Product: 2018 Honda Civic

Target Segment: Young People

Student’s Name

Institutional Affiliation

Date of Submission

1. Offerings

The 2018 Honda Civic is among the best selling cars in the world today. The car has been praised for its great performance and the huge space it offers on the interior. The 2018 model has an option for a turbocharged engine and has four-door hatchbacks. These have greatly contributed to the car’s efficiency and comfort. The car has four-cylinder engines each with a fuel capacity of two liters. Also, the car has the option of a manual transmission for the lovers of manual cars. The 2018 model is an update from the 2017 model and is excellent in saving fuel. The car has a snappy acceleration and crisp handling which brings comfort to the driver. The ability to conserve fuel and optional fuel conservation are the two main advantages of this car. The car costs approximately $18,000. The car cannot be regarded as highly dominant, but it competes favorably well with other competitors in the market due to the favorable pricing. The tangible aspects of the car which boosts its elegance include the presence of a turbocharged engine, brisk acceleration, and abundant cargo space.

1. Type of Consumer Offering

The type of consumer offering selected is the shopping offering. A customer has many options when it comes to the type of car he/she chooses to buy. The choice will be based on the price, quality, availability and the needs of the customer (Ferrell, 2016). The market segment for Honda civic is the young people. Mostly these are people who have just completed their college school and are just starting life. The first thing to consider is their level of income. A majority of these people are unemployed and for those who are employed are middle-income earners. Based on their demographics, these people generally love a lavish lifestyle. They are more attracted to simple but classy things. The new Honda Civic offers all those qualities. The car is relatively cheap when compared with others in its class. The car has huge interior space and a cargo-space making it suitable for tours and trips, a characteristic associated with the young people. It’s also fuel saving which means the buyers will incur less expense as far as fuel is concerned. Above all, the Honda Civic has equipped with turbocharger meaning that it’s a superfast car which is why it’s liked by many young people. The type of consumer offering chosen has the potential of affecting the marketing strategy (Ferrell, 2016). The marketing strategy will have to be more focused on creating a cutting-edge difference between the Honda Civic and other product categories in the market.

1. Product line Extensions

There’s need to create a modification to the new Honda Civic to be more attractive to the young people. Modifications should be made to improve the safety of the car. The car should be fitted with electronic stability controls because of a majority of the young people like fast moving cars (Mellahi, 2010). It should be fitted with side impact beams and rear park sensors also to boost safety. In the interior, the car should be fitted with an air filtration system and power rear windows as a way of boosting its elegance. The car has a good music system, but it’ll be better if it’s equipped graphics equalizer to boost the quality of music played. The changes will make the car classy and thus attract more young people.

1. Product Life-cycle

The 2018 Honda Civic is in the growth stage in of development. The car was introduced into the market last year. At first, the sales were low due to the smaller market and the increased competition. Today, the car is performing competitively well when compared with others in the same category. To fight the competitors, there’s need to make the car more unique through modifications (Mellahi, 2010). This will affect the product lifecycle since the new model will have to undergo the first stage of product lifecycle (the introduction stage) to test whether the customers will be pleased by the changes or not (Rudman, 2014).

1. Marketing Channels

The company uses two types of marketing channels to reach its customers. The first marketing channel is where the company makes under the specifications of customers. The channel is used especially by the customers who approach the management and give ideas on how they would wish their car(s) to look like. This is expensive and less affordable by a majority of customers. The second and the most common method is where the manufacturer makes the cars and sells to the retailer who in turn sells to the customer. The method is beneficial to the company since it can regulate the sale of its cars and in case of anything, it’s easy to conduct a follow-up (Mellahi, 2010). However, the distribution channel does not promote the availability of the products in many areas. I’d propose a distribution channel where the retailers get the cars from the wholesalers. This will make sure there’s a wider distribution of retail stores around the country hence boosting the availability of the product. However, there’s need for ensuring the safety of the cars during transit by the installation of trackers and the Honda civic company registering all the wholesalers and retailers it has to reduce theft.

1. Marketing Channel Strategy

Currently, Honda company uses a selective distribution strategy to sell its products. The strategy is exhibited by the way the company has narrowed its channels. The company sells the cars through retailers and directly to the customers. The company does not have many retail stores thus making access to the product a bit difficult. The proposed strategy is more intensive (Albee, 2015). It involves incorporation of wholesalers as a way of opening up the market. With the wholesalers present, the manufacturer will be encouraged to make more products, and the retailers will spread widely due to the availability of the products. The product will not be affected by the changes made.

1. Value Chain

The distribution channel is organized in such a way that it’ll become advantageous to the value chain of the product. The three elements of the distribution channel are marketing campaigns, pricing and the sales process (Albee, 2015). The marketing campaigns are meant to advertise Honda Civic to the potential customers. Since the target market is the young people, advertisements through the online platforms will be appropriate. These include the use of both the mainstream media and social media. The mainstream media involves advertisements for televisions and radios while the social media platforms such as Whatsapp, Twitter and Facebook will be appropriate. Also, the use of the Honda online website to advertise the car will increase the sales. The online platforms are by far the most suitable since a majority of young people have Internet-enabled devices and are connected to the internet (Rudman, 2014). Currently, the pricing of Honda Civic is in comparison to other brands in its category. The modifications may result in additional price but should not exceed 5% of the original price. The sales process is very direct, and this boosts customers confidence regarding the quality of products purchased and pricing (Hill, 2013).

1. Pricing Strategy

The 2018 Honda Civic costs approximately $18,000. There are four key competitors to the car. The first is the 2018 Toyota Corolla which costs roughly $18,500. The 2018 Ford Focus is the second competitor costing roughly $17,950. The 2018 Chevrolet Cruze becomes the third competitor and costs around $16,975. The 2018 Subaru Impreza costs $18,495 and is considered the main competitor to the Honda Civic. The pricing strategy employed by the Honda company is value-based pricing. The prices of the cars are perceived from the perspective of the customers (Albee, 2015). The strategy seems to work even for the new strategy. The aim is to make the cars affordable to the customers and at the same time ensuring they are of high quality. Value-based pricing is the most appropriate for the new marketing strategy as its customer oriented (Hill, 2013).

References

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**Exhibits**



Fig.1 The 2 marketing channels used by Honda



Fig.2 The proposed marketing channel