PRICING SCHEME OF KAWASAKI MOTORS PHILIPPINES CORPORATION

Case Study

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PRICING SCHEME OF KAWASAKI MOTORS PHILIPPINES CORPORATION

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ABSTRACT

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The case study was conducted at Kawasaki Motors Philippines Corporation located at KM 23 East Service Road, Cupang Muntinlupa City from July 5 to September 4, 2013. It aimed to describe the organization and management of Kawasaki Motors Philippines Corporation, describe the pricing scheme of the company vis a vis its competitors, determine the factors considered in the price setting and also the price setting process as practiced by the company, identify the promotional pricing scheme being used by Kawasaki Motors Philippines Corporation, analyze the pricing scheme and ascertain problem and to be able to provide feasible solutions to the company's problems.

Descriptive method was used to describe the company's pricing scheme. Tables, figures and graphical representations were used in analyzing the current situation of the firm and industry. The information and data regarding the competitive pricing scheme were gathered through personal interviews with the Managers, Sales Supervisor, Department Sales Trainer and Sales Coordinators. Secondary data were obtained from the record and files of the company.

Kawasaki Motors Philippine Corporation is one of the best motor companies here in the Philippines. This study discussed the pricing scheme that was implemented in the company. It also focuses on the price range vis a vis the competitors, factors and considerations, and promotional pricing scheme that are being used by the company.

Problems encountered in implementing the pricing scheme were also recognized after analyzing the SWOT. All the way through this, the author cites some recommendations for the company. The major problem encountered by the firm is "price wars" among their competitors.

The conduct of the case study provides the author a better understanding of how the pricing scheme affects the motors industry. The company may keep on strengthening the methods which will be given positive responses from the patrons that may suggest needing improvement.

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INTRODUCTION

A firm's competitive strategy is traditionally owned by the marketing department. It is the role of the marketing department, to persuade customers through messaging, pricing and targeting. With that, it gives the company a strong competitive advantage because it knows its messaging will resonate with the target market (Allen, n.d.).

The current motor industry consists of very large specialist firms and huge mass producers. Manufacturers of known brands such as Kawasaki, Honda, Yamaha, Suzuki and others try to compete in terms of annual sales (units sold) and other criteria and aim to stay competitive (Inside Racing, 2012). To remain in competition its pricing scheme must be thought of.

In fact, pricing is an important aspect of marketing, so it needs to be done carefully. That is why organizations formulate pricing policies and strategies in setting the price of its products. Pricing affects the sales as well as the profit of the company. It is