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Honda
Fourtrax Foreman 4x4
Market Analysis
Team Bravo

[1] *2018 FourTrax Foreman 4x4 Overview - Honda Powersports*, powersports.honda.com/2018/fourtrax-foreman-4x4.aspx.

Honda FourTrax Foreman Team Bravo

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Executive Summary

- Honda Motor Co. Ltd. established in 1948 by Soichiro Honda and Takeo Fujisawa with the launch of the first product, the "Dream" D-type motorcycle
    - 1959 American Honda Motor Co, Inc. established in California, USA as first overseas subsidiary of Honda Motor Co. Ltd.
    - 1970 Honda launches first ever ATV
- Current Target customers
    - Generation X: working full time
    - Generation Y: more educated than Generation X
    - Both generations desires include customization and options
    - Disposable income for recreational vehicles
- Honda has great brand recognition across the board, however world of ATV is different
    - Honda can attract first time ATV owners through brand recognition
    - Being better than competitors
        - Polaris – recalls and damage; Honda can win over customer with quality
        - Yamaha – expensive, intimidating price point, Honda can provide affordability and quality
- Disposable income increasing and demand for recreational activities rising
    - Opportunity to acquire entry level ATV owners
        - Collaborations and endorsement deals key
- Two potential markets: Middle age inner city Hispanics and middle age rural Hispanics
- New Target Market: Inner City, New Homestead Hispanics
    - Manifest needs: towing capacity, independent rear suspension, special override, transmission
    - Latent needs: desire for acceptance, status, belongingness, self-expression
- Product- FourTrax Foreman 4x4
    - "Respect for the Individual" is one of Honda's main philosophies
    - Affordable outdoor equipment that can be used for family time
- Advertisements: Facebook, radio, and magazines
    - La Raza 102.3 and Atlanta Latinos when combined would equal $6,880 which is below our $8,000 budget.

Honda Overview

The Honda Motor Company was founded on September 24, 1948 by Soichiro Honda, as an automotive parts manufacturer. The industries Honda current serves are automotive, robotics, aviation, and finance. The automotive company's current headquarters are located in Tokyo, Japan. Honda conducts "its operations in Japan and around the world, including North America, Europe and Asia. Honda markets its products through a sales network of independent local dealers."[2] In addition to be a manufacturer Honda also offers financial services such as auto loans, to its consumers. These services are offered to a wide range of countries. Honda's current customer market base is about 28 million.[3] The United States continues to be Honda's biggest consumer base with around 1.5 million Honda and Acura's being sold.

Honda began manufacturing automobiles in 1962. In 1986, they launched their first luxury brand and called it Acura. The Company is now the "8th largest auto manufacturer in the world."[4] Honda's automobiles use three, six or four-cylinder gas engines and are known here in the United States, [and around the world] for their high-quality automobiles.

Honda completed the first motorcycle engine and frame in 1949.[5] They are currently the "world's largest motorcycle manufacturer"[6]. Honda motorcycles use "internal combustion engines developed by Honda that are air-or water-cooled, four-cycle, and are in single, two, four or six-cylinder configurations." Honda's motorcycle line consists of various kinds of sports vehicles, such as the FourTrax Foreman 4x4 and motor cross motorcycles.

Honda's core business is its engines. Honda builds all its products around its core product business, engines.[7] In 2015, the automotive company produced 27 million engines, making it the largest manufacturer of engines. Honda's world famous superior engineering means customers get better performance on the FourTrax Foreman than most competitors. The Honda FourTrax boasts of features such as comfort, style power and unbeatable traction. The FourTrax is the one of only ATV with Honda's Dual Clutch Transmission and a natural-feeling EPS system [8]

Honda's Strengths

Being one of the biggest automakers in the world Honda has many strengths. One of Honda's greatest strength is having a very diversified line of products. An additional strength for

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[2] "Honda Motor Co Ltd (HMC) Company Profile." *Reuters*, Thomson Reuters, www.reuters.com/finance/stocks.comapnyProfile/HMC.
[3] "Honda" *Wikipedia* Wikimedia Foundation, 31 Aug. 2018, en.wikipedia.org/wiki/Honda
[4] LeBlanc, John. "The Top 10 Largest Automakers in the World." *Driving*, 9 June 2016, driving.ca/auto-news/news/the-top-10-largest-automakers-in-the-world.
[5] *Honda: Honda Y-E-S Award: About Us*, yes.honda.co.in/about-us.aspx.
[6] Zigu. "The Top 10 Bike Companies in the World 2017." *MBA Skool-Study.Learn.Share.,* www.mbaskool.com/fun-corner/top-brand-lists/17216-top-10-bike-companies-in-world-2017.html
[7] Jurevicius, Ovidijus. "Honda SWOT Analysis." *Strategic Management Insight*, 5 Nov. 2016, www.strategicmanagementinsight.com/swot-analyses/honda-swot-analysis.html.7
[8] Schwartz 2018-06-19T15, Lance. "2018 Honda Fourtrax Foreman Rubicon 4x4 Review." *ATV Rider*, www.atvrider.com/2018-honda-fourtrax-foreman-rubicon-4x4-review#page-2.

Honda is their famous "build quality"[9] attitude. Not only is this automaker the largest manufacturers of motorcycles they are also the eighth largest automobile manufacturer in the world and the largest internal combustion engine manufacturer. They have brand equity and are very well known throughout the world. The Honda FourTrax boasts of features such as comfort, style power and unbeatable traction. Honda's world-famous superior engineering means customers get better performance on the FourTrax Foreman than most competitors. Honda builds all its products around its core product business, engines. The FourTrax has a "proven fuel injected 500-class engine that delivers plenty of power and fuel efficiency" [8] This provides the consumer with a high-power hard-working machine. Another strength for that the FourTrax 4 x 4 has over its competitors is it's one of the only ATV's with the Honda Dual Clutch Transmission"[10] These high efficiency features offer the consumer a perfectly smooth ride over rough terrain. To keep the company ahead of its competitors, Honda invests about 5% of its revenue in development and research[11].

Honda's Weaknesses

Honda's weaknesses include the cost of steel which most automobile manufacturers are currently using is increasing. The cost of raw materials used to make automobiles and other Honda products like the Honda FourTrax Fourman, are rising. Honda may potentially lose business when a car has a recall. Recalls can also affect the FourTrax as it is built in a similar manner as an automobile. Parts to repair automobiles, off road vehicles, motorcycles, and their small engine line can be costly. With the FourTrax having features such as the Dual Clutch Transmission and an EPS system cost for parts to repair these systems can be costly. Honda has a limited design on its 4 x 4 which does not give customers a great deal of variety. The Honda FourTrax Foreman is a high-ticket purchase item that starts at $7,299.00[12]. Resale value of a Honda is high; therefore, many people will keep their car longer or buy a used Honda verses buying a new one. The same goes true for motorcycles and other small engine vehicles including the FourTrax Foreman. FourTrax can be seen as a seasonal item which means sales in the winter and colder months might struggle. The FourTrax Foreman is a higher priced item which means excess inventory can be costly.

Honda's Opportunities

Opportunities for Honda include new model release timing. New models typically only come once a year. Electric and alternative fuel vehicles. Gas prices are on the rise and more people are looking for fuel economy cars. Honda can take advantage of this by showing how fuel efficient the FourTrax Fourman is. New customer trends are – in some parts customers are

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[9] *2018 FourTrax Foreman 4x4 Overview - Honda Powersports*, powersports.honda.com/2018/fourtrax-foreman-4x4.aspx.
[10] Schwartz 2018-06-19T15, Lance. "2018 Honda Fourtrax Foreman Rubicon 4x4 Review." *ATV Rider*, www.atvrider.com/2018-honda-fourtrax-foreman-rubicon-4x4-review#page-2.
[11] Jurevicius, Ovidijus. "Honda SWOT Analysis." *Strategic Management Insight*, 5 Nov. 2016, www.strategicmanagementinsight.com/swot-analyses/honda-swot-analysis.html.7
[12] *2018 FourTrax Foreman 4x4 Overview - Honda Powersports*, powersports.honda.com/2018/fourtrax-foreman-4x4.aspx.

moving towards public transportation versus buying a car. Technology updates – car manufactures are having a hard time keeping up with the growing technology, this holds true for ATV vehicles also. Consumer confidence can be seen in the rise of new vehicle purchases which in turn has cause an expanding economy. An expanding economy means people are more likely to have disposable income. The opportunity for Honda in this case is can use their disposable to purchase a Honda FourTrax Foreman. New generations leaving their parents' home and entering the workforce means possible new car ownership. This also means new home ownership and starting a family. With new home ownership comes the want to keep up with the neighbors and the want for adult toys. Honda can take advantage of this opportunity by marketing the Honda FourTrax to new home buyers.

Honda's Threats

Honda's threats include tariffs, which are taxes the government puts on certain items. Honda has a lot of competition in the automotive industry. Natural disasters can affect the production and damage automobiles. Currency exchange, the Yen versus the dollar. The Yen has less value than a dollar thus the company loses money when exchanging the Yen to a dollar. Over half of Honda's revenue comes from internal trade, which means the company must convert currency from the country back to the Yen. Currency rates are always fluctuating which can affect Honda's revenue. The increasing prices of gasoline can be a huge threat for any automotive company. Gas prices fluctuate which might cause potential new care owners to pass on buying a new car and use public transportation as well. This holds true for the FourTrax Foreman as it is gas powered as well. Increasing costs supply chain can be a threat for the company. These are the costs of shipping the vehicles from one country to another and also shipping them from one state to another. Costs for transporting parts and cars has increased which affects Honda's revenue negatively. Farmers are an important consumer for the FourTrax. Farmland is shrinking thanks in part to consumer choices[13]. People are moving away from farming and in into other industries is causing farmlands to. Shrinking farmland is a big threat for the FourTrax. Farmers are an important consumer for the FourTSome of the major competitors include Arctic Cat, Bombardier Recreational Products, CECTEK, CFmoto, Kawasaki Motors Corporations, HiSun motors, John Deere and KYMCO to name a few. Other prominent participants are Suzuki Motor Corporation, Polaris Industries and Yamaha Motor. The vast number of entrants within this industry is a direct threat to Honda Motor Company. [14]

Customer SWOT

Customer Overview

The main consumers of the Honda Fourtrax Foreman 4x4 is white males of Generation X. This consists of individuals born during the early to mid 1960's to the late 1980's. Many of these

[13] Poore, Joseph. "Back to the Wild: How Nature Is Reclaiming Farmland." *New Scientist*, www.newscientist.com/article/mg23531380-500-back-to-the-wild-how-nature-is-reclaiming-farmland/.

[14] All-Terrain Vehicle Market Share - ATV Industry Statistics Report 2024. (2018). Retrieved from https://www.gminsights.com/industry-analysis/all-terrain-vehicle-atv-market

individuals have some college education to a full college degree. They all have similar needs that need to be met and they are a vital part to consumption of products. Generation X males use the Fourtrax Foreman for different purposes that may include agriculture, leisure, and relaxation time. There are also different needs that consumers have and that the Fourtrax Foreman 4x4 can fulfill and provide better expectations.

Customer Strengths

Some of those strengths include education level, income level, social status, and loyalty to a product or brand. The consumers of Generation X are more likely to have a college degree. This increases their level of education to make purchasing decisions at a higher and more understanding level of what they are investing their funds in. Also, individuals with higher education can obtain a higher income level along with social status due to more knowledge of a field. The average salary for an individual with a high school diploma is around $35,256 a year.[15] This is compared to the yearly average of $59,124 that individuals are making with a bachelor's degree.

The average yearly salary only increases with more education. Higher education results in higher positions in a company and that can increase social status as well as buying power because there is financial freedom and stability. Individuals that fall into the Generation X have a very strong product loyalty that keeps them buying products from the same companies and not changing. According to Media Post, Generation Y "has much higher expectations about how a brand should behave."[16] This shows that Generation X has been influencing their parents, grandparents and older siblings that companies are changing based off their customer's wants and needs.

Customer Weaknesses

Honda has started losing customers due to the increasing number of Generation X individuals having to take care of their aging parents and grandchildren when their children are not able too. Generation X is a large source of consumers for Honda. Agriculture has always been a huge part of their lives as a portion of Gen X members are living in rural areas. Honda offers products such as ATV's, lawn mowers, and other machines that can help make agriculture work easier for them to get from one place to another or take care of their land. Generation X is getting older and their lives are becoming increasingly busy with careers, children, and providing for their parents or grandparents. This makes their buying power and their time to thoroughly research new products and enjoy products for leisure time lessened.

Roughly around 3 out of 10 Americans have provided some type of financial support for their parents of 65 years or older for special circumstances, not just reoccurring expenses that they may have.[17] Family members becoming caregivers at a more normal rate than before decreases the ability of the care giving individuals to be able to buy products that will provide leisure, tension reduction or help them do their jobs more efficiently. This could be because their

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[15] Amelia Josephson. "The Average Salary by Education Level." https://smartasset.com/retirement/the-average-salary-by-education-level

[16] Sarah Mahoney. "Gen Y is just a different kind of brand loyal." https://www.mediapost.com/publications/article/221471/gen-y-is-just-a-different-kind-of-brand-loyal.html

[17] http://www.pewsocialtrends.org/2015/05/21/4-caring-for-aging-parents/

financials are tighter if they are having to take time off work to care for a loved one and their time is decreased.

Customer Opportunities

As technology and individuality increases over the next decade, the opportunity for growth and design will expand tremendously. As Generation X ages, the more opportunities that they have to be able to spend outside for leisure, or tension reduction will increase as they get closer to retirement age. They are also more financially stable and can afford to buy new products that they have desired for a long time and feel comfortable about their decision. Gen X also has the potential to grow in their career and achieve higher job positions which will allow them to have a higher social status and want to buy more expensive luxury items.

Customer Threats

Generation X individuals are the primary users of the all-terrain vehicles that Honda produces. It is more difficult for these customers to use these products when they have declining health of their own or their parents that they are caring for and it makes it harder for them to actively use the all-terrain vehicle. They are more prone to getting injured or becoming sore from working outside or participating in activities outside that are harder on their bodies. The products that are being more popular are ones that will help soothe their aching bodies and help with any injuries caused from working or strenuous activity.

There will always be some strong influencers for products but there will also always be ones that will affect the product in the long run. The combination of all of them is what makes a product successful and for companies to grow their products and brand as a whole. Each company has their own way of determining the levels of these factors and a different approach they take to tackle these if they become issues within the company. All these factors help a company stay strong and develop more models for products and also create new ones that can replace certain products or help increase the use of other products.

Competition SWOT

Competition Overview: Polaris

Polaris is a U.S. company established in 1954, with their headquarters located in Medina, Minnesota. The company grew steadily and in 1995 they met their goal of achieving $1 Billion in sales for the first time. When the company first started, Polaris only sold snowmobiles until 1997 when they expanded their product line and began selling motorcycles and ATVs. In 2014, Polaris became an international company and opened their first international manufacturing facility in Opole, Poland. Today Polaris manufactures a wide variety of products including various models of off-road vehicles, motorcycles, slingshot cars, snow vehicles, generators, electric motorcars, commercial golf carts, boats and government vehicles. Polaris serves over 100 countries and has approximately 12,000 employees[18].

Polaris's stock price is currently $107.03. Over the year their 52-week high stock price was $137.66 and their 52-week low stock price was $97.33. This year alone Polaris has produced

[18] "Polaris: Investor Relations." *Polaris Industries Inc. - Investors - Financial Information*, 2018, ir.polaris.com/investors/financial-information/default.aspx.

$5,428 in sales, which caused their annual sales percentage to increase by 20%. Their net income for 2018 is $172 million and it's continuing to grow as the year goes on. Sixty-six percent of their sales are in off road and snowmobiles, sixteen percent are in aftermarket sales, elven percent are in motorcycles, and the remaining seven percent of sales are in global adjacent markets. Over eighty percent of their sales are made in the United States, thirteen percent are international sales, and seven percent of their sales are made in Canada[19].

Competition Strength: Polaris

Polaris has numerous strengths that make them a successful company. They are an extremely well-known brand and it's one of the first brands that comes to consumers' minds when they're searching the market for an adventurous vehicle. Another strength of the company is their ability to innovate. They started out with only producing a single product, which was snow mobiles, and have evolved their company to sell much more. Over the years, they have created many successful products that withstand their competitions products. Polaris can compete against top competitors, such as Yamaha. Their products are successful in the marketplace because Polaris has great customer service and promotional strategies. One of their promotional strategies that helps their company succeed is offering discounts on their products frequently. Another strength of Polaris is how they allow their products to be financed. By allowing their products to be financed, this expands their customer base. By offering the ability to finance their products, Polaris widens their market to individuals or families with lower incomes or poor saving abilities[20].

Competition Weakness: Polaris

While Polaris has many strengths, every company has their weaknesses. One major weakness of Polaris is their company image after their products violating safety regulations. Polaris was aware some of their 2013 to 2016 RZR models had a high risk to catch on fire, yet they did nothing about it. Over 150 fires were started from their product and even one death resulted from one of the fires but Polaris didn't notify U.S. Consumer Product Safety Commission, also known as CPSC, of the defects. The company was fined $27.25 million because of the incident. Another weakness is the amount of recalls the company has had to do. In 2018, Polaris recalled 107,000 RZR vehicle models because the CPSC stated they could cause "an unreasonable risk of serious injury or death"[21] Polaris also needs to work on their ability to handle new companies entering the market and be able to prevent losing their business to these new companies. Polaris has lost small sections of their business to these new companies. Another weakness of Polaris is the high level of inventory they have on hand. Polaris has to pay more money than their competitors are to maintain this level of inventory and it could end up hurting them financially in the long run. A final weakness that Polaris needs to address is their limited

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[19] "About Polaris." *Polaris Industries*, 2018, www.polaris.com/en-us/company.

[20] "Polaris: Investor Relations." *Polaris Industries Inc. - Investors - Financial Information*, 2018, ir.polaris.com/investors/financial-information/default.aspx.

[21] DePass, Dee. "Polaris Hit with $27.25 Million Penalty for Failing to Report Vehicle Problems." *Star Tribune*, Star Tribune, 3 Apr. 2018, www.startribune.com/polaris-industries-pays-27-25-million-settlement-to-consumer-product-safety-commission/478547013/#1

options when it comes to their product selections. There needs to be a wider variety of choices to prevent customers from purchasing competitor's products.

Competition Opportunities: Polaris

There are numerous opportunities for companies like Polaris to earn a higher profit and expand their brand. Polaris always can innovate and create new products. By creating new products, the company can expand their target market into a larger segment. The creation of new products also produces more revenue and expands the company. Another opportunity Polaris can take advantage of is positive economic conditions. If the economy is doing well, consumers are more willing to spend their money on recreational activities instead of saving their money. An opportunity to increase sales and brand recognition is to open more store locations across the country. By opening more store locations, consumers will be more likely to shop there if a location is close to their house. Another opportunity is to further expand and promote their brand internationally. Even though Polaris serves over 100 countries, 80% of their sales take place in the United States[22]. By increasing their advertising and promotional techniques in different countries around the world, Polaris could increase their profit and sales.

One of the most prominent threats to a company is almost always their competition. Some of their top competitors are Yamaha, John Deere, Harley Davidson, Walmart and Honda. If a competitor offers a cheaper price or comes up with a more innovative product, then Polaris is at risk for losing some of their customers to a competitor. Another potential threat is the possibility of Polaris's production costs or labor costs rising. The costs that could increase are labor, materials, overhead, rent or promotional costs. A rise in any of these costs will decrease the net profit Polaris receives because Polaris's expenses will increase. Another possible threat is lawsuits against the company. Since the products Polaris sells can often be dangerous, potential lawsuits could occur if someone gets injured using their products. Lawsuits, like the lawsuit where the RZR vehicle models caught on fire, can end up costing the company millions of dollars if precautionary actions aren't taken [23]. While the condition of the economy can provide opportunities for companies, it can also pose threats. If the economy is doing poorly, consumers will save their money instead of spending it on recreational vehicles. Even if the economy isn't doing poorly yet but it's predicted or expected to it will still negatively affect consumers spending habits. An increasing threat to Polaris is the potential of knock off brands creating similar products. While the products may not withstand Polaris's quality, the price of the product alone will steal from Polaris's customers.

Competition Overview: Yamaha

When comparing Honda's competitors, the first large competitor for ATV's that comes to mind is Yamaha. Although Yamaha does not make cars like Honda, they do make motorcycles, all-terrain vehicles, boats, marine engines, automobile engines, personal watercraft, and snowmobiles. Genichi Kawakami, Yamaha's first president in 1953 said, "I want to carry out trial

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[22] "Polaris: Investor Relations." *Polaris Industries Inc. - Investors - Financial Information*, 2018, ir.polaris.com/investors/financial-information/default.aspx.

[23] DePass, Dee. "Polaris Hit with $27.25 Million Penalty for Failing to Report Vehicle Problems." *Star Tribune*, Star Tribune, 3 Apr. 2018, www.startribune.com/polaris-industries-pays-27-25-million-settlement-to-consumer-product-safety-commission/478547013/#1

manufacture of motorcycle engines."[24]. The motorcycle, in 1955, Yamaha's first motorized product, was made and sold in Japan. From there, Yamaha began to create many of their different products known today[25]. In 1980, the first 3-wheel ATV was sold in the United States for Yamaha, it was called the Tri-Moto. Then in 1984, Yamaha sold their first 4-wheel ATV known as the YFM200 in the United States. Ever since 1980 when they created their first 3-wheel ATV, Yamaha has come up with creative and intriguing ways to modify their ATV's. Yamaha launched a credit card program on November 1, 2016, which was available through all Yamaha dealers. This financing tool makes it easier for Yamaha to handle deals more closely while fulfilling the customers' needs. Kim Ruiz, the Vice-President of Yamaha Motor Corp, said "Yamaha will maintain the key features our dealers and customers value while providing the program directly through our captive finance company," [26]. This gives Yamaha an easy to use application process, where they can instantly approve customers through their program as the primary financing source when they are interested in one of their products, such as an ATV.

Competition Strengths: Yamaha

Some of the strengths Yamaha portrays are excellence at branding, advertising and distributing their products. Yamaha is known for their motorcycles and two-wheel vehicles because of the customers going crazy over the engine ripping sound they make when they are revved up. Yamaha's wide product range makes them stand out because it can be a one stop shop. With Yamaha having such a wide spread of products they are also known for their unique products as well. Yamaha snowmobiles, water boats, and engines are world leaders for how unique they are made and perform. With their products having such a high reputation for performance Yamaha has branded themselves very well by having consistent participation in motorsports. With Yamaha having such good attendance at major sporting events it their spreads our market to customers who might not be in the market for their product but see their favorite athlete use it and make them want it as well. Yamaha has employed over 39,000 employees throughout all departments, making each department grow and become experts on the company and product. Yamaha has about 15% USA market share with their overseas accounting for about 90% of the sales[27]. Yamaha is a company that deals with a wide range of clientele, that extends to almost all of the countries in the world. To satisfy customers, Yamaha has a variety of programs such as, employee surveys and brand workshops that are aimed to further strengthen their internal branding. These programs include employee surveys and brand workshops. The fact that Yamaha takes time to listen to what their employees has to say is a major strength. When you have happy and hardworking employees everything runs much smoother.

A big weakness for Yamaha is how expensive their products can be. With Yamaha being such a well-known high demand brand, so many people working to make them the best, they

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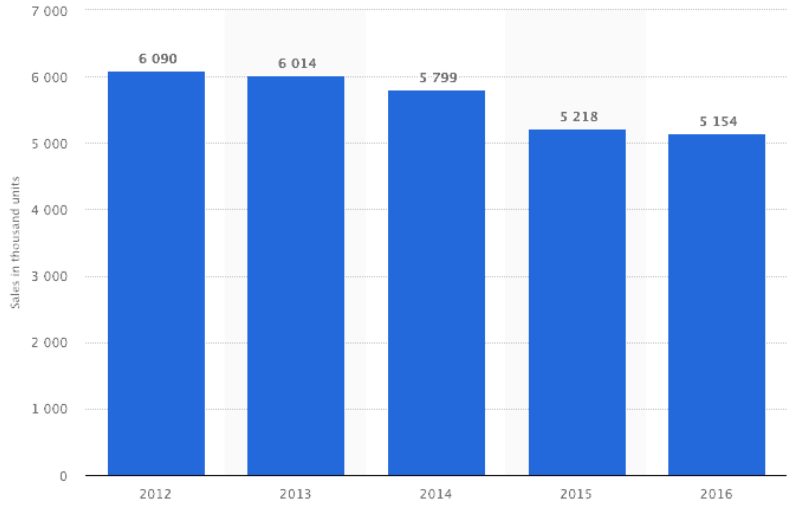
[24] "Yamaha Founding History." Yamaha Motor Corporation, U.S.A., www.yamaha-motor.com/corporate/foundingHistory.aspx.

[25] "Yamaha History Timeline." Yamaha Motor Corporation, U.S.A., www.yamaha-motor.com/corporate/historyTimeline.aspx.

[26] Davis, Casey. "Yamaha Credit Card | Financial Services." Transworld Motocross, Transworld Motocross, 1 Nov. 2016, motocross.transworld.net/press-releases/yamaha-credit-card-financial-services/.

[27] Bhasin, H., BhasinI, H., R., Tabile, M. J., & Facebook. (2018, January 13). Marketing Mix of Yamaha - Yamaha Marketing Mix. Retrieved from https://www.marketing91.com/marketing-mix-of-yamaha/

tend to increase their prices for the quality and brand name the customers are getting. Yamaha has had some hiccups when it comes to customer service. This has resulted in many of their customers to switch to its competitors because of the poor customer service they received. Compared to other competitor brands, Yamaha does not use television to market their products as effectively as other brands. They tend to advertise more in magazines as well as the newspaper. With how advanced technology is nowadays and with Yamaha being such a big company a lot more is expected out of them in terms of advertising. When looking over customer reviews on consumeraffairs.com, the overall satisfaction rate Yamaha received was two and a half stars out of a possible five[28]. This is a big weakness when it comes to Yamaha because your customers and customer service can either make or break you. Some of the complaints on this website stated that they had purchased a product from Yamaha and after using the product for a short period of time something broke on it and the customer service department would not do anything about it. Many of the complaints explained that their motors just stopped working and once they contacted Yamaha for an explanation or solution they just simply did not help them and told them it was basically tough luck. Customer service is so important because these are the people who review your products such as they did on this website. When word gets around that your customer service is poor it makes customers not want to do business with you. Yamaha's customer service lacking things are also not looking up for Yamahas sales. With their sales dropping each year consistently, they have concern over the brand as a whole. Being halfway through 2018, Yamaha bike sales are down a staggering 19% for the last twelve consecutive months, compared to the previous twelve months[29]. Below is a graph showing Yamahas sales throughout the years.



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[28] S., R., L., D., D., Hammond, M. O., . . . Linden, J. O. (n.d.). Yamaha Outboards. Retrieved from https://www.consumeraffairs.com/boats/yamaha-outboards.html

[29] Yamaha Big Bike Sales in the USA Are Crashing. (2018, September 15). Retrieved October 11, 2018, from https://www.asphaltandrubber.com/news/yamaha-500cc-sales-catastrophe/

[30] Bhasin, H., BhasinI, H., & Facebook. (2018, January 11). SWOT analysis of Yamaha Motors - Yamaha Motors SWOT. Retrieved October 11, 2018, from https://www.marketing91.com/swot-analysis-of-yamaha-motors/

Competition Opportunities: Yamaha

Yamaha has many opportunities to expand their business and advertising for the present and the future. With ATV's and electric bikes not being as expensive as cars and boats, this is a great opportunity because you do not have to save up as long or take out a huge loan in order to purchase these items. Electric bikes and ATVs are going to be the future and a great opportunity for Yamaha. While Yamaha and other companies have already started to create electric bikes and electric ATVs these are both products of the future. As more people get familiar and start to purchase electric cars, bikes and ATVs that can compete with gas will be right behind them. This has already started in many regions because of more people becoming conscious of the environment and the low carbon footprint. Yamaha has come up with a plan called the "Frontier 2020", where Yamaha will see to transform the quality of its growth by the year 2020, evolving into a larger, more unique enterprise. For this project, their goals are to achieve sustainability, high growth and to vitalize its corporate culture. The long-term vision for this project will be known as the "Four Frontiers", this is where they will focus on the areas such as "Personal Mobility Frontier", "Yamaha Brand Frontier", "Engine Component Frontier", and "New Business Frontier". These four long term goals will help capitalize on assets, characteristics and the competitive advantage Yamaha plans to have[31]. While emphasizing on Yamahas long term opportunities some short-term opportunities that could be done to benefit them is to expand in international territories more than they already have. As well as boosting their advertising for all products on different forms of social media as oppose to the normal magazine and newspaper ads they do now.

Competition Threats: Yamaha

Yamaha has many different threats, such as Honda, as well as Polaris, another top competitor. Both companies supplying tasteful, safe ATV's that many people are very interested in buying. The number of brands that produce cars, ATV's and motorized vehicles is growing which is a huge threat to Yamaha. Any time a company comes out with a new ATV or product, it threatens the competitor's brand because they feel the need to come up with a new product that will top the competitor. Purchasing an ATV for most people means they have to save up funds or take out a loan. A huge threat these companies have to take into consideration is gas prices. Even if the customer can purchase the ATV, they have to continue to have enough funds in order to the fuel the ATV. On top of having to continue to put gas into the ATV, they will eventually have to buy new tires as well as be prepared for the potential risk of accidents and the cost of making those repairs or totaling the ATV. The maintenance of an ATV is something a potential customer would have to take into consideration when shopping for an ATV. Yamaha's biggest threat is their use of advertising. As you saw in Yamahas weaknesses their sales are dropping year by year which is due to a lack of advertising and proper positioning of the brand. Yamaha tends to use magazines and the newspaper as their two main forms of advertisement. While they do use other forms of social media such as Instagram, twitter, and Facebook, they tend to use these platforms to

[31] Yamaha Motor Announces New Medium-term Management Plan Phase One of Long-term Vision "Frontier 2020". (n.d.). Retrieved October 11, 2018, from https://global.yamaha-motor.com/news/2008/0205/frontier2020.html

advertise events and things going on as oppose to new products they have. With today's generation evolving to being completely online, Yamaha will have to conform to the new "normal" and switch more of their ads and advertising to Facebook, Instagram, and twitter, which is what everyone is using nowadays instead of newspapers and magazines. Even though everyone claims to know about Yamaha, with how much the new generation, such as generation X and the millennials are the majority of the buyers for motorized toys. With that being said Yamaha is at risk of being left behind if they do not jump on the bandwagon and become more involved with advertising on these social media platforms.

Conditions SWOT

Conditions Overview

The term conditions in this analysis is referred to as any external factors that may positively or negatively impact an organization beyond their control. These conditions can be through government regulations, environmental or social forces, the current state of the economy, as well as, the advancement of technology.

Conditions Strengths

One strength is sales and profits increase in the Fall during hunting season because of the high market demand. ATV's have helped revolutionize hunting season[32]. Another strength for the Honda FourTrax Foreman would be the positive economy. The rise in minimum wages and strong housing market causes consumers to increase purchases.

Conditions Weaknesses

A serious weakness of the Honda FourTrax Foreman ATV is the negative impact it has been known to cause on the environment. The land-based vehicles have gained negative attention because environmentalists state they should not have access to natural public spaces due to the disturbance of vegetation, wildlife, and the overall ecosystem.

In 2010 a deadline was set for U.S. National Forests to finish mapping out designated areas for ATV drivers which limited their access to public lands. Some Environmentalists say they should be banned completely because they tend to put automobiles in places where they were not designed for, which has a variety of effects on the environment. For example, churning up the soil leads to ruts, damaged root systems, compacted soil, accelerated erosion, more frequent dust storms and/or increased sedimentation in waterways.

In addition to damaging plants in the process of driving over them, off-road vehicles can spread seeds as they churn up soil and vegetation, aiding in the spread of weeds that can damage native plant life. ATV's also disturb wildlife by churning up a natural habitat they depend on for survival, and the engine noise caused by the all-terrain vehicle can frighten the animals, kicking them out of their habitat, depriving hikers from the chance to spot them. [33]

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[32] All-Terrain Vehicle Market Share - ATV Industry Statistics Report 2024. (2018). Retrieved from https://www.gminsights.com/industry-analysis/all-terrain-vehicle-atv-market

[33] Garden, H,. & Activities, O (2018). Is off-roading bad for the environment? Retrieved from https://adventures.howstuffworks.com/outdooractivities/off-roading/off-roading-bad-for-environment.htm

Nineteen percent of ATVs are equipped with two stroke engines, which release up to 30% of their fuel unburned into the air. That is 118 times as much pollution as modern cars give off[34]. With so many people turning over to be environmentally friendly this is a huge weakness because this will turn off people from purchasing these items if they are bad for the environment. Taking into consideration the wildlife as well as the pollution some of the ATVs can impact is a major weakness.

Conditions Opportunities

As disposable income rises the demand for recreational and utility vehicles will grow. From 2011 to 2016, revenue for the ATV Manufacturing industry is expected to increase, strengthened by improvements with economic conditions, particularly from domestic consumers. ATVs are primarily a discretionary purchase and sales typically recede and flow with fluctuations with disposable income. As disposable income rises demand at the retail level grows and ultimately demand at the manufacturing level. Over the next few years leading up to 2021 the ATV Manufacturing industry is anticipated to continue its upward trend. As consumer confidence and income increases they will feel more apt to make big ticket purchases[35].

Another Opportunity is the growing penetration recreational activities and sports across the globe, which will drive the all-terrain market size over the forecast timeframe. Advancements in information system offer superior entertainment and user-friendly experience with GPS tracking, Bluetooth connectivity and mobile tracking facilities, thereby, enhancing driving experience. Rising technical development with upgraded performance and efficiency will boost all-terrain vehicle market size from 2017 to 2024. Large array of technologies with independent suspensions, electric start and shaft drives offers enthusiasts with great riding exposure. Innovative information systems keep the driver informed, up-to-date, connected and entertained[36]
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Conditions Threats

A potential threat for this market is that the increase in imports will cause domestic manufacturers to feel pressured to lower prices, causing them to potentially lose revenue. The ATV market share is highly competitive due to the presence of well-established companies. Rising competition between new entrants and existing companies is projected to stimulate new product development. Manufacturers are expected to adopt several strategic approaches including collaborations, mergers and acquisitions and improved supply agreements to expand their customer base.

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[34] Who We Are. (n.d.). Retrieved October 11, 2018, from http://www.earthisland.org/

[35] ATV Manufacturing in the US. Industry Market Research Reports, Trends, Statistics, Data, Forecasts. (2018). Retrieved from https://www.ibisworld.com/industry-trends/specialized-market-research-reports/consumer-goods-services/leisure-product-manufacturing/atv-manufacturing.html

[36] All-Terrain Vehicle Market Share - ATV Industry Statistics Report 2024. (2018). Retrieved from https://www.gminsights.com/industry-analysis/all-terrain-vehicle-atv-market

Market Segmentation

Product Related Need Sets

Manifest Needs

The Honda FourTrax Foreman 4x4 offers a variety of ideal features beyond just reliability. From a utilitarian aspect, the ATV offers a great deal of towing capacity. Specifically, the Honda FourTrax Foreman 4x4 can tow up to 848 pounds. Someone interested in hunting may consider the towing capacity very beneficial. The average deer can weigh between 100 to 375 pounds, dependent upon the breed of deer and where the animal is hunted.[37] Even with the heaviest deer, there is still extra towing capacity for guns and other necessary items. Considering hunting, the color options include Honda's trademark Phantom Camo. With 12 million hunters in the United States every year, Honda created a specific camo pattern for hunters based on analysis of various hunting environments and their ecological patterns.[38] The developed pattern was tested for effectiveness and determined successfully realistic. The design was so successful that no camouflage pattern was repeated anywhere on the vehicle, meaning that each spot of the camouflage design was unique.

For riders looking to travel on tough terrain, Honda offers Independent Rear Suspension (IRS). With uneven, tough terrain the IRS allows for both rear wheels of the vehicle to move independently. This helps the rider maintain control and traction. For example, if a rider goes over a patch of terrain and the back-right wheel hits a large hole, that wheel will dip while not affecting the other wheel on the axel. This maintains the quality of the axel but also ensures a comfortable ride for the rider.[39] Considering tough terrain, many recreational riders enjoy driving through mud, often called "mudding." The FourTrax Foreman 4x4 features Speed Override mode, which can be engaged when the front differential is locked. The front differential locks on uneven terrain to maintain traction and slows the vehicle down. But for a rider who looks to intentionally speed through mud or other swampy conditions, the Speed Override mode allows the rider to increase speed with the front differential locked.[40]

Lastly, Honda gives customers the option of manual or automatic transmission. Depending on the intended use of the 4x4 and the preferred option for the customer, Honda provides two advanced options. A customer looking for mostly utilitarian use out of the ATV, automatic transmission may be best. For instance, automatic allows better turns when towing heavy loads and more focus on towing rather than gear shifting. Manual transmission is great for someone interested in recreational use. When driving challenging terrain, having manual

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[37] Ferraro, David. "How Much Does a Deer Weigh?" *The Survival Life*, 29 Sept. 2018, thesurvivallife.com/how-much-deer-weigh.html.
[38] "Not Seeing Is Believing: Honda Phantom Camouflage." *Honda Powersports*, powersports.honda.com/experience/articles/090111c0813c28bc.aspx.
[39] "Advantages and Disadvantages of Independent Rear Suspension." *WheelZine*, WheelZine, wheelzine.com/advantages-disadvantages-of-independent-rear-suspension.
[40] "2014 Honda FourTrax Foreman Expands TraxLok 4x4 Capabilities." *Honda Powersports*, powersports.honda.com/experience/articles/090111c081362dec.aspx.

transmission allows the rider to adjust gears based on the unique terrain they are experiencing. Ultimately, the customer can choose based on their preference and experience.[41]

Latent Needs

The Honda Fourtrax Foreman 4x4 offers many desirable traits and hidden meanings. Honda Motor Company builds their products to achieve initiative, equality, trust, and to create joy in buying, selling and creating their products.[42] The Fourtrax Foreman is a product that can fulfil the desire for a higher status, acceptance, tension reduction, objectification, and show unique expression. All of these are behind the product itself and can be filled with instant gratification when purchasing the Fourtrax Foreman 4x4.

According to Maslow's Need Hierarchy, "desires for status, superiority, self-respect, and prestige are examples of esteem needs."[43] The Honda Fourtrax Foreman 4x4 is a reliable, and desirable product that can relay higher social status, superiority and even show great accomplishment when purchased. This off-road vehicle has many different models that can range from around $5,000 to $9,000 depending on exclusive additional perks on different models.[44] Products like the Fourtrax Foreman can increase social status and show accomplishment and that can drive up self-esteem and positive feelings. Honda does a great job at fitting to individual needs and making sure their products are satisfying those needs accordingly. Since the Fourtrax Foreman is a well-known product and is reputable, it has a high acceptance rate among users and potential users. According to Maslow, "belongingness motives are reflected in a desire for love, friendship, affiliation, and group acceptance."[2] The Fourtrax Foreman is an extremely attractive product that is desired by many. It is also a highly recommended product because it is stylish and affordable.

McGuire describes the need for expression and tension reduction are two affective preservation motives which are related to Maslow's Need Hierarchy listed above. The need for expression "deals with the need to express one's' identity to others. People feel the need to let others know who and what they are by their actions, which include the purchase and use of goods."[45] Not only does clothing express one's self, but the purchases that they make of different products, such as the Honda FourTrax Foreman, can represent who they are as a person or who they want to be perceived as. Honda Motor Company allows each purchase to have customized parts added on for extra satisfaction.[46] The additional accessories along with the different colors and models can allow the need for expression to reach its full potential. The need for tension reduction is an active, but internal desire. According to McGuire, "Recreational products and

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[41] Finley, Matt. "Learn All About Which Type of Transmission Your ATV Has." *ThoughtCo*, www.thoughtco.com/types-of-transmissions-on-atvs-4549.

[42] Honda Motor Co. The Power of Dreams. *"Honda Philosophy."* (2018) Retrieved from: https://world.honda.com/profile/philosophy/

[43] Del I Hawkins and David L Mothersbaugh, Consumer Behavior: Building Marketing Strategy, 12th ed (McGraw-Hill Irwin, New York, NY 2013), 356.

[44] Honda Motor Co. *"Options and Pricing."* (2018) Retrieved from: https://powersports.honda.com/2018/fourtrax-foreman-4x4/build.aspx

[45] Del I Hawkins and David L Mothersbaugh, Consumer Behavior: Building Marketing Strategy, 12th ed (McGraw-Hill Irwin, New York, NY 2013), 358.

[46] Honda Motor Co. The Power of Dreams. *"Honda Genuine Accessories."* (2018) Retrieved from: http://powersports.honda.com/2019/fourtrax-foreman-4x4/accessories.aspx

activities are often promoted in terms of tension relief."[4] McGuire's explanation of tension reduction is a great way to describe how the FourTrax Foreman 4x4 can be used for leisure activities, but as well as career duties such as someone working in the agriculture aspect of the world. Not all ATV's are bought for working purposes, some of them are bought for leisure activity and a way for some to have a get away from all things. Another need that McGuire describes is the need for objectification. This need is a passive and external motive that affects purchases. The need for objectification is described as "motives that reflect the needs for observable cues or symbols that enable people to infer what they feel and know."[47] Honda Motor Company has left many impressions through the years of developing products and of course had many different feelings and attitudes towards their products. Specific brands of products, such as Honda, play a huge role in representing a desired image of one's self to others and their lifestyle. Honda Motor Company's future vision statement is to "serve people worldwide with the joy of expanding their life potential."[48] This vision statement shows that they are working to provide positive influences in all aspects of life and through their products. The brand of Honda, specifically for the FourTrax Foreman 4x4, has made a worldwide impression of its reliability and stability that it can provide for all users.

Customers with Similar Need Sets

Up-And Comers[49]

With this group being a bit younger, Generation Y between the ages of 18-38, they are more concerned with satisfying their need for prestige and status. They want everyone to know they can afford a big purchase item like a Honda FourTrax Foreman. They are eager to fit in with their peers and prove they have excess income even if this is not the case. This group consists of Hispanic males. This group would be single without children. Recent college graduate with a Georgia middle class income of between $22,095-$66,283[50] These young adults are found in second cities and suburban areas. Not only are these customers athletic they are also avid sports fans which plays in for their desire to purchase products such as the Honda FourTrax Foreman. The FourTrax Foreman is a product that can fulfil the desire for a higher status, acceptance, tension reduction, objectification, and allows the customer to show unique expression. All of these are behind the product itself and can be filled with instant gratification when purchasing the FourTrax Foreman 4x4. Generation Y members are also known to be tech savvy and are up on all the latest technology. The FourTrax Foreman has advanced technology that surpasses their competitors meeting the Generation Y's Latent need of status while the sleek color design of the ATV meets the need for self-expression.

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[47] Del I Hawkins and David L Mothersbaugh, Consumer Behavior: Building Marketing Strategy, 12th ed (McGraw-Hill Irwin, New York, NY 2013), 357.

[48] Honda Motor Co. The Power of Dreams. *"Honda's Vision."* (2018) https://global.honda/about/vision.html

[49] Claritas CLARITAS PRIZM PREMIER SEGMENT NARRATIVES 2016, 2017, Accessed 9/27/18 http://pages.srds.com/rs/259-INB-778/images/NielsenPRIZMPremierSegmentNarratives2015.pdf 17

[50] https://www.cnbc.com/2017/03/30/how-much-you-have-to-earn-to-be-considered-middle-class-in-every-state.html

Country Squares[51]

Like the Up and Comers, the Country Squares want everyone to know their financial status. They very concerned with their social status and can afford a big-ticket item like the Honda FourTrax. The FourTrax Foreman is a product that can fulfil the desire for a higher status, acceptance, objectification, and show unique expression. This group also desires a dependable well recognized – name brand company and Honda provides them with this latent need. The Country Squares are of the Generation X category and fall between the ages of 39-54. These small-town dwellers would be of the Caucasian decent and married with teenaged to young adult children. Country Squares would most likely have a secondary education and would have an estimated income of $148,213 in the state of Georgia [52]. This group is very tech savvy and likes to be up to date on all the latest gadget trends. These Gen X's have fled the city for small-town charm. These upper middle-class dwellers enjoy living in sprawling properties in rural areas. These wealthy small-town residents can afford and choose to spend their wealth on expensive materialistic items such as boats, technology cars and other high-ticket products[53]. To meet the Country Squares latent needs of self-esteem and boasting rights, the Honda FourTrax offers manifest needs that high-rollers such as the Country Squares seek out. The Honda FourTrax offers a plethora of product benefits and features that set them apart from other companies giving them the competitive advantage and affluence that Country Square members are in search of. Some of these product benefits include: towing capacity (848 pounds), camo coloring, IRS, speed override and transmission choices[54].

Country Casuals[55]

The Country Casuals are an older group made up of Caucasian Baby Boomers, ages 54 plus. This group is, married, with adult children, and have attended secondary school. Their income in the state of Georgia is upwards of $114,805[56]which is upper middle class. These are empty-nesters who enjoy the laid-back lifestyle of retirement. These retirees enjoy outdoor activities such as gardening, fishing and hunting. This group is not very tech savvy and live in rural area. Seeing as the country casuals are not out to impress those who surround them, they often seek more manifest needs than that of latent needs. Seeing as the Country casuals are older with a higher revenue stream, it is to be assumed that they would be more inclined to spend a little bit more for the Honda FourTrax Foreman because it provides them with a product that comes from a trustworthy brand and offers them a level of comfortability and reliability that another competing products lack. The country casuals want a product that is reliable and capable of maneuvering through the tough terrain that they face living in rural areas. The Honda

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[51] PRIZM 27

[52] https://www.cnbc.com/2017/03/30/how-much-you-have-to-earn-to-be-considered-middle-class-in-every-state.html

[53] PRIZM 27

[54] *Honda Powersports - Motorcycles, ATVs, Scooters, SxS*, powersports.honda.com/2018/fourtrax-foreman-4x4.aspx.

[55] PRISM 30

[56] https://www.cnbc.com/2017/03/30/how-much-you-have-to-earn-to-be-considered-middle-class-in-every-state.html

FourTrax Foreman meets these manifest needs by providing the driver with an independent rear suspension.

New Homesteaders[57]

Like the Country Casuals, the New Homesteaders are looking for trustworthiness, and reliability in a purchase. The Honda FourTrax would give them this. Their lifestyle is centered around their families. New Homesteaders are in the process of raising growing families it is without question that they are seeking safety for both themselves and their children. The Honda FourTrax many towing capacity and Honda's world-renowned safety features make it perfect for any growing family. This group would consist of Gen Y, Hispanic married couples with children. The would belong to the middle-class income bracket which in Georgia is $49,405-$148,213[58]. This group is younger couples just starting their families. White and blue-collar workers, dual incomes, comfortable lifestyle. Driveways are filled with things like power boats and 4x4's. They will be the house with the latest technological devices[59]. They also spend a lot of time on social media with 26 million Hispanics on Facebook, 12 million on Twitter and 9.6 million on Instagram.[60]. Lastly, to meet the latent needs of expression, the purchase of the Honda FourTrax Foreman, allows the New Homesteaders to represent who they are as a person or how they want to be perceived as. Seeing as the New Homesteaders enjoy adventure and powersport vehicles, Honda Motor Company provides unique products such as the Foreman that allows each purchase to have customized parts added on for extra satisfaction.

Two Potential Target Markets

Potential Target Market One

One of the new potential target markets our group wants to focus on is middle age, inner city homestead Hispanics. Most of this segment lives in the city of Atlanta or the suburbs of Smyrna but enjoys recreational activities such as hiking, hunting, mudding, and more. This market segment will be males between the ages of 18 to 35 years old. The men can either be single, in a relationship or married. They all have at least a high school education and some have a college education. Most of the younger Hispanics are second generation adults and some are even third generation adults. Both generations have higher incomes and are more educated than first generation adults. They are middle class individuals and have steady, full time jobs. English is their primary language but almost 50% are bilingual, so advertisements could include some Spanish phrases but should mostly be in English. [61] Their manifest needs Honda meets are the independent rear suspension, special override, and the transmission. Since this market segment is

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[57] PRIZM 28

[58] https://www.cnbc.com/2017/03/30/how-much-you-have-to-earn-to-be-considered-middle-class-in-every-state.html

[59] PRIZM 28

[60] "4 Tips for Reaching Hispanic Audiences." *Balcom Agency | Fort Worth, Texas*, 11 Apr. 2017, www.balcomagency.com/blog/4-tips-reaching-hispanic-audiences.

[61] *Del I Hawkins and David L Mothersbaugh, Consumer Behavior: Building Marketing Strategy, 13th ed (McGraw-Hill Irwin, New York, NY 2013), 157.*

using the FourTrax purely for recreation and hunting instead of work, they don't require a high towing capacity or rack capacity. Their latent needs Honda meets are the desire for acceptance, status, belongingness, and self-expression. Since this market segment is mostly made up of millennials, they use many different types of technology and social media. Facebook, Instagram, Twitter, and Snapchat are the primary types of social media they can be found on. They also frequently use the internet and shop online, watch television, and listen to the radio. External influences such as social status, marketing activities, and family and friends could influence this segment. Internal influences like attitudes, emotions, personality, and motives could also impact younger, inner city Hispanics.

Potential Target Market Two

The second potential target market Honda could focus on is middle age blue collar Hispanics. They live in the country and often perform manual labor, such as farming. Ages for this market segment range between the ages of 35 to 64 years old. They are married men and many of them have families. Their jobs mostly consist of manual labor jobs and they are either in the upper lower class or middle class. Since the FourTrax would be useful for their work and also provide recreational activity, the FourTrax's multiple uses offsets the high price of it. This market segment uses some social media such as Facebook, but not very often. They can be reached through television, newspapers, radio, and the advertisements on the internet. Some manifest motives Honda meets are the FourTrax's towing capacity, rack capacity, independent suspension and long-lasting comfort. The latent needs the FourTrax meets are the desire for acceptance. The external influences impacting this market segment are culture, subculture, reference groups, and family. Since the FourTrax will be used to perform work related tasks, references are an extremely important influence because the FourTrax is a large purchase and they want to purchase one of the best products available. Some internal influences impacting this market segment are perception and motives.

Both Hispanic market segments would make great potential target markets because Hispanics make up such a large portion of the population but are often overlooked by marketers. By 2030, Hispanics will make up over 23 percent of the population and even now they have a large impact. Almost 40 percent of Hispanic households make over $50,000 a year and that's enough to be able to afford the Honda FourTrax. Hispanics also have $1.2 trillion in purchasing power in the United States alone.[62] In their free time, Hispanics love to spend time with family and participate in recreational activities. Research has shown Hispanics prefer to spend time outdoors doing activities in groups, so riding four wheelers together would be the perfect family activity. [63] Honda has a great opportunity to specifically tailor and advertise their product to the Hispanic community.

New Target Market

[62] *Hawkins & Mothersbaugh, 156.*

[63] "Latino Leisure Lifestyles." *Encyclopedia of Recreation and Leisure in America*, Encyclopedia.com, 2018, www.encyclopedia.com/humanities/encyclopedias-almanacs-transcripts-and-maps/latino-leisure-lifestyles.

For our new target market, we have decided to market to inner city, new homestead Hispanics. With Atlanta being one of the most populated and well-known cities in the world, the metropolitan area is home to 5.6 million people, making it the 9th largest in the united states[68]. The core nine-county areas in the metro Atlanta area, Hispanic population grew from 247,477 in the 2000 census, to 477,891, a jump of over 93 percent[69]. Out of the 12,324 Hispanic males residing in Atlanta Georgia currently, 6,000 of those are potential new customers range in 18-35 age group that we are targeting who enjoy spending time outdoors, according to the statistics portal[70]. With this many people residing in Atlanta that fit our new target market, we felt this was a great opportunity to see if we can market to a different target market than we usually do. When thinking of Atlanta marketers seldom think about marketing to Hispanics. After doing some research we have found out that Atlanta has one of the fastest Hispanic population growths in the United States, resulting in the Hispanic population reaching up to 1 million in the next five years[71]. According to the new analysis, metro Atlanta is ranked 19th among the largest metro areas for total Hispanic population. With a total of 546,000 Hispanics residing there, this represents 11 percent of the total metro Atlanta population and more than half of Hispanics residing in Georgia[64]. With Georgia ranking tenth in the nation for the fastest growing Hispanic population, this shows how much potential profit we can make.

Our new target market will be focusing on Hispanic males from ages 18 to 35 years old, who enjoy recreational activities such as hiking, hunting, mudding and more. They will fall in the middle class, with most having full time jobs and steady income. English will be their primary language, but almost 50 percent are able to speak other languages[65]. This will result in us being able to do some adds in Spanish to reach our new target market more conveniently but keeping most of the advertisements in English. With our new target market consisting mostly of millennial's, they are already very familiar with all forms of social media, such as, Instagram, Facebook, Snapchat and twitter. This will make it very easy to market to them through social media since most of them already have accounts through all of these platforms. Our new target market will have at least a high school education with some having college experience. With this target market being Hispanics from ages 18 to 35, most of them are going to be younger Hispanics that are second and third generation adults, this usually means higher income and being more educated than the first generation. With the second and third generation having more money and education, this will give them the opportunity to purchase our ATV. While the first generation might not be bringing in as much income as the second, they are usually the ones who have money set aside for items like this. Saving up throughout their life to purchase items such as our ATV for their family to enjoy. With our FourTrax ATV being so customizable, we can fulfill the needs of anyone in our new target market. They will be able to customize their ATV with all the bells and whistles, or just keep it with the stock items, while still getting the most reliable product for your money. Almost 40 percent of Hispanic households make over $50,000 a year, which is more than enough to purchase a Honda FourTrax and be able to withstand the upkeep of the ATV[66].

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[64] Metro Atlanta No. 19 for Hispanic population. (2014, August 28). Retrieved October 12, 2018, from https://www.atlantamagazine.com/news-culture-articles/metro-atlanta-no-19-for-hispanic-population/

[65] *Del I Hawkins and David L Mothersbaugh, Consumer Behavior: Building Marketing Strategy, 13th ed (McGraw-Hill Irwin, New York, NY 2013), 157.*

[66] Ibid, 156

The most active group of Hispanics are males aged 18-34, who love participating in outdoor activities for physical health and fun. They choose to spend their free time being outdoors and spending time with their family. Our ATV will be the perfect addition to bring their family together to share their love of outdoor activities. With this new target market being so family related and up to date on social media, we will have no problem becoming profitable by using social media ads to inform them on new products and deals, as well as using more advertisements that involve the Hispanic community.

Market Strategy

Product

Honda is a Japanese automobile manufacturer who also manufactures the Honda FourTrax Foreman. The FourTrax is a four-wheel drive ATV used for recreational and utility work. Honda has important core values they integrate throughout their worldwide operations and those values are dreams, joy, challenging spirit, passion, and respect. Their value dream means they're committed to serving future generations and they love to foster creative and imaginative thoughts. Joy is the state of being their workers are in and they desire to something good for their customers and society. Challenging spirit is reflected in their innovate products and it causes Honda to view challenges as opportunities. Honda's passion is shown through their excitement and energy to advance the human experience. Lastly, Honda is extremely focused on respect. One of Honda's main philosophies is called "Respect for the Individual", and it incorporates equality, fairness, and respect into their company.[67] Honda's values are used in everything they do from how they run their business to how they create their advertisements. Understanding Honda's core values gives our team a better insight into how they create their promotions and how they would most likely promote the Honda FourTrax to inner city, new homestead Hispanics.

The FourTrax is prided on being an ATV that can handle any adventure or work task given to it. The FourTrax is marketed as strong, rugged, and reliable. Honda boasts that the FourTrax is lighter than competition's models, so therefore you get better performance out of the FourTrax. The FourTrax is also advertised to provide a smooth, comfortable ride, even on extremely long rides. The FourTrax possess specific attributes that meet Hispanic needs such as its' high towing capacity and phenomenal safety standards. Some motives for purchasing a Honda FourTrax include self-expression and style, both of which motivate Hispanics to make purchases.

The message our team will advertise is the FourTrax is great for family bonding because Hispanics desire outdoor recreational activities that also provide family experiences. Honda's family-oriented values align with Hispanic values so this will give Hispanics an incentive to purchase from Honda, and Honda a promotional connection. We will also include in the message how easy it is to finance a FourTrax because Hispanics have a need for affordable outdoor equipment. Hispanics also have a desire for durability and comfort, which the FourTrax provides. An example of the message is, ""How would you like to have an all-terrain vehicle that

[67] "Honda's Core Values." Discover Honda, Honda, 2018, discover.honda.com/pdf/Honda-Core-Values.pdf.

will provide durability and comfort while being affordable and allowing you to be outdoors with your family while having fun?"

The theme of our advertisements will be lively, family oriented, and will include vibrant colors. Families will be shown enjoying the Honda FourTrax while the top Latin single is playing in the background in it's a video advertisement. Some examples of the most popular Hispanic music genres today are Salsa, Latin Pop, and Latin Urban music.[68] Flags from the largest Hispanic countries of origin groups will be used as symbols in the advertisements. The three largest Hispanic origin groups in the United States are from Mexico, Puerto Rico, and Cuba so flags from these countries will be featured. [69]



Place

Facebook, radio and magazines are all great ways to advertise to our new target market. Our first promotion is on Facebook Shop. This will allow us to advertise continuously by promoting advertisements that pop up when an someone in our target market searches for our product or a related product. Facebook is a huge social media outlet for Hispanics according to Pew Research when they reported that "73% of Hispanics use Facebook, compared to 67-71% of non-Hispanics in the US."[70] This social media outlet will allow us to reach as many possible consumers while they are enjoying their app. We will run our advertisement on Facebook Shop for two months running around $299 a month for great customer service, discounts, and much more that Facebook Shop has to offer. We will include a drop-down box that will allow the consumer to identify themselves by ethnicity and what they are looking for in our product. This will help us specifically target Hispanic individuals as they are searching for products. More specific times that our ads will be highly promoted is in the early afternoons all through the week. This is a very active time for social media due to it being when most individuals are about to get off work and are wrapping up work after a long day. After an individual search for our product or a similar product, our ad will continue to pop up on their Facebook feed for the next

[68] Quintana, Carlos. "What Are the Most Popular Latin Music Genres?" Thoughtco., Dotdash, 27 Sept. 2017, www.thoughtco.com/essential-latin-music-genres-2141628.

[69] Lopez, Mark Hugo. "U.S. Hispanic Country of Origin Counts for Nation, Top 30 Metropolitan Areas." Pew Research Center's Hispanic Trends Project, Pew Research Center's Hispanic Trends Project, 4 Nov. 2014, www.pewhispanic.org/2011/05/26/us-hispanic-country-of-origin-counts-for-nation-top-30-metropolitan-areas/.

[70] Magnin, Brittany. Team 624 Communications. *Hispanics & Social Media: Current Trends.* (February 16, 2017). Retrieved from: http://team624comm.com/social-media-strategy/hispanics-social-media-current-trends/

month. This will allow us to advertise many times during the day each time they are active on Facebook.

Our second ad which will be on La Raza 102.3 radio station which is a local radio station in the Atlanta Hispanic community. We will have three ads that will be 30 seconds in length for each. Forbes states "Spanish-dominant listeners spend 13 hours and 12 minutes each week with radio, compared with 11 hours and 48 minutes for English-dominant Latinos."[71] This shows the great usage of radio with Hispanic listeners. We will run one of these advertisements once a day between the hours of 10am-3pm for the midday listeners. We will run our ads Monday-Sunday. These hours are highly used by Hispanic listeners because most of them have jobs that allow them to listen to the radio throughout the day. Some jobs include construction workers, house cleaners, working in a kitchen, or even providing services at a hotel.[72]

Lastly, our third source of advertisement is a magazine article. Our ad will appear on a full page in the magazine that is popular in the Hispanic community called Atlanta Latinos. Our advertisement will be in the middle section of the magazine with bright and bold colors. The bright and bold colors will attract eyes to see what the advertisement is all about. We will run our ad in this magazine one time only. This magazine will go out once a month at the beginning of October. This will give individuals an idea of something to buy for themselves for the holidays, a special occasion approaching, or just allow them to buy something for themselves. This paper copy of an advertisement also allows them to hold on to it for a period while they may be trying to decide and can reference back to it.

Promotions

Our first promotion we have chosen to use to promote the Fourtrax ATV will be on Facebook shop, not Facebook. Advertising directly on Facebook is far too expensive for our $8000 budget. Although we may not be on Facebook, Facebook shop is used as a huge social media platform for advertising and selling. Facebook shop is an online store with 24/7 support that has a manual order creation option. Facebook shop is the perfect place to advertise to our target market of Hispanics because they are the second largest group that uses Facebook and Facebook shop. Hispanics tend to check their social media platforms daily which is why this is such a good platform to use. By creating a Facebook ad that includes a Hispanic family enjoying our ATV, showing our audience the many different uses and ways, their family can enjoy the FourTrax, will specifically attract our new target market. Using a dropdown box on Facebook we can target our ad to go out to Facebook shop pages that identify themselves as Hispanics. We will purchase this ad using Facebook shop, which is an easy way people can shop for our product

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[71] Stroud, Court. Forbes. *Everything you need to know about Hispanic Radio.* (May 18, 2018). Retrieved from: https://www.forbes.com/sites/courtstroud/2018/05/18/everything-you-need-to-know-about-hispanic-radio/#10fe6f9c7442

[72] Quintana, Ashley. Bridge Strategies. *Pros and Cons of Advertising on Spanish Language Radio.* (November 28, 2017). Retrieved from: https://www.bridgesstrategies.com/bridges-digital-and-inbound-ideas/pros-and-cons-of-advertising-on-spanish-language-radio

through their Facebook page. We will run this add for two months and it will cost us $299.00 for the month to advertise.



FourTrax Foreman

Perfecto para Familias,



For our second ad we have decided that radio is a great way to reach so many of our new target market. We have decided to promote our ATV through La Raza 102.3 radio station once a day at midday for two weeks. We will use a variation of three different ads throughout the two weeks. La Raza is a very popular radio station in the Hispanic community according to Rodney Ho, who wrote an article on the most influential popular radio stations in Atlanta[73]. This will cost us $363 per 30 second ad for 14 midday radio spots, totaling around $5,082. Our promotion will be three, thirty second ads all airing within the week. This radio ad has the potential to reach millions of people with how many of the Hispanic community listens to the radio.

This will be the base for each radio promotion and the only thing that will change is what each of them will say:

Item:	Description:
Vocal Direction	Hard sell, anticipation, authoritative, thrilling
Gender targeted to	Male
Length	30 seconds
Target Demographic	Inner city, new homestead Hispanics
Character/Narrator	Announcer
Suggested Music	Hard hitting, Classic Rock, Electric guitars reeling
Suggested sound effects	Outdoor noises(animals), Pedal to the metal, ATV sounds

<u>First Radio Promotion:</u>

English: Are you looking for an ATV that you can use for work and play? Well, look no further. Our Fourtrax Foreman ATV is the perfect toy for those who love to spend time outside. Our ATV can be customized to fit any of your needs, with financing options available. Visit us online and see everything we have to offer at Honda.com.

Spanish: ¿Está buscando un ATV que se puede utilizar para el trabajo y el juego? Bueno, no busques más. Nuestro ATV del capataz de fourtrax es el juguete perfecto para los que aman pasar tiempo afuera. Nuestro ATV se puede modificar para requisitos particulares para caber cualesquiera de sus necesidades, con las opciones de financiamiento disponibles. Visítenos en línea y vea todo lo que tenemos para ofrecer en Honda.com.

[73] https://www.ajc.com/blog/radiotvtalk/atlanta-radio-stations-guide/gvgTUxU6bWeotmcrVu7FSO/

Second Radio Promotion:

English: Are you ready for an awesome deal you can't turn down? Well, look no further. Here at Honda we are giving a free helmet away with the purchase of one of our Fourtrax Foreman ATV's. Come in today because we have limited quantity and you do not want to miss out of this opportunity of getting a FREE helmet valued at $300! Come in today so you don't miss out!

Spanish: ¿Estás listo para un trato increíble que no puedes bajar? Bueno, no busques más. Aquí en Honda estamos dando un casco libre con la compra de uno de nuestros fourtrax Foreman ATV. ¡ Venga hoy porque tenemos cantidad limitada y usted no quiere perderse de esta oportunidad de conseguir un casco libre valorado en $300! ¡ Ven hoy para que no te pierdas!

Third Radio Promotion:

English: Hey you, yeah you! Do you love being outdoors? Well we have the perfect product for you! Our Fourtrax Foreman ATV is calling your name. Our ATV has strong work and play ethic with Superior engineering, Rugged Reliability and Never-quit performance. By having the option to custom design your own ATV this will make it so you can add all the bells and whistle for your needs or just keep it simple. Come in today and mention this ad and you will receive $100 off your purchase!

Spanish: ¡ Tú, sí! ¿Te gusta estar al aire libre? ¡ Bueno tenemos el producto perfecto para usted! Nuestro fourtrax capataz ATV está llamando su nombre. Nuestro ATV tiene ética fuerte del trabajo y del juego con la ingeniería superior, la confiabilidad rugosa y nunca-paró funcionamiento. Al tener la opción de diseño personalizado de su propio ATV esto lo hará para que pueda añadir todas las campanas y silbato para sus necesidades o simplemente mantenerlo simple. ¡ Venga hoy y mencione este anuncio y recibirá $100 de su compra!

For our third ad we have decided that a magazine ad in a local known popular magazine called Atlanta Latinos. This magazine is very well known and popular in the Hispanic community, according to how many followers they have on all their social media platforms[74]. We have decided that a full-page ad in color displayed in the middle of the Atlanta Latino magazine will reach our new target market and will keep us in budget. This magazine ad will cost us around $1,2000 for one month[75]. This will give our ad plenty of time to be seen and catch our new target markets eye. For this ad we decided that reaching out to the Hispanic community would be best if we included Spanish in our ad to make them feel and know that this is targeted directly towards them.

[74] https://atlantalatinos.com

[75] Kobliski, Kathy J. "Magazine Ads." *Entrepreneur*, Entrepreneur, 17 Jan. 2006, www.entrepreneur.com/article/83094



Comodidad durante todo el dia.
Rendimeinto durante todo el dia.

Honda
FourTrax Foreman

Superior engineering
Rugged Reliability
Never-quit performance

Opciones de financiacion disponibles

Promotional Budget

Depending on the scope of the promotion a project budget can range anywhere from $300-$200,000. Bigger companies such as Honda spend millions on advertising a year. In 2017, Honda spent $1.33 billion on advertising[76]. Some of the types of advertising this money pays for are television ads, radio commercials, Google searches, and advertisements on social media to name a few. Most of this funding goes towards their biggest division and biggest money maker, the automobile division. Because the ATV division of Honda is much smaller than the automotive division and this is a new target market, our budget is a much smaller piece of the pie. Our budget for this promotion is $8,000.

Cost of Promotion

The first promotion for our company would be Facebook Shop. Anyone can create a Facebook page and advertise but the way to make money is to get individuals to visit your site. That is where Facebook Shop and Shopify come in. The Shopify site would give us the ability to sell to online marketplaces and on social media such as Facebook Shop. This site features an online store, unlimited products so if we decide to expand it won't increase our costs, and 24/7 customer support[77]. Shopify states that customers can browse product and shop on your Facebook page[78] to stay within budget our promotion will run for two months. The cost for the first promotion would be $598.00 per month[79].

According to Nielsen, "radio is the best way to reach the U.S. Hispanic audience, with 98 percent of U.S. Hispanics listening to radio each week[80]. With the potential of reaching so many consumers our second promotion for the Honda FourTrax Foreman would be the radio. Depending on the city in which you live radio ads can cost anywhere from $200-$5,000 a week

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[76] "Honda Motor's Advertising Spending in the U.S. 2017 | Statistic." *Statista*, www.statista.com/statistics/261526/honda-motors-advertising-spending-in-the-us/.

[77] Shopify Pricing - Setup and Open Your Online Store Today – Free Trial." *Shopify*, Shopify, www.shopify.com/pricing

[78] "Shopify Pricing - Setup and Open Your Online Store Today – Free Trial." *Shopify*, Shopify, www.shopify.com/pricing.

[79] Shopify Pricing - Setup and Open Your Online Store Today – Free Trial." *Shopify*, Shopify, www.shopify.com/pricing.

[80] Cantor-Navas, Judy. "Nielsen: Radio Reaches 98 Percent of Hispanics Each Week." *Billboard*, Billboard, 13 Oct. 2017, www.billboard.com/articles/columns/latin/7998508/nielsen-audio-today-radio-report-hispanics-black-audiences.

just to run your ad[81]. Ad's come in 15, 30 or 60 second intervals. You can incur additional costs if you use a spokesman outside agency to produce your advertisement. The time of day you advertise can also impact the cost. Morning and afternoon are peak times and more expensive. Midday had a medium listening audience and is most likely less expensive, so this is when we would advertise. For our radio ad we would run an ad once a day during the midday slot. We would run these ads from Monday through Sunday for 14 consecutive days. Our total cost would be $5,082 which is $363 multiplied by 14.[82]

The third promotional tool would be magazine. The cost to advertise in National Geographic is around Advertising in a magazine can cost anywhere from $500-$20,000 and in some magazines as much as $50,000 [83]. To advertise in National Geographic, it is around $20,000[84]. To keep costs down we would advertise with a local magazine called Atlanta Latinos. Magazine ads are cut into sections. The most expensive being a full page, then you have a half page and finally a quarter page. The cost to advertise in NACS magazine, an industry magazine my company publishes in is $3,500 (I have the receipt for verification) for a full page[85].

Promotion	Cost	Features	Duration
Facebook Shop	$598[86]	• Online store • 24/7 support • Unlimited products • Manual order creation • POS data[87]	2 Months
Radio Promotion on La Raza 102.3	$363 x 14 = $5082[88]	• Possibility of reaching millions of people. • 3 30 second ads	Once a day, midday, for Monday through Sunday for 14 days
Atlanta Latinos Magazine	$1,000-$1,200[89]	• 1 full page color ad in Atlanta Latinos	1 month

Potential earnings

[81] Christensen, Duane, et al. "Radio Advertising Guide: How To Get Started Today." *Fit Small Business*, Fit Small Business, 6 Nov. 2018, fitsmallbusiness.com/radio-advertising/

[82] Gaebler.com, "Resources for Entrepreneurs: Radio Advertising Costs in Atlanta" (2017) accessed 11/20/2017. Retrieved from http://www.gaebler.com/Cost-of-Radio-Advertising-In-Atlanta---GA

[83] Kobliski, Kathy J. "Magazine Ads." *Entrepreneur*, Entrepreneur, 17 Jan. 2006, www.entrepreneur.com/article/83094.

[84] https://www.nationalgeographic.com/mediakit/

[85] https://nacsmagazine.com/?_ga=2.214154004.2093346054.1543970362-61260281.1543970362

[86] Shopify Pricing - Setup and Open Your Online Store Today – Free Trial." *Shopify*, Shopify, www.shopify.com/pricing.

[87]"Shopify Pricing - Setup and Open Your Online Store Today – Free Trial." *Shopify*, Shopify, www.shopify.com/pricing.

[88] Gaebler.com, "Resources for Entrepreneurs: Radio Advertising Costs in Atlanta" (2017) accessed 11/20/2017. Retrieved from http://www.gaebler.com/Cost-of-Radio-Advertising-In-Atlanta---GA

[89] Kobliski, Kathy J. "Magazine Ads." *Entrepreneur*, Entrepreneur, 17 Jan. 2006, www.entrepreneur.com/article/83094

There are 923,000 Hispanics in the state of Georgia which makes up 9% of the state's population[90]. This means the earnings potential for this demographic in the state of Georgia is good. Facebook is the number one go to platform for Hispanics[91]. Starbucks saw a 38% lift advertising on Facebook[92]. Add the 98 percent of Hispanics who listen to the radio and the 560,000 thousand Hispanics subscribing to a magazine and you get a promising our earning potential [93]. If we were to sell just 15 Honda FourTrax using one of these methods, we be past our breakeven point and profitable. With our aggressive marketing plan, we will be able to sell 15 Honda FourTrax Foreman with any issues.

Breakeven

Budget - $8000 NET Profit 7.29% MSRP = $7,299[94]

- **MATH**:
  - Profit per Unit: $7,299.00 * .0729[95] = $532.97
  - Breakeven: $8000 / $532.97 = 15 **units**

Customer Service

target market for the Honda FourTrax Foreman 4x4 is new homestead Hispanics, which includes ages 18 through 38. It is important to keep in mind their generational expectations when it comes to customer services. People in the age group 18 through 38 include both millennials and members of Gen Z. According to Pew Research Center, millennials include anyone born between 1981 and 1996.[96] Additionally, Pew Research Center believes Gen Z to be anyone born between 1997 and around 2010, although they have not officially established a cutoff point.[1]

Millennials have certain expectations when it comes to customer service, and Honda must meet these to be successful with this market. A major expectation is that customer service

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[90] "Demographic and Economic Profiles of Hispanics by State and County, 2014." *Pew Research Center's Hispanic Trends Project*, 26 July 2011, www.pewhispanic.org/states/state/ga/.
[91] "Digital Diversity: A Closer Look at US Hispanics." www.facebook.com/iq/articles/digital-diversity-a-closer-look-at-us-hispanics.
[92] "How Does Facebook Make Its Money?" *Business Management Degrees*, www.business-management-degree.net/facebook/.
[93] "Hispanic Magazines - Circulation 2015 | Statistic." *Statista*, www.statista.com/statistics/251150/hispanic-magazines--circulation/.
[94] *Honda Powersports - Motorcycles, ATVs, Scooters, SxS*, powersports.honda.com/2019/fourtrax-foreman-4x4.aspx.
[95] "Honda Profit Margin 2006-2018 | HMC." *MacroTrends*, www.macrotrends.net/stocks/charts/HMC/honda/profit-margins.
[96] Loria, Kevin. "Here's Which Generation You're Part of Based on Your Birth Year - and Why Those Distinctions Exist." *Business Insider*, Business Insider, 19 Apr. 2018, www.businessinsider.com/generation-you-are-in-by-birth-year-millennial-gen-x-baby-boomer-2018-3.

is provided on all platforms the firm operates on.[97] This means that Honda addresses customer service inquiries on all social platforms, beyond just the customer service hotline or chat. If someone direct messages the Honda Instagram account with a customer service inquiry, there must be a Honda representative available to respond in a timely manner. This goes for all platforms Honda uses, including Facebook, Twitter, YouTube, Snapchat, etc. Secondly, millennials have an expectation that companies will respond quickly. It is important that all messages, questions, or concerns are addressed within an hour. When it comes to addressing messages over social platforms, there should be no switching of communication channels. Millennials expect to be able to easily communicate with the firm through one channel.[2] This means if Honda receives a message from a concerned customer over Facebook, the matter must be handled on Facebook. Only if the matter is more complicated and requires more handling, Honda then will ask the customer to contact a direct email or phone line for the individual issue. Millennials prefer that customer service be more informal and to feel personal. This means that employees overseeing social media accounts are enabled to communicate in a less formal tone in order to establish a more comfortable connection with the customer.[2] Ultimately, Honda will have a team of customer service representatives who oversee all social platforms. This team will exist within the customer service department.

The target market encompasses people who have grown up in the digital world or who have had the majority of their life to become comfortable with technology. Millennials and Gen Z are much more tech savvy than older generations. They want the ability to find the information online without having to contact customer service.[2] The best way for Honda to be proactive about this is by supplying as much helpful information online as possible. This will include an FAQs section, a help forum on the website, and even videos. Honda will establish a library of helpful videos pertaining to a variety of concerns its customers may have. There will be a specific section of helpful information pertaining to the Honda FourTrax Foreman 4x4. In short, the customer service hotline should be the last resort for a customer looking for answers. Additionally, customer service in retail outlets are, for the most part, avoided by Millennials and members of Gen Z. They much rather find the information online using their phones before speaking to the paid customer service representative right in front of them.[98] All the information provided online must be able to be viewed on mobile devices seamlessly and even become part of the experience of going to an outlet. The key to ensuring a great customer experience within Honda retail outlets is not having more knowledgeable employees, but rather making sure the customer is aware that they can find all the information they need to know online. This can be accomplished by including a small banner on display posts informing customers of the Honda app and the Honda website, and what all they can find there.

It is also imperative to keep in mind the cultural preferences of the target market. Whether communicating digitally, over the phone or in person, Honda must have a considerable number of customer service representatives fluent in Spanish. While most people within Honda's target market for the FourTrax Foreman 4x4 are bilingual, it is critical to establish the bilingual

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[97] Baer, Jay. "6 Rules for Meeting Millennial Customer Service Expectations." *Entrepreneur*, Entrepreneur, 27 Sept. 2017, www.entrepreneur.com/article/300634.

[98] "AJ Agrawal." *CustomerThink*, 30 May 2017, customerthink.com/the-difference-in-how-gen-z-and-millennials-treat-customer-service/.

connection. The bilingual representatives must be able to speak both in a professional manner and casual manner. As previously mentioned, Millennial and Gen Z Hispanics prefer to speak in a familiar tone, especially digitally.[2] Any Spanish speaking representatives must be fluent in verbal and written communication. Although friendly and casual conversation are key to establishing a relationship with the bilingual customer, many Hispanics prefer to keep the conversation short and to the point. There should be a balance between casual tone and efficient problem solving. Additionally, as a Spanish speaking customer initiates any conversation, whether digital or via phone call, all communication going forward should be in Spanish. If the customer direct messages the Honda Twitter account in Spanish, and the problem needs further addressing via phone or email, the customer service representative should make a note in the issue file that the customer prefers Spanish.[99]

Customer service is a critical component in the overall customer experience. Honda must evaluate all the preferences and expectations of their target market for the FourTrax Foreman 4x4. Given that the target market includes Millennials and Gen Zers, the primary factor surrounding their preferences is technology. With social media, mobile devices and data roaming, the need for phone line customer service representatives is shrinking. This is a positive for Honda because less money is spent handling issues via telephone, and more productive and efficient conversations can be handled through Honda's social platforms. Even more, customers are able to be self-serving because Honda provides as much information as possible on their website and mobile app. With videos, archived help forums, and an FAQ section, customers are able to search for the information on their own time. The bilingual customer service representatives are available for the Spanish speaking customers and can deliver information in the preferred language of the customer.

[99] Malaghan, Tony. "Customer Service Is Key to Hispanic Outreach and Retention." *Hispanic Marketing & Public Relations Website and Podcast*, www.hispanicmpr.com/resources/old-articles/customer-service-is-key-to-hispanic-outreach-and-retention/.