

Example of current brand strategy essay

[Business](#), [Company](#)



Introduction

The Toyota Company has developed over the years into one of the most recognizable brands for a vehicle manufacturer throughout the globe. The initial perception that the company was offering cheap alternative motor vehicles has slowly but surely been eroded by the fact that the company has been over the years been developing more luxurious vehicles targeting high end markets. The company's control of the global market is quite substantial, and its growth has been influenced by many factors, chief among them the cost friendliness of its products. However, the company still faces a myriad of challenges in its growth, chief among them being the economic hardships being experienced by many economies in which the company operates.

One of the most successful strategies adopted by the Toyota Corporation is the economy car. The company has developed a range of economical cars which are affordable to most people in a range of income levels. The use of a popular economy car has also been successful largely as a result of segmenting, targeting and positioning. However, this strategy may not hold for very long since there are emerging brands which offer cheaper alternatives to consumers with actual increased benefits to the consumers. Companies like the TATA motor corporation of India and Hyundai of South Korea are slowly offering growing competition to the Toyota Company as they develop cheaper cars for targeted for the low end vehicle consumer markets.

This strategy has also another weakness occasioned by the increasing

middle class in the middle income countries. This class of consumers usually look down upon the vehicles produced by the Toyota Company and may actually consider them too cheap for their class and actually go for vehicles produced by many of the competitors of the company and are considered to be better alternatives.

Another successful strategy adopted by the company is the usage of technology. The company has continuously engaged in improving its technology and transferring the benefits to the consumers through the use of the technology in its products in the form of fuel efficiency, comfort, environmental friendliness and other technical improvements. This is best exemplified by the Toyota Corolla brand which has been undergoing improvements for an average of every three years since its inception in 1966. This strategy has a major weakness in the cost implications of technology on the profitability of the company. The integration of technology in the production of the company's cars means that the company's costs are substantially increased and thus eats up the benefits that are accruable to shareholders of the company.

Another successful strategy adopted by the company is the low operating costs for its products. The cars that are produced by the company are distinctive from other products in the market because of the low operating costs associated with them in terms of fuel consumption and availability of spare parts. For example, a survey carried out by Toplin Strategy Group in 2007 has revealed that 73% of Prius owners had bought Toyota Prius because of financial incentive to purchase the vehicle such as lower sticker price or lower operating cost than other choices. (Marketing Green, 2007).

This strategy has a weakness in that the company has motivated its competitors to adopt the same methods to ensure that they offer the same incentives in their products to consumers. This has led to the development of serious competitors for the company who follow the same model of production with greater efficiency thus resulting in higher cost savings for them.

Brand equity

Brand Awareness

The Toyota brand is arguably one of the most recognizable brands in the world today. The car manufacturer has been able to penetrate most of the markets in various continents of the globe and is projected that in the next few years, the company will be the leading car manufacturer in the world. Currently, in the United States market, the company is ranked second in terms of market share. This indicates high brand awareness among consumers and many of them are aware of the existence of the products of the company in the market. It is speculated that this brand awareness is in such a high level that consumers know which particular brand of vehicles are available in the market and the price range for each. The Toyota brands available in the market is such that top of mind awareness exists among consumers since to many individuals the mention of a car brings up the image of a Toyota vehicle. Since brand awareness is a factor in considered essential in the in the creation of brand equity, it can be said that Toyota has been successful in creating high sales and high market shares through creation of a successful policy of brand awareness.

Brand Associations

The brand associations of any product form the basis for the reasons for consumers to buy the product. The Toyota Company has been successful in the creation of successful brand associations since its products offer many benefits for potential consumers to give the purchase of a Toyota vehicle serious consideration. The Toyota brand offers customers the cost effectiveness that comes with its products. Vehicle efficiency in terms of fuel consumption and cheap spare parts and comfort are some of the brand associations that the company enjoys in its markets and among its consumers. The high quality customer services that the company offers to its customers has played a great part in ensuring that the company develops a high level of brand associations in the markets that it operates.

Recommendations

The Toyota Company has largely been successful as a result of the economy of its brands. The company has been successful in creating brand equity mainly through the use of this economy concept and thus in the quest to better its performance in the market, this strategy should be continued and if possible refined. Since many consumers associate economy with low quality, the company should ensure that it puts up measures to remove this stereotype and ensure that the company develops high quality products at the same economical prices. The company should also strive to keep its technologies away from its competitors by creating patents in for the technologies that it develops to ensure that the same are not later used against it by its competitors.

The company should also seek to increase its presence in some of the

markets in which it has previously not penetrated. A good example of these would be the Russian market and most of the eastern European region. In such a move, the company would be able replicate the creation of brand equity in those new markets.

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