Marketing plan assignment

Art & Culture

Secondary Data Secondary Data research involves using data already available to the company such as the Census and Government Documents. Quantitative Research Quantitative Research involves using statistics and numbers. Qualitative Research Qualitative Research involves using people's attitudes, values and opinions. Sampling Sampling is studying a small part of the ' population' by area, age, income etc. To learn about the ' population' as a whole. Figure 1 – Marketing Research Methods BMW is within the top five cars manufactures in the automobile market in the UK and in the top ten in the SAC, with figures of 9. 5% market share in the KICK (Figure 2) and 3. 2% market share in the US (Figure 3) ' Cain, 2012'.

Figure 2 – UK automobile market share Figure 3 – USA automobile market share From the figures above, it is clear that BMW have a large market share in both the UK and the USA. It is also clear that BMW have many competitors within the automobile market, the closest competition coming from Ford with 14. 28% UK market share and 15. 5% LISA market share, Volkswagen Group with 19. 5% UK market share and 4. 6% USA market share and General Motors with 12. 8% UK market share and 16. 3% LASS market share. ' Cain, 2012′. BMW regularly undertakes research into its customers' profiles looking at anemographic criteria, such as age and sex, lifestyle, their views on motoring and the way in which they use their cars. ' BMW, 2011'. From research carried out by ' Tachometers. Mom, 201 2' it has been discovered that the average age of a BMW owner is 37 years of age, and that 53% of BMW owners are male. ' Market Research World, 2012'. BMW would begin their marketing research by using the secondary data such as the Census, in order to ensure that they target the right proportion of the market. This data

is easily accessible online and would be cost effective. Following on from the secondary data, BMW loud then collect primary data in the form of surrey's or observational methods, in order to determine the needs and requirements of their specific target market. BMW have also created an ' App' for android smart phones to gather data as part Of the marketing research process. ' Hamilton, 2011'.

Task Six: Strategies A) BMW will need to be fully aware of the buying decision making process of their target market in order to utilities the full affects of their marketing research. The average age of a BMW driver is 37 years old, so they will need to target the 35-45 years of age sector of the population. Cozen, 1985′ says that there is a dominant person in the family who decides whether to purchase a product. In the case of BMW, the dominant decision maker for purchasing a car is the male, which complements the fact that 53% of BMW drivers are male. It is likely that the same individual will perform all roles within the customer buying decision making process. They will research all the information, decide whether to purchase the car and most likely be the driver of the car.

There are many steps which need to be reached before the eventual buying decision making process is made (Figure 4). Recognition of a Need The customer recognizes the need for a new car. Possible reasons may include: Finance agreement expired on previous car, Crashed the old car so in need of a replacement, New model released or New job or promotion, meaning higher disposable income. Choice of Involvement Level The customer must then decide on how much time, effort and research is to be put into action when looking for and deciding to purchase the new car. Identification of

Alternatives The customer will then review the alternative models, not just BMW cars but also models from Ford, General Motors, Volkswagen Group and other competitors.

Evaluation of Alternatives The customer will then look into what the other car companies have to offer as incentives to purchase their car; Colors, features, range of engines, accessories e. G. Alloy wheels, reliability, discounts, warranties, break down cover. Decision The customer then decides upon purchasing a BMW car after reviewing it alongside the competition. Action The customer then needs to decide where to purchase the car from either direct from the local dealership or order the car online or over the phone. Post Purchase Behavior The customer will drive the BMW car and evaluate its performance and liability. Figure 4 – The Buyer Decision Making Process for a BMW The Anions matrix is a marketing planning tool that aids a business to determine its product and market growth strategy.

Nations product and market matrix suggests that a business' attempts to grow depend on whether it markets new or existing products in new or existing markets. Nations matrix consists of four main areas (Figure 5). Market Penetration: Launching an existing product into an existing market. Low risk if unsuccessful, Low financial reward if successful. Market Development: Launching an existing product into a new market. Risk if unsuccessful, Reward if successful. Product Development: Launching a new product into an existing market. Risk if unsuccessful, Reward if successful. Diversification : Launching a new product into a new market. High risk if unsuccessful, High financial reward if successful.

Figure 5 -The Anions Matrix So in the case of Bum's placement of their products: (Figure 6). Market Penetration: BMW already have many different cars and models in the automobile market segment, so a new model would be existing car but upgraded to target an existing market. BMW could expand their marketing and distribution networks of their cars to cake advantage of the large demand for their products in China and Asia. ' Bryant, 2012'. Product Development: BMW recently launched their new range of hybrid cars into the automobile market. They are confident that their existing marketing strategy and brand awareness will help compete with competitors such as Toyota.

Diversification: Some of Bum's main competitors in the automobile industry, such as Ford, General Motors and Volkswagen Group, all have a ' Multi-Purpose Vehicle' Hybrid model in the MAP automobile market. With Ford's C-Max Hybrid reporting 52% increase in sales compared to previous year. ' Dearborn, 012'. Figure 6 – The Anions Matrix related to BMW C) BMW need to gain more market share to become closer to the Volkswagen Group, which includes car brand Audit. Bum's car sales have been increasing year on year since 2009, however, their rate of increase is within a close proximity to Audit, with a 10-12% average year on year increase between them.

Therefore Bum's marketing strategy for their new car will be trying to recapture the existing market with an existing, but upgraded and improved, product using a new marketing campaign, in order to try to close the gap between themselves and Audit. Task Seven: Segmentation Market segmentation involves dividing large markets of existing and potential customers, into smaller segments and determining the important

characteristics of each market segment. This is essential for BMW as it allows them to match products and services to meet the needs of each customer segment. Market segmentation consists of five main areas: (Figure 7) Geographic Dividing the market into different geographical areas such as: Nations, regions, counties, cities or towns. Demographic Dividing the market into different groups based on variables such as: Age, gender, income, occupation, race, religion or nationality.

Ego-Demographic Dividing the market by a combination of Geographic and Demographic factors such as: Similar incomes in a similar area, using A Classification Of Residential Neighborhoods (ACORN). Psychological Dividing the market into different groups based on factors such as: Social class, lifestyle or personality. Behavioral Dividing the market into different groups based on factors such as: Attitudes or knowledge. Figure 7 – Segmenting Customer Markets In order for BMW to achieve its objectives, they must Segment the market effectively in order to target the correct sector of the market. BMW should insider all five of the market segments in order to fully access the correct target sector of the 35-45 years of age group.

The main segment BMW should consider is the Ego-Demographic segment, by using the A Classification of Residential Neighborhoods (ACORN); they can identify which areas of the country have the most 35-45 year olds, preferably male, with a reasonably high disposable income and are in a professional occupation. The reason to target this sector of the market and not another is due to the fact that the average age of a BMW owner is 37 years of age, Tachometers. Com, 2012′ and that 53% of BMW owners are male. Market Research World, 2012′. B) Figure 8 – A Positioning Map showing BMW

position against competitors in the 35-45 years Of age grog_JP automobile market.

Mapping automobile price against quality The positioning map shows the relationship between the price of the car and the quality and standard of the car. It shows the current range of BMW cars being priced between Mercedes-Benz and Audit, which is part of the Volkswagen group. The BMW range of cars is priced relatively high in the market and offers a very high quality of car. The BMW range is priced higher than its main competitors of Audit and the Volkswagen group, with BMW only loading 9. 5% market share in the UK (Figure 2) and 3. 2% market share in the US (Figure 3) ' Cain, 2012'. Whilst Volkswagen group holds 19. 5% I-J market share and 4. 6% USA market share ' Cain, 2012'. The price could be a something to take into consideration for BMW because, although sales has increased by 13. % compared to last year, ' Guardian, 201 2', they are still behind Volkswagen Group in market share and global sales. Task Eight: Marketing Mix price The new BMW car will be positioned in the market as a high price product. Price is the only element of the marketing mix that generates revenue for the many. BMW wants their car to be at the higher end of the market. Pricing the car at a high price gives the impression to the customer of an exclusive and quality product. Although high priced, BMW will want the customer to have a perception of the car being good value for the exceptional quality provided. BMW is seen in the market as one of the highest manufactures within the automobile market, this is due to the quality of their cars.