

# Marketing the buick brand assignment

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Sloan's immediate task was to reign in Tyrant's national network. Sloan described his work as "federal decentralization" (The Economist, 2009), where he organized General Motors into autonomous divisions and delegated coordination to policy committees and staffs, a strategy Sloan described as "decentralized operations and responsibilities with coordinated control" (A Brief History of General Motors, n. D. ). Sloan differentiated General Motors from Ford, which only had one model, the Model T, by implementing a marketing strategy coined by Sloan, "a car for every purse and purpose" (The Economist, 2009).

Sloan reasoned that consumers could be categorized by their annual income. General Motors would design and market car models that matched options available to the different income amounts. The models did not compete with each other and options were updated annually which gave impetus for more frequent turn-around in sales. General Motors expanded globally throughout the first half of the twentieth century. "By the late sass's, General Motors was so successful that it built almost half the cars sold in America, and directly employed more than 400, 000 people in the U.

S. And nearly 800, 000 around the world" (A Brief History of General Motors, n. D. ). Source: <http://ecclesiastics.Mom/WAP-content/uploads/2013/09/57-Chevy-convertible.jpeg> The energy crisis in 1973 exposed all automakers to the reality that their industry was not built on an inexhaustible supply of fuel to power the engines of their products. Automakers were forced to comply with environmental, fuel economy, and safety regulations by adopting new technologies such as four-cylinder engines and front wheel drive.

The sheer size of General Motors imposed inertia on its ability to respond quickly to reshaping itself into a smaller, more efficient company. Japanese and German automakers seized the opportunity to expand into the U. S. Market. In 2008 a major recession and global credit crisis decreased car sales to historically low numbers. Investors became wary of the situation and significantly reduced private sources of capital. General Motors became acutely short of operating cash and filed for bankruptcy in 2009. If any cloud has a silver lining, it is this one.

General Motors emerged from bankruptcy by fulfilling the process it had started in the 1980's of becoming a smaller, leaner company. The reorganized General Motors markets four brands in the U. S. : Chevrolet, Buick, GYM, and Cadillac. The Buick Brand David Dunbar Buick built experimental automobiles from 1899 to 1903. He incorporated the Buick Motor C. In Detroit in 1903. William Duran took control of Buick in 1904. Following Olds's mantra of " a car for every purse and purpose", Buick has been marketed as a premium automobile positioned between the Chevrolet and Cadillac brands. Resource: [http://www. Buick. Com/lacrosse-luxury-mid-size-sedan. HTML?](http://www.Buick.Com/lacrosse-luxury-mid-size-sedan.HTML) Butch customer Analysis Age demographics are divided into three groups; people under 30, middle, and people over 50. Historically, the people over 50 demographic have been the primary Buick customer because of their supposed higher amount of disposable income. In today's society, however, age is not necessarily the best forecaster of income. The internet has provided opportunities for people of all ages to prosper.

Buick's stigma has been that people in the middle demographic have associated Buick as " a brand for older customers" where traditional styling <https://assignbuster.com/marketing-the-buick-brand-assignment/>

with a large, roomy interior was desired. Generally, people under 30 are satisfied with the Buick brand because they have only experienced Buick promotions of down-sized, subcompact new models. In 2012 Buick sales in the U. S. Were down 9. % in a market that was up 13. 4% (Healed, 2012). During the same time period global sales increased, especially in China, where three-quarters of Buicks are sold (Healed, 2012).

Domestically, General Motors' customer base is shrinking, whereas, globally, it is expanding. Source: <http://Saturday's.Saturdays.Com/money/autos/story/2012-06-22/Buick-tweaks-image/55747550/1>

competition As noted earlier, General Motors started to experience competitor pressure during the sass's from German and Japanese automakers. Manufacturing technological advances have kept the German and Japanese automakers as the standard to exemplify. Foreign automakers have also added excellent customer service to the sales equation. Exemplary customer service has become the standard that luxury automobile customers have come to expect.

Gracelessness Audited (often referred to as " Japanese Buicks") Bondwoman Merchandising Volkswagen Current Marketing Strategies Tony Disable is the current vice president of Buick. He says that Buick's fundamental challenge is to overcome the misconception that only senior citizens drive Buicks. " A lot of people are still carrying around the old Buick perception that Buick is a vehicle for older people. We call that false familiarity because people's mindset changes when they see the new products on the road" (Holiday, 2013).

Financing options, such as two-year leases, are offered to customers in an effort by the sales staff to keep customers interested in driving home new Buick products (Healed, 2012). The lease gives the customer the option of “trying on” the Buick product without the long-term commitment of an auto loan. When customers are pleased with the treatment they get in sales and service they are more likely to be repeat customers. Buick is raising its level of customer service to increase the retention rate of its customer base.

**Pricing: Objectives and Policies** Boosting profitability is Buick's main objective.

Buick will accomplish this several ways; by reducing deeply discounted fleet sales and by reducing sales incentives. By attracting younger tech-hungry buyers Buick will tap into the import-loving attitude where style trumps cost. By using “shared basics” to create cars, costs are spread across more units (Healed, 2012). The downside to this is that the same model in two markets may have different options. Healed (2012) describes this as: “The China impact: Buick's cars there often are chauffeur-driven, so back seats are lavish. Fronts are for the hired help, so might not get as much fussing.

Buick has to monitor that carefully for U. S. -market cars such as Lacrosse mainly designed in China. The European impact: Euro cars tend to be small, a reaction to \$8 gasoline. As a result the Verona, sold in Europe as the People Star, is “a little tight in the rear space,” Kim says. But enlarging it for U. S. tastes would wreck the economies of scale Buick gets from basing the car so much on an People-size platform. ” By focusing on younger consumer demands, Buick has experienced that even though the transaction costs raises due to hybrid options, sales are increasing (Healed, 2012).

Product/Service By offering luxury options that are comparable to German and Japanese automakers, Buick also has the expectation of providing customers the service and treatment they are accustomed to and expect. By increasing the quality of customer service, Buick will generate increased sales. The key to Buick success will be to innovate and engineer award-winning designs. In this time of climate change awareness and education, Buick must commit to research on the next generation of hybrid technologies. Wendell (2013) describes innovative technological features on the Buick

Riviera that will make your head spin: “ Intelligent four-wheel steering, electromagnetic-controlled dampers, and air springs handle the turning and suspension duties. Ten high-resolution cameras and 18 micro high-precision sensors collect and process active-safety information, with vital details being presented to the driver via a holographic image on the windshield. All of the latest safety features are present, including night-view assist, side blind-zone alert, lane-departure warning, full-speed range-adaptive cruise control, lane-change assist, parking assist, and rear cross-traffic alert, as well as “ transparent” A-pillars.