AERO MOTORS – You Decide

Mariam Aziz

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Professor Mickeal Donald

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Market penetration of any new product into a highly competitive and option oriented market can be difficult. Companies spend millions of dollars in their marketing campaigns to create a relationship between their products and the perspective consumers. With that said we could learn very well from the experiences and mistakes our competitors have made in the past. These companies are a great example of what would happen if we partnered with a company in the US and what would happen if we went into it alone.

BMW is a very well recognized company in the world and in the United States. They are known for good engineering and quality and sporty cars. They also provide of sense of cool and luxury. We also know the he mini cooper is a very popular car in Europe. Moreover, about a decade ago mini cooper decided to penetrate the American market. Even though they are note directly related to BMW, the decided to piggy back of the company name and created a partnership that associates their car with luxury, sporty and cool. Moreover, they featured their cars in popular movies such as "The Italian job" where they believed would reach their demographics. In the movie they exhibited the capabilities of the mini cooper and how cool people such as Mark Walberg can drive it. If we all pay attention to this, they focused their initial market entrance to a very niche and medium size demographics. One can say that it would be young adults in their 20-30s who are single. This created a buzz and provided curiosity with the market. Moreover, by partnering with BMW, they provide the same level of service and maintenance that BMW provides to their car, which made it easy for consumers to purchase the car and have many locations to take their car if it needed to be serviced. These are all motivational factors where a consumer can be intrigued to purchase a vehicle. Since their initial market entrance, mini cooper has become a very popular car where is not entering different demographics as the word of mouth spreads.

Now lets take the Smart Car for example. The smart car is also a European company. You can think of it as a budget oriented car of the fiat. However, they decided to enter the market independently and thought that just because their car was economical that American people would buy it. They did very little marketing. They did not partner with any companies and their cars were not attractive to the US market. The Smart Car has their own dealerships but because they are very little of them, it is hard for the consumer to purchase one. It has been only recently the company partnered with Mercedes as a maintenance facility where owners can take their car. But even then, one cannot purchase a Smart Car from a Benz dealership. They are a very good example of what we should not do.

We are a company that has a great reputation for producing high-end, luxury cars for primarily the European and Asian markets. We know we have a great product we just have to let the US consumer know that we have a great product. Obviously we know that the sales of the cars have never taken off in the U.S.,

Primarily because the cars were not attractively priced and had a very limited service and dealer support system in the U.S. There is no real following for the cars in the U.S., and most U.S. consumers have never seen one. They key here is branding.

As a recommendation, we can partner up with our Asian market competitors and have them help us saturate at the market. In the US, the Toyota Prius is a great car that is economical and very fuel-efficient. However, it is still above the $20,000 price that we are marking for our cars. What we should so is partner with Toyota to provide a both environmentally and financially economical car. It can see as economical version of the Prius. By branding ourselves with Toyota, we are not only branding ourselves with a great company but we already have a certain market trust as there are loyal customers of Toyota and the Prius model. We do not have to worry about dealership locations, as there are hundreds of Toyota dealership locations in the US. We do not have to do too much marketing, with can save us money; we are already partnering with an echo savvy company, and providing both the service and the motivation of our cars. By being branded with Toyota, consumers will have the confidence to purchase a well price car with a great reputation to perform well.