



Proposed Marketing Strategy for Honda WR-V to Improve Brand Awareness and Customers' Purchase Intention in Central Java and Yogyakarta

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ABSTRACT: Honda WR-V was officially launched in Indonesia in November 2022. This Small SUV car is now being promoted around Indonesia, including Central Java and Yogyakarta area. As a new released car, this car should be promoted routinely by the company who represents Honda for Central Java and Yogyakarta. However, that did not seem to be the case as the company was focused on other unit marketing campaign and only relied on uploading simple social media content as well as displaying the car in dealers' exhibitions. The company's marketing team needed to create a well-planned marketing strategy to further improve customers' brand awareness towards this car and to convince them that this car is superior compared to its competitors in the same segment. Thus, it could eventually lead to increase customers' purchase intention. This study is conducted to understand customers' brand awareness and perceptions towards Honda WR-V in Central Java and Yogyakarta, and to understand customers' complex buying behaviour to purchase a car. Focus group discussions were conducted with 20 respondents to gain insights from their point of views. The proposed strategy was developed from internal and external analysis which was summarized into SWOT analysis and TOWS matrix. These findings then were developed into an integrated marketing communication plan as the final proposed marketing strategy for the company to further improve brand awareness and customers' purchase intention towards Honda WR-V.

KEYWORDS: Brand Awareness, Customers Perceptions, Complex Buying Behavior, Integrated Marketing Communication, Purchase Intention.

INTRODUCTION

Automotive industry in Indonesia has experienced significant challenge over the last 5 years, especially after COVID-19 pandemic. This situation has also happened in the regional market including Central Java and Yogyakarta. Aside from the ups-and-downs of maintaining the number of retail sales, the way car brands companies promoting their car product has also changed. Car brands companies were struggling to approach the customers through the usual traditional marketing as the government issued the large-scale social restriction that made any business restricted their social activities and people were encouraged to stay at home to prevent COVID-19 from spreading. Car brands companies had to combine their traditional marketing activities with digital marketing so they would be able to reach the customers. Even after the situation was getting better, car brands companies now keep using this combined strategy and it has become the trend now in the automotive industry.

With the situation getting better, the market of passenger vehicles in Central Java and Yogyakarta is also getting competitive. The challenge in the automotive industry has increased with the emergence of SUV cars popularity in the area over the last two years, especially Small SUV cars.

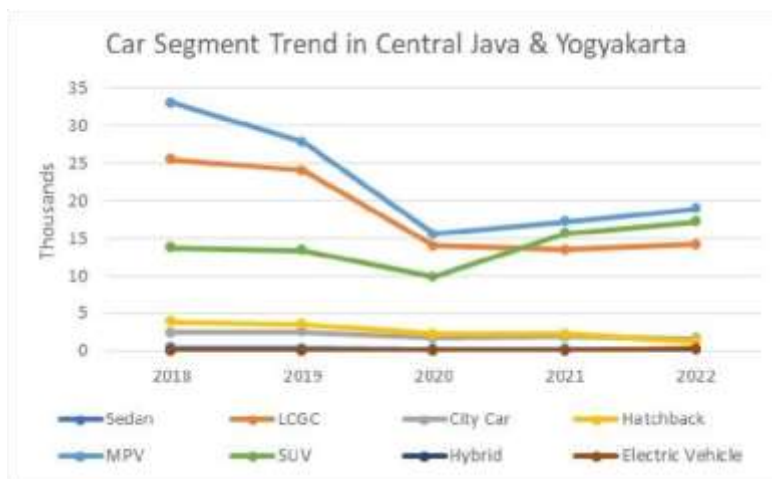


Figure 1. Car Segment Trend in Central Java and Yogyakarta
Source : Company’s Data (2022)

Considering this situation, the company which represents Honda in Central Java and Yogyakarta needed to step up their game to introduce its newly-launched Small SUV car, Honda WR-V, and convince the public that this car is worth it compared to its main competitors within the same segment. Unfortunately, the company did not seem to have a well-planned marketing campaign or exposure for this new SSUV car to attract wider range of customers. The company stated that Honda WR-V received positive responses from the public. However, it did not seem that the company achieved a desired level of brand awareness for this new car. Through a focus group discussion, the writer also found mixed-responses from the respondents about Honda WR-V which the company might unaware of. This study is conducted to provide a well-planned marketing strategy to help the company in improving Honda WR-V brand awareness and customers’ purchase intention towards this SSUV car, which then eventually could lead to actual purchase.

BUSINESS ISSUE

Honda WR-V is a brand-new SSUV car introduced by Honda in the beginning of November 2022. This car was firstly introduced to the public in Central Java and Yogyakarta as ‘Honda SUV RS Concept’ around 6 months prior to its official launch in November 2022. The company’s marketing team stated that Honda WR-V has the potential to win in Small SUV market segment in Central Java and Yogyakarta market area since this car offers higher-quality features and higher engine power compared to its competitors within the same segment. However, the company’s marketing team stated that they were focused on other units marketing campaign and it did make the company ‘set aside’ the exposure campaign for Honda WR-V. Meanwhile, the company’s director mentioned in an interview that exposure activities are essential for a new car to help boosting its brand awareness among the public in Central Java and Yogyakarta. Hence why the director expected the marketing team to plan a well-planned and creative marketing strategy to further improve Honda WR-V brand awareness and eventually lead to improve customers’ purchase intention towards this SSUV car. One of the marketing staffs also agreed that Honda WR-V needs to be exposed more than the other units as this is a new-released car which the public should know about. A simple exposure in social media and exhibitions might not be enough to deliver the message to the public in Central Java and Yogyakarta about the ‘best value’ of Honda WR-V. That is why the company needs a carefully-planned marketing strategy which could convince the public that Honda WR-V suits their needs and has everything the public need in a car.

LITERAURE REVIEW

The concept of this study is to develop integrated marketing communication strategy create customers’ brand awareness and perceptions towards Honda WR-V. Brand awareness and customers’ perceptions will trigger customers’ complex buying behavior which then in the end lead to their purchase intention.

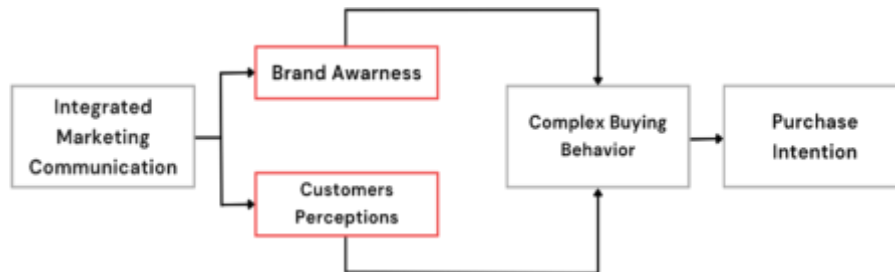


Figure 2. Conceptual Framework

Integrated marketing communication (IMC) is a strategy implemented by company to carefully integrating and coordinating multiple marketing channels to deliver a clear, consistent, and compelling message about the company’s brand or products [1]. IMC should be carefully planned to effectively communicate with the intended target market. The implementation of IMC involves five major promotions tools or marketing channels: advertising, sales promotion, personal selling, public relations (PR), and direct-digital marketing. Advertising is a paid form of product presentation or illustration of product value. Sales promotion refers to a short-term incentive to encourage the customers to make an immediate purchase of products or services. Personal selling is an interaction between customers and the company’s salespeople for the purpose of engaging customers, guiding customers, through their buying journey, and building customer relationship. Public relations (PR) refers to building the company’s relation and reputation by obtaining favorable publicity. Direct-digital marketing is related to customers engagement with the target market to obtain immediate response and to build lasting customer relationship.

Brand awareness is related to the feeling of familiarity towards brands or products. It is the key indicator for brand’s market performance as it measures the relationship between brands and customers which affects customers’ purchase decision [2]. Brand awareness should be maintained to the desired level that the company wants to achieve. Aaker [3] described there are four level of brand awareness that could impact customers’ buyer journey. The lowest level of brand awareness is when customers are unaware of the brands’ existence. The second level is brand recognition in which customers are starting to recognize the brand through visual signifiers. Brand recall refers to customers’ ability to remember the brand’s name from their memory when hearing or seeing certain products. Top-of-mind is the highest level of brand awareness, which is defined as something that comes first in the customers’ mind when asked about certain products.

Perception is the process of receiving and interpreting information to form an idea of what the information is trying to tell the audience. In marketing, it is a process which begins with customers’ exposure and attention to marketing stimuli, then ends with consumer interpretation [4]. Each customer might have his or her own perception in interpreting any marketing information which they see or hear somewhere.

Complex buying behavior is one of types of buying decision behavior when customers are highly involved in a purchase and perceive significant differences among brands [1]. This behavior occurs when an expensive, risky, highly selfexpressive, and purchased infrequently product is involved. Customers usually will go through a learning process about the product first before actually purchasing. Customers establish belief about the product which lead to their attitudes in responding the product information. Later, customers will make a thoughtful decision whether to purchase the product or not.

Purchase intention is a conscious effort to choose products or services which is generated when the products or services meet or exceed customers’ expectation [5]. This occurs during the evaluation stage before customers make an actual purchase decision and this occur when customers are stimulated by external factors [1].

RESEARCH METHODOLOGY

This study used a descriptive qualitative method and implemented Ethnography research strategy. This type of research has a purpose to generate an understanding of the culture and behaviour in society from an “insider’s point of view” [6]. Descriptive research is used to answer the questions and give detailed explanation about the result of the analysis that has already been done by the writer. The primary data of this study was information obtained from both interview with the company and focus group discussions (FGD) with 20 selected-respondents. Secondary data was obtained from the company’s marketing data and social media.



ANALYSIS AND FINDINGS

The writer mapped the findings on internal and external analysis into a SWOT analysis to summarize. SWOT analysis stands for strengths, weaknesses, opportunities, and threats. SWOT analysis is a way of monitoring the company’s internal and external marketing environment [7]. The results of SWOT analysis is shown in Figure 3 below:

Strengths	Weaknesses
<ol style="list-style-type: none"> Honda WR-V has better features than its competitors in the same segment. Honda WR-V is suitable for both single and young people, newly-married couples, and small families. Honda WR-V is equipped with advanced safety technology known as ‘Honda Sensing’. 	<ol style="list-style-type: none"> The price of Honda WR-V is more expensive than its main competitor in the same segment. There was no special promotion for Honda WR-V because this is a new unit model. The marketing team relied on exposure activity in both online and offline marketing to promote Honda WR-V, but this car still lacks brand awareness.
Opportunities	Threats
<ol style="list-style-type: none"> SUV segment is currently the trend among society in Central Java and Yogyakarta area. Utilizing digital marketing to support traditional marketing to promote a car unit and to reach a wider range of customers. Lower tax rates for luxury-goods sales taxes. 	<ol style="list-style-type: none"> High level of customers bargaining power especially regarding prices and car unit features that might affect their purchase intention. High level of competition among competitors in the same segment.

Figure 3. SWOT Analysis

A. Strengths

As mentioned previously, the company that represents Honda in Central Java and Yogyakarta stated that Honda WR-V offers better features than its competitors in the same segment. Honda WR-V is equipped with DOHC i-VTEC engine technology that has 1500cc engine capacity and 121 PS engine power. The company highlights this engine technology as one of Honda WR-V selling points. This SSUV car is also equipped with advanced safety technology known as ‘Honda Sensing’, which provide a safer driving journey for customers. The company also mentioned that Honda WR-V is suitable for both single and married-couples, particularly young professionals and married-couples who are planning to start a family. Thus, the company choose these people as its target market for Honda WR-V.

B. Weaknesses

Since Honda WR-V provides premium features to customers, the price of this SSUV car becomes more expensive than its main competitor in the same segment, and there was also no special promotion for Honda WR-V during conducting this study. In terms of promotion, the company’s marketing team relied on simple exposure contents in social media. However, these contents were not regularly posted since the marketing team was focused on other units marketing campaign. One of the marketing staffs stated that it was concerning that there were little exposure activities for Honda WR-V. Simple exposure content in social media might not be enough to let the public know about Honda WR-V and might result in lack of brand awareness. To test how Honda WR-V brand awareness was during conducting this study, the writer showed a picture of this SSUV car to the FGD respondents. The results showed that 14 of them were unaware of this car, which was more than half of the total respondents. This indicates that there is a possibility that Honda WR-V is still lack of brand awareness caused by lack of promotion or exposure activities by the company.

C. Opportunities

As mentioned before, SUV car segment is currently the trend among society in Central Java and Yogyakarta. This indicates that Honda WR-V might have the chance to have good sales performance as long as the company is able to maintain its brand awareness level. Utilizing digital marketing also provides a good opportunity to reach wider range of customers and to engage with customers in an easier way than traditional marketing. In terms of tax, Honda WR-V has the lowest tax rates for luxury-goods sales taxes



(PPnBM) since this car is considered to have high level of fuel-efficiency and low carbon emission. This might be an additional point to Honda WR-V that customers could miss when trying to find information about this SSUV car.

D. Threats

High level of customers bargaining power and competition among competitors indicate that these two external factors are considered threats for the company. Honda WR-V overall has the best features compared to its competitors in the same segment, but that does not mean customers agree that Honda WR-V is the best choice for them since customers have their own needs and preferences towards cars and considerations to purchase a car. Through the FGD, the writer found that the respondents gave positive responses towards Honda WR-V. They also stated that the price of Honda WR-V is considered normal for an SUV car. However, 12 out of 20 respondents were not interested in purchasing this SSUV car for various reasons. Mostly mentioned about the price is not within their budget and Honda WR-V does not fulfill their requirements to purchase a car. Hence, they choose a car from competitors over Honda WR-V. This indicates that customers can switch easily from one car brand company to another to match with their needs, preferences, as well as budget to purchase a car. In other words, switching costs for customers is fairly low and the competition among competitors is difficult as well.

BUSINESS SOLUTIONS

Based on the findings, the writer used TOWS matrix to find suitable marketing strategies before developing the chosen strategies into an integrated marketing communication plan. TOWS matrix exists to help the company to create several strategies based on logical combinations of factors from SWOT analysis [8].

	Strengths	Weaknesses
Opportunities	<p><i>S.O Strategies</i></p> <ol style="list-style-type: none"> 1. Cooperate with well-known influencers to create a story content with a topic ‘aday in my life with Honda WR-V’ (S1, S2, O1, O2). 2. #PiknikWithHonda social media campaign by sharing a moment of car picnic with Honda WR-V and having meals prepared inside the car’s trunk (S1, O1, O2). 	<p><i>W.O Strategies</i></p> <ol style="list-style-type: none"> 1. Honda WR-V ‘Joglo Semar’ Trip as a part of exposure activity (W4, O1). 2. Creating product information content and posting it on the company’s website about the benefits of Honda WR-V engine technology, such as fuel-efficiency and its impact on PPnBM (W1, W4, O2, O3).
Threats	<p><i>S.T Strategies</i></p> <ol style="list-style-type: none"> 1. Creating a story of ‘Safe Driving’ in social media by demonstrating Honda Sensing feature or other features from Honda WR-V (S1, S3, T1, T2). 2. Honda WR-V Test Drive invitation through direct email or WhatsApp based on sales-leads data obtained from the company’s website (S1, T1, T2). 	<p><i>W.T Strategies</i></p> <ol style="list-style-type: none"> 1. Additional service voucher or other special gifts for purchasing Honda WR-V during a limited-time promotion (W1, W2, T1, T2). 2. Brand Ambassador for Honda WR-V (W3, T1).

Figure 4. TOWS Matrix

There are eight possible marketing strategy that could be implemented to improve Honda WR-V brand awareness and customers purchase intention. Most of these strategies are focused on improving Honda WR-V brand awareness by showing the benefits of owning Honda WR-V. Among eight strategies, the writer chose five proposed strategies to be implemented :

1. W.T Strategy #2 : Brand Ambassador for Honda WR-V.

Brand ambassador is the common public relations (PR) strategy who is expected to represent and to promote the company’s brand and its products. With a goal of improving Honda WR-V brand awareness and customers purchase intention, it is a



good idea to adopt a brand ambassador to help the company in achieving its goals. Honda WR-V represents people's desires to be confident to achieve success and to win in every aspect. Thus, the criteria for brand ambassador should have similar values to Honda WR-V and represent the target market characteristics. The brand ambassador should also be someone who is able to appeal and connect with the target market in Central Java and Yogyakarta area so they want to engage with the brand or the product.

2. W.O Strategy #1 : Honda WR-V 'Joglo Semar' Trip as a part of exposure activity.

'Joglo-Semar' trip with Honda WR-V is expected to attract the public attention to see Honda WR-V performance on the road and to improve this unit model brand awareness. This strategy also aims to showcase this unit model performance on the road especially while driving through the highways. 'Joglo-Semar' stands for Jogja-SoloSemarang. Therefore, the exposure trip will cover these three cities with Semarang as the start point and Jogja as the finish point. To make it stand-out during the convoy on the road, it is suggested to drive Honda WR-V units with a thematic color. Honda as a brand is represented with grey, red, and black colors, so it might be a good idea to use these three colors for this exposure activity. In addition, this exposure activity could also be the source of creating an attractive social media content or unit model advertisement for the marketing team.

3. S.O Strategy #2 : #PiknikWithHonda social media campaign by sharing a moment of car picnic with Honda WR-V and having meals prepared inside the car's trunk.

Another selling point of Honda WR-V is its spacious trunk. To show how spacious the trunk is to the public, it is suggested to do it in a fun way such as social media campaign. The company's marketing team could begin creating this content with Honda WR-V by starting #PiknikWithHonda social media campaign, then invite the audience to join the campaign. The marketing team might also invite influencers to do this campaign as well. This social media campaign is expected to convince more people that Honda WR-V indeed has spacious trunk which could fit a lot of things in a fun way.

4. S.T Strategy #2 : Honda WR-V Test Drive invitation through direct email or WhatsApp based on sales-leads data obtained from the company's website.

Inviting customers through a direct-email might be beneficial for the company to help all Honda dealers to encourage the customers to experience Honda WR-V. Since the company's marketing team often obtain sales-leads data from their website, the marketing team should be able to send a direct-mail based on these data. The marketing team could also share the customers' phone number to Honda dealers based on the customers' domicile so Honda dealers could invite the customers to a test-drive experience via WhatsApp. With this strategy, not only Honda will be able to target individuals based on the sales leads, but also a chance to improve customers' brand awareness towards Honda WR-V and to bond with the brand. Additionally, this strategy might increase customers' purchase intention towards Honda WR-V.

5. W.T Strategy #1 : Additional service voucher or other special gifts for purchasing Honda WR-V during a limited-time promotion.

Honda WR-V indeed offers the best value to customers, but customers might still not be interested in purchasing this unit because of its expensive price without any special promotion. Moreover, a discounted price is not possible for a new-released unit model such as Honda WR-V. For this particular reason, it is suggested that the company should give 'extra' valuable gift for customers who purchase Honda WR-V, such as service voucher. This special offer should be implemented for a limited-time so the company could increase customers' purchase intention towards this unit model.

These five chosen strategies are developed into an integrated marketing communication plan. The objective of implementing IMC in this study is to show the reason why Honda WR-V is the best SSUV car unit in the mentioned market segment. The key message of Honda WR-V is 'Winning in every Value'. To match with the chosen strategies from TOWS matrix, the writer recommended to use three marketing channels to implement IMC: public relations, direct and digital marketing, and sales promotion. Below is the IMC plan recommended by the writer to be implemented:



Integrated Communication Plan	Marketing
Public Relations (PR)	<ul style="list-style-type: none">• Choosing a Brand Ambassador (BA) and introduce the BA to represent and promote Honda WR-V. PR is expected to help the company to build and further improve Honda WR-V brand awareness among the people in Central Java and Yogyakarta area, specifically to the intended target market.• Brand Ambassador Characteristics: represents young generation or newly-married couple, desires to achieve success, never give up.
Direct-Digital Marketing	<ul style="list-style-type: none">• Utilizing social media to share various contents that relate to the key message of Honda WR-V. The chosen BA should be presented in the contents as well to influence the target market to 'feel' the same as the BA towards Honda WR-V.• Direct-mail to invite the customers to a test-drive experience so the target market can be influenced to bond with Honda WR-V and eventually increase their purchase intention.
Sales Promotion	<ul style="list-style-type: none">• Giving extra gift to the customers in a limited-time promotion to inspire the target market to take immediate action to purchase Honda WR-V.• This sales promotion is expected to give extra value to the customers towards Honda WR-V and influence them to purchase the car.

Figure 5 : IMC Channels and Plan

CONCLUSIONS

Lack of promotion for Honda WR-V indeed resulted in lack of brand awareness. There is a chance that there are still people in Central Java and Yogyakarta who are not aware of this SSUV car existence in the market. The writer received mixed responses about Honda WR-V as well, mostly positive responses. Unfortunately, that does not mean customers are interested in purchasing Honda WR-V since they are not convinced why they have to choose Honda WR-V over competitors. Considering that customers have different perceptions and factors which influence customers' purchase intention, the writer proposed an integrated marketing communication plan to deliver a consistent message to the market about Honda WR-V as well as to persuade the target market to see the best value of this SSUV car. Implementing IMC plan in the end is expected to further improve Honda WR-V brand awareness and customers' purchase intention towards this car.

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