

# Introduction

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## Overview

This year 2015 marked the 83<sup>rd</sup> anniversary of the FUSO brand name. In 1932, the Fuso name was first applied to a bus built at Mitsubishi Heavy Industries' Kobe Shipyard and Machine Works.

Throughout the years, Mitsubishi Fuso stands firmly to become a leading Japanese commercial vehicle brand. Now it became the legacy of renowned brand in Asia, extending the great reputation to Middle East and around the world.



Mitsubishi Fuso's technology is focused on three inter-connected areas namely – fuel efficiency, Environmental sustainability and safety. Along with these three keys, Mitsubishi Fuso is pursuing advanced technologies to address current and future customer needs.

## Mission Statement

Mitsubishi Fuso focuses on the customers' needs. It promises to inspire them with:

Reliable Products  
Easily Available Services  
Quality Assurance  
Fuel Efficient & Low Emissions Trucks and Buses  
Provide Ecological Operations  
A Pledge to be a Responsible Member of society

Together with four core values – Passion, Respect, Integrity & Discipline, Mitsubishi Fuso demonstrate commitments to customers, dealers, distributors, employees, shareholders and society in general.

*Mitsubishi Fuso is "All for You."*

## Company Background

The Fuso brand name appeared in 1932 with the wake of Mitsubishi Heavy Industries' first, so called "B46" commercial bus. It was seven meters long with carrying capacity of 38 passengers, powered by 7 liter, 6 cylinder petrol engine capable of 100 horsepower.



Fig. B46Bus - The first "FUSO"

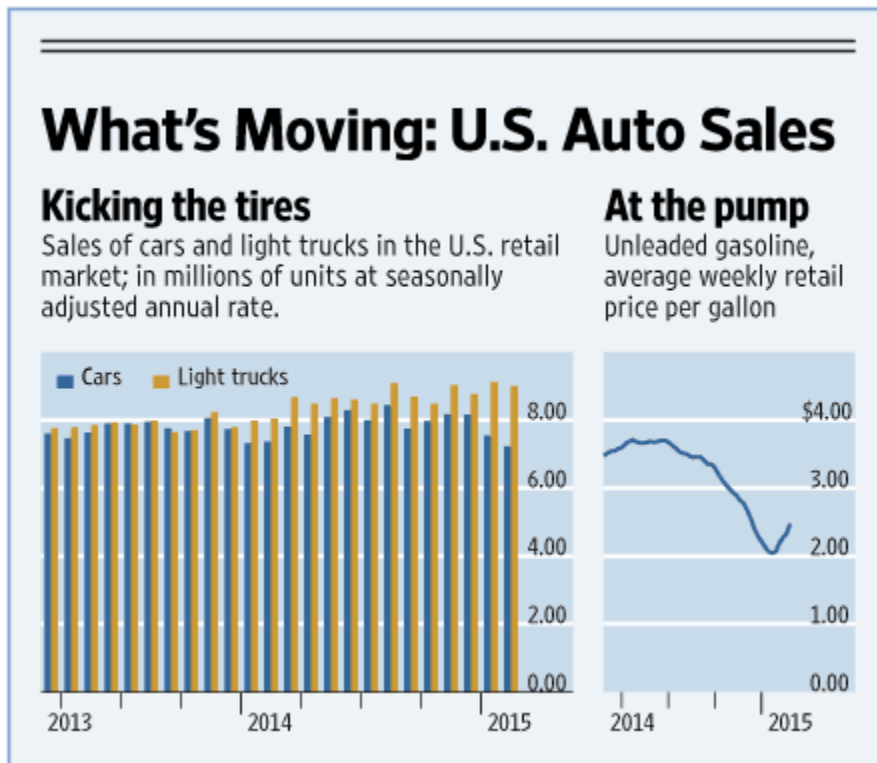
After the first B46 Bus, the FUSO continued to introduce other leading key vehicles such as KT1- 4 ton truck (1946), T380 – Japan's first heavy duty cab over truck (1959) and Rosa – Japan's first small size bus (1960).

Notably, the first "Canter" was introduced to the market in 1963. It is a light-duty truck and became the company's bestselling vehicle of all time, and continues the excellent legacy till today. The Fuso has been integrated into the official brand "Mitsubishi Fuso" and now it represents for superior quality, outstanding service and economic values and a commitment to customers' success around the world.

# Situation Analysis of the Company

## Current Market Situation

For the convenience of the data accuracy reporting, here it is used the biggest car market in the world, United States. The segmentation related to the Mitsubishi “Fuso” will be under Light-duty trucks which provide performance for work and passenger as well.



The light truck market in U.S.A has increased in terms of unit sales by 15.2 percent in Feb 2015, with 1,305,413 units sold. However, for Fuso, it doesn't make it into top 20 vehicles choices list in which Ford, Chevrolet, and Toyota took the top three places with 109,606 units, 81,501 units and 59,705 units sold accordingly for this Month as of 03 March 2015

For last year 2014, it gained 9<sup>th</sup> place in the market share - 0.5% of total car markets in U.S.A. Their main competitor is General Motors Corp, with light truck sales securing 10.6% of total car market shares. In the second place, Ford Motor Company comes with light truck sales - 10.3 % of total car market. The third place is won by Chrysler Light Truck with 9.1% of total car market. There is information available for **SALES AND SHARE OF TOTAL MARKET BY MANUFACTURER.**

However, due to space constraint, the full information chart for the market will only be provided @ reference list. For Indonesia, the FUSO has achieved 1 million unit sales milestones in 2013 since the introduction year 1970 in the country. It is the number one commercial vehicle brand in Indonesia in the overall truck & bus segment.

## Marketing Strategy

Their marketing strategy is implemented in a way that it is durable, efficient light truck for transporting goods & people. Therefore, the current market for Fuso has a lot of rooms to grow and it is reaching out to growth markets in Asia and Africa. Moreover, for Europe and North America market, they are heading into the direction of eco-friendly, less pollutant vehicles, differentiating themselves from others. The outcome is fantastic as they have been able to boost sales and market share to 21.4%. Worldwide, it was able to increase the sales by 41.6% with 140,403 units sold.

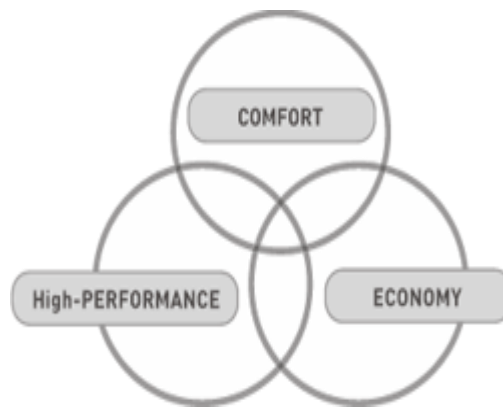


Fig Positioning Strategy of Mitsubishi Fuso

# Target Market Analysis

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## Target Market Profile

The light trucks are symbols of power. It is closely associated with work purpose, rather than luxury. It is implying something about the people who own and drive them; they accomplish jobs by transporting their goods, tools and people. It carefully crafted to the needs to of daily needs of transports. The usefulness is incomparable to the luxury vehicles where it is limited to certain weight it can carry and number of passengers it can be transported. Therefore, the target market profile is mainly to companies in construction, electrical services, field repair works and utility services.

At the same time, it could be of used to any family size business & forwarding companies as well say food & essential supplies. Simply, it means that light truckers are for job purposed, thus, the target market profile will be businesses and companies..

The targeted Mitsubishi Fuso customer market profile can be segmented along three different approaches:

1. Demographic: Male aged 24-60

The drivers are mostly male and they are engaged in one or more of these activities such as family businesses, convenient stores, construction, and industrial application. Therefore, it is vital to reach out to the Adult male demographic segment that are of aged between 24 and 60. This is the working age for most of the countries and they need vehicles as a form of transportation of goods and conduct services more than they needed as luxury drive.



Fig. Fuso Truck delivering Newspaper

## 2. Geographic: Developing Countries

While luxury cars are highly demanded in developed countries, there is an increasing potential needs for light trucks in developing countries. Be it for economical reason, the efficiency & usefulness of trucks overweight that of luxury cars. Say South East Asia countries – Indonesia, Malaysia, and Myanmar where the family size business are common and the delivery services are essential. The huge size vehicles will not be convenient for limited infrastructures present, thus, delivering of services and passengers can be fulfilled with light trucks. Due to its ability to mobilize both people and goods, it is strongly believed that they can be successful in the Africa countries as well where the transportation is limited.



Fig. Fuso in Kenya- transporting people with goods

## 3. Social Class: Self-Employed People

It is observed that corporate employed people are unlikely to drive light trucks. This depends on the social class of the people as the light truck is mainly used by people with less dense area with self-employed businesses. Males in the business of delivery services, repair, and industrial are the most favorable segment that will purchase the light truck.

# Target Market Decision Making Process

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Any consumer in the target market will go through the 5 steps of decision making process. It is important for marketer to be aware of these stages and make full use of its to bring advantages to the company. Here, it will be described in the view of Mitsubishi Fuso- how its customers experienced the 5 steps of decision making process.

The five steps of customer decision making process are:

1. Need Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Decision
5. Post-Purchase Behavior

## Need Recognition

The scenario will be as follow. The male aged 28 years old started own business of water pump supplies in a small town where the agriculture business is strong. The business required him of visiting customer's sites, attending meetings, delivering water pumps, installing and servicing of pumps frequently. The needs to transport water pumps and servicing tools are not fulfilled by his current Honda Fit Vehicle. He needed something bigger, stronger and more spacious as he needed to deliver electrical/mechanical parts of water pumps and associated tools for commissioning.

Therefore, he came to realized that he needed a powerful vehicle which is economical in prices and efficient in transporting heavy and large items. This is the first stage of customer decision making process. He came noticed the needs of his new situation.

## Information Search

Then he will try to search all necessary information on the vehicles that can fulfill his needs, transporting heavy items and himself. This information is available on internet from Mitsubishi Fuso websites and easily obtained by simple googling. Moreover, the distributors of Fuso are present all around the world. Therefore, he will notice the features and benefits of light trucks of all kinds including Fuso and other alternatives. The firm must ensure that their products information are readily available on internet and marketing channels can outreach every corner of the market. This second stage is also essential that company keeps active channels.



## **Evaluation of Alternatives**

Nowadays, information of all kinds of light truck is readily available at the tips of the fingers. Therefore, the “Fuso” and its direct competitors’ information will also reach the customer. He will evaluate the alternatives products in terms of price, specifications and benefits, most importantly economic values. In terms of economic values, customer is evaluation on how much the product could satisfy his needs. In this stage, he will touch on the Ford, General motors , Chrysler, Volvo and so on. It is extremely important for the firm to win this decision making process over others as it is the most important phase right before the purchasing action.

## **Purchase Decision**

The purchase decision of customer can be reinforced by having worldwide distribution network where he can obtain his purchase, may be even trial and tangible feeling of the truck he is about to own. For Mitsubishi “Fuso”, the strong distribution network is present all over the world. Therefore, customer could personally go down to the center and make up purchase decision with the help of sales agent. Here in this stage, purchase decision can be influence by sales service, accessible sales center location, efficient distribution, promotion and after sales service. Therefore, he would pursue the decision of purchasing as Mitsubishi pre sales & post sales services are regarded as one of the best along with the strong present of distributors nearby his town.

## **Post-Purchase Behavior**

This stage is the experience of actual products in which customer will decide whether the products do really offer the benefits that they have claimed. User dissatisfaction may occur if the products do not fulfill the customer needs. Therefore, marketers need to aware of this stage as positive word of mouths is the most treasurable communication tools among customers itself. As “Fuso” has promised to deliver economic values of transportation for work related purpose and efficiency fuel usage as well as less impact on environment. It is strongly believed that the customer will feel satisfied with his purchase action and justify the price he has paid for.



# Social Influence on Buying Behavior

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This section will focus on external factors that are influential in customer buying behavior. This is called social influence. Marketers need to be aware of this influence as this is the important factor to consider while targeting specific group of customer. There are several types of social factors influencing buying behavior. Social Factors fall into three categories: Reference Groups, family and social Roles and status. In this case study, the “Fuso” will be discussed in terms of reference groups (membership groups), family and social roles & Status.

## Reference Group

The membership group of the customer to which he belongs will have significant influence on him. In this example, the water pump supplier is belonging to the group of own-business (Traders). Therefore, they are generally looking towards the products specification and features that will enable to do the job more efficiently. Most of them drive light truck, transporting goods from one place to another. This is the good examples set by his pioneer and it is common that he will definitely follow the same. Therefore, there are several roles identified in this reference group.

The initiator: The person who introduces the idea of buying a product. For example, His senior friends who are already in the supplier business for some time ago, and have been driving “Fuso” light truck.

The influencer: The experienced person whose advice will influence the buying decision. For example, the mentor and may be, advertisement that Males who are in supplier business drive “Fuso” for its efficiency & usefulness as well as reasonable price.

## Social Roles and Status

The position of an individual within his work, his country club and his group of friends is the important consideration for the “Fuso” marketing in terms of role and social status.

The social role and status profoundly influences the consumer behavior and his purchasing decisions. It is especially true for those in the business roles, the visible product is the reflection of his status and his social roles- in this case his nature of work and business he is in.

For example, he should not be driving luxury car in his current job scope as it is totally off way with the nature of work. With his “Fuso”, his clients have the perception of him as a able body man who will complete the job rain or shine. And the image of toughness and readiness to attend all kinds of sites and problems can be brought out by “Fuso” wheels in hand.

## Cultural Trends

Cultural trends or “Bandwagon effect” are defined as trends widely followed people. The more people follow a trend, the more others will want to follow it.

By following fashion trends, simply customers have the secure feeling that he is among the group. It is the important factor although it is taken less visible. For a brand, create a new chapter of cultural trend is not easy. However, as “Fuso” has long lasting reputation since 1932, it is not impossible task to implement this cultural trend. Asia, Europe, North America and Africa countries have the cultural trends of driving “Fuso” light truck when it comes down to delivery services and field work. With its strong presence around the world, it can simply continue the cultural trends and apply this strong fact in marketing strategy of its light trucks.

# Psychological Influences on Buying Behavior

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This is the section discussion for internal factor influencing on buying behavior of “Fuso”. The psychological factors are extremely vital as this is an image & actual self of a customer. Marketers must have the clear understanding and know the customer inner self well to achieve the target.

## Motivation

This will drive the customer to develop a purchasing behavior of “Fuso”. It is the desire to fulfill his needs, in other words, the idea that the product could overcome his challenge in his daily life be it working-related purpose for this group of customers.

To increase sales and encourage customers to purchase, “Fuso” is crafted towards the customer needs, and services that will motivate them to buy the light trucks. However, to touch on this motivation, it is very gentle and intangible. Therefore, making it hard to measure and the inception must go deeper into subconscious level. By taking control of this motivation part on customer, it is same as directly handling the stages of the consumer buying decision process.

## Personality

Understanding of personality of customers can have competitive edge in the market. For “Fuso”, the personality of its customers is well-interpreted. The light truck personality is male adult with outgoing, and active busy lifestyle. They are all engaged in frequent transportation of goods and people, therefore, to suit its customers in machinery and heavy industries, the design are specially made to fulfill the needs. The physical strength of the car and the design look is a serious importance to the personality. To convey the message effectively to customer, the “Fuso” brand has increased the personality touch encoded factors such as eco-friendly, heavy duty and efficiency.

## Learning

The learning theory implies that when the consumers act, they learn. It means that the experience brings a change in the behavior as a result. The learning changes the behavior of a customer as he acquires information and experience. According to conditioning learning theory, “Fuso” build a good image of its brand through positive reinforcement of accomplishing goals and its intended message are carried across. Through the time, the customers are accustomed to the messages and actual products experienced of “Fuso”, they would learn the benefits and values of the products over & over again.

## Attitudes

The attitude towards “Fuso” is developed in customers through the experiences with the “Fuso” brand. It used this factor of attitudes well for 83 years and counting. The attitude towards the “Fuso” is that it is durable, efficient and compatible for heavy duty work such as machinery, delivery and field services. In another way, it is the bonding between customers and “Fuso”. It is essential, rather intangible and not easy to cultivate the attitude positively. It is all about hard work, and treating customers right while satisfying their needs as the brand has promised. It is the continuous cycles; it keeps going on and going on as long as the quality and services are maintained and that’s what “Fuso” is good at delivering promises constantly.

# Marketing Strategy Recommendation

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It is undeniable that the marketing strategy of “Fuso” has touched on several areas on consumer’s behavior at its best. The living proof is that they have established the strong brand all over the world and in fact, sales figures talk. It is recognized that the marketing strategy of “Fuso” has some rooms to improve and it is essential to take up these necessary steps so that the brand would lead the success in the longer term as well. Firstly, it is important to understand the local markets, breaking regions into smaller segments and aim to individual local countries. It would bring the brand closer to the local customers and things can work out in collaborative approach, leaving great brand impression and increasing customer loyalty in every region.

Secondly, the distribution network is still inaccessible to some remote areas; therefore, there are blanks to fill in as marketing messages couldn’t be reached to these places. Having more distributors simply mean more marketing channels available. It impacts the brand a lot in long term in positive look and enhances the ability to measure the effectiveness of marketing campaign.

All in all, it is crystal clear that “Fuso” is the world renowned vehicle brand for machinery & industrial application. The marketing strategy has been focused on economical values and satisfying customer needs on work-related purpose. By looking deeper into consumer behavior and make adjustment to the marketing strategy as recommended above, it is with no doubt that “Fuso” will be able to secure more market share and thriving to top choices of vehicles for work-related purpose.