

Case

Positioning the Infiniti G20

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1. Before beginning any case, students should familiarize themselves with the model being used. Marketing Engineering for Excel comes with tutorials that demonstrate the capability of each model. The tutorial can be found under each model within the ME►XL menu after starting Excel. These tutorials are designed to work with our OfficeStar examples which are located in the My Marketing Engineering directory, usually installed in My Documents during software installation.
2. The data required for this case is located in the **My Marketing Engineering** directory (usually located within My Documents):
Infiniti G20 Data (Positioning).xls

Introducing the G20

In April 1990, Nissan's Infiniti division planned to introduce the G20 in the United States, adding a third model to the existing Infiniti line. The G20 was already available in Europe and Japan under the name Primera. The car, equipped with a four-cylinder engine developing 140 horsepower, would be Infiniti's entry-level luxury car. Initial market response to the G20 in the United States was disappointing, and management wondered how it might retarget or reposition the car to improve its market performance.

Background

In 1989, three years after Honda first introduced its Acura line, Toyota and Nissan attacked the U.S. luxury car market, a segment previously dominated by American and German manufacturers.

In November 1989, Nissan launched its new luxury Infiniti division with the \$40,000 Q45 as its lead car and the \$20,000 M30. However, Nissan was somewhat late: in August 1989, three months before Nissan shipped its first Infiniti, Toyota had introduced Lexus, its luxury brand, with a two-car line comprising the \$40,000 LS400 and the entry-level LS250.

As the figures for January to September 1990 showed, Lexus outsold Infiniti by 50,000 to 15,000. The reasons for Infiniti's slow start were threefold:

- First, the Infiniti Q45 came to the market after the Lexus LS400 had established a good market position.

- Second, Lexus had two very good cars, whereas Infiniti's M30 coupe received poor evaluations from the automobile press and from customers.
- Finally, the eccentric Infiniti advertising campaign that showed scenes of nature, but not the car itself, shared some of the blame. ("Infiniti may not be doing so well, but, hey, at least sales of rocks and trees are skyrocketing," commented comedian Jay Leno.)

Research Data

Exhibits 1–4 summarize some of the data that Infiniti had in early 1990. Data in Exhibits 1 and 2 are based on a survey of customers from its target segments, described as people between 25 and 35 with annual household incomes between \$50,000 and \$100,000 (when the survey was administered, the Lexus LS250 was not yet well known to the respondents to be included in the study). The three subsegments in Exhibit 1 (denoted S1, S2 and S3) are based on information provided by Infiniti managers. Exhibit 3 is derived from sales brochures describing the characteristics of each car. Exhibit 4 summarizes demographic and psychographic information about the three subsegments and was compiled from databases supplied by Claritas, Inc.

EXERCISES

1. Using the data in Exhibit 1 and the associated perceptual mapping software, describe the two (or, if applicable, three) dimensions underlying the perceptual maps that you generated. Based on these maps, how do people in this market perceive the Infiniti G20 compared with its competitors?
2. Infiniti promoted the G20 as a Japanese car (basic version \$17,500) with a German feel, basically a car that was like the BMW 318i (\$20,000), but lower priced. Is this a credible claim, given the perceptions and preferences of the respondents?
3. Which attributes are most important in influencing preference for these cars in the three segments (S1, S2 and S3) shown on these maps? To which segment(s) would you market the Infiniti G20? How would you reposition the Infiniti G20 to best suit the chosen segment(s)? Briefly describe the marketing program you would use to target the chosen segment(s).
4. What ongoing research program would you recommend to Infiniti to improve its evaluation of its segmentation of the market and positioning of its G20?
5. Summarize the advantages and limitations of the software provided for this application.

Exhibits

	G20	Ford Tbird	Audi 90	Toyota Supra	Eagle Talon	Honda Prelude	Saab 900	Pontiac Firebird	BMW 318i	Capri
Attractive	5.6	4.0	4.6	5.6	4.0	5.2	5.3	3.9	5.7	3.9
Quiet	6.3	3.6	5.2	4.2	3.5	5.4	4.8	2.8	5.0	3.3
Unreliable	2.9	4.2	3.7	2.0	4.3	3.2	3.7	3.9	2.3	4.0
Poorly Built	1.6	4.2	2.6	2.1	4.3	2.8	2.8	4.4	1.8	4.3
Interesting	3.6	5.0	4.0	4.3	3.9	3.4	3.4	5.4	3.3	3.9
Sporty	4.1	4.9	3.8	6.2	4.9	5.1	4.3	5.7	4.1	5.2
Uncomfortable	3.2	4.0	2.4	3.7	4.0	3.3	2.8	4.3	3.5	4.4
Roomy	4.2	3.9	5.3	3.5	3.6	3.9	5.1	3.3	4.3	3.6
Easy to Service	4.6	4.9	3.5	4.9	4.6	5.0	3.8	4.7	4.1	4.6
High Prestige	5.4	3.5	5.6	5.3	2.8	4.7	5.7	3.8	6.4	3.3
Common	3.5	3.6	3.4	2.9	4.3	3.9	1.9	4.3	2.8	3.9
Economical	3.6	3.7	3.6	3.2	4.9	5.0	4.3	3.1	4.3	4.6
Successful	5.3	4.2	5.0	5.5	3.7	5.6	5.3	4.4	5.9	3.9
Avant-garde	4.3	3.6	3.6	4.9	4.4	3.9	4.7	4.1	3.7	4.5
Poor Value	3.4	4.3	4.3	3.5	3.6	2.6	2.9	4.3	3.3	3.8
Overall	6.3	3.9	6.0	5.5	4.0	6.5	6.8	3.0	6.7	4.0
Segment I (S1)	4.3	2.1	6.0	6.1	3.3	6.0	7.5	1.2	8.3	1.7
Segment II (S2)	5.9	6.0	7.7	3.5	3.1	5.5	5.4	2.5	5.4	5.8
Segment III (S3)	8.4	2.1	3.4	8.1	5.8	8.3	8.4	5.3	7.3	3.4

EXHIBIT 1: Survey results with average perception and average preference ratings on a scale from 1 to 9.

	G20	Ford Tbird	Audi 90	Toyota Supra	Eagle Talon	Honda Prelude	Saab 900	Pontiac Firebird	BMW 318i	Mercury Capri
1	4.0	7.0	8.0	3.0	4.0	5.0	5.0	1.0	4.0	5.0
2	4.0	8.0	6.0	5.0	8.0	7.0	3.0	1.0	5.0	2.0
3	8.0	5.0	9.0	4.0	1.0	7.0	7.0	2.0	4.0	4.0
4	7.0	1.0	8.0	1.0	4.0	6.0	5.0	5.0	7.0	3.0
5	8.0	8.0	8.0	3.0	5.0	4.0	3.0	2.0	8.0	6.0
6	5.0	6.0	5.0	5.0	2.0	4.0	8.0	4.0	4.0	7.0
7	3.0	9.0	7.0	4.0	4.0	3.0	6.0	4.0	3.0	6.0
8	4.0	7.0	9.0	3.0	1.0	7.0	9.0	3.0	6.0	6.0
9	8.0	6.0	6.0	4.0	5.0	5.0	1.0	2.0	8.0	7.0
10	6.0	4.0	6.0	3.0	2.0	8.0	7.0	3.0	1.0	8.0
11	8.0	6.0	8.0	4.0	6.0	8.0	7.0	1.0	2.0	7.0
12	8.0	5.0	6.0	6.0	2.0	3.0	8.0	1.0	6.0	6.0
13	4.0	2.0	9.0	4.0	1.0	5.0	5.0	4.0	8.0	5.0
14	5.0	5.0	8.0	5.0	6.0	4.0	6.0	1.0	3.0	7.0
15	6.0	5.0	9.0	1.0	3.0	6.0	8.0	3.0	6.0	3.0
16	6.0	3.0	9.0	2.0	7.0	8.0	6.0	3.0	7.0	3.0
17	8.0	5.0	8.0	1.0	1.0	8.0	9.0	2.0	5.0	4.0
18	5.0	9.0	7.0	5.0	2.0	4.0	7.0	5.0	6.0	1.0
19	6.0	7.0	9.0	6.0	2.0	6.0	3.0	5.0	4.0	5.0
20	6.0	9.0	8.0	2.0	3.0	8.0	6.0	1.0	7.0	5.0
21	7.0	7.0	9.0	4.0	1.0	3.0	4.0	1.0	4.0	3.0
22	6.0	9.0	6.0	2.0	3.0	4.0	6.0	1.0	6.0	3.0
23	5.0	4.0	8.0	4.0	1.0	4.0	1.0	1.0	8.0	5.0
24	7.0	4.0	8.0	3.0	2.0	3.0	4.0	6.0	9.0	5.0
25	4.0	9.0	7.0	3.0	1.0	7.0	2.0	1.0	5.0	7.0
26	8.0	2.0	1.0	9.0	4.0	8.0	8.0	5.0	8.0	4.0
27	8.0	6.0	5.0	8.0	4.0	8.0	7.0	7.0	5.0	1.0
28	9.0	1.0	2.0	4.0	9.0	9.0	9.0	4.0	8.0	3.0
29	9.0	2.0	4.0	8.0	7.0	8.0	9.0	8.0	5.0	6.0
30	8.0	3.0	4.0	8.0	7.0	6.0	6.0	4.0	5.0	1.0
31	8.0	3.0	2.0	9.0	5.0	8.0	9.0	5.0	7.0	5.0
32	5.0	1.0	2.0	7.0	5.0	9.0	9.0	7.0	8.0	6.0
33	9.0	1.0	4.0	9.0	6.0	9.0	9.0	5.0	9.0	2.0
34	8.0	2.0	6.0	8.0	7.0	9.0	8.0	5.0	9.0	5.0
35	9.0	1.0	7.0	9.0	5.0	7.0	6.0	6.0	4.0	1.0
36	8.0	1.0	4.0	9.0	6.0	8.0	8.0	3.0	7.0	4.0
37	9.0	2.0	3.0	9.0	5.0	8.0	9.0	7.0	9.0	6.0
38	8.0	2.0	3.0	6.0	5.0	9.0	9.0	3.0	9.0	6.0
39	9.0	2.0	4.0	9.0	7.0	8.0	7.0	7.0	9.0	1.0
40	8.0	3.0	2.0	7.0	5.0	8.0	9.0	5.0	6.0	1.0
41	9.0	3.0	4.0	8.0	8.0	9.0	6.0	2.0	9.0	6.0
42	8.0	3.0	2.0	8.0	6.0	8.0	9.0	4.0	7.0	2.0
43	9.0	2.0	1.0	8.0	6.0	7.0	9.0	5.0	9.0	5.0
44	9.0	2.0	3.0	9.0	7.0	8.0	9.0	7.0	5.0	4.0
45	9.0	2.0	3.0	7.0	6.0	9.0	9.0	7.0	5.0	2.0
46	8.0	1.0	2.0	9.0	5.0	8.0	9.0	4.0	9.0	4.0
47	9.0	2.0	3.0	9.0	6.0	9.0	9.0	6.0	8.0	1.0
48	9.0	3.0	6.0	8.0	2.0	8.0	9.0	4.0	8.0	4.0
49	9.0	1.0	2.0	9.0	6.0	8.0	9.0	4.0	7.0	1.0
50	9.0	3.0	6.0	9.0	6.0	9.0	8.0	8.0	7.0	5.0
51	8.0	3.0	5.0	7.0	2.0	8.0	8.0	6.0	8.0	1.0
52	9.0	5.0	4.0	7.0	1.0	2.0	5.0	1.0	9.0	3.0
53	7.0	4.0	4.0	3.0	4.0	9.0	8.0	2.0	5.0	4.0
54	7.0	2.0	6.0	5.0	3.0	7.0	6.0	4.0	8.0	6.0
55	5.0	2.0	3.0	5.0	5.0	8.0	9.0	1.0	9.0	1.0
56	4.0	5.0	6.0	5.0	4.0	9.0	8.0	4.0	6.0	4.0
57	7.0	1.0	7.0	8.0	7.0	7.0	7.0	2.0	6.0	5.0
58	5.0	3.0	3.0	7.0	2.0	8.0	7.0	2.0	9.0	6.0
59	4.0	4.0	5.0	8.0	2.0	6.0	6.0	6.0	6.0	1.0

	G20	Ford Tbird	Audi 90	Toyota Supra	Eagle Talon	Honda Prelude	Saab 900	Pontiac Firebird	BMW 318i	Mercury Capri
60	8.0	4.0	9.0	4.0	5.0	5.0	5.0	2.0	7.0	4.0
61	8.0	4.0	5.0	4.0	3.0	6.0	8.0	3.0	7.0	4.0
62	7.0	5.0	7.0	7.0	6.0	6.0	6.0	5.0	7.0	3.0
63	8.0	2.0	2.0	4.0	5.0	8.0	8.0	1.0	9.0	2.0
64	5.0	6.0	4.0	7.0	4.0	4.0	5.0	1.0	8.0	1.0
65	7.0	4.0	4.0	6.0	5.0	3.0	6.0	1.0	6.0	4.0
66	8.0	2.0	9.0	3.0	5.0	7.0	8.0	4.0	6.0	2.0
67	3.0	5.0	8.0	7.0	6.0	3.0	8.0	2.0	9.0	6.0
68	6.0	1.0	3.0	5.0	2.0	9.0	7.0	2.0	6.0	5.0
69	6.0	3.0	8.0	8.0	5.0	8.0	6.0	3.0	3.0	1.0
70	7.0	2.0	8.0	8.0	3.0	9.0	7.0	4.0	4.0	5.0
71	7.0	1.0	7.0	7.0	8.0	8.0	9.0	1.0	9.0	1.0
72	6.0	5.0	5.0	5.0	4.0	6.0	9.0	4.0	8.0	2.0
73	7.0	5.0	4.0	4.0	2.0	6.0	8.0	5.0	9.0	5.0
74	8.0	5.0	6.0	6.0	6.0	7.0	7.0	4.0	8.0	4.0
75	7.0	3.0	6.0	8.0	4.0	7.0	7.0	5.0	5.0	3.0

EXHIBIT 2: Individual-level preference data, measured on a scale from 1 to 9, with higher numbers representing increased preference.

	G20	Ford T-bird	Audi 90	Toyota Supra	Eagle Talon	Honda Prelude	Saab 900	Pontiac Firebird	BMW 318i	Mercury Capri
Base Price (\$)	17,500	15,783	20,200	23,280	16,437	14,945	18,295	12,690	19,900	13,500
Length (Inches)	175	198.7	176	181.9	170.5	175.6	184.5	192.0	170.3	166.1
Width (Inches)	66.7	72.7	67.6	68.7	66.7	67.3	66.5	72.4	64.8	64.6
Height (Inches)	54.9	52.7	54.3	51.2	51.4	29.2	56.1	49.8	53.5	50.2
Curb Weight (lbs.)	2,535	3,600	3,170	3,535	3,100	2,740	2,825	3,485	2,600	2,487
Fuel Economy (mpg)										
City	24	17	18	17	20	23	20	16	22	23
Highway	32	24	24	22	25	27	26	24	27	28
Horsepower, SAE.net (bhp)	140@ 6,400 rpm	210@ 4,000 rpm	164@ 6,000 rpm	232@ 5,600 rpm	195@ 6,000 rpm	135@ 6,200 rpm	140@ 6,000 rpm	240@ 4,400 rpm	134@ 6,000 rpm	132@ 6,000 rpm
Warranty, Years/Miles	4/ 60,000	1/ 12,000	3/ 50,000	3/ 46,000	1/ 12,000	3/ 36,000	3/ 36,000	3/ 50,000	3/ 36,000	1/ 12,000

EXHIBIT 3: Some physical characteristics of the cars.

Segment Characteristics	Segment 1 (Western, Yuppie, Singles)	Segment 2 (Upwardly Mobile Families)	Segment 3 (American Dreamers)
Segment Size	(25%)	(45%)	(30%)
Education	College Grads	College Grads or Some College	College Grads Some College
Predominant Employment	Professionals	White-Collar	White-Collar
Age Group	25–35	25–35	25–35
Predominant Ethnic Background	White	White	Mix (Asian, White)
Average Household Income	\$81,000	\$68,000	\$59,000
Persons per Household	1.42	3.8	2.4
Percent Married	32%	75%	55%
Watch Late Night TV	27%	9%	17%
Watch Daytime TV	3%	45%	5%
Read Computer Magazines	39%	6%	10%
Read Business Magazines	58%	23%	27%
Read Entertainment Magazines	3%	14%	30%
Read Infant and Parenting Magazines	1%	17%	2%
Rent Movies	43%	85%	38%
Possess an American Express Card	48%	45%	75%
Own Investment Funds	24%	18%	47%
Go Fishing	2%	30%	3%
Sail, Scuba Dive or Ski	49%	2%	20%

EXHIBIT 4: Data about the segments.