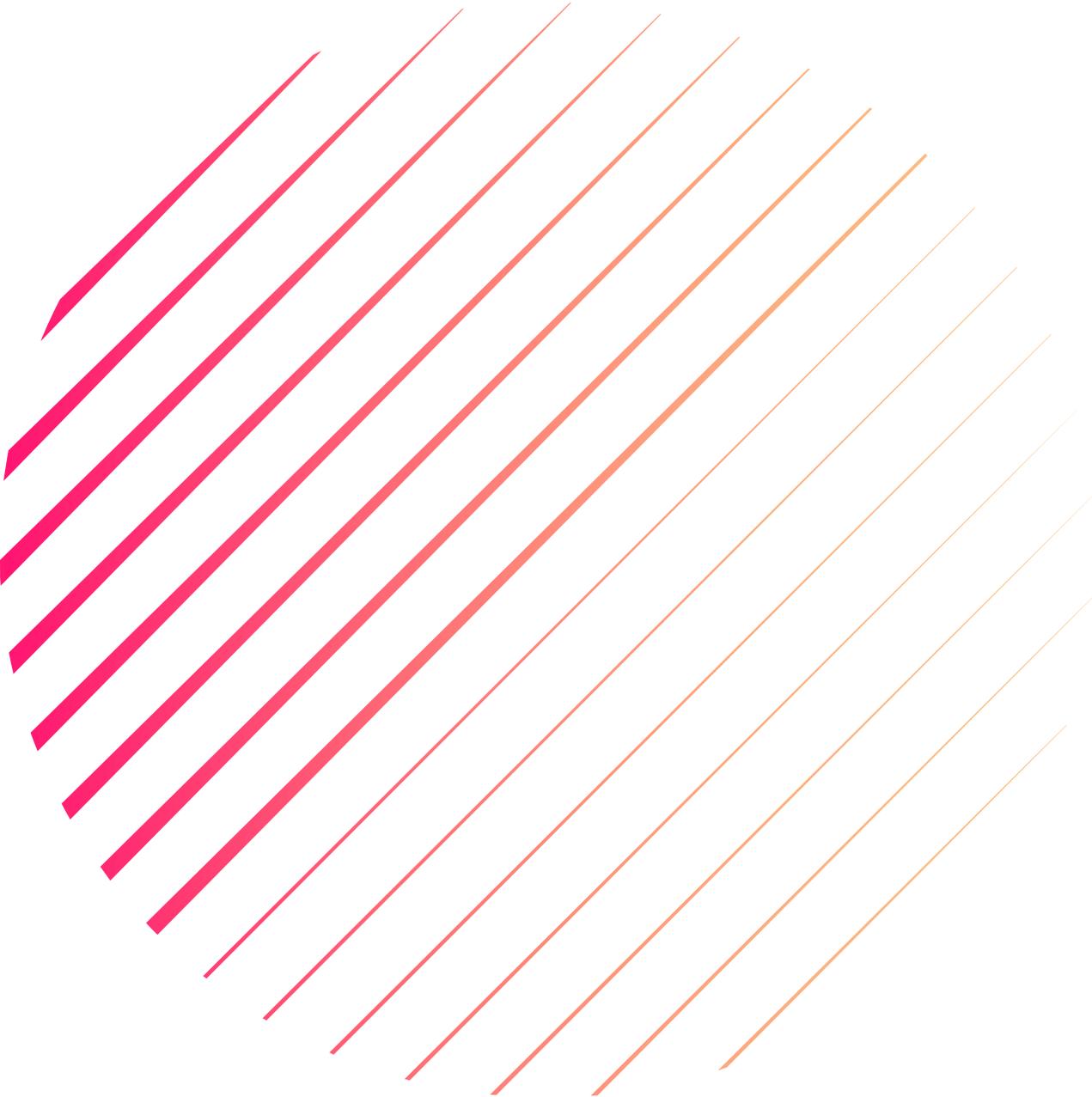


Clutch Marketing Report



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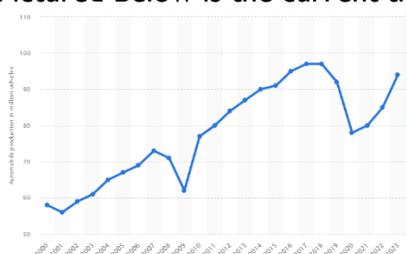
This marketing report aims to analyze Clutch Automotive's current marketing efforts in the Halifax Regional Municipality and how they can be improved. Some key findings and insights in the report are customer profiles, a SWOT analysis, and a matrix of strategic opportunities that Clutch takes advantage of that competitors don't. We recommend that Clutch develop and implement a mobile app for increased convenience and access to report issues regarding a warranty, check your financing options, or contact a salesperson and buy and sell vehicles from a phone in your pocket. This report targets academics and researchers to make a market report with primary assumptions, few sources, and trend forecasts due to ongoing vehicle distribution and creation changes.

CURRENT MARKET SITUATION

Currently, in the Automotive market, you are seeing a deliberate cause of the scarcity of newer vehicles, which justifies the rapid increase in car prices. The first dip in the graph is the 2008 recession, and vehicle production returned to normal afterward. Only after the COVID-19 pandemic did you see a reduced output and a gradual return to complete distribution.

Because newer vehicles are not being made, there has to be another market that picks up slack. This will be the used market, causing an upsurge in demand for used vehicles and an increase in cost. But with the market now slowly correcting itself, you may see a return to pre-COVID-19 prices and demand.

Pictured Below is the current trend of Automotive production globally.



(Placek 2024)



What is Clutch?

Clutch is a leading online car dealership in Ontario and Halifax that focuses on transforming your car purchase. It provides an online, utterly virtual marketplace that offers home delivery and a 7-day return policy if you are unhappy with your initial purchase. (Clutch 2024)

Clutch aims to streamline car buying with a more transparent and customer-friendly storefront. Clutch does this by using its technology to simplify a process that before would have been frustrating and inconvenient due to having to go out of your way to get a vehicle. Instead, Customers can expect a transparent experience and an inspected and ready-to-go vehicle instead of the complexities and bureaucracy of traditional car dealerships.

Market Segmentation

Clutch's demographics include Millennials, Gen Z, and Gen X, which gives a broader age range of 25 to 55. Most consumers are in the middle-class income range. Clutch targets first-time buyers who want a hassle-free process, growing families who need a second vehicle, or retirees looking for something low maintenance.

Because of the technology involved, tech-savvy consumers would be more comfortable with online purchases. This leads to a lifestyle focused on young professionals and people in the urban community who may enjoy the convenience of Clutch compared to drive from Halifax to Sackville to look at buying a vehicle.

Target Strategy

Clutch focuses on a specific market segment: people who value convenience and transparency. Because of this, they offer purchases online, home delivery, and a 7-day return policy. This helps create an alternative, more appealing market for modern-era car buyers.

In HRM, this demographic makes up 75% of all drivers in the direct urban center, which gives Clutch a large market. Most cars purchased in HRM are used, with most vehicles on the roads being two or three years behind the current model year.

Marketing Information and Research

To target the right consumer, you must know who your consumer is. We used documents from studies done by Dalhousie's Transportation Collaboratory to find the necessary statistics to understand the demographic clutch offers and what might appeal to them in choosing Halifax as their other operational location.

In 2019, Dalhousie conducted a transportation study that provided data on who travels and owns a vehicle in the Halifax Regional Municipality, depending on race, gender, sex, and age. This study provides the most precise data to find Clutch's target base.

In Halifax, Clutch is drawn here because of the many people who can try to buy a secondary car. There are 1.3 cars in every household in the HRM, 54% of homes have more than one vehicle (Habib 2019) .

Being in a market that has the potential to beat out the potential loyalty of a physical dealership through convenience.

Consumer Analysis

Clutch Automotive's customers are typically technologically inept, convenience-focused and value-conscious. Clutch addresses these key consumer needs through home delivery, flexible financing contracts and a 7-day return policy.

Consumer Profiles

Joseph is a 30-year-old looking to purchase a second vehicle for his growing family. Joseph's previous vehicle was from a traditional dealership. Still, working in an office full-time makes going car shopping during the week inconvenient, as I usually have to take time off work to attend.

Because of Clutch's online marketplace, Joseph and his wife still have time to sit at home after work to look at vehicles that may suit their needs without the need to go to a dealership.

Robin, 19, wants to purchase her first car but doesn't know where to go or who to trust when getting a good deal. Clutch's website lets you see what vehicles traditionally go for on the market. Being risk-averse due to being young, Robin feels reassured about the 7-day warranty, knowing that she could try something else if the car she chose wasn't a proper fit.





Customer Persona

Clutch customers are often those in the buying process who are research-oriented when it comes to decision-making and don't dwell on a decision for too long.

Clutch consumers are tired of uncertainty about pricing and having to negotiate, and they may be concerned about the reliability of used cars.

Customer Behavior

Clutch's customers prefer an online shopping experience to an in-person one because they value convenience and time savings. Clutch's strategy focuses on making the process of online purchases more manageable. Cars are purchased rationally and emotionally. Clutch provides the specifications and warranty information and allows price comparison.

On the other hand, cars are also bought and used emotionally. Some people buy their first car, associate vehicles with status, or enjoy the design or brand image. Clutch develops emotional marketing and content highlighting this, such as stories and testimonials of people on its website who found the perfect vehicle.

SWOT ANALYSIS

Strengths

Innovative Business Model: Clutch Auto's online car retailing platform offers seamless and convenient car buying and selling, which sets it apart from other dealerships.

Customer-Centric Approach: Features such as a 10-day money-back guarantee and a 90-day warranty as a means to enhance customer trust and satisfaction.

Strong Brand Partnerships: Collaborations with notable figures and organizations to help boost brand visibility and credibility.

Weaknesses

Market Penetration: Clutch Auto, as a relatively new player, may face challenges in penetrating markets already dominated by preexisting dealerships.

Dependence on Technology: Heavy reliance on digital platforms means that any technical issues or cybersecurity threats could significantly impact operations.

Opportunities

Expansion: Potential for growth as they enter and expand into new geographic market and increasing the range of vehicles offered.

Technological Advancement: Leveraging emerging technologies such as AI and machine learning can further enhance the customer experience and operational efficiency.

Threats

Competition: The automotive retail market is highly competitive, with both traditional dealerships and other online platforms vying for market share.

Economic Fluctuations: Economic downturns can affect consumers' spending on big-ticket items such as cars, impacting sales.

Regulatory Changes: Changes in automotive regulations and policies could challenge Clutch Auto's business model in the future.

Market Analysis

We see the evolution of the used-car market, especially in the context of digital-first dealership platforms like Clutch. The increase and normalization of e-commerce worldwide and online marketplaces such as Amazon and Walmart, as well as a priority of sustainability and sustainable consumption, benefit the used car market.

Strategy Opportunity Matrix

Clutch is building a buying and selling experience blog geared toward new drivers and their experiences with Clutch or if they have general questions that its consumers can potentially answer on the blog.

Clutch is also building brand awareness by working with reputable brands such as Kelly Olynyk, an NBA player for the Toronto Raptors. Getting brands involved with your company is significant for getting name recognition and being associated with trustworthy names and brands.

Marketing Strategy

Clutch's marketing strategy should focus on brand awareness and sales. They are currently an innovator in a changing mature market and have the technology to support it, but long-term customer loyalty that emphasizes Clutch's unique position within the used-auto market needs to be cultivated.

Product, Price, Place, Promotion.

Product: Emotion-oriented online service for selling and buying used cars conveniently

Price: Clutch matches and can provide vehicles that may be cheaper than on-market

Place: They provide service to pick up and develop around the Halifax Regional Municipality

Promotion: Advertising will be published on the backs of metro buses and the borders of the license plates of their sold vehicles.

Recommendations

The next step for Clutch would be to make a mobile companion app. Now, the only access that Clutch has is on a website, so it's the most convenient to use on the web instead of on your phone. Having access to your financing information, conditions of your warranty and having access to

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