

**Lancashire  
Business  
School**

**Division of Communication, Marketing and Public Relations**

## **Full Proposal**

# **“Study on the marketing effectiveness in Luxury Automotive Industry”**

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This dissertation is an original and authentic piece of work produced in fulfillment of my degree regulations. I have fully acknowledged and referenced all secondary sources.

The dissertation has not been submitted in whole or part for assessment in another module at this or any other university. I have read the Academic Regulations and am fully aware of the potential consequences of any breach of them.

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## **Abstract**

**Purpose** – The purpose of this research paper is to study the marketing effectiveness in the luxury automotive industry. There are totally three different objectives need to be fulfilled during the research, included to find out which type of marketing strategies that are using in the automotive industry now; which are the most effective marketing tools in the industry. In order to achieve the objectives and answer the questions, marketing mix – 4Ps will become the key model for comparing the difference between traditional and online marketing by applied both academic theories and practical cases, in order to find out the most effective one.

**Design/ methodology/ approach** – A totally of 100 data sets from the automotive industry, were generated using a standardized online and offline survey. Half of the structured questionnaire will be distributed by face-to-face interview, and half of them will be conducted online as well as to collect information so as to minimize the bias.

**Findings** – The result from study showed both traditional and online marketing can still workable in the automotive industry. However, traditional marketing are still become the strongest marketing tools in automotive industry. And in-store promotion is the most effective tools to draw the consumers' attention. For the online marketing, it can only be an additional tool for marketers as a reference. Besides, the competitive advantage of online marketing is to draw the people who are young with sufficient purchasing power.

**Originality/ value** – The research is to provide a framework for the marketers who want to understand the effectiveness between traditional and online marketing. It is because nowadays competition has increased and information become digital like Facebook or Google, people are easier to collect all the knowledge. However from the past information, there aren't any specific research papers whose study this topic in the Asia's' automotive industry, therefore this research paper can fulfil the need.

**Keywords** Marketing Effectiveness, Traditional Marketing, Online marketing, Marketing Mix, Automotive industry

**Paper type** Research paper

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## **Chapter 1: Introduction**

### **1.1 Research Gap in Automotive Industry**

Nowadays the retails industry has become complex due to the large competition. According to the report in IBM. (2008) mention that there are large changes. For example, the development of product and services, better performance with lower price, increasing number of branches and drive on the investment for promotion. Also from another international company research KPMG. (2012) who provide similar, updated and more practical information, it shows that the automotive industry continually faces to the changes like environmental challenges, growing urbanization and shifting customer behaviour, which from car ownership to car usership. Therefore from Halliday (2000) already reflected some changes in the market, car providers are now only spent 66.7% money on traditional media which dropped about 20-47.5%. However, internet advertising jumped about 21.5% since 2005 and gained more the 34% of sales. It seems there are billions of dollars shifting from traditional to non-traditional advertising. Besides, some scalars like Nezakati., Kok. and Asgan. (2011) think that there are some consumers - based factors that influence consumer buying behaviour, such as physical of car image to draw consumers' attention. Moreover, another group of scalars focus on the pricing elements such as Klostermann and Gunnel. (2010), it mentions that consumers tend to purchase if the car provider offer them some discounts or rebate incentives. Some professionals think that consumers will pay attention to the distribution channels or promotion, and they also have their own argument

which is about the traditional marketing or online marketing like Lieber. A and Syverson. (2011) and Hosein. (nd) and Gottlieb., Brown. and Drennan. (2011) found that traditional marketing like trade show can increase consumers purchase intention. Bruhn., Schoenmueller. and Schafer. (2012) research found that social media or online promotion have a significant influence on marketing, included the brand awareness, brand equity, brand image and purchase intention.

Therefore, there are lots of factors that may influence the marketers when they do their marketing plan and implementation. However based on the above research reflection, it is too board and confuse without any systemically analysis due to the different opinions from each scalars, so this purpose of this research paper is to fulfil the gaps. First the research paper will necessary to find out what the marketing strategies that are implementing are in automotive industry now? Then find out what is the most effective one in the automotive industry? After answering these two questions, the answer will be defined.

## **1.2 Research Aim and Objective**

From Malhotra., Birks. and Wills. (2012) show the research objectives need to mention what gap(s) the researchers see in the knowledge based on themselves and research. And it can be divided into industry and personal. For the reason that, the purpose of this research paper is to find out which types of marketing strategies that uses in the automotive industry? And then choose which the most effective marketing tool is? In order to achieve the purpose, aim and objective will be appeared. The aim is to clarify meanings of the current position of marketing mix. Based on the aim, objective is to comparing both traditional and online marketing tools by applied both academic theories and practical cases.

## **1.3 Key literature**

In order to achieve the objectives, it is necessary to find out some example journals in the past as the key articles. Smith. (2003), Shima. and Varfan. (2008), Dominici. (2009) & Bruhn, Schoenmueller. and Schafer. (2012) will be the key articles because they concluded all the arguments in the past and then created another controversial argument, which is about will the 'new marketing' replace the 'old marketing'?

And for the key literature in this research is to apply the marketing mix (4Ps) model into the luxury automotive industry. During the process, product, place, price and promotion will be the key factions that used for doing the comparison. Also, in Moran (2008) believe that marketing cars and develop some strategies like brand advertising on television and Customer Relationship Marketing (CRM) to win in the car industry become a core and



necessary action, thus part of the literature will include some basic analysis and knowledge in the automotive industry.

#### **1.4 Signpost**

First of all, in chapter 2 is Literature Review which mentions the definition for marketing and marketing mix academically and theoretically in both chapter 2.1 and 2.2. The structure of the planning is from academic theories to practical situation. Besides, some practical discussion on luxury brand will be defined in 2.3, and will apply them into the automotive industry in chapter 2.4. All the information will be collected by the secondary research.

Secondly, chapter 3 will talk research methodologies in order to show the how to do the research in a academic and practical methods. In chapter 3.1 will talk about the data will come from both primary and secondary. And for chapter 3.2 will talk about the research onions, approach, strategy, choices of method, time and techniques. For the last one is to discuss about the anticipated problems.

Next, the findings from primary research will be talk in chapter 4. Also some raw and basic data analysis will be show with pictogram with some text for description in this section.

After that, there are comparison between findings and literature in chapter 5. By using the comparison, some similar and difference points can be found between the primary and secondary research.

At last but not least, conclusion is a necessary point for a research paper that included the contribution of this research paper and limitation, and some future study and research will be suggested as so to let the reader for further discussion and study, thus it refers to what chapter 6 about.

## **Chapter 2: A Critical Review of the Literature**

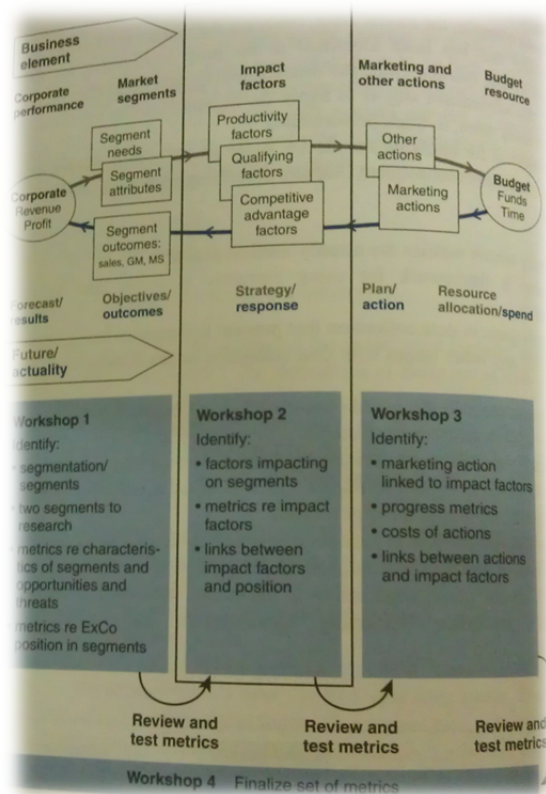
### **2.1 Marketing**

The definition of Marketing has been changed a lot due to the time flies. From Kotler (2003) believed that marketing deals identify as to fulfil the human and social needs through exchange process. During the processes, customers' needs that can be satisfy and added value. After a few years, Kotler. and Armstrong. (2009) improved the definition of marketing. They think Marketing is to manage the profitable customer relationships with attracting new customers by superior value with also keep and grow current customers by delivering satisfaction. On this stage, strategic marketing plan is the highest level and focuses on new product development in order to increase the customers' value and satisfaction. However, the most updated vision of book from Kotler. and Keller. (2012) show Marketing has been redefined as meeting needs profitably in the short term, and it is about art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating within their lifetime value. Through the above analysis, we can find there are wants from physiological to psychological needs. However, there are no systemically proved to show the actual changes inside the customers' black box.

Besides, there are different types of criteria for defining the marketing effectiveness. The following points are built by the scholars in the past, McDonald. and Mouncey. (2011) showed three district levels for measuring, they are shareholder value added, linkage from activities & attitudes to

outcomes and micro measurement. Also they worked out a list of variables from different perspectives so as to organize a marketing metrics model (Figure 1) for decrease the research bias. In addition, McDonald., Frow. and Payne. (2011) also define the elements for measuring the marketing effectiveness. They are included the customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation and operational efficiency. With five levels of measurement which are value chain analysis, shareholder value added, customers' value, accounting value and marketing expenditure. Since some developed models and factors from the scholars, there are still too many factors and no standard model for measurement. Therefore it is necessary to develop a standard model in order to set the guideline.

**Figure 1. Marketing Metrics Model**



Source: McDonald. and Mouncey. (2011, p.114)

On the other hands, marketing revolution also has become talk of the town in these few years. From Gamble., Tapp., Marsella.& Stone. (2007) show that marketers are now focus on customer insight and then implement those thinking into the action, in order to develop the customer relationship management. And for measuring the marketing effectiveness, Association of National Advertisers (ANA) develops the return on investment (ROI) analysis for measure. After a year, Shima. and Varfan. (2008) and Dominici. (2009) show that there are differences between traditional and online marketing and also they have already found out the most effective tools for promotion. However both of their theories can't apply into every industriy, so their research aren't standards enough. Moreover, another scholar called Gillbreath. (2010) have similar idea, but some of the additional development has been added. It show why the traditional marketing (TV, Printed advertisement and Exhibition) has become meaningless, and the reasons why online marketing or social media (Banner ads, Social media and Search engine Optimization) has rise up. In addition, it mention that it isn't enough to 'Just going digital', thus target and segmentation still need to do during the evolution.

To conclude, some scholars aware that the marketing has been changed from tangible into intangible, but there is no research paper to find out 'Is online marketing really can replace the traditional one in the consumers perspective? ', even though some of them has done it before but no one list out any standards theories, so that's why this research paper appear.

## **2.2 Marketing mix – 4Ps**

Marketing mix has become a 'Big word' in marketing, and many scholars define it differently. First of all, Constantinides (2002) has started to discuss should we use 4Ps to discuss the traditional and online marketing. The findings should that's not working, so it developed a 4S theory to suggest the marketers to use 4S rather than 4Ps. After one year, Kotler (2003) has defined a new vision of 4Ps which also included Product, Price, Place and Promotion. For the updated vision, it is suggested to use an integrated marketing mix that means to achieve the company's marketing objectives by delivering value to consumers with the mixture of 4Ps. Also it has developed a more detail definition for each P. For example, Products are anything that can be offered to a market for satisfy the consumer needs. Price means the amount of money charged for all the values that customers give up in order to gain the benefits. Place can be any location for distribution. And the last one is promotion which means the distribution channel.

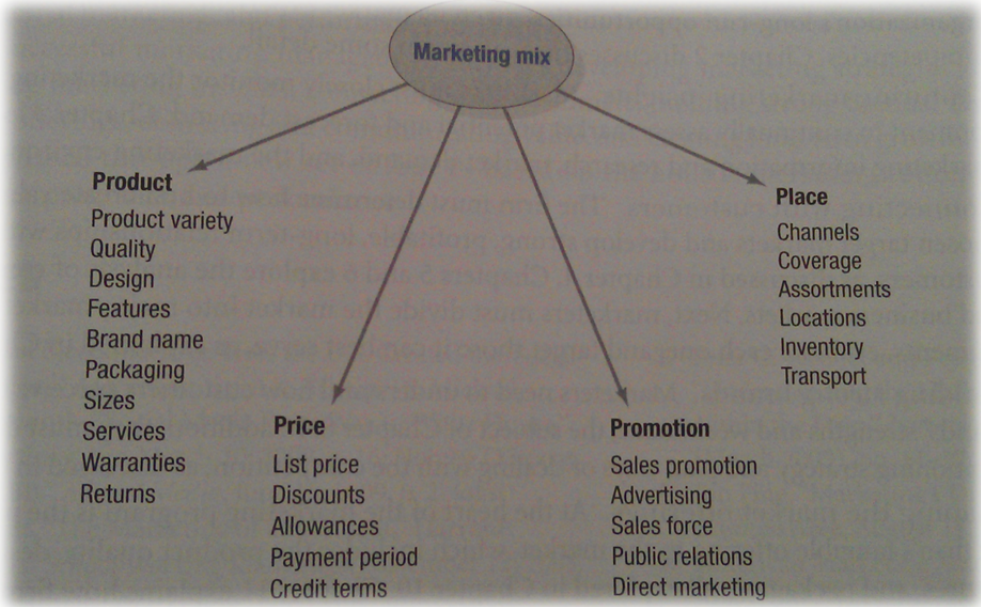
Since Constantinides, E. found that there are variances between his point of view and other scholars, so in Constantinides, E. (2006), he revisits the 4Ps theories in order to correct all the errors from both scholars and practisers. However, there are weaknesses in the methodologies in this research paper. To reduce the differences and problems, both Chai (2009) and The Chartered Institute of Marketing (2009) also suggest some key points to guide the marketers how they can achieve the effective marketing with using the 4Ps theories. They suggest to pay attention on the product life cycle and product portfolio analysis when they are looking at the

product elements. For the price, they have to observe for different prices and marginal costs. In promotion, it is recommended to focus on the advantages and disadvantages for the promotional tools and setting the budget. For the last one place which need to choose the appropriate channels to market the products, not just pushing them.

Furthermore Dahlen. Lange and Smith (2010, p.278-280) have further explanations based on the above analysis. The research defined the new meaning of 4Ps. Product mean a description of product feature, price shows how much will people able to pay for the products, place is the distribution channel, and promotion included advertising, sales promotion, personal selling, packaging and design. And after those scholars argument, Philip Kotler and Kevin Lane Keller found that they have to redefine the definition for 4Ps. Therefore from Kotler. and Keller. (2012) showed the new components of 4Ps with more updated case study and example like Tiffany& Co that show on Figure 2. Also they added two new models called The Marketing Funnel and Common Communication Platform for the marketers in order to remain them how can they deliver their experiential marketing to gain the customer lifetime value.

To summarize, there are a lot of journal, articles and books has been set up a list of guideline for planning how to use 4Ps, however, no one can give a clear direction to the marketers, so this research paper can fulfil it.

Figure 2 : The meaning of marketing mix

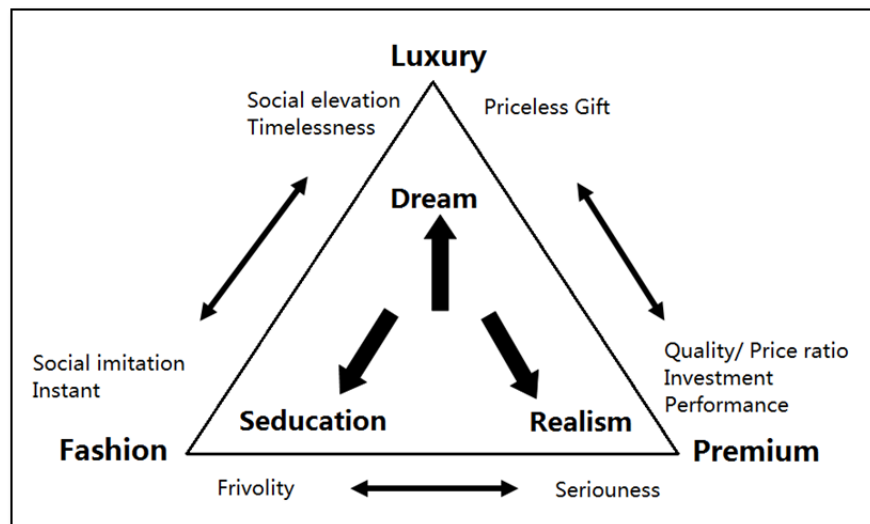


Source: Kotler. and Keller. (2012, p. 13)

### 2.3 Luxury brand

Nowadays, Luxury brand has become part of our life. In Okonkwo. (2007), it shows the overall his of luxury brands and clear the definition for luxury brands and luxury fashion. Luxury fashion is to provide a means to a lifestyle that is triggered by deep psychological and emotional needs, which is expressed through ingenious products. There are global wealth of luxury. For example, luxury brands in European are coming of age, American just like a baby boomer surge, China's might and India are keep on growth and Russia's influence, thus luxury are still changing anytime. Therefore Kapferer and Bastien (2009, p.35) also found that there are relationship between luxury, fashion and premium which showed in Figure 3. It means that most likely fashion is included luxury brand, also luxury are always premium, but premium is not luxury.

Figure 3. Relationship between Luxury, fashion and premium



Source from: Kapferer and Bastien (2009, p.35)



However, there are another scholars who are Dahlen, Lange and Smith (2010, p.109) mention that luxury brands are included 5Rs to show the relationship between luxury products and customers. They are included the responsiveness, relevance, receptivity, recognition and relationship. Responsiveness means asymmetrical communication, relevance is about the add value during the communication, receptivity concern on the time and method, recognition shows differences between the competitors, and relationship is try to be customer services oriented. After two more years, Radon. (2012) found that luxury brands and fashion also started to do marketing online in order to increase their competitive advantage. And the research shows the consumers are also accept to buy luxury brand online or search for those information.

After some years of argument, marketers are focus on the results that created by the luxury brands. American Express Business Insights. (2011) conducted a research, it showed that there are around 60% men spent on premium luxury fashion whereas women only have 36% growth. And most of them are tended to buy because of the convenience of the online shop and price discount. Also in Milan. (2012) show the overall luxury brands spending and some details of luxury cars spending. It's found that car spending has been slowed down in 2012 after the positive trend of past years whereas super-luxury cars continue growth which bought by power-women.

After the above analysis, all the reports showed that what are luxury brands and fashion and how they are operating in the society, but no one found out how to promote cars in a more strategic way.

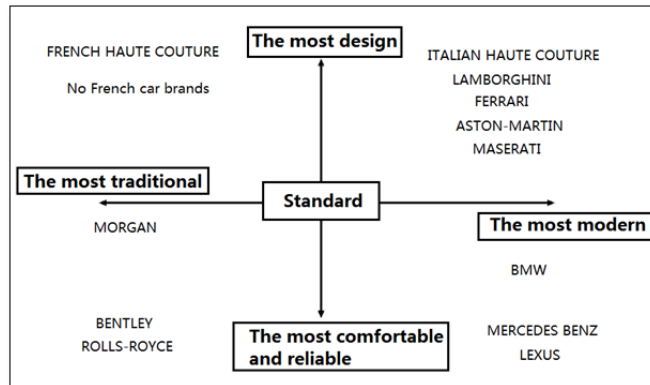
## **2.4 Automotive industry**

As mentioned before, some scholars has been developed some argument on each journals. And there is another main argument from Dawes. and Massey. (2006) both sales managers are really related to the relationship marketing, most likely both two tools can develop the positive marketing between them. Also from Baron. (nd) also suggest the similar idea, but he add on more idea on how social media impact in the automotive industry. For example, social media increase the interactive level between the car dealers and drivers or car lovers.

After looking at the journal argument, it's time to go though those theories into the real world. Firstly in Moran (2008) believe that marketing cars and develop some strategies like brand advertising on television and Customer Relationship Marketing (CRM) to win in the car industry become a core and necessary action. Besides, Kapferer and Bastien (2009, p.46-60 & p.68-69) shows the relevance car industry situation between advertising, upper-premium and luxury cars by using the real brand name and cases like Lamborghini, Rolls-Royce, BMW etc. Also Figure 4 is the changes and development for luxury cars in the same scenario. Also there are some trade magazines like Anonymous (2009) showed that BMW, Audi and Mercedes-Benz are using more online advertising rather than Toyota and Lexus, so BMW become the top luxury cars seller in 2009. However, Hoxie (2011, p.2) has another perspective, he thought that advertising is anything simply that can promote luxury products like cars. Mostly newspaper ads and television commercials are the forms of traditional sense tools. And nowadays social networking has

become part of the marketing business, it is a great tool to provide some basic information before customers buy a car. It is also a key point to balance a healthy mix of both traditional and social media to promote luxury cars in the industry.

Figure 4. Changes and development positioning for luxury car

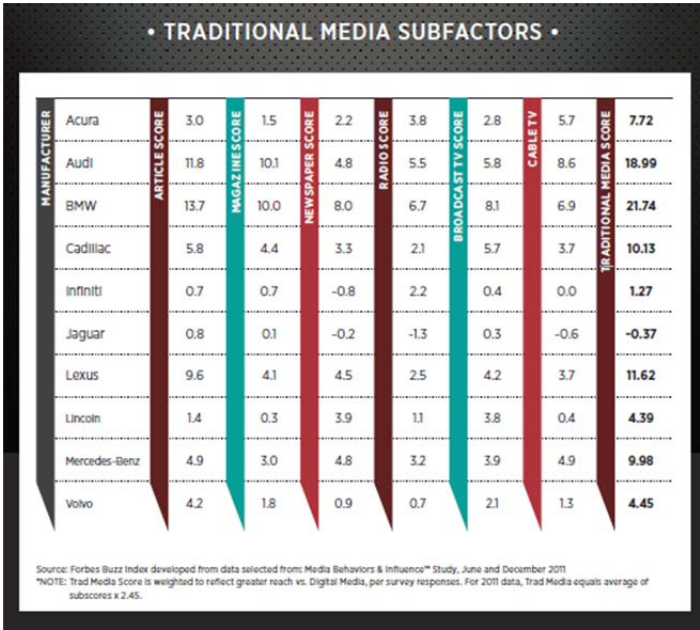


Source from: Kapferer and Bastien (2009, p.46-60 & p.68-69)

Furthermore, there are some reflections and effects that cause by the above factors. For example, from APCO. (2010) show some of the China marketers are focusing on developing the productivity and quality upgrade to show the product features, and some of them think how to promote the car in a domestic innovation and design capabilities channel that means the promotion channel. Also some industry reports like Forbes Insights. (2012) and KPMG. (2013) also some show some index and figure to show how make good use on the 4Ps in order to get a better index on the table to show their performance and successful. Figure 5 & 6 is a better example to show the difference between tradition marketing and online marketing's impact. Also KPMG. (2013) also highlight that consumer are looking for more efficient, longer-lasting cars, primarily to save cost, that mean consumers are now shifting their mind from the product-oriented to price-oriented. Also consumers are started to accept the social media as a

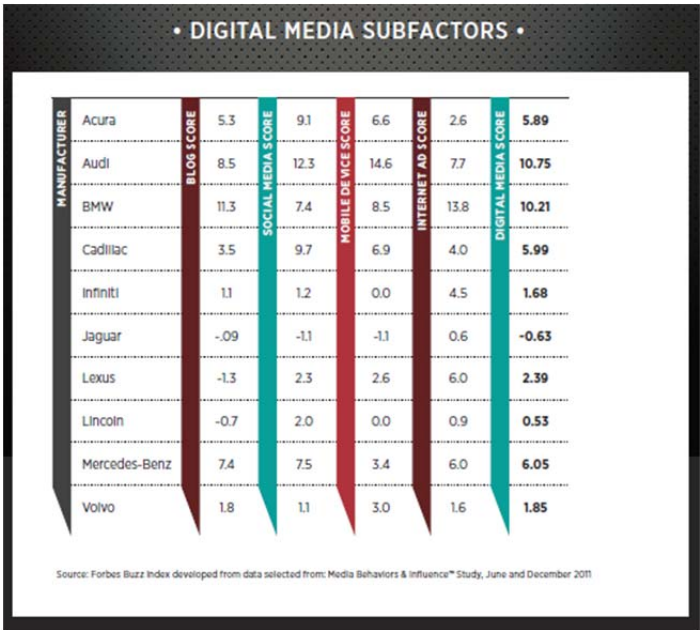
supporting tools for selecting their cars or do the web search. From the above research, it shows there is a large gap and argument of choosing traditional marketing or online marketing.

Figure 5 Traditional media subfactors



Source; Forbes Insights. (2012 p. 9)

Figure 6 Digital media subfactors



Source; Forbes Insights. (2012 p. 8)

## **2.5 Six key points to compose a research gap**

After conducting the analysis works, it found that there are lots of problem between each of the sources included journal, articles, reports or books. So in order to grouping all the questions, there are totally six key points that will solve by this research.

Firstly, it's to find out 'What is the marketing strategy in the automotive industry?' Although there are a few journal and report mention it before, there are no systemically research paper can show the fact without use index and figures, so the core benefits is to test which marketing tools are work in the industry.

Secondly, it is necessary to test 'Is the traditional tool – 4Ps still works in the automotive industry?' Based on the argument on chapter 2.2, it seems that some scholar think that 4Ps are no longer to use, it is time to develop a new model to do the measure. However, 4Ps has a long history in marketing, so it is worthy to test or conduct a research on it again.

Thirdly, since it is essentially to test the 4Ps, so 'Which branding got the highest frequency in both online and offline in automotive industry?' will be the first question that asked in the product perspective. From this question, it can be an example for the marketers learnt how can they success.

Then it is another questions that about the promotion and price. 'Do online advertisement workable in the automotive industry?' By asking this question, it can help to test the reliability of the above scholars who support to use online marketing.

Besides, when it is ask the above question, another question which is also about promotion also appear. 'Is online or offline advertisement better?' As it is mentioned before, there are lots of scholars debated it. Unfortunately, there is no specific and clear answer from their research, thus it is required to discuss it again.

For the last one is to discuss 'Which one can develop better consumer insight?' This type of question is asked about the place. It is because though marketers know how to do the customer insight and find out what they need. However, it is still need to focus on how the marketers do so as to let the consumers experience it from different distribution channels. Therefore the last question has been come out.

## **Chapter 3: Research Methodology**

### **3.1 Practical View**

For method of data collection, both primary and secondary data will be chosen in this research paper since each of them has their own merits.

#### **3.1.1 Secondary data**

Bougie. and Sekaran. (2010, p.184) show secondary data refer to information gathered by others more than only researcher conducting the current study, also secondary data are most likely collected for forecasting sales by based on past sales figure. There are several sources included books, government publications of economic indicators, statistical abstracts, databases, media etc. The advantage of secondary data helps to save cost and time, but it isn't always reliable and up-to date.

In addition, Bradley. (2010, p.76-84) have further study. It mention that secondary data come from internal and external sources. Internal means raw data, such as current and past price lists, sales force records with transactions and competitors activity etc. And external data always mean some reference books, academic sources, industry sources and government resources etc.

In last year, Malhotra, Birks. and Wills. (2012) have concluded the above two scholars' ideas with some additional opinion. It also show that secondary data are data that collected for purposes other than the problem on hand. Also there are more advantages like diagnose the research problem and answer certain research questions with test some hypotheses. However, there are some disadvantages for example errors on accuracy of the data.

### **3.1.2 Primary data**

In Bougie. and Sekaran. (2010) mention that primary research is the individuals provide information when interviewed, administrated questionnaires or observed. Thus there are totally three main methods included focus groups, panels and unobtrusive measures.

#### **i. Research target**

Based on Shimp (2010, pp.219-240) mentioned, when we design the questionnaire, we have to set the target interviewees by using both psychographics and demographics. In this research, the target interviewers are aged 26-34 male and female who are in middle class and interested in cars.

#### **ii. Research objective**

From Bougie. and Sekaran. (2010) show there are three methods included exploratory study, descriptive study, hypothesis testing and case study analysis. Exploratory study is a method that used when not much is known about the situation at hand or any similar example. And descriptive study always use for describe the characteristics of the variables of interest in a situation. For hypothesis testing is undertaken to explain the variance in the dependent variable or to predict organizational outcomes. At last is the case study analysis that studies some similar case and help to find the solution to solve the problem. In this research, the main purpose is to measure the effectiveness and difference between traditional and online marketing, thus hypothesis testing helps to test which marketing tools will be useful. But for the rest of them,



they aren't suitable because the research is not necessary to conduct in-depth study.

**iii. Research approach**

There are lots of books discuss about research approach, to conclude all of them, there are totally two of them which is quantitative and qualitative method. From Bradley. (2010), quantitative research is everything concerning numbers and statics, and its purpose is to get the overall understanding from a segment. Most of them are using market tests, hall tests, panels and omnibus for experimentation, sometimes may use data mining and data mart to enrich the database. The advantage is more common, cheap and easy, but the disadvantage isn't in-deep and can't show the attitude. On the other hand, qualitative method involves using techniques that attempt to gain an understanding on the people's attitude and opinions. Most likely they will use focus groups to conduct the survey. In Figure 7, it shows the difference between quantitative and qualitative methods. In this research, it is necessary to use a quantitative because numbers are easier to control with a more large and representative sample size. However, qualitative are time consuming and costly, so it's create a lots of limitation comparing with the quantitative one, thus the quantitative will be chosen as the research approach.

Figure 7 Distinctions between quantitative and qualitative

Qualitative	Quantitative
Words, narrative, images, concepts	Numbers
Analysis begins <i>during</i> data collection	Analysis begins after data collection
Analysis adapted to each project	Analysis guided by standard techniques
Original ways to communicate results	Standard ways to communicate results

Sources: Bradley. (2010, p.230)

**iv. Sample choice**

For the process of sample, this research will follow Bougie. and Sekaran. (2010)'s opinion because his process already concluded other's. The process included defines the population, define the sample frame, sampling design, appropriate sample size and execute the sample process.

With grouping both Hong Kong Population Census. (2011) and Boyd. (2006), the sample size of research will conduct 100 questionnaires. It is because it covers a reasonable size with only 87 to 99 margin of error (Figure 8) of the whole population which is 7,071,576 citizens. Also it has already involved rational percentage of target age, middle class and occupation.

Figure 8 Table of required sample size

Required Sample Size								
Population Size	Confidence = 95%				Confidence = 99%			
	Margin of error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	146	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1,067	427	636	827	1,119
1,500	306	515	759	1,297	460	712	959	1,376
2,000	322	563	869	1,655	498	808	1,141	1,785
2,500	333	597	952	1,984	524	879	1,288	2,173
3,500	346	641	1,068	2,565	558	977	1,510	2,890
5,000	357	678	1,176	3,288	586	1,066	1,734	3,842
7,500	365	710	1,275	4,211	610	1,147	1,960	5,165
10,000	370	727	1,332	4,899	622	1,193	2,098	6,239
25,000	378	760	1,448	6,939	646	1,285	2,399	9,972
50,000	381	772	1,491	8,056	655	1,318	2,520	12,455
75,000	382	776	1,506	8,514	658	1,330	2,563	13,583
100,000	383	778	1,513	8,762	659	1,336	2,585	14,227
250,000	384	782	1,527	9,248	662	1,347	2,626	15,555
500,000	384	783	1,532	9,423	663	1,350	2,640	16,055
1,000,000	384	783	1,534	9,512	663	1,352	2,647	16,317
2,500,000	384	783	1,536	9,567	663	1,353	2,651	16,478
10,000,000	384	784	1,536	9,594	663	1,354	2,653	16,560
100,000,000	384	784	1,537	9,603	663	1,354	2,654	16,584
300,000,000	384	784	1,537	9,603	663	1,354	2,654	16,586

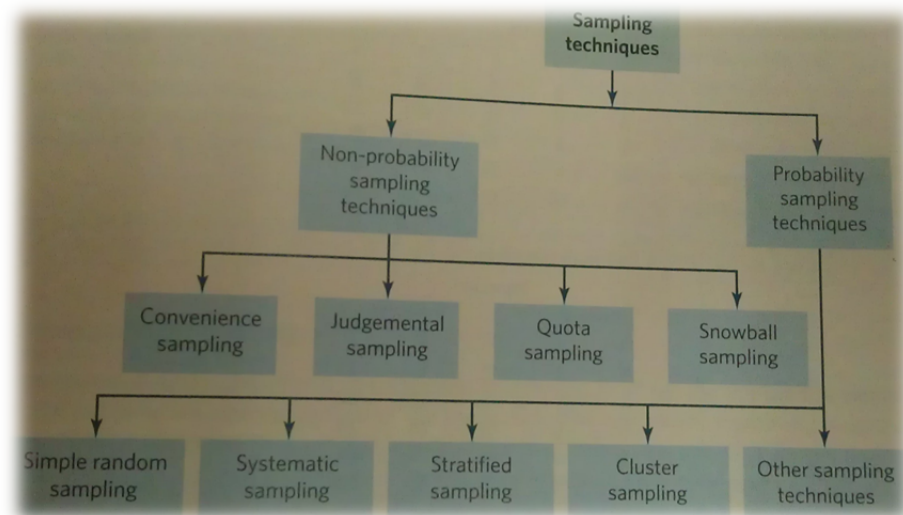
Source: Boyd. (2006)

v. **Research collection method**

Both Saunders. Lewis. and Thornhill. (2009) and Malhotra, Birks. and Wills. (2012) also have the same idea on decided the research size which showed all possible methods on Figure 9. Non-probability sampling techniques and convenience sampling will be chosen because the research have target the interviewees and convenience sampling is the least expensive and time consuming

method. And for the rest of them will not be chosen. It is because not suitable. Non-probability sample relies on the personal judgement rather than chance to select sample elements, so it involves too much population. And for the other possible opinions for the non-probability are judgment, quota and snowball. Judgment is a form of sample that the population elements are selected based on the researcher's judgement, thus it isn't reliable. And quota sample is two-stage restricted judgement sampling, so it is too complex to conduct this type of sampling. And for last one is snowball is a format that selected randomly in an initial group of participants. However, it is costly to conduct this large number of sample size, so it wouldn't be chosen too.

Figure 9 A classification of sampling techniques

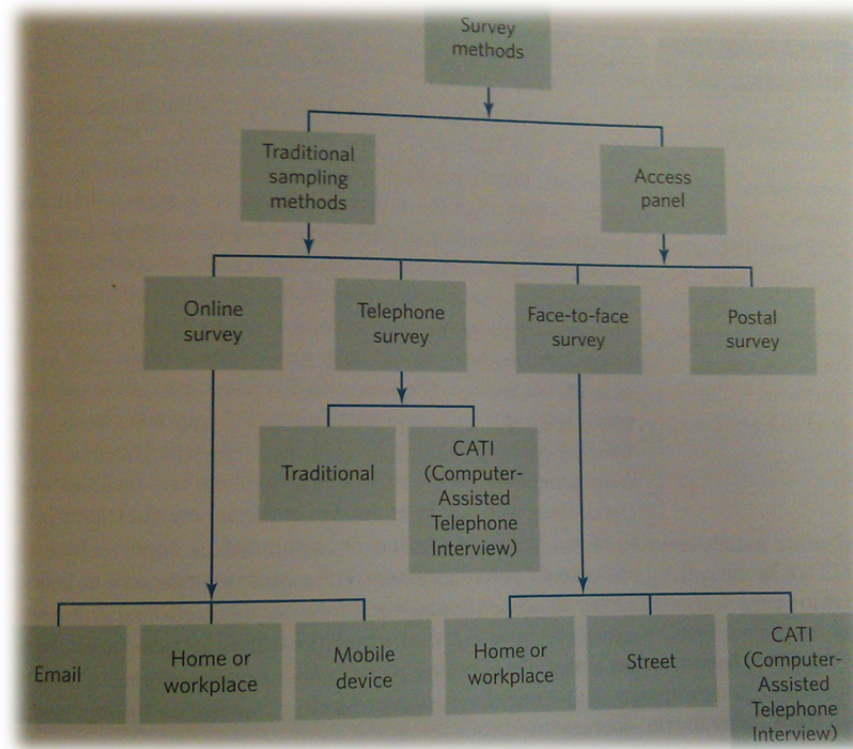


Source: Bougie. and Sekaran. (2010, p.501)

For the methods of marketing research, there are totally four major formats – online, telephone, face-to-face and postal which showed on Figure 10 in Bougie. and Sekaran. (2010) and Malhotra., Birks. and Wills. (2012). Based on the analysis of the advantages and disadvantages that showed on Figure 11, personal face-to-face interview and internet survey will be chosen because it takes shorter time and both high control & response rate. But it is necessary to reduce the inadequate – high cost, so half of the questionnaire will conduct on internet in order to minimum the cost. On the other hand, both telephone and postal method will not be use because of the culture and low efficiency and effectively on the time and resource consuming.

And for the interview time, it will conduct during Feburary and March because there are people on the street during happy new holiday.

Figure 10 A classifications of survey methods



Source: Malhotra., Birks. and Wills. (2012, p.329)

Figure 11 Table to show how methods may match up to research constraints

	Fieldwork time	Cost	Control
Personal	2 – 4 weeks	Very high	Very good
Telephone	1 – 2 weeks	High	Good
Post	3 – 8 weeks	Medium	Poor
Internet	1 – 7 days	Very low	Poor

Mode of interviewing	Common response rate	Useful length
Face-to-face	60%	45 mins
Telephone	45%	20 mins
Postal	30%	4 sides
Internet	10%	30 questions

Source: Bradley. (2010, p.116-117)

**vi. Research instrument**

There are totally four parts in the questionnaire. Most of the questions are using closed-end questions because they can fast to administer and easy to analyse rather than the open-end questions. However, we still included two open-ended questions in order to collect interviewees' opinions in a depth and semi-structured perspective too. Each part can also answer the six key points that mention in chapter 2. For example, Section A is used to answer point 4, 5 & 6, and for Section B is going to answer 1, 2 & 3. From Bradley. (2010) and Saunders. Lewis. and Thornhill. (2009)'s suggestion, the questions are included almost all types of questions like list, category, quantity, quality and matrix questions with three main rating scales, which named simple itemised, likert and semantic differential. In order to maximum data from the target interviewers, so the questionnaire needs to collect as much as data. At last but not lease is all the choices of answers in the questionnaire can refer to each article so as to answer why to choose those opinions.

**vii. Pilot test**

As Saunders, Lewis, and Thornhill. (2009). showed that a pilot test's usage is to refine the questionnaire so that responses will not have problems when they answer the questions. So in this research, a pilot test will be done before conduct the real survey in order to get the above advantages. Also the number of the testing target will have the same criteria as conducting the real survey. Some of the questionnaire may adjust appropriately from people who give the opinion in the pilot test.

**viii. Analytical methods**

In the Bougie, and Sekaran. (2010) and Malhotra., Birks, and Wills. (2012) also suggest a list of software for analysis the data which included LISREL, MATLAB, SAS, SPSS, Stata and Microsoft Excel. LISREL is designed to estimate and test structural equation methods. MATLAB is a computer program that was originally designed to simplify the implementation of numbers. SAS is an integrated system of software products, capable of performing a broad range of analyses. SPSS is a data management and analysis program designed to do statistical data analysis. Stata is a general purpose statistical software package that supports various statistics. Microsoft Excel is used for calculation, graphing tools, pivot tables and a macro programming language. Because of the limitation of the resources and limited resource, it is too complex and wastage to use the professional software without calculation, so Microsoft Excel is enough for the research as a core analysis tools.

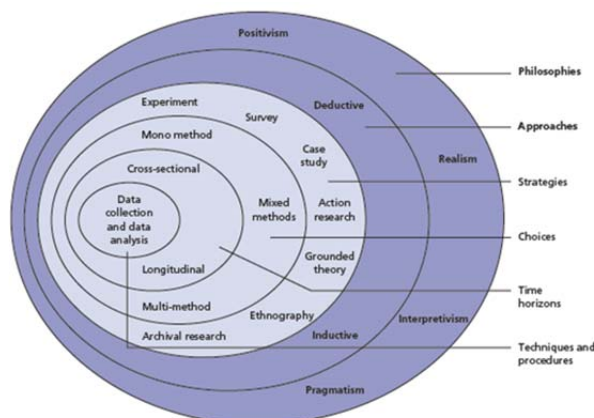


### 3.2 Academic View

In the primary research, data collection method can be included quantity and quality approach. In this paper, quantitative will be choose rather than quality because as Malhotra., Birks. and Wills. (2012, p.187) mentioned in reasons. Quantitative may not ignore the representative sampling with their findings based on a small number of cases. However, quality method may just focus on one individual circumstances study. Also, quantitative usually used to answer research questions through experiment techniques, and quality is to study the level of sensitive to capture the nuances of consumer's attitudes, motives and behaviours. Based the factors, it seems quantitative approach are matched with the research topic and objective instead of quality.

In addition, from Saunders., Lewis. and Thornhill. (2009), it showed that quantitative approach is relatively inexpensive and clear indication comparing with quality. And qualitative approach is more time investment and too complicated. Due to the limited resources and time, quantitative approach is more suitable than quality as the method. Moreover, in p, 108 which also mention The research 'onion' (Figure 12.) to do the explanation.

Figure 12. The research 'onion'



Source: Saunders, Lewis and Thornhill. (2008)

### **3.2.1 Research Philosophy**

According to Saunders., Lewis. and Thornhill. (2009) research philosophy is help to embark on research-developing knowledge in a particular field, which included the positivism, realism, interpretivism and pragmatism. Positivism is something which can see in the real world with positive and helpful relationship. Positivism always use in the philosophical stance of the natural scientist, and to provide the basis for subsequent hypothesis testing. Also, this is undertaken in a value-free way which let the researchers to participate with feelings. Realism is another philosophical which relates to scientific enquiry and shows us reality is the truth. Then interpretivism means to develop new theories to enrich the knowledge in that industry. And then paradigms are a term frequently used in the social sciences with multiple meanings.

In this research, positivism will choose because the aim for research is trying to reflect the cause and effect by using existing facts and theories. Also, it matched to give a test between secondary and primary research. However, for realism and pragmatism, it is another method that used to explain within a context which isn't match with the objective of this research paper. For the last one, interpret isn't fix with this research because it is a method that used to develop new theories by observation and research, so this isn't the method that the research want to conduct.

Besides, it also included the ontology, epistemology, axiology and ethnography. Ontology is about the nature of what we accept as being real, and the objective is to give a structure for reflecting people's behaviour and interactive. They can be included the objectivism and

constructionism. For the epistemology, it shows what makes something can be acceptable as knowledge in a particular of study. Axiology is a philosophy to judge what role values are during the research process. And the last one is ethnography which is using the research to explain what it is like socially. In this research, it is only necessary to test that if there are differences between the literature and real world, so ontology are fit with the purpose of the research because its' objective is to give reflection to the researcher. However, epistemology and axiology are used to create some new model in the research, so it isn't suitable enough. Also ethnography can't be accepted too because the research target isn't trying to explain for the society, thus it is inconsistent.

### **3.2.2 Research Approaches**

From the same book, it mentions that the research approaches are included deduction and induction. Deduction is used for testing theory which has been mentioned in the past, and it also named scientific research. It is used to explain causal relationships between variables. Also it needed to develop a list of hypothesis and then test it in a period of time. Deduction is an important structured methodology to facilitated replication, so it suitable for quantitative methods of research. The advantage is to get a better understood of the whole problems. Besides, for the induction is about building theory to enrich the industry by observes the social situation. Also most inductive approach is likely to concern on the context in such event were taking place, suits qualitative methods of research. Therefore inductive approach is usually taken small sample size rather than using a large one.

In this research paper, deduction approach will be chosen because it matches the aim of the research objectives. The aim is to test the theory in the real world, thus the deduction approach are more suitable rather than induction method. And as mention before, the research isn't used to build specific models, so it isn't appropriate.

### **3.2.3 Research Strategy**

From Saunders., Lewis. and Thornhill. (2009), it shows the research strategies included experiment, survey, case study, action research, grounded theory, ethnography and archival research. In this research, survey will be chosen due to the following reasons. Experiment is a natural science of research with the purpose to study causal links. However, this type of research may costly and complex due to the large number of sample selection, thus this research can't be chosen because of the limited resources. Then is the survey which is a deductive approach. It is a popular and common strategy in business by using quantitative research method to answer questions like who, what, where, how much and how many. And people may use questionnaire, observation and interviews to conduct the survey. Based on the advantages, survey will be chosen. Case study is about a strategy for doing research which involves some real life case and doing further study on it, also can be divided into single, multiple, holistic and embedded case. However, it is too narrow for this research, so it isn't suitable. Action research, Grounded theory and Ethnography are also used in doing the inductive approach, so it isn't appropriate with this research paper.

At last is about the archival research which is makes use of administrative records and document as the principal source of data, therefore, it also be too low to use secondary research only.

#### **3.2.4 Methodological choice**

There are totally two types of methods that can be chose included mono and multiple methods. Mono method means either uses a single quantitative data like questionnaire or a single qualitative data collection such as in-depth interviews. On the other hand, multiple methods can include the multi-method and mixed methods which use multi-method quantitative studies or qualities studies with mixed method and model research. It means that it needs to include both quantitative and qualitative methods. The strength of this method can collect more representative and details result, but the weakness is too complicated and costly. Since the limitation of the research resources, so mono method will be chosen because there are only quantitative method will be chosen as the tools. Multiple methods will not be chosen because of the large number of disadvantages as it isn't worth on it.

### **3.2.5 Time horizons**

Time horizons focus on the time period that needs to conduct the survey. It included the cross-sectional studies and longitudinal studies. Cross-sectional studies are the study of a particular phenomenon at a particular time and most likely use in the survey strategy and case study in a short period of time. Furthermore the longitudinal studies are to conduct the research during a period of time, in order to show the cause and effect between the research targets. And their main strength is to observe the capacity of change and development.

In this research paper, it is a better idea to choose longitudinal method because some scalars has been conducted some of the research before, then the research now, and also have further research in the further. Therefore the process is better than with the longitudinal method.

### **3.2.6 Techniques and procedures**

As it is mention on the last part, chapter 3.1.2 has been showed the detail of the data collection and method of analysis. Besides in Polonsky and Waller (2010, p.137) observed that a survey is about a questionnaire which is structured and give out to people in order to get the responses or opinion from the respondents. Survey can be included person to person, over the telephone, electronically, or by mail. Personal survey means asking respondents questions face to face. The research outcome can be included both primary and secondary data. Therefore, both primary and secondary will be used with a quantitative presentation.

### **3.3 Anticipated problem and solutions**

#### **i. Hard to collect information from car providers and lovers**

Because of the structure of management, it is hard to find a car manager to do the face-to-face interview. Even they can be the interviewee, some of them are still answering all the questions in a hurry, so it isn't representative. Besides, it isn't easy to find car lovers in the street due to large number of population in Hong Kong. To minimize the problem, researchers can conduct the survey to the front line employee rather than the managers. Thus, they can provide raw and natural data from the front desk staffs so as to minimize the problem. And for the car lovers, it is possible to choose a location such as car park for purpose to save time and more targeting.

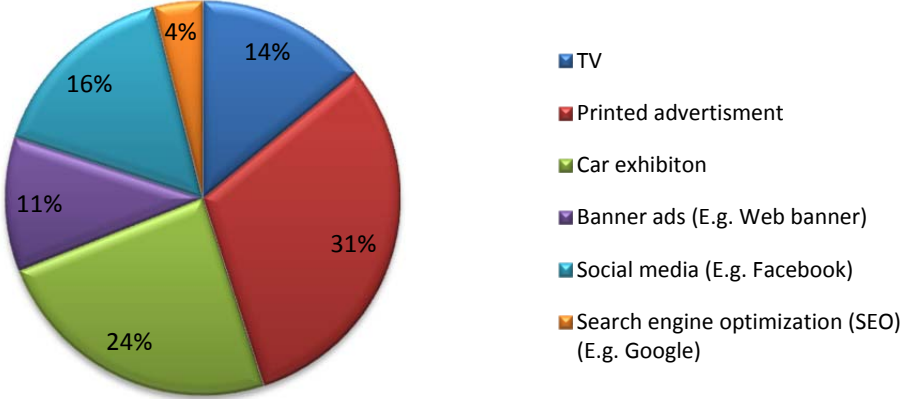
#### **ii. Untrue information of questionnaires**

As personal questionnaire chose to be the research methodology in the research, one of the drawbacks is that respondents might feel uneasy and may take the interview not seriously or provide some fake information when conducting the face to face survey. In view of this, the researcher had a social interaction with the participants in order to provide explanations to the asked questions that the interviewees understood the question exactly minimize the bias of the collected information. Also online survey will also be provided, so people can answer questions in a comfortable place.

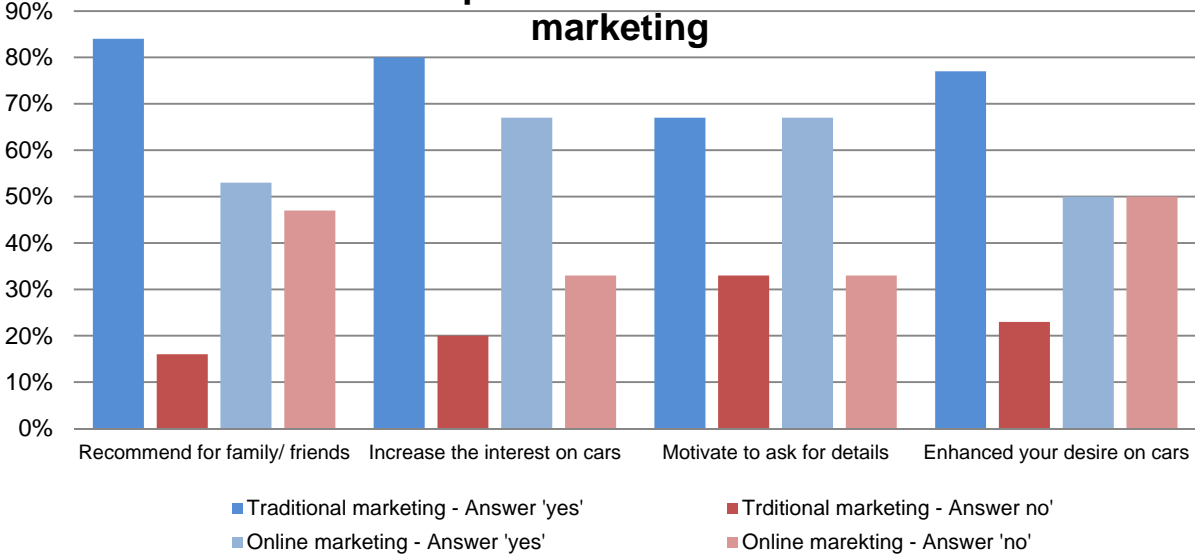
# Chapter 4 Findings of the Primary Research

## 4.1 Over 50% interviewee aware advertisement from traditional marketing

### The distribution of marketing in automotive



### The level acceptance for traditional and online marketing

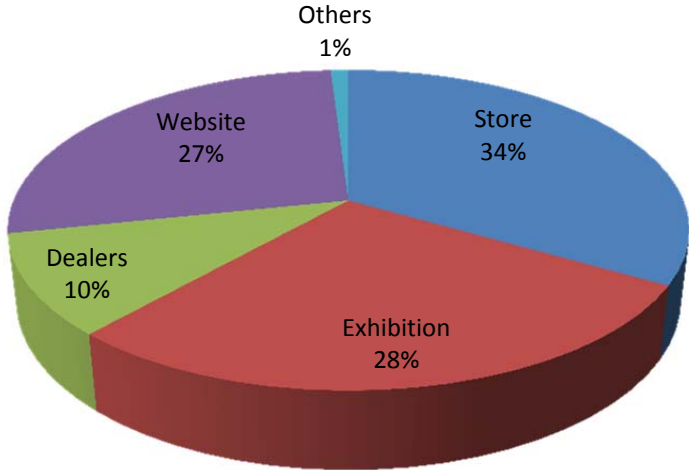


From the pie chart, traditional marketing (TV, Printed advertisement and Car exhibition) got almost 70%. However, online marketing (Banner ads, Social media and SEO) only take around 30%. And from the column chart, it shows there are around 80 % people accept for the traditional marketing, but less than 50% people accept for the online marketing.

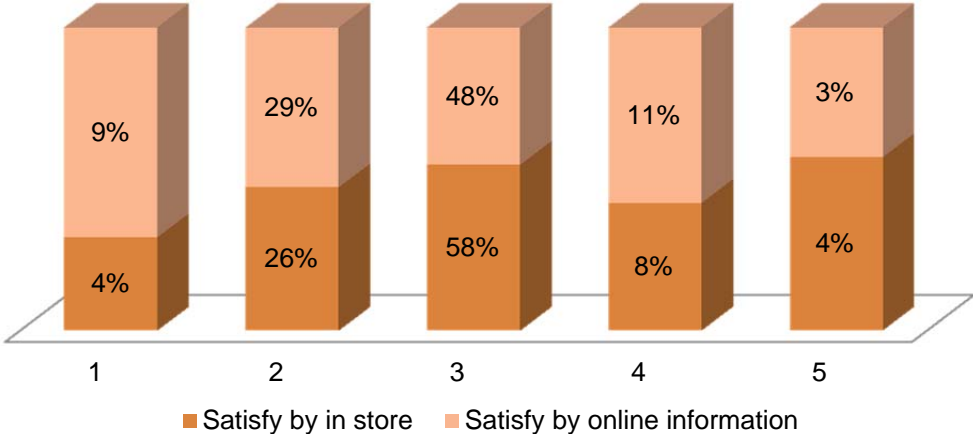


4.2 Over 50 % of interviewee aware the traditional marketing tool

The channel that interviewees will choose to obtain car information



The level of satisfaction for obtain information between in store and online

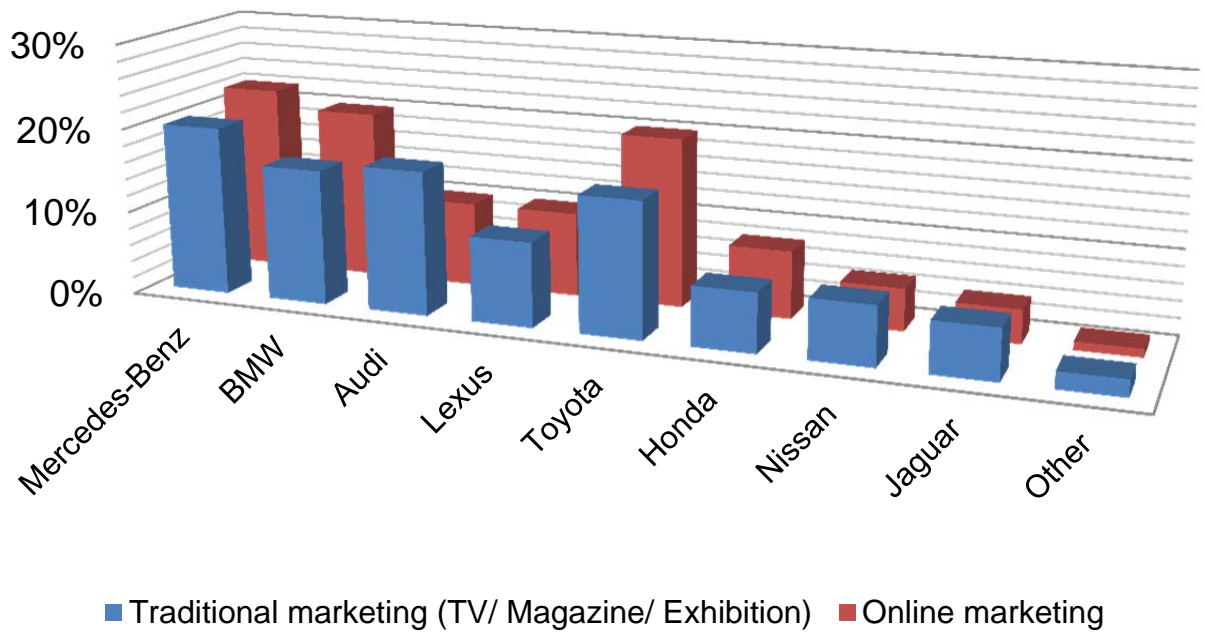


According to the pie chart, it shows there are 34% of interviewees agree to obtain car information from store, about 28% of them will choose car exhibition, and only 27% choose to collect it online.

And in the column chart, it shows over 50% can satisfy by collect information in store, around 48% of them choose to they can satisfy by online information. And less than 30% can be satisfy by online information.

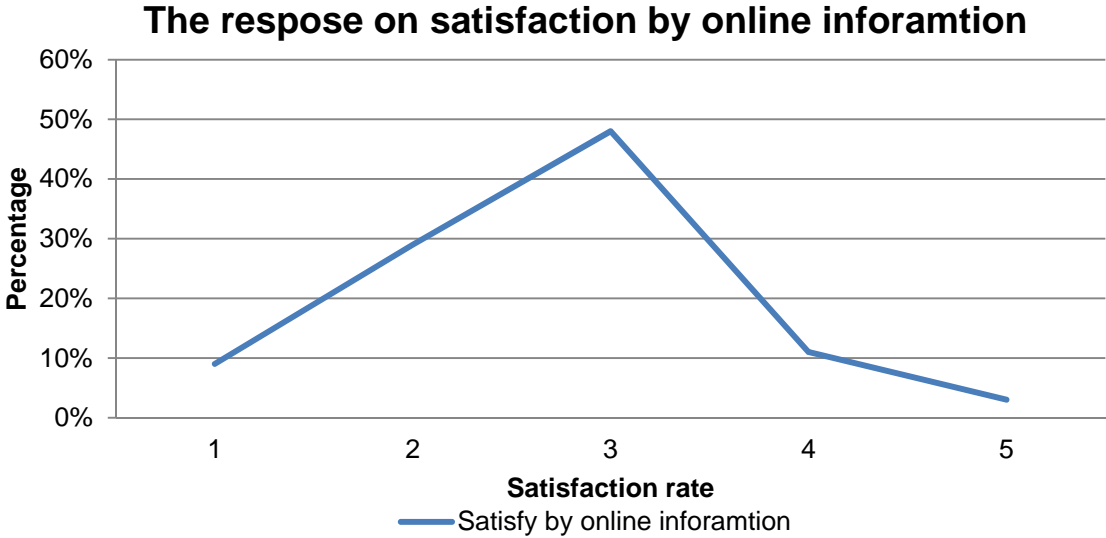
### 4.3 Mercedes-Benz is the largest impression in automotive industry

The response of different brandings from interviewees

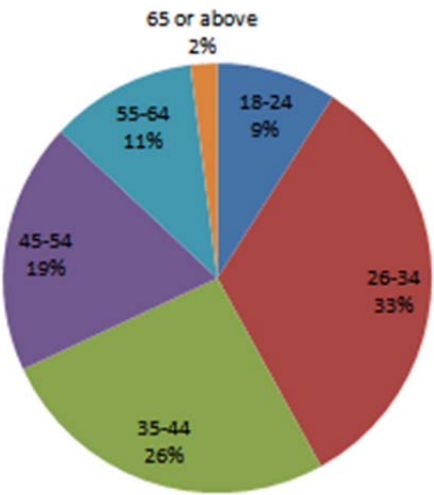


From the above chart, around 20% interviewees think that they always see traditional advertisement (TV/Magazine/Exhibition) from Mercedes-Benz, and 22% of interviewees always see them online. Besides, the second winners are BMW and Toyota which score 16% for traditional marketing and 20% in online marketing. About the third one is Audi that get 17% in traditional marketing and 10% in online marketing. For the rest of the brand, all of them gain less than 10% only in both traditional and online marketing.

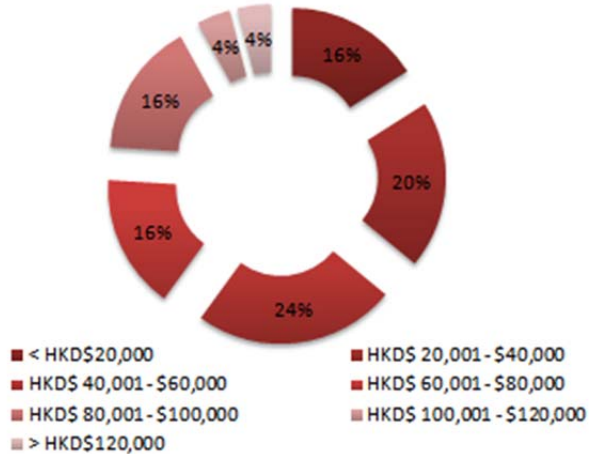
**4.4 Almost 50% of young people who are in the middle class aware the car information online**



**Age range of interviewees**



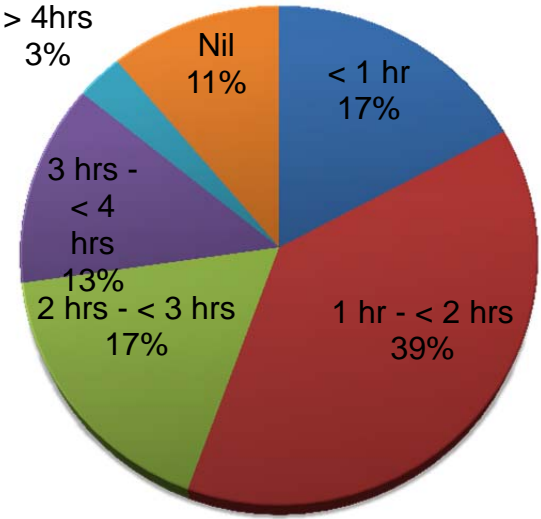
**Income range per month of interviewees**



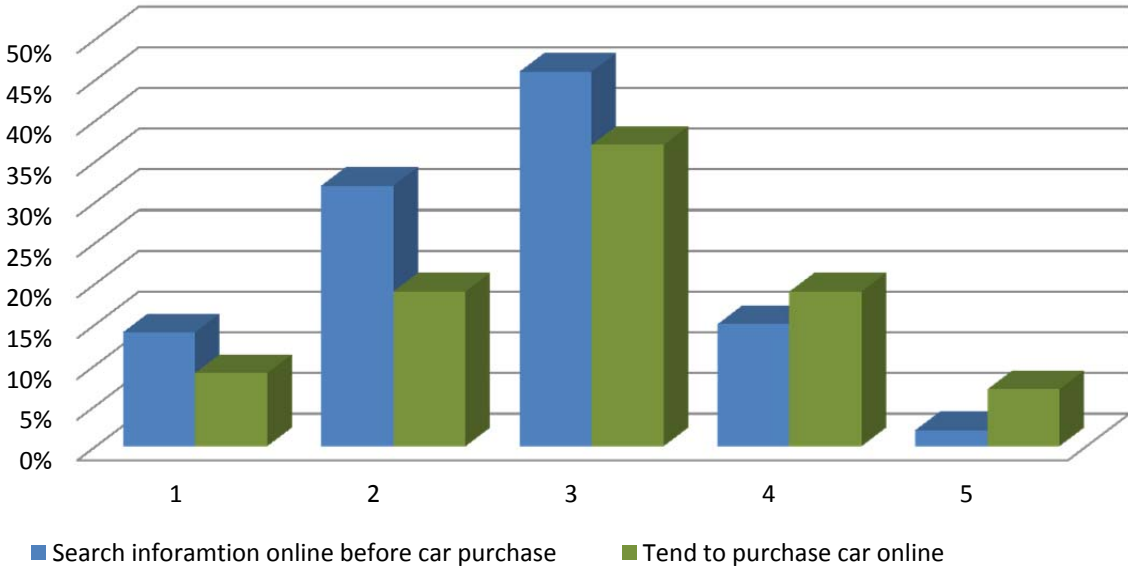
From the line chart, it proved that there are around 50% interviewees agree that online information can satisfy their need. From those interviewees, there are 33% of them are aged from 26 to 34 and 24% of them whose income are around HKD \$40,001 – HKD\$ 60,000.

4.5 Around 45 %of interviewers agree to use online marketing in the industry

**Interviewees time spending on online car searching**



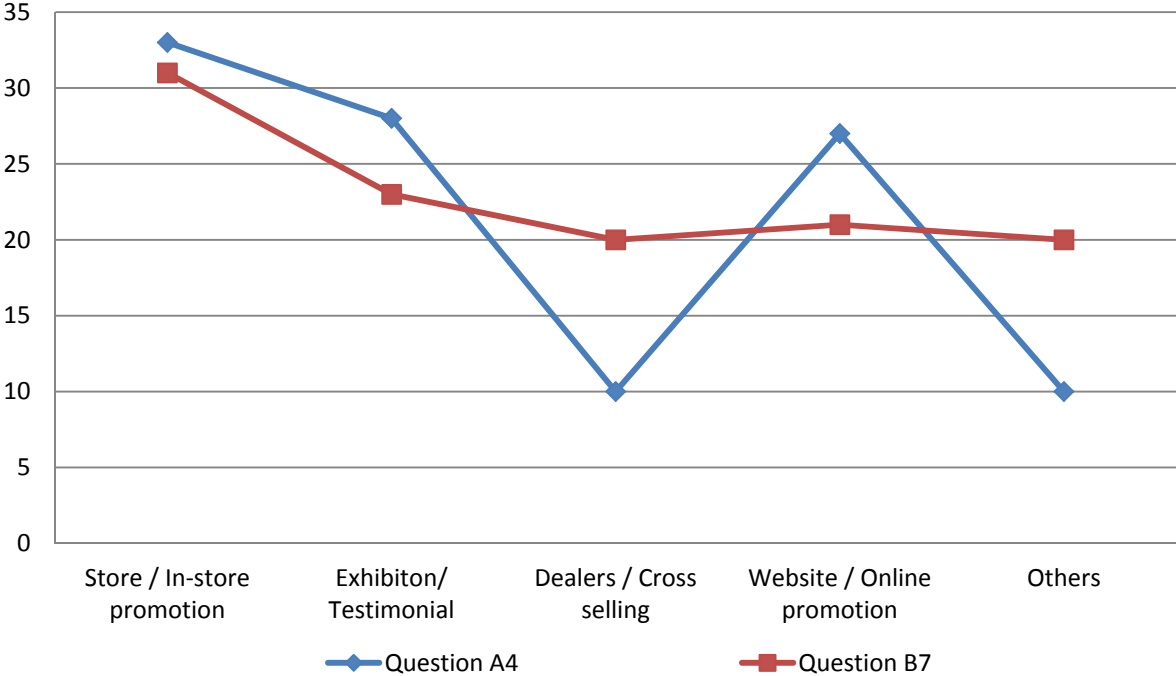
**The response of online marketing from interviewees**



From the pie chart, there are around 40% interviewees spend around 1 hr - < 2 hrs on online car search per week. And around 17% even spend more than 2 hrs. Besides, from the column chart, it show there are around 45% of them are tend to search online for the car information, and around 40% interviewees tend to purchase car online.

4.6 In store promotion get highest percentage of interviewees attention

The response of each marketing tools in automotive industry



In the line chart, it shows there are more than 30 interviewees choose to in-store promotion can increase interest on searching car information. Besides, around 25 of them think that exhibition or testimonial is their second choice for search car information. And there are only around 20 interviewees choose the website or online promotion as a channel.

## **Chapter 5 Findings of the Primary Research compared with the Literature Review**

After analyse of all the raw data, it's time to do compare the difference between the critical of literature review and the findings with six key points.

### **5.1 The traditional marketing tools are the largest motivation**

From the literature review, there is a question – What is the marketing strategy in the automotive industry? The answer of this question is the traditional marketing tools are still the largest motivation in the marketing which can be found in the findings 4.1. As mention that before, question B4, B5 and B6 in the questionnaire can be answer from the questionnaire. There are totally most 70% of interviewees are still supporting to the traditional marketing, and also most of them have been paid attention on it and they will recommend the product to their family or friend based on the advertisement. From other figures, it shows that interviewees has already aware the advertisement, and then increase their interest and desire, thus traditional marketing can create the positive word of mouth or even become part of the virtual marketing.

In the personal perspective, there are around 80% of the interviewee thought that it will increase their interest on cars, willing to ask for more information and enhanced them to purchase a car, so it seems that traditional marketing can affect consumers' intention and purchasing behaviour. In the point of view from the social, it seems that it shows that they can create the word of mouth due to the recommend rate for family and friends. It is more efficiency and effective to promote your product

without any budget but use people's recommendation only. On the other hand, there are around 30% interviewees accepted to use online marketing only. And from the point of view of those people, only 40% of them increase their own interest on car and enhanced them to purchase a car.

In view of the 4Ps, there are changes in all the Ps. If the cars' features and quality are good enough, all the distribution channel like TV and Printed advertisement are willing to promote the products. For the pricing problem, traditional marketing are costly, but they can create more opportunity for penetration. For the place and promotion, there are more tangible opportunities to let the consumers feel about the products.

From the above opinion, it seems the traditional marketing can still stand strong in the automotive industry.

## **5.2 Traditional tools are still strong in automotive industry**

There is also a question from the literature review. Is the traditional marketing – 4Ps still works in the automotive industry? The answer 4Ps is still works in the automotive industry which can find the answer from finding 4.2. In finding 4.2, it included questions A4, B8 and B9 in the questionnaire. As mentioned in finding 4.2, it seems there are over half of the interviewees choose to in-store as a channel to ask for more details information of car in the automotive industry. That's proved that people prefer to touch or experience the atmosphere during their visiting in the car store. Besides, there are less than 50% interviewees choose to use online channel to gain the information, that means people are unwilling to just sitting in front of the computer and keep reading all the description and images, so traditional marketing such as in store demonstration and car exhibition can help marketers to promote their product directly. Besides, from another chart, it shows the compare elements of traditional and online marketing. There are some extreme numbers like 1 represent totally satisfied and 5 totally unsatisfied, so it is more reliable to look number 3. There are totally 58% interviewee support in store, that show people are more likely to choose in-store promotion due to the interactive way with those car and sales. However, only 48% interviewee think online information also can help them to get more details information. It shows that people also accept to use the online marketing channel, but people think traditional one are more reliable and with the lowest risk, also people think that they aren't purchase some fast moving consumer goods, thus people are willing to choose the in-store or even traditional way to collect all the information.



### **5.3 Mercedes-Benz become the winner on the frequency of advertisement**

After looking at the overall 4Ps strategy, it's time to look at the findings based on each of the element in 4Ps. First of all this question is about the product. Like the question showed on the literature review, there is a questions which about the product – Which branding got the highest frequency in both online and offline in automotive industry. The answer of the questions is Mercedes- Benz which shows the results on finding 4.3. The finding is based on question B2 and B3 in the questionnaire.

From the chart findings, it showed that there are comparing between each of the car branding like Mercedes-Benz, BMW, Audi, Toyota etc. In this case, Mercedes-Benz also got around half of the interviewees support both two questions. It seems that both Mercedes-Benz has been done a great job in both traditional and online marketing in order to gain the whole marketing, As the literature review mention that, product are included the variety, quality, design, features, brand name, packaging and services. It shows that Mercedes-Benz did a great job their own product, so they gain both people from everywhere, even though they are from different channels. At last, there are also three levels of the products which are the core customer value, actual product and augmented product. From the findings, it shows Benz got a better job in all three elements. It is because traditional marketing are always provide actual product and core customer value, and online marketing are providing augmented product. If a brand can score high marks in both two different areas, that means Mercedes-Benz has been already success.

#### **5.4 Online draw attention from interviewee who are young and in middle class**

For the next point is about the promotion and price problem. There is a question that shows in literature review, do online advertisement workable in the automotive industry? The answer is online advertisement workable especially for the people who are young or aged 26-34 and in the middle class which show the findings on 4.4. From the findings 4.4, all the result comes from the question B9, P2 and P5 in the questionnaire.

As mentioned in findings 4.4, there are highest responses on the satisfied number 3 which around 50%, thus there are still some of interviewees who are supporting to use the online advertisement. After looking at those questions, it is necessary to find out which types of interviewees will support the online marketing. Therefore in another two figures show that interviewees who are aged around 26-34 take 33% and around 24% of them are income are around HKD\$40,001 to 60,001. Therefore, it seems that they are the new and young people who are willing to accept for the new things.

Besides, back to the literature review, it mention that the pricing strategy are as important as the promotion channel, also value-based pricing always has been applied into the automotive industry. That's mean if the car set the price like the slogan 'Good value is not the same as low price', all the young people may get the attention based on the above analysis. Also most of the online marketing pricing strategies can be included both market-skimming and penetration. Therefore, marketers are already successful to draw the attention from online marketing rather than choosing to use the traditional marketing.

### **5.5 Online can be an additional tool only in automotive industry**

As mentioned before in the literature review, there is a question called – Is online or offline advertisement better? This question is trying to answer from the promotion perspective in 4Ps. And from the finding of 4.5, the answer is balanced, that means online marketing can only be an additional tools in the industry, and it isn't necessary to replace the position of traditional marketing tools. All the findings from 4.5 are come from the question A1 and B10 (a) & (e) from the questionnaire.

According to the findings, it showed there are around 39% interviewees spend around less than 2 hours on the search the car information online. Around 17% of them choose less than an hour and less than 3 hours. From that figure, it shows a quite extreme case in this type of survey. It is because there are part of the people are really support for the online marketing. On the other hand, there are another group of people who are totally not support for the online marketing, thus there are still a number of people who support for the online marketing.

In another chart, there are some group of people who are tending to choose online marketing. More than 45% of the interviewees choose to number 3 as the satisfaction rate in the survey. That shows online marketing channel has the potential to draw the consumers' attention. Therefore from all the findings, both traditional and online marketing are both work in the marketing the automotive industry. However, there are still small numbers of people to choose the online channels, it isn't enough to replace the traditional marketing to become the core channel of marketing promotion, thus online marketing can only be the additional tools in automotive industry.

## **5.6 In store promotion is the most effective tools**

According to the literature review last question, that's 'which one can develop a better consumer insight? It is a question asked from the place elements from 4Ps. The answer of the question is in-store promotion become the winner which showed in findings 4.6. All the result from the finding comes from the question A4 and B7 in the questionnaire.

From the findings, it shows that there are more than 30% people choose in-store promotion or in-store visit rather than the other type of channels. As mentioned in the line chart, some people choose exhibition, sales and online as a platform for the web searching. However, it seems that people aren't support for those types of tools. It showed that although it has been proved that the traditional marketing is stronger than the online marketing. However it is still necessary to find out which of the traditional marketing can draw the largest number of people. Therefore, people are likely to use both their five senses included sight, hear, taste, smell and touch for experiencing the cars in store.

As mentioned before in the literature review, there are lots of communication platform include advertising, sales promotion, event and experiences, public relations, direct and interactive marketing, word-of-mouth marketing and personal selling. It seems that nowadays people are willing to choose events and experiences with the mixed of direct and interactive marketing. If the marketers can make good use of these two types of communication channel, they can be success in the automotive industry.

To conclude all the findings, there are totally three key points. The first one is traditional marketing are still stand strong in the automotive industry due to the positive reaction from consumer, included both draw their attention, increase their interest, motivate them to ask for more details or information and even enhance them to purchase a car. And the second point is in-store promotion is the best channel for the marketers to choose when they are planning for the promotion tools, because people tend to experience rather than just reading information from the internet. For last point is online marketing can be an additional tools to draw the attention from people who are young with sufficient purchasing power. It is because young people are willing to choose internet as the interactive channel to communicate with them.

## **Chapter 6 Conclusion**

### **6.1 Contributions of the research paper**

First of all, the marketers who are tended to get a better understanding of the marketing effectiveness in the automotive industry in Hong Kong, this research paper can be served as a reference to understand the market situation and marketing tools for strategy planning.

Besides, this research also contribute a more clear and well organized resources and working process for the researchers to do their planning and helping them to distribute their budget so as to develop further marketing research and planning.

Moreover, this research paper helps to develop some of the questions that other scholars can't answer for a long time. For example, it has already found that online marketing can be an additional tool for marketing only, so it answered the questions in the literature review, and show that the online marketing can't replace the traditional marketing in both short and long term. At last, the characteristic of this research paper are to provide a basic knowledge and framework for the marketers. It helps them to develop a guideline when they are doing the marketing analysis and planning. Also it demonstrated the fact as an example in Asia of the world due to the less information from both online and offline survey.

## **6.2 Scope and limitation**

### **i. Limited range of sample size**

As Hong Kong has a large number of populations, it is difficult to find out the suitable types of interviewees because of the confined number of people who are in the middle class and aged 26-34. Even though we clarify by asking them some questions through the questionnaire, it is still not truly representative. That's why it is difficult to cover all citizens in Hong Kong during the survey process.

### **ii. Region limitation**

Since the limitation on the geographical problem, this research paper only represents the situation in Hong Kong. In addition, there are different types of marketing strategies or advertising in each country due to the culture. So this research paper can only apply in Hong Kong.

### **iii. Different cultural background**

Because of people in Hong Kong are come from different countries with not the same cultural background, so some data may be untruth or unrepresentative to reflect the fact due to the variance from the data.

### **iv. Limited resources and time**

With the limited human resources, it isn't able to collect the whole population of the sample. Hence, this research paper only can apply into these cases with limited application. Also as the research paper only take a year to finish it, so all the academic and practical data are only updated within ten years and all the primary data are valid between these years, so it may not be representative after few years.

### **6.3 Future study and research**

Although the research has been contributed a lot in the marketing industry, there are still a number of further researches that can be conducted due to the limitation of this research paper.

First of all, this research paper only focus on interviewee who are aged 26-34 and in the middle class of Hong Kong, that means other people in the population who aren't the target of this research paper may not be included, it shows there may cause some errors and bias of the data, thus other marketers can continually conduct this types of research with other target consumer in the future.

Besides, there are only used traditional marketing and online marketing as a target of comparison during the research. However it seems that marketing is more than that, so other marketers need to conduct more market research in the marketing pool unless to fulfil all the needs and answer the potential questions.

In additions, 4Ps is the key model that used in this research paper. Although it has been a long history by using 4Ps for application, there are still other more updated models like 4Cs, so it isn't enough to conduct this type of marketing research only, also it is necessary to apply and study other marketing models and theories though all the coming research.



Also there is a big weakness of this research paper because it only applies the 4Ps model into the automotive industry in Hong Kong. Since there are lots of different industries in Hong Kong, so it isn't enough to apply the marketing theories and models into one industry only. Therefore, other marketers can try to conduct the similar research into other different industry. By apply into different industries, some other variables or factors may change because of the distinct between cases and history.

At last, it is the common problem. Marketers can still conduct the same topic into the same industry after a few more years, it is because changes are always appear due to the time fries. Thus there may be lots of variables and changes due to the changes of factors and society. That's why other marketers can conduct these types of market research again.

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# Appendices

## Appendix 1 - The Research Instrument

### Sample of questionnaire

#### Survey for Automotive industry

Hello, I am a student of University of Central Lancashire, we are conducting a research to measure the marketing effectiveness in luxury automotive industry.

Would you mind help us to answer the following questions?

The interview will take approximately 10-15 minutes. Your information will be confidential and destroy immediately after analytical.

(Please put a ✓ in the boxes provided)

#### Screening question

S1. Do you have any knowledge about automotive?

- Yes (1)       No (2) (End of the questionnaire, thank you for your time)

S2. Are you interested in car information?

- Yes (1)       No (2)

#### Section A: Consumer behavior

A1. How long did you spend on car web searching weekly?

- < 1 hr (1)       1 hr – < 2 hrs (2)  
 2 hrs – < 3 hrs (3)       3 hrs – < 4 hrs (4)  
 > 4 hrs (5)       Nil (6)

A2. What is the reasonable price if you want to purchase a first-hand car?(HK\$)

- Below \$200,000 (1)       \$200,001-\$500,000 (2)  
 \$500,001 - \$800,000(3)       \$800,001-\$1,100,000 (4)  
 \$1,100,001-1,400,000 (5)       \$1,400,001 or above (6)

A3. What is the most motivation for you to purchase a first-hand car?

- Personal (1)       Price (2)       Brand name (3)  
 Online Advertisement (4)       After sales service (5)       Others: \_\_\_\_\_(6)

A4. If you purchase a first-hand car, which channel will you choose to obtain the information? (Choose one only)

- Store (1)       Exhibition (2)       Dealers (3)  
 Website (4)       Other: \_\_\_\_\_ (5)

Section B: Marketing effectiveness

B1. Which car brand impresses you the most?

- |  |                                     |   |
|--|-------------------------------------|---|
| <input type="checkbox"/> Mercedes-Benz (1) | <input type="checkbox"/> BMW (2)    | <input type="checkbox"/> Audi (3)         |
| <input type="checkbox"/> Lexus (4)         | <input type="checkbox"/> Toyota (5) | <input type="checkbox"/> Honda (6)        |
| <input type="checkbox"/> Nissan (7)        | <input type="checkbox"/> Jaguar (8) | <input type="checkbox"/> Other: _____ (9) |

B2. Which car brand did you see on TV/ Magazine/ Exhibition mostly?

(Choose one only)

- |  |                                     |   |
|--|-------------------------------------|---|
| <input type="checkbox"/> Mercedes-Benz (1) | <input type="checkbox"/> BMW (2)    | <input type="checkbox"/> Audi (3)         |
| <input type="checkbox"/> Lexus (4)         | <input type="checkbox"/> Toyota (5) | <input type="checkbox"/> Honda (6)        |
| <input type="checkbox"/> Nissan (7)        | <input type="checkbox"/> Jaguar (8) | <input type="checkbox"/> Other: _____ (9) |

B3. Which is the car brand that you always aware/focus on the internet?

(Choose one only)

- |  |                                     |   |
|--|-------------------------------------|---|
| <input type="checkbox"/> Mercedes-Benz (1) | <input type="checkbox"/> BMW (2)    | <input type="checkbox"/> Audi (3)         |
| <input type="checkbox"/> Lexus (4)         | <input type="checkbox"/> Toyota (5) | <input type="checkbox"/> Honda (6)        |
| <input type="checkbox"/> Nissan (7)        | <input type="checkbox"/> Jaguar (8) | <input type="checkbox"/> Other: _____ (9) |

B4. Where did you see car advertisement mostly? (The highest frequently)

- |   |   |                 |
|---|---|-----------------|
| <input type="checkbox"/> TV (1)   | } | Please go to B5 |
| <input type="checkbox"/> Printed advertising (E.g. magazine) (2)            |   |                 |
| <input type="checkbox"/> Car exhibition (3)                                 | } | Please go to B6 |
| <input type="checkbox"/> Banner ads (E.g. Web banner) (4)                   |   |                 |
| <input type="checkbox"/> Social media (E.g. Facebook) (5)                   |   |                 |
| <input type="checkbox"/> Search engine optimization (SEO) (E.g. Google) (6) |   |                 |

B5. From previous question, had the information draw your attention on cars:

- |  |                                  |                                 |
|--|----------------------------------|---------------------------------|
| a. Recommend for family/friends?         | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| b. Increase the interest on cars?        | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| c. Motivate you to ask for more details? | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| d. Enhanced your desire on cars?         | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |

( Please specify:\_\_\_\_\_)

B6. From previous question, had the information draw your attention on cars:

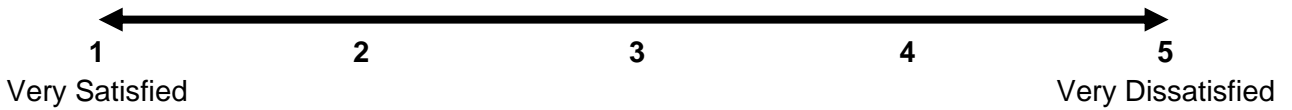
- |  |                                  |                                 |
|--|----------------------------------|---------------------------------|
| a. Discuss or share with family/friends?             | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| b. Draw your attention on cars information?          | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| c. Stimulate more online search on cars information? | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |
| d. Enhance your desire on cars?                      | <input type="checkbox"/> Yes (1) | <input type="checkbox"/> No (2) |

( Please specify:\_\_\_\_\_)

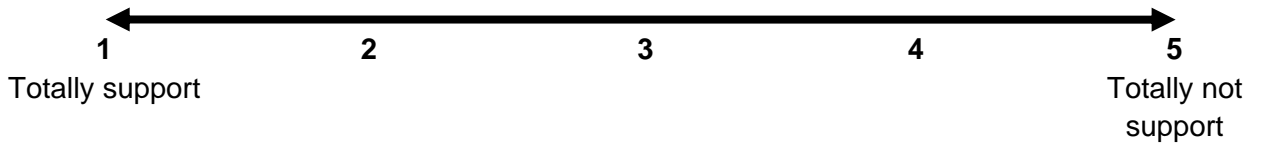
B7. Which tool may increase your interest on car selection? (Choose one only)

- Testimonial advertisement (E.g. Exhibition) (1)
- In-store promotion (2)
- Cross selling (E.g. One-stop services) (3)
- Online Promotion (E.g. Product trial) (4)
- Other: \_\_\_\_\_(5)

B8. What is your satisfaction level with the car information shared by sales in the store? (Circle the appropriate one)



B9. To what extent will you support if the car information can be found on the internet? (Circle the appropriate one)



B10. Please circle the number which most closely represents your view



a. Search basic information online before purchase a car is needed	1	2	3	4	5	6
b. Buyers should visit the store and ask for details or professional information from salesperson	1	2	3	4	5	6
c. Buyers should built up a positive relationship with the sales on-site	1	2	3	4	5	6
d. You prefer to purchase car in-store	1	2	3	4	5	6
e. Intent to choose online purchase for car	1	2	3	4	5	6

B11. What types of media advertising by car sales makes you feel the most unforgettable?

B12. Any information about car advertisement had drawn your attention on the internet?

---



Personal information

P1. Gender:

- Male (1)                       Female (2)

P2. Age range:

- 18-24 (1)                       26-34 (2)                       35-44 (3)  
 45-54 (4)                       55-64 (5)                       65 or above (6)

P3. Education level:

- Secondary level or below (1)                       College graduated (2)  
 University graduated (3)                       Master graduated (5)  
 Doctoral or above (6)

P4. Occupation categories: (Circle the appropriate one)

- Blue collar (Engineering/ Installation) (1)  
 White collar (Office Support / Sales) (2)  
 Professional (Healthcare/ Legal/ Management/ Financial) (3)  
 Housewife (4)  
 Unemployed (5)  
 Retire (6)  
 Others: \_\_\_\_\_ (7)

P5. Income range per month: (HK\$)

- Less than \$20,000 (1)                       \$20,001- \$40,000 (2)  
 \$40,001-\$ 60,000 (3)                       \$60,001- \$80,000 (4)  
 \$80,001- \$100,000 (5)                       \$100,001-\$120,000 (6)  
 \$120,001 or above (7)

- The End -  
Thank you for your time

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