Perceptual Maps in Marketing- Cruiser Thorr

(Simulation Summary)

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 Perceptual Maps in Marketing- Cruiser Thorr

Using Perceptual Maps in Marketing" Simulation Summary” Perceptual Map in Marketing for Cruiser Thorr Motorcycles (Thorr Motorcycles).

Complete the simulation "Using Perceptual Maps in Marketing" and prepare a summary in which you address the following:

Formulate a differentiation strategy for Cruiser Thorr by changing the market mix at the Price, Place, Promotion and Services levels.

My Performances: Marketing Mix, Lifestyle, price, service offering and quality engineering. - Repositioning, financial options- price parameter, increasing service

My Decisions: Maintaining price- Publicize through Hollywood Films- Internet (manufacturer's Web Site), Financial Service and Customization Options,

A. For each of the three major phases in the simulation, describe:
1) The situation
2) Your recommended solution(s), including why
3) Your results

B. Summarize the different marketing components addressed in this simulation by answering the following questions:

1) What is the relationship between differentiation and positioning of products or services? Is the repositioning of the product in the simulation as you had expected it to be? Why or why not?

2) What is the impact of the product life cycle on marketing? What impact did the product life-cycle have on the product in the simulation?

A. For the first major phase is to identify the parameters that are relevant to Thorr Cruiser. The first parameter is that of the extent of contemporariness of Thorr Cruiser. Thorr Cruiser is not perceived to be modern, apart from the old; there are few people that want to purchase Thorr Cruiser. So the parameter of contemporariness has been identified as important for Thorr Cruiser.

The recommended solution (by you) is that the price should be maintained, the bike should be publicized through Hollywood film and internet, financial services, and customization be offered will fail unless there are perceptible differences in the bike Thorr Cruiser is trying to reposition. The bike should have differences in design, in power, controls, and steering. In short the bike must be perceived as different by an average user, only then will it be repositioned.

If the product is perceived as different and is repositioned using price, service offering, quality engineering, Hollywood/internet advertising, and financial services, the results will be a successful repositioning among the critical parameter, namely contemporariness.

The second major phase is to decide whether to reposition Thorr Cruiser or to launch a new motorcycle based on an analysis of the present products. The situation was that Thorr Cruiser was not able to differentiate itself from its competitors, it was making losses and its customers were leaving. In other words, the perceptions of Thorr Cruiser were such that they were causing a financial drag on the company, diluting the brand equity of Thorr Cruiser, and losing its market share. The question at this phase was if Thorr Cruiser should go in for a launch of a new product or should Thorr Cruiser be repositioned.

Recommendation: Thorr Cruiser should go in for a new launch. The reason is that the lucrative segment of youth can easily be targeted by using a new product, having features that appeal to the youth, and has a new brand name that appeals to the spirit of the youth. The youth have a rebellious streak in them and if the design, looks, feel, and the brand name of the new launch appeals to the youth, they will buy the new bike. If the bike appeal to the youth and is perceptibly different from the other bikes in the market, they youth will pay a high price for the new bike.

The result would be that Thorr Cruiser would have access to two important segments, the older segment through its Thorr Cruiser brand name and the younger segment through its new brand.

The third major phase is to develop perceptual parameters based on the results of sales and customer surveys. The past situation of Thorr Cruiser was that the older parameters were not working. The problem was that Thorr Cruiser sales were falling. The perceptual parameters based on sales and customer surveys were the shape of motorcycle, and the low level of customization. My recommendation is to redesign the bikes entirely to appeal to the younger segment, develop a distinct exhaust sound, and to enable heavy customization. After these changes develop a distinctly new type of motorcycle, Hollywood and internet publicity should be undertaken to develop a new perception about the motorcycle.

There is an intrinsic relationship between differentiation and positioning of products or services. Differentiation refers to unique differences in a product, in this case motorcycle to make it more attractive to a group of customers. In case of Thorr Cruiser the purpose of differentiation was to make the motorcycle more attractive to the youth. The recommended methods for the simulation were high prices, service offering, quality engineering, and financial options. On the other hand, positioning refers to the methods used by businesses to create perceptions about their products in the minds of their target segment. In this case the low contemporariness of Thorr Cruiser was responsible for its falling sales. There is an intrinsic relationship between differentiation and positioning. The business makes the product different to differentiate. For instance, we have recommended that Thorr Cruiser should differentiate its new bike through a new design, new exhaust sound, and high customization. Once these differentiations are in place, they can be communicated to the target segment through Hollywood films or internet advertising. So if there is differentiation, it helps support the positioning of the product. The reason is that differentiation influences customer perception.

The repositioning of the product in the simulation was not as I had expected it to be, the reason is that there was not much product differentiation, yet the simulation was attempting to reposition the product. Simply, advertising in Hollywood and internet, offering financial services and different level of service will not easily reposition Thorr Cruiser. The reason Thorr Cruiser sales were falling was that it was not properly differentiated. Yet the simulation encouraged repositioning through advertising, service, and finance. In my opinion, for successful repositioning, there should be proper differentiation.

The product lifecycle has a wide impact on every aspect of marketing. For instance, if a product is in the introduction stage, it is undifferentiated, the pricing is premium, distribution is spread out, and promotion builds brand image. However, if a product is in the decline stage, the number of products is pruned, the prices are lowered, distribution channels are reduced, and there is low promotion expenditure.

In the simulation, Thorr Cruiser has reached the maturity stage and may reach the decline stage soon. During the maturity stage minor modifications are made to the product, like allowing customization, improved service or improved quality of Thorr Cruiser to differentiate the product. On the other hand we have recommended differentiation through a new brand name, new design, new exhaust note, and heavy customization. During the maturity stage it is essential to somewhat lower the prices but not to involve in a full price war. With a new brand name Thorr Cruiser can quote prices that are slightly lower but still ensure full profit.  New distribution channels need to be set up. For instance, Thorr Cruiser should directly sell bikes from its website and through different websites through links. Finally, because Thorr Cruiser is in the maturity stage the advertisements in Hollywood moves as well as internet advertising will focus on the new design, new exhaust note, and heavy customization. The strong differentiation strategy that is recommended along with promotion will help Thorr Cruiser to get customers from other bikes to switch over to Thorr Cruiser. The new distinctive style will attract young customers, and the new exhaust note will be loved by young customers.

 References:

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