

Toyota Prius:
Brand Positioning

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History of the Brand

Toyoda Kiirchiro founded Toyoda Automatic Loom Works in 1933, which led to the development of Toyota Motor Corporation (Britannica, 2020). The first manufactured car released was in 1936 and the following year the company name changed to Toyota to sound more appealing in Japanese. During World War II, Toyota shifted from making passenger cars, to producing trucks. Due to struggles with the economy post WWII, Toyota resumed producing passenger cars in 1947, two years after the war ended. Toyota was able to gain momentum by the 1950s and shifted interest to the United States' (Britannica, 2020). Due to the high price and lack of power, Toyota did not immediately see success in the U.S. This led to Toyota redesigning their vehicles for the American market. In 1965, re-released their sedan in the U.S. as the Toyota Corona. This new design led to extreme success in the U.S. and appealed to many American drivers. Toyota was quickly expanding in the 1960s and 1970s, as well as, reaching several foreign markets. In the U.S., Toyota vehicles were known to be "low-cost, fuel efficient, and reliable" (Britannica, 2020). To build on this growth, Toyota started production in the U.S. in 1986.

In 1997, Toyota was the first car company to take the hybrid vehicle idea and use it for mass production (Clifford, 2015). The Toyota Prius took five years to develop and release to the market. For the design, this vehicle consisted of "world-leading environmental technology" and had a unique, practical size. The Toyota Prius experienced significant success, winning car of the year in Japan in 1998 and selling 40,000 units by May 2000 (Clifford, 2015). The Prius was selling worldwide and this led to different models of this vehicle being developed over the years to benefit their consumers.

2021 Main Competitors (CarMax, 2021)

1. Ford Fusion Hybrid
2. Chevrolet Volt
3. Ford Fusion Energi
4. Hyundai Sonata Hybrid
5. Toyota Camry Hybrid
6. Lincoln MKZ Hybrid
7. Kia Optima Hybrid
8. Honda Accord Hybrid
9. Hyundai Ioniq Hybrid
10. Honda Clarity Plug-In Hybrid

SWOT Analysis

<u>Strengths</u> (Bhasin, 2019) • Environmentally conscious • Leader in hybrid car market → 80% in U.S. (Nissan is the nearest competitor with 14%) • Reliable and energy efficient • Design is unique – modeled after taxi cab • Consistently developing new technology and features	Weaknesses (Bhasin, 2019) • High maintenance costs for hybrid models (MBA Skool, 2020) • Delivering mass orders on time • Higher sales in Japan compared to global markets • Losing potential customers due to higher maintenance costs
<u>Opportunities</u> (Bhasin, 2019) • Government regulations regarding fuel consumption and emission • Developments in fuel cell technology (not using any fossil fuels) • Increase in charging stations	<u>Threats</u> (MBA Skool, 2020) • Competitors new features being sold at a lower price • New vehicles being introduced into the hybrid car market • Consumers have more options for eco-friendly cars

Competitive Positioning

The 2020 Toyota Prius has an affordable base price and is known for the quality of their vehicles. This reputation has allowed the Prius to grow as one of the “best-selling electric vehicles on the market today” (Car Buying Strategies, 2020). Since 2003, the Toyota Prius has included a five-door liftback feature. This is designed to be a mix of their standard sedan design and a hatchback. The liftback design offers the maximum amount of room for storage for the unique size of the car. The Prius also has advanced their safety systems for every model. There are airbags all throughout the front and rear parts of the car, as well as, a Safety Connect system through all models that helps you contact emergency services when needed. The Toyota Prius has several essential safety features that include: pre-collision detection, lane-departure alert, and tire-pressure monitoring, and tethers for child car seats (Car Buying Strategies, 2020). In addition, they implemented a larger touch screen and a higher quality audio system. Most importantly, the Toyota Prius is environmentally friendly due to their hybrid technology. This vehicle emits less carbon dioxide and requires less gasoline. This fuel-efficient car leads to consumers saving money and “has a range of 25 miles on electric-only power and over 600 miles with a full tank of gasoline” (Car Buying Strategies, 2020). Each year, Toyota continues to prove that the Prius is one of the most reliable cars, and this results in a high resale value. The Toyota Prius is one of the only hybrids to provide all-wheel drive. This feature can be included in any package and provides traction that will ensure the driver is safer on the road during challenging weather conditions.

Current Advertising Strategies

Toyota’s current advertising strategy is differentiation strategy (Thomas, 2021). This involves making marketing decisions specific to each market. Toyota manufactures cars globally

and this compromises of different cultures and values. To effectively reach different regions, Toyota develops several variations of an advertisement or commercial. This also includes different slogans depending on the country. For Australia the slogan is “Oh! What a feeling!”, for Europe “Nothing is impossible”, for Japan “Start your impossible”, and the U.S. “Let’s go places” (Thomas 2021). Toyota’s differentiation strategy is the reason they stand out from their competitors and is why they continue to gain market share. The extensive research in separate regions allows Toyota to understand and fulfill their consumers’ needs.

In 2019, Toyota Prius celebrated its 20th birthday and launched a campaign called “It’s Unbelievable.” Toyota partnered with The Weather Channel and AccuWeather to send targeted videos to consumers (Christe, 2019). This consisted of nine different videos, with two variations, a 15 second version and a 6 second version. The video that was shown was based on the weather of the specific consumer’s location. The “It’s Unbelievable” campaign reached several different audiences through commercials, social media, in-cinema spots, and digital videos (Christe, 2019). Marketing was changed in different countries to create a better connection with the audience. Videos were altered to appeal to East Asian and Hispanic markets. Through the marketing approach, consumers were able to emotionally connect with several audiences. Toyota Prius released this campaign because their sales were dropping after its peak in 2012. With competition growing and more hybrid cars entering the market, Toyota has to establish a memorable relationship with potential consumers to continue achieve more success. Location-based marketing led to high engagement with Toyota Prius’ campaign.

Recommendation for Repositioning Strategy

Selling Cars Online: Toyota can reach a larger audience by selling cars online. This is a newer way to purchase a car and car manufacturers such as Tesla have seen success through this

purchasing process. For many consumers, buying a car at a dealership is a long, agonizing process that could take many hours. Buying the car online saves the consumer time and makes their life easier. The consumers can pick up their car at the dealership and quickly be on their way. Consumers actively do research before buying a car. Of these consumers, 92% research a car's features, price, and more (Think With Google, 2018). On the website, it would be important to include videos of the car and a 360° test drive video linked to YouTube for consumers to gain a better sense of how the car looks/feels. On YouTube, car videos are experiencing a continuous growth in engagement and this provides an opportunity for Toyota Prius to showcase their new online purchase method.

Eco-Friendly Campaign: Launching a campaign that emphasizes how the Toyota Prius' is eco-friendly would appeal to younger generations, millennials and generation z. In the United States, these two generations make up 48% of the population, and these groups have become increasingly aware of "green living" (Clean Choice Energy, 2019). Of millennials and gen z, three out of four are willing to pay more money for sustainable products. Toyota Prius has an opportunity to appeal to these groups through their environmentally friendly cars and create loyal customers. Social media would be the most effective way to connect with this audience. Toyota could also encourage their followers to donate to organizations that focus on saving the environment and planet. Toyota could match these donations and this contributes to their corporate social responsibility. This would increase awareness about the Prius and expand their audience. For the maximum reach, this eco-friendly campaign would be global and follow Toyota's differentiation strategy to connect with various audiences.

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