

Category: *Automotive*

Methods: *Market Evaluation, Quantitative Research, Market Overview*

Summary

A multinational automotive manufacturer (OEM-Original Equipment Manufacturer) with no previous experience in the U.S. market was considering whether or not to attempt to introduce an all-new vehicle into the U.S.

Strategic Issues

The need was to gain a fundamental understanding of the U.S. owner and intender of vehicles in one particular segment of the market. The client needed to gain an understanding of the market dynamics (including competitive strengths and weaknesses) and customer characteristics, in order to determine whether or not they were in a position to serve the U.S. market effectively.

Research Objectives

The OEM client needed a market evaluation in order to identify the potential obstacles to market entry. This included considering important factors such as customer expectations, vehicle usage, and driver needs and desires. In addition, pricing expectations and purchase consideration were needed in order to estimate potential demand.

Research Design and Methods

Decision Analyst designed a research program that took into consideration U.S. consumers who were either domestic- or import-oriented. The study was conducted online among over 300 respondents, using sample from Decision Analyst's American Consumer Opinion® Online panel. Beginning with a representative national sample, respondents were screened to identify the current and prospective owners of a vehicle in the segment of the market, purchased new. Respondents were asked a series of questions regarding vehicle ownership, including current truck equipment levels, pricing, usage, typical load carried, distances driven, and road characteristics. They were also asked their satisfaction with the vehicle, future vehicle purchase considerations, and shopping behavior.

Results

The research provided our client with an overview of the competitive conditions, as well as a detailed profile of the owners in this segment of the market. Based on the market overview and customer profile, Decision Analyst was able to identify obstacles and opportunities in the U.S. market for its client. It was recommended that this OEM be very careful in approaching the U.S. market, as the level of competition is very high and the obstacles to success are great.
