

Three possible strategies for future growth opportunities marketing essay



Three possible strategies for future growth opportunities were considered for Toyota so as to develop one primary strategy that would best suit the company in its current situation. These strategies were adapted from the Ansoff Matrix as seen in Figure 1:

To remain competitive, Toyota needs to ensure that they become increasingly innovative. To do this they must be able to integrate modern technologies in to their cars, this includes the latest GPS programs and smart-phone connection capability. Voice activation controls should also be implemented and remain accurate to ensure their ease of use and safety. Internet and audio media players should also be fitted to cars to ensure Toyota remains competitive in this technologically capable market.

Toyota follows a Flanker strategy (Walker et al, 2009), whereby they develop secondary brands to compete against a competitor's product. An example of this is seen in Toyota's creation of several brands under one umbrella brand when entering new markets, these include; Lexus, Hino, Scion, and Daihatsu. Toyota has used this strategy to enter new markets with luxury vehicles (Lexus), hybrid cars (Camry, Prius, Highlander), compact size cars (Corolla, Yaris), SUVs (land cruiser) and pick-up trucks (Tundra) which are all very successful, therefore Toyota should continue with this strategy to continue this success in the introduction of new markets in the future.

The opportunity to enter new markets means expanding markets for existing products, geographic expansion and targeting new segments. This is a wise move for Toyota, if it wants to remain competitive and achieve corporate

growth. This strategy demonstrates the use of Ansoff's Matrix as Toyota is developing a new products to sell in existing markets.

Further Environment-Friendly Technology

Due to recent trends emerging that relate to the sustainability of the environment, Toyota has the opportunity to develop further in to the environment friendly car market. This could be done through the manufacturing of cars that produce lower carbon emissions, such as hybrid or electric cars. As a new product development, existing models will be updated or replaced and then marketed to existing consumers.

Improve Safety and Comfort of Vehicles

One final growth opportunity to be recommended for Toyota is to develop cars catered more specifically to the safety conscious. Considering Australia's current ageing population and the increasing amount of woman purchasing cars, Toyota should create products to provide to these underprivileged consumers. This could come in the form of larger buttons for older consumers to see clearly, comfortable seats which can be easily adjusted, or compartments for handbags or similar accessories. Families today rely on cars to take their children to school and leisure activities, therefore Toyotas cars should be safe, spacious and economical. Bio-plastic seating which contains less petroleum are another positive move for Toyota, due to their increased durability and sustainability.

With this diversification of their products, Toyota could continue their growth as competitive business in the car industry.

Appendix F: Strategy Recommendation

We suggest that Toyota initiates change in their company to further develop their competitive advantage. Our recommendation for Toyota is to implement a product development strategy as per the Ansoff Matrix.

As discussed in the internal analysis, the survey we conducted revealed that respondents wanted Aldi to offer a greater range of products. Aldi already offers a range of international food, primarily German, and therefore currently has international customers. We recommend that Aldi introduces a more diverse range of international food products including Asian foods, Greek foods, Italian foods and Mexican foods. By introducing these new types of foods, Aldi will interest more international customers from these cultures and influence them to shop at Aldi.

Aldi need to implement this strategy by starting out small and then expanding to include all of the foods as outlined above. The risk is too great to introduce all of the foods at once. We suggest that Aldi begins with introducing Italian foods.

Initially, Aldi will need to conduct market research to find out which Italian products are already stocked by Aldi and which aren't. They would then need to find out what types of products are preferred by the Italian community and what is already in the market and decipher which of the products are low cost brands. Aldi will not introduce expensive products into their stores and this is why it is so important for them to identify the low cost products in order to maintain their current low cost strategy.

By analysing the results of the market research, Aldi will be able to determine which products to introduce. Following this, we recommend Aldi runs a trial of the selected Italian products in the closest Aldi store to the prominent Italian community, which is in Leichardt. Aldi would then need to observe the purchase behaviour of the customers to see if they are purchasing the Italian products from the Aldi store. If it is successful, we recommend Aldi to continue expanding the Italian product range into other store locations.

As the strategy implementation process approaches completion, Aldi stores will become more accessible for customers, making Aldi a “one stop shop”. Currently, if you are seeking true authentic Italian food, you are likely to drive to Leichardt to purchase the food. However, if Aldi stocked the desired products, this would enable a customer to purchase most of the items on their shopping list without having to go to several different shops.