conscious. They are rational and they won’t purchase the product without consideration. Moreover, this type of consumer mostly will purchase the cheapest product and count they budget wisely. They prefer to buy domestic brand, because domestic brand are much cheaper than foreign brand. Perodua Axia is the most affordable

car with four-star rating and first Energy Efficient Vehicle (EEV) car. The price of Perodua Axia is from RM24, 600 to RM42, 530. (By Danny Tan, 2014)

The last one is behavioral segmentation. Behavioral segmentation is based on occasions, usage, loyalty and benefits sought. Behavioral segmentation is breaking down the consumers into groups based on the way they respond, use and understanding of the product (By Jim Riley, 2012). Perodua builds their image by 70 to 80 % of Perodua buyers are either first time car buyers or they are looking to buy a Perodua as a 2nd or 3rd car, it is nit to replace an existing car (By Paul Tan, 2006). Datuk Aminar say, Perodua would not lose sight of quality and customer service, this two areas are very important to build the customer loyalty. (By Motor Trader, 2012). Perodua makes an effort to understand how the customer experience value to build the customer loyalty. The loyalty customer are willing to try the new product like Perodua Axia. Moreover, for those who are eco-friendly users and economical users, Perodua Axia is qualified as an Energy Efficient Vehicle (EEV) under the Malaysia National Automotive Policy Conditional, so customer can use less fuel to travel more. Perodua offers a car at a low price without compromising on features and more importantly, quality and safety. 2. 2

Positioning

Positioning is the process of designing a brand, so it can occupy a distinct and valued place in the consumer's mind and communicating this distinction to the consumer. Perceptual space created in the mind set of consumers that encompasses all possible brands they might consider purchasing, and giving the brand a prominent position in that space when compared with other The

tagline of PeroduaAxia is “ Your Smart Move”, PeroduaAxia represents Perodua’s efforts in becoming globally competitive in terms of styling, quality, features and price. The tagline of Perodua also show that this car is a smart buy. PeroduaAxia can be characterized by 4 key elements, which are environmentally friendly, easy driving, extra spacious for a compact vehicle and economical in terms of the overall cost of ownership (By Aminar, 2014)

PeroduaAxia is the first car produced with modern design and environmentally-friendly new manufacturing plant; Perodua Global Manufacturing Sdn Bhd (PGMSB). PeroduaAxia offer the first Energy Effective Vehicle (EEV) modal made by Malaysian company with support from Daihatsu Motor Company of Japan (DMC). Perodua president/CEO Datuk Aminar Rashid Salleh announced a better price positioning for all Axia variants during the launch by Deputy Prime Minister Tan Sri Muhyiddin Yassin. (By Ong Ee Seng, 2014) In addition, PeroduaAxia can travel up to 21.6 km/l, spacious, packed with unique features and have a low cost of ownership. The package for every Malaysian with starting price from RM24,600 to RM42,530. It is a car of Japanese quality and features at a Malaysia price.

3. 0 The Advertising Campaign

3. 1 Advertising

Among the different types of promotional mix, one type of it that we are going to apply in our advertising campaign management for the core brand product, Perodua Axia is advertising. Advertising is a form of non personal promotion. It is when companies pay to promote ideas, goods or services in a

variety of media outlets. It can be found everywhere. With advertising, a company engages in a one-way communication to the prospect or customer. Some examples involve are magazines, newspapers, television, websites, city buses, etc. An advertising campaign was being conducted and reviewed to better understanding the customers' needs, wants and desires. This includes their purchase benefits, not attributes. Through advertising approach, marketers can promote Perodua Axia via repetition because it can effectively capture attention of different consumer groups and move their brand to long-term memory. Perodua Axia has successfully build a good positioning that the brand designed can occupy a distinct and valued place in the consumers' mind which can giving the brand with a prominent position when compared with others.

Advertising expose the customers with various information including product-specific and consumer-oriented research. The main key selling point for Perodua Axia is its affordable price (around RM 24, 600), high quality, brand name associated with the desirable features, good service being provided and the most importantly fuel effective. Advertising inform us about the prominent feature belongs to Perodua Axia including it has the decent amount of cupholders, storage compartments and hooks for hanging shopping bags. One particular highlight for it is the anti-snatch hook, located on the side of the front passenger seat. The hook locks in a handbag strap in a safe place between the two front seats, and keeps it safe from harm. In terms of context of the product use, advertising approach reveals that the instrument panel for Perodua Axia now has a modern cowled-in design and the standard single-Din CD/ radio player has been superseded by a neatly

integrated double-DIN head unit. The window switches on passenger doors no longer look like an afterthought either.

Marketers set the generation Y as their potential target market because they are more willing to make purchase on automobile and they are not resist to try new products. Advertising can convey the messages worldwide to their focus groups which targeted on low income consumer groups especially students because they are revenue dependent on their family. This can efficiently persuade and eventually encourage their action to purchase Perodua Axia as their transport vehicle. The media selection for advertising approach is mainly based on media-usage habits of their target market and audience characteristics of media. Perodua Axia is suitable for small family size usage in daily life and basically female oriented as the size of car is small and so quite easy to control. Advertising method is a successful strategy for the public to recognize easily for the particular brand and made familiar to them and subsequently evokes the positive feelings inside themselves. This can finally lead to brand loyalty by evaluate the brand equity of Perodua Axia. 3. 2 Public Relations

Public relations is another tool in the promotional mix. The main purpose of public relations is that it helps to build a positive public brand image and reputation for a company, supports new product launches and boosting the sales, helps a company to evaluate public attitudes and communicates the overall goals of the company. Public relations can manage a differentiation made between the products which is a process of creating in the mind of the consumer the perception of a clear difference whether tangible and concrete

or intangible and emotional between an organization's brand and that of its competitors. Differentiation emphasis on having the consumer perceive a difference between product brands by referring to a positive difference for the organization's brand. Here, public relations have been successfully set the brand apart and able to make Perodua Axia stand out among the competitors' brand.

Marketers can use the public relations to explain to the public that the new all-aluminium engine in Perodua Axia makes itself heard right away (it's a three-pot after all), but it pulls decently enough, and the car feels light on its feet (because it is). Even more compelling is the ride quality- Perodua has managed to make the Axia ride in a much more sophisticated manner when compared with Viva. The real highlight here, however, is elsewhere. Public relations can communicate and interact with consumers regarding why Perodua Axia is more successful among the brands in the market. Marketers are dropping the prices of Perodua Axia to clear off the stocks (and parts) as the competitor brand, Viva has been around for quite a while already.

Perodua Axia has kept themselves busy launching new variants of the same models they have. They have kept themselves pretty busy in coming up with new things of the same old things to keep them in the general public's eyes.

It is all about continuous development- the engineers talk to the vendors about pricing of parts, the marketing guys talk to the engineers about coming up with new variants, the marketing guys talk to the sales guys and see what the market wants and everyone in Perodua is busy doing something slightly new all the time. It keeps their staff on their toes about

trends and about their social responsibility in bringing quality (at a price) products at a lower cost to the public. There is a vast difference between being able to change quickly if you compare Perodua with Proton. Public relations can effectively increase the awareness among the consumers' mind and eventually aids in recall of specific brands and advertisements by enhancing the degree of recognition which in this case, Perodua Axia in the consumers' mind that encompasses all possible brands they might consider purchasing and reduces the evaluation of alternatives. This lead to build up brand equity which can prevents the erosion of market share and can reduces customer switching behavior.

Therefore, public relations are important intermediaries to build up the positive word-of-mouth for Perodua Axia to welcome more frequent purchases because they can provides with the positive assurance to the consumers by efficiently filtering all the drawbacks of the core brand product, Perodua Axia that finally create a social acceptance among the consumer groups to make them feel confident towards the product. Public relations may carry out their role in explaining about the desirable features, product quality, prices, distribution channel, image in the current market position, use or applications and promotions.

These communication objectives are to build the customer traffic and hence reinforce the purchase decisions. For instance, public relations bring to the customers' attention that this model is the first one to built at a brand new factory. The new factory has higher levels of automation which raise the assurance of build quality while also achieving greater efficiency and

productivity which helps in lowering production cost. And of course, as the production cost is pushed down, the company can either make the car cheaper to sell or give more features or do both. Without public relations, it is hardly for the consumers to gain all these trustful and valuable information. 3. 3 Sales Promotion

Sales promotion is best choice for Perodua advertising campaign and also part of the promotional mix. In general, sales promotion are always occur at a limited time to let the customer to buy it with greater benefits like lower prices and others. There are many ways to share information to the customer through such as exhibition, contests, trade shows and other activities. This is the most common or frequent tactics use in business to promote their products in order to bring their new customers. (Taylor, John, 1978) Previously our Perodua company target market on between the age of 18 to 22, Perodua company have been use this sales promotion target on fresh graduates and university's students by giving them affordable price by monthly installment at RM300. Perodua company could use another sales promotion through social media as well. Nowadays people are using social media to interact among people through the network almost everyday such as Facebook and Twitter, Perodua could create its own profile page or Twitter account to share information to other people so that they follow and receive newsletter from Perodua news.

At this point, Perodua could use social media such as Facebook to engage sales promotion to Facebook users. For example, Perodua's sales promotion able to create a newly launched Perodua Axia contest called “ Share, Like

and Win” contest among Facebook that any Facebook user can be participant to share about this contest for a limited time. The winning contest way is to any participant that get the most top ten number of like on the Perodua Axia contest in Facebook will be rewarded to have a better discount on Perodua Axia and provide premium packages to the winner participants. The services reward such as extended warranty for Perodua Axia which can be similar as premium packages that other consumers do through purchase. Those premium packages will not only provide greater benefit for Perodua user, the sales promotion advertisement on Facebook are able to drives customer decision making after they see this contest through advertisement on social media. This can be extend more availability offers for customer to satisfy their demand. At this point, this helps customer to understand and clearly see the benefits what Perodua are promoting and yet create compelling reasons to participate and buy Perodua vehicles at this limited time. In order to support other customer reason to buy, Perodua company are able to provide test driving for customer into this sales promotion so that to create more acceptable reasons for customer to buy as well. Since the newly launched Perodua Axia have pasts few months until now, this sales promotion could create awareness and bring up the potential new customer to look forward for Perodua Axia as well.

4. 1 ADVANTAGES OF ADVERTISING CAMPAIGN

Advertising

Advertisements are used to sell products. Businesses advertise their products to potential customers with the hope that they will buy the

products. One of the advantages of advertisements is ability to raise awareness among the people about consumer products, variety opportunities and more. Hence, through the advertisements will make more consumers know about Perodua Axia. Besides that, consumers can get more information of the product including price, product-specific, functioning through advertisements. When consumers have enough information about the product, they will make decision to purchase the product. Therefore, advertising is enables to increase sales of company Perodua, which thereby results in increased production. Another one of the advantages of advertisement is increasing standard of lifestyle. This message is delivery to consumer about Perodua Axia can improved their lifestyle even they are low income consumer group. Thus it stimulates the desire of public which increase their standard of living. Public Relations

Public relations is the appealing power to a large number of people. If it is a newspaper or a magazine, millions of readers will see the information of Perodua Axia. While if it is a TV advertisement, it can reach a greater audience and they will see the information which introduces Perodua Axia on TV. Creating a public relations campaign is the most economical way for Perodua to reach mass audience. It helps create an image of the company and stimulates awareness and demand for Perodua Axia. A stronger and more controlled image of company Perodua is giving the perception that the business is actively moving forward. Effective public relations leaves a company with a positive image is always helpful in the future.

Inexpensiveness of the cost is another advantage of public relations. This is because it unlike advertising, company Perodua can control the expenses

after comparing to the other ways of advertising even always occur cost to carry out for the public relations activity. Sales Promotion

A sales promotion can help to provide useful information to potential consumers that help them in making a decision. If Perodua Axia has limited availability offers to the markets, it can create a sense of scarcity between consumers that get them to act. Besides that, consumers may receive a free trial period along with information about the product and how it works. In this way, company Perodua can get consumers to try Perodua Axia by removing any apprehension. In addition, company Perodua can combined with new content that helps consumers clearly see the benefits of Perodua Axia, hence this will direct create compelling reasons for consumers to purchase now. Another advantage of sales promotion is it can create differentiation Perodua Axia from other competitors.

This is very important to sets Perodua Axia apart from the competition because buyers have many choices among brands and products offering similar satisfactions. Example: Perodua Axia and Viva, which the price is around RM25, 000 and RM22, 000. The price of Viva definitely is cheaper than Axia, but the specification and functioning of Axia is better than Viva. Through this way, the consumers can differentiation Perodua Axia with other brands. Thus, consumers can identify something new or different offers value from Perodua Axia.

4. 2 Disadvantage of advertising campaign

Advertising

Perodua Axia using advertising as one of the advertising campaign to

promote and expose the new car at the market. First of all, advertising bring in the costs for company. Perodua has to spend large amount on advertising first before the company can actually sell a unit of their car. The costs that occur here will be the burden for the consumer. The higher the costs of advertising will be the higher the price that charge for a unit of car because the company has to meet their advertising expenditure. Therefore, advertising indirectly leads to unnecessary rise in prices. (Pujari, 2014) Besides, advertising can actually confuses the buyers.

Sometimes advertising and reality is not the exactly same. When the buyers come to reality, they will realize that the reality is not what they expected and see from advertisement. On its use, buyers feel cheated. Hence, the company failed to meet their customer's expectation. It may lead to a negative word-of-mouth in the market and buyers lose confidence in the company advertising due to wrong presentation. Advertising confuses buyers instead of helps. (Pujari, 2014) Public relations

Firstly, public relations can lead to an inaccurate message or storytelling. When a company like Perodua held a press release regarding their new Perodua Axia in front of many journalists, the information falls into the hands of many journalists, they will use it to create a newsworthy story. It can be a disadvantage if the storytelling is inaccurate, incomplete or misleading. Every person have their own view about one things, based on every view of different journalists, it may come out with many different story that possibly harm the company's reputation. (Brookins, 2014)

It is says that a success of public relations campaign is hardly to measure. Evaluating the impact of public relations efforts is often subjective. There is no any standard measurement system to judge the effectiveness of a public relations campaign. Hence, Perodua have no idea that public relations could actually help the company or the effectiveness of public relations high or not. (indiaclass, 2014) Sales promotion

Price sensitivity will happen when a sales promotion by Perodua is held regularly. It is a disadvantage to the company when the promotions in sales offered too regularly. By avoiding this situation, Perodua offered the sales promotion irregularly so that the customers have no intention to wait and purchase the products when they are in promotions sales. Normally the sales promotion will be held by Perodua during the new launch of any car model in certain period only. (S, 2013) (Sam, 2014)

Sales promotion doesn't promote brand loyalty or doesn't guarantee customers to repeat purchase. Even that there is a sales promotion, the first unit that bought and used by the customers will determine whether they will repeat purchase or not regarding to the quality of products. If a products without a good quality, even that there is an attractive sales promotion, it will also won't affect a customer to buy it. At the period of the sales promotion, customer from other competitor will temporary switch until the sales promotion is ended, it shows that sales promotion doesn't help in promote brand loyalty. (Chand, 2014)