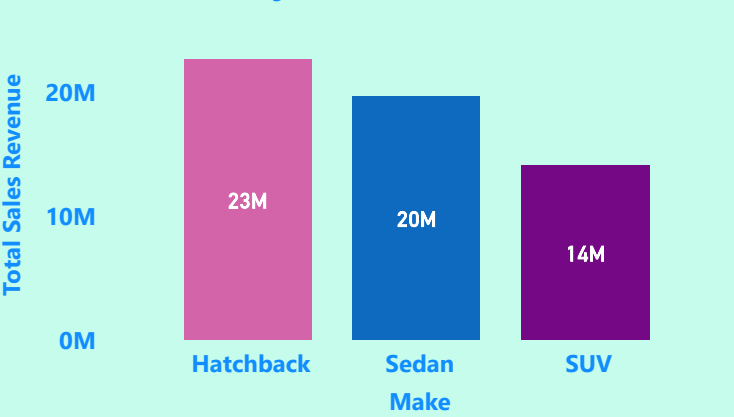
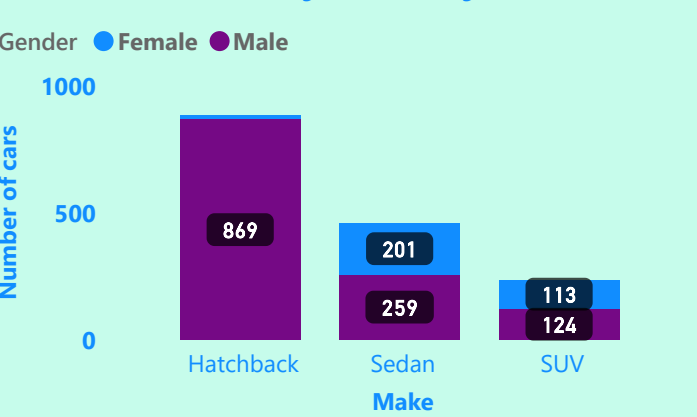


Total revenue by make



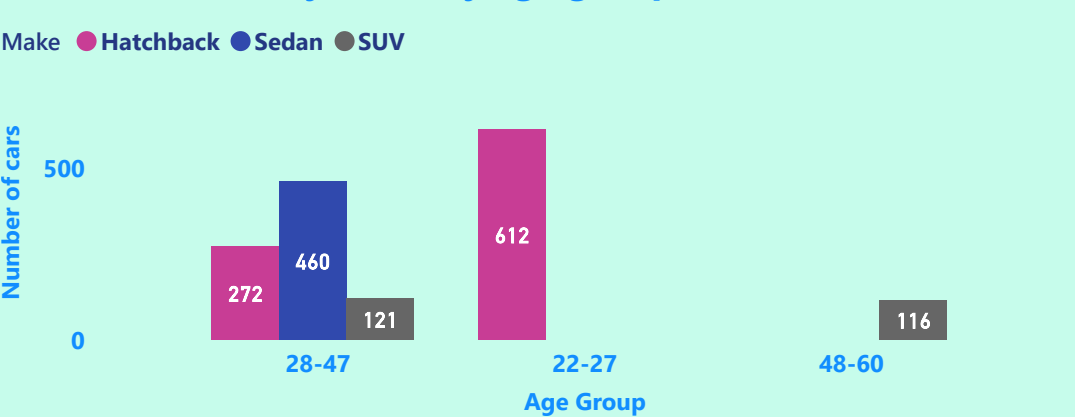
Hatchbacks contributed most of revenue, followed by sedans and SUVs respectively. Hatchbacks are a big opportunity. Average price of SUV was highest 59K, followed by sedan 43K and hatchback 24K

Number of cars by Make by Gender



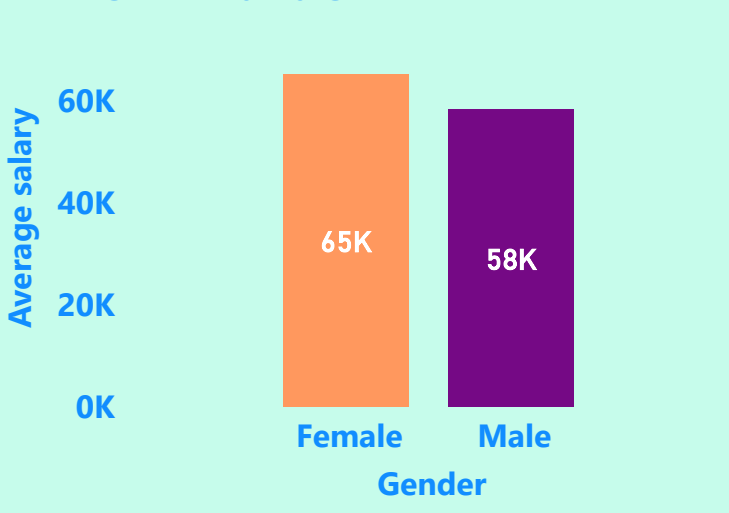
Most of the man preferred hatchbacks. Majority of the females favoured sedans and SUV. In sedan and SUV it was almost 50: 50 split between the two genders

Number of cars by make by age group



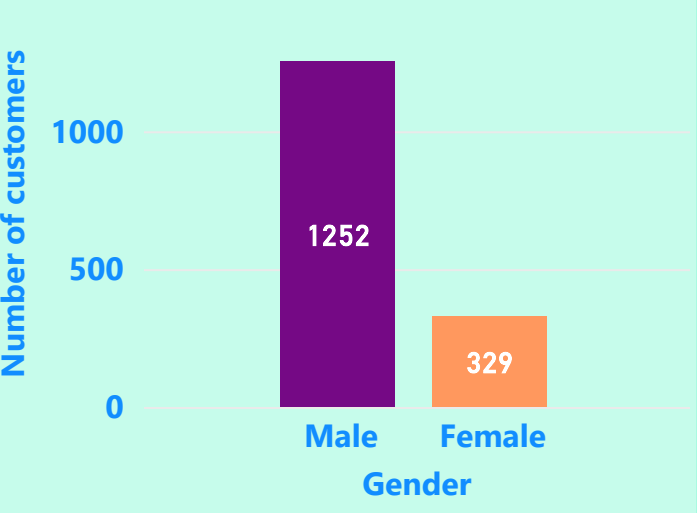
Most of the Hatchbacks were bought by the age group 22-27 and all sedans by age group 28-47. SUVs were preferred equally in the last 28-47 and 48-60 age groups. Age group played huge influence in the buyer preferences.

Average salary by gender



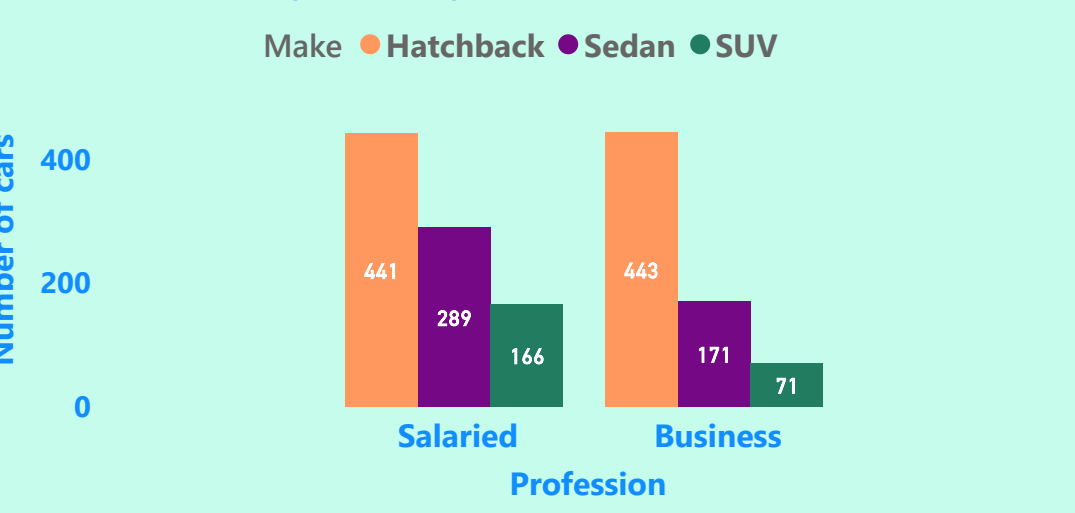
The females earned higher salaries than their male counterparts by 7000 USD higher than the latter per customer.

Number of customers by gender



Males dominated the number of total customers , making up 80% of the total whilst females constituted only 20% of the total customers

Number of cars by make by profession



Type of profession did not influence the buyers preferred hatchbacks. But most of salaried customers preferred sedans and SUV compared to self employed individuals.

## Introduction:

The objectives: The objective of this detailed analysis is

- 1) to help the management of Austo Mobile to have a deep understanding of the type of cars preferred by buyers in the US market,
- 2) to help management understand the trends in the US car market in order to uncover the opportunities to maximise sales revenue and profit
- 3) to characterise the customer segments and sub-segments for cars in the US car market in order to understand the factors that influence purchase decision and the mechanics

## Problem Statement:

The company needs to craft an effective sales and marketing strategy of entering the US market. To do this the management needs to identify the factors that influence purchase preferences of the target customers and how these factors interplay and influence purchasing decisions and preferences of the target market. This will make it possible for management to identify the opportunities that can be exploited in order to maximise sales revenues and profit. This is what this analysis is trying to resolve these unknowns to maximise chances of Austo Mobile successfully launching its brand and growing its foot print in the US market.

The recommendations to enable successful launch of the brand in the US market are outlined on the next page.

## Recommendations

### Number 1.

As Austo Mobile plans to enter the US market for the first time it was necessary for the company's management to carry out some preliminary market study on the target market. Our review and analysis of the data collected by the company in this market revealed that the target market possesses a diverse of interesting characteristics that drive the preferences of the customers for certain vehicle makes. These characters that have been identified is what needs to be exploited to categorically determine the feasible volume of cars, the make, price and product mix that suits the demographics, income levels and profession of the specific customer segments. The market segmentation strategy hinges on these factors as well as the market targeting.

### Number 2.

An overview of the market analysis shows that the US car market is driven by hatchbacks which contributed 23 million USD and sedans which contributed 18 million dollars and lastly SUV whose total revenue stood at 14million. We can therefore say that the company needs to produce more of the hatchbacks, followed by sedans and SUVs. Based on volumes traded (869, 460 and 237 respectively) the company can follow the ratios driven from this data of 4:2:1 in terms of hatchback, sedan and suv number of units to be manufactured as a logical product mix.

### Number 3.

As shown in the analysis is that the total number of men (1252) who buy the three categories of cars the hatchback, sedan and SUV is much more than the women (329 ) hence most of the vehicles will need to be produced based on the make the men prefer, their age profile will also need to be considered as well as, the income and profession. Most of the males like hatchbacks, than sedans and SUV, There is a need to therefore have a communication strategy to unravel which type of hatchbacks these men prefer through a detailed survey.

### Number 4.

Since almost 50% of the males bought sedans and were in the youngest age group (22-27 years) it also correlates with their lowest incomes in the age groups. Interestingly a negligible number of women bought these makes. Thus the makes to be produced for these clients need to be cheaper than SUVs and Sedans, almost 50% of the SUV price in order to achieve 50% or more of the hatchback sales. The market prefers cheaper makes as it is price sensitive hence these hatchback and sedan can be mass produced to maximise profit. It is interesting to note that almost the same number of females bought sedans (200-259 )and were in the same salary range compared to men and age group 28-47 In addition the employed buyers bought most of these sedans compared to the self employed businesspeople. It can be seen that this group is the medium income earners due to age experience and hence the price of the cars should be on average 43000 USD each.

### Number 5.

SUVs were mainly bought by both age groups 28-42 and 48-60. Because they were the most expensive 58000 USD on average the company must target high income earning executives and identify where they work and engage their organizations with the executive packages. Also this also known to the most experience age group that occupies mid senior to senior management positions in the companies. Target this group of customer for SUV sales will also help the company to maximise profit as these makes command premium prices.

### Number 6.

Because the women were higher income earners than men and they prefer buying more of sedans and SUV because of their higher income there is a need to target to increase more women customers as this will increase the revenue base and also profitability of the business. The business needs to perform a detailed survey to identify where the women are working and then further determine the types of the sedans and SUVs they like in order to determine the women product mix as well as the minimum volumes for production and economic inventory minimum levels.