



“A Study On The Segmentation Of Cars And Its Impact On Its Brand Positioning”

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Abstract-

This research paper deals with market segmentation happening in automobile sector which is making the job for marketers and manufactures of automobile cars to very strategically choose their market and target their customers. Then the paper moves on to the different categories of cars which the automobile companies do to manufacture cars. All the segment of cars have been discussed in brief in order to make the reader aware about the various segments of cars. Then the impact of marketing strategy on the mind of the consumer is also studied on the basis of various examples. The paper ends with the conclusion based on the impact of brand positioning on the mind of the consumer and having a customer centric approach.

Research implications- The consumers usually are convinced by the marketing strategies and it helps to create a positive image in the mind of the consumer. Brand positioning in today's world, has now become a necessity and it cannot be ignored by the marketers. It is considered to be one of the most sensitive topic nowadays which helps your firm or the car sales to reach the sky in terms of sales and everything. All consumer's mindset and value is different and so marketers have to design different strategies for them.

Originality- This research paper deals with the market segmentation of cars and the various segments of cars and its impact on the brand positioning on the mind of the customers.

Keywords- segmentation, classification, segment, positioning

Introduction-

The automobile sector comprises of a wide range of automobile companies involved in the development, design, manufacturing and marketing and selling of various automobiles. This sector is becoming one of the fastest growing sector in the world where there is maximum investment happening and large revenue is earned.

The word automotive is derived from Greek *autos* (self) and Latin *motivus* (of motion), which results or refers to any self-powered vehicle.

In order to suit everyone's need, the vehicles are classified into many various segments to cater to every type of customer's need. There are more than 10 types of segmentation of cars done to classify customers and segregate them.

When the marketers of these automobile companies develop different marketing strategies for their customers, it has a different impact on the brand positioning of the concern brand. While Maruti Suzuki has always been seen as a low cost and customer friendly brand, Rolls Royce has always been seen as luxury car brand. The different types of brand position in the customers mind, has a very different impact on the purchasing of the brand by the customer.

Objectives-

1. To study market segmentation of cars.
2. To study the impact of marketing strategy on brand positioning.
3. To study the implications of brand positioning on the customers.

Significance and importance-

This research will be helpful to academicians and students to study the different types of car segments and the basis on which they are marketed. The research has been crisply done keeping in mind the brand positioning and the language has also been kept as simple as possible so that first timers can read the paper easily and understand it without any technical term or jargons being used.

Limitations-

The study is based only on content, which is mostly referred from secondary data and online articles and journals, magazines first read by the author and then understood and rewritten by the author.

Review of literature-

1. Balakrishnan menon(2017) conducted a research in which he stated about what was the transformation of the automobile sector in India after 1990. He also evaluated the car purchase approach and evaluated customer's preferences and behaviors. The result contributed in the marketing strategies of the passenger car automobile sector industry in India.
2. Paul Taylor –West col.etal(2016) conducted an empirical study to find out and improve the existing marketing segmentation strategies of passenger cars. They conducted various data collection methods and processes which resulted that the marketer's should rethink about their marketing strategies pertaining to automobiles.
3. Mita Sujan and James R. Bettman (1989) conducted four researches and found out that how perception is different for different brands in the same product category. The result showed that how customers had different perceptions about the brand and how it changed over time with constant new strategies of marketing being applied to alter the mind of the customers.
4. Muhammad Azmat and Abdul Sami Lakhani (2015) conducted a research to find the impact of brand positioning strategies on the customer's perception. They created a questionnaire and surveyed around random 250 people based on beneficial positioning, surrogate positioning (Psychological) and Competitive positioning. The outcome of the research revealed that surrogate positioning by the brands showed the highest positive response, while the other two positioning strategies came out more or less on the negative side in terms of consumer perception.

Market segmentation-

The automobile sector and can be segmented on various grounds. Let's discuss the various types of segmentation-

1. **Demographic segmentation-** The demographic segmentation can be done on the basis of age, income level and family life cycle. While youngsters may require a bright and flashy car, the older age group may require a moderate car with basic looks and being simple. Talking about Nano, its manufacturers will primarily target people belonging to the middle class while a Creta marketer will target the upper class of the people. The requirement of family is also undertaken. A manufacturer of Ertiga will target customers with a large family and with a requirement of a spacious car.

2. Psychographic segmentation- Marketers segments their target markets on the basis of psychographic segmentation where they come up with different types of products and their variants. These mostly happen in the case of car manufactures where they usually produce a vehicle of three segments and mostly the middle most segment of the car is usually sold. The middle variant is the most selling model overall. The classic example of ‘Men are back” tagline used by Maruti SX4 to market its product is the most prominent example of psychological segmentation. Luxury car brands are another example of this segmentation.
3. Behavioral segmentation- This segmentation is done in which the market is divided into smaller groups and segmentation is done on the basis of the customers buying pattern, status, requirements of the customer and on any particular occasion etc. example which can be considered of cars can be that of a customer which requires a car with basic safety features would buy a car with many safety features in it while a person who wants a status in the society would rather buy a luxury car brand like Porsche.
4. Geographic segmentation- This segmentation is very vital for a country like India because of its large area and different various environmental backgrounds. The temperature conditions vary across north and south. A manufacturer of a tractor company would particularly target areas where there is more of farming while a commercial cars company and a luxury car company would target metropolitan areas. Marketers of Scorpio or XUV 500 would target areas with hilly regions.

Car classification

The government and private companies have classified cars into various segments based on the need and requirements of its customers. These include regulation, needs and wants of the customers. These are the various segments of the passenger cars done –

1. Micro-cars- The smallest of the cars. These cars are the ones mostly run by electricity or on CNG. These are the smallest category of automobiles. Examples of these cars can be Tata’s Nano or Renault’s Twizy.
2. A-segments cars- These cars are called mini-compact or city cars. These are the smallest categories of cars. Examples of these cars can be Hyundai’s i10 or Chevrolets spark.
3. B-segments cars- The next larger category small cars is called supermini in the United Kingdom and subcompact in the United States. The size of a subcompact car is defined as having a combined interior and cargo volume of between 85–99 cubic feet. Examples of these cars can be Hyundai Accent or Volkswagen Polo.
4. C- Segments cars- The largest category of small cars is called C-segment or small family car in Europe, and compact car in the United States. The size of a compact car is defined by having a

combined interior and cargo volume of 100–109 cu ft. Examples of C-segment cars can be Honda Civic or Toyota's Corolla.

5. D-Segment cars- This is the third largest category of passenger cars. These cars are called mid-sized family cars suitable for a nuclear family. Examples of these cars can be Ford Figo or Hyundai's Verna.
6. E-segment cars- These cars are also called luxury cars with a spacious interior and stylish look. These cars look luxury cars but aren't luxury cars. These are just designed in this way. Examples for this segment can be Hyundai's Venue or Kia motors seltos.
7. F-segment cars- Cars in these segments are mostly luxury cars with a high price. Only the upper class of the society can afford these cars. These usually provide luxury and high class performance. Examples of this segment can be Mercedes-Benz S-Class, Porsche Panamera.

Impact of marketing strategy on brand positioning.

The marketers adopt different positioning strategies in order to develop or reinforce a particular model of the car. Let's see the following –

1. Positioning by product features- Marketers usually market a particular model based on its product and it gives the customer a very clear view of the car. For example Tata's Indica ev2 is positioned as India's most fuel efficient car.
2. Positioning by price and quality- Cars also marketed on the basis of price and quality. It has a positive impact on the consumers. For example Mercedes-Benz cars are positioned as luxury cars offering premium services, better quality features and top class performance and hence, charged highly.
3. Positioning by user category- Marketers also market a car based on the user category. It has always been noticed that the Rolls Royce has always been used by the rich and famous people of the society.
4. Positioning by names- Many cars are named on the basis of a famous name or a thing. Many companies are also named the same. For example, the car company Jaguar is named on an animal. People tend to buy the car when it appeals to their personality.

Conclusion

From the following research it can be concluded that brand positioning on the mind of the customer can be positive and negative as well. When brand positioning is done in an appropriate manner, the impact can be positive. To further extend my point, an example has been taken into consideration, when the car Maruti Suzuki 800 cc was launched it was marketed so well that it was one of India's leading car and the brand became a trust worth one. While, when Tata Nano was launched, the positioning wasn't done that well and it could not meet the required popularity. So, the

impact on the customers depends on the way the company markets its cars and how well it tries to read the market and adopt new strategies. Marketers now from the very beginning only understand that what the customer's requirements are and go ahead with a pre-emptive approach.

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