

Land rover north america, inc with teacher's questions and comments for this case...

[Media](#), [Advertising](#)



Case Synopsis This case describes how Land Rover North America, Inc. (LRNA) has redesigned their dealerships and selling process with the objective of building and enhancing equity for its brand. Land Rover is a niche player in a very crowded and rapidly maturing product category. Competition is fierce and is dominated by large global competitors with extensive dealer networks who differentiate their products largely by size, features, and price. The company has relatively few dealerships and cannot afford the volume of advertising or promotion that its primary competitors can. The company must choose to depend upon positioning its product as a specialty brand, characterized by brand insistence on the part of its buyers.

Charles Hughes, President and CEO of Land Rover North America, Inc. (LRNA) is debating three positioning options for the new \$30, 000 Land Rover Discovery. The positioning decision will help LRNA settle on advertising messages and other communications strategies.

II. Recommendations LRNA needs to determine a positioning strategy for the Discovery and itself in North America to entice its two distinct target markets. LRNA is aware that it has two distinct target markets whose purchasing decisions are impacted by various drivers but also knows that factors such as quality, safety, reliability, comfort, off-road capability and aesthetics overlap. When compared with other SUVs or SUV alternatives, we believe the following differences should be highlighted to develop a distinctive niche for the Discovery and Land Rover brand in the target audience's mind. The Discovery and Land Rover brand should be positioned as luxury car alternatives with rich histories and superb off-road capabilities

designed for the crème-de-la-crème of consumers: affluent, intelligent, practical, unique, full of character, and seeking to empower themselves through adventure and exploration during their driving experiences. The Discovery and Land Rover brand should, in effect, convey the following message: you are what you drive.

LRNA must also determine what marketing mix to utilize and how much of its marketing budget should be allocated to each media strategy. First, we would advocate increasing the marketing budget to approximately \$30 million to better position LRNA against our competitors. Since our target consumers are educated, married males in the 35-64 age group with annual incomes of \$100K or above, we would suggest allocating sixty percent of our budget to advertising through television and print ads with a 65-35 split between the two. Ads should present the dual nature of the Discovery and Land Rover brand as rugged, exciting, but safe vehicles equally adept at handling the challenge of the jungles of Madagascar and the challenge of the city highway with your children on board. Print ads would be placed in business and news magazines as well as national newspapers such as The New York Times, Wall Street Journal, Financial Times and Washington Post. We would stress corporate advertising of the Land Rover brand as opposed to individual models to increase overall brand awareness.

The remainder of the marketing budget would be split between corporate sponsorship, pr activities and experience marketing. We would recommend continued sponsorship of the Camel Trophy and the “ La Ruta Maya Expedition” as well as smaller pr events like the Virginia Cup Tennis

Challenge, equestrian trials/polo matches and the ascent up New Hampshire's Mt. Washington. Automotive reviewers and other opinion leaders would be invited to these events at no cost to them. Since the Land Rover Driving Academy yields little to no profit, we would recommend cutting this program.

However, we would recommend developing an offshoot of this program that is shorter in duration, lower in operating costs, and provides more practical training such as driving basics and driving under harsh weather conditions because we think consumers will be more likely to opt for a program that addresses their normal driving conditions as opposed to off-road conditions. We would not recommend promotions such as the "Champagne Invitational Preview", direct mailings or newsletters, but we would advocate development of a site on the World Wide Web to reach a brand new audience. We would also advocate "Love of Product" seminars for staff and retail partners because we think individuals who believe in the product sell it best.

Lastly, LRNA must determine if it should continue its use of a dealer network or convert these franchises into freestanding, exclusive retail outlets called Land Rover Centres. Though development of Land Rover Centre's across the nation seems like a risky move, especially in the face of declining luxury car sales and dealership consolidation, we wholeheartedly support it. Part of the lure of the Land Rover aura is the willingness to tread new territory, take risk and be revolutionary in leadership style. Land Rover Centre's will do just that. Land Rover Centre's will increase consumer exposure to the Land Rover

family of vehicles and the Land Rover way of life in a friendly, stress-free environment. We want consumers to not only drive Land Rover vehicles, but to live the Land Rover lifestyle. We want Land Rover vehicles to expose consumers to the wealth of new experiences they are seeking. Centre development costs are high, but we believe the payoff will exceed costs.

Case Objectives and UseThe following case study is intended for Retail Management or Marketing Management courses at the undergraduate or graduate levels. This case illustrates the following concepts: environmental analysis (including buyer behaviour of consumers), retail pricing, customer communications, store facilities management, customer service, and strategic retail management.

The case also covers strategic marketing (including competitive advantage), segmentation, consumer behaviour, product development, branding, positioning, retailing, personal selling and sales promotion, and pricing.

Teaching Objectives-To explore the concept of brand equity;-To illustrate how the organization and execution of retail selling can support a product positioning strategy;-To show how a small company with limited resources can still compete successfully with much larger, much better capitalized competitors;-To prompt assessment of whether a retailing strategy, by itself, can be the basis for sustained (or strategic) competitive advantage;-To determine alternative marketing strategies for building brand equity in the North American market.

1. Why is LRNA launching the Discovery? What are the distinctive roles of the different brands within the Land Rover Line? What is the equity of the Land Rover umbrella brand? (Company Analysis)2. Why do people buy SUVs? Who is the typical SUV consumer and how is this changing? (Customer Analysis)3. What are the differences among competitive SUV offerings? (Competitor Analysis)4. What strategic considerations are involved in moving this brand forward? 5. Based on the above analysis, help Hughes select a positioning platform and discuss how this should be delivered via the marketing mix.

Key Questions We Will Address in This Case... Why is Land Rover launching the Discovery? Why do people buy SUV's? Who is typical SUV customer and how is this changing? What are differences among SUV offerings? What strategic considerations are involved in moving this brand forward? So What Happened at the Offsite??? Corporate positioning agreed:- Land Rover is the only authentic 4WD vehicle of all SUV's on the market Defender positioning:- Defender is the embodiment of the core values on which the Land Rover brand is grounded - authenticity, freedom, guts and adventure Discover positioning- Discovery is the authentic Land Rover vehicle that grants families capability, everyday practicality, and versatility through its on/off-road duality Range Rover positioning- Range Rover is the aspirational flagship - it's a "4WD with luxury" Key Takeaways from Land Rover Case Good positioning is critical Identifying a good positioning is a subtle and creative endeavor Positioning integrates the product line into the corporation Positioning is a marketing mix phenomenon Global positioning is a desirable but tricky goal to execute Tight positioning is at once a resource

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