



**Toyota:
Repositioning The
Brand In Europe (D):
Growing Step-By-
Step**

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Positioning

- occupy distinct position in consumers' minds
- make consumers think of the brand in a desired way
- clarify what is it about, its points of parity and points of difference

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INTERNAL REASONS

key factors of good positioning

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clarity

clear idea and simple message

consistency

consistent message

credibility

believable message

competitiveness

competitive edge and contrast

- initial positioning strategy failed to fulfill the 4Cs
→ reason for repositioning

EXTERNAL REASONS

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- shift in the preferences in the market
- changing consumer needs
- growing market competition
- **sales loss**
- increasing costs
- stagnant product benefits (consumers' expectations are too high)
- declining (saturated) market
- **emerging new technologies**
- changes in the industry
- opportunity to serve an emerging market
- eroding market share

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Source of repositioning

BRAND IDENTITY

- strategic vision of brand aspirations
- value proposition
- business needs

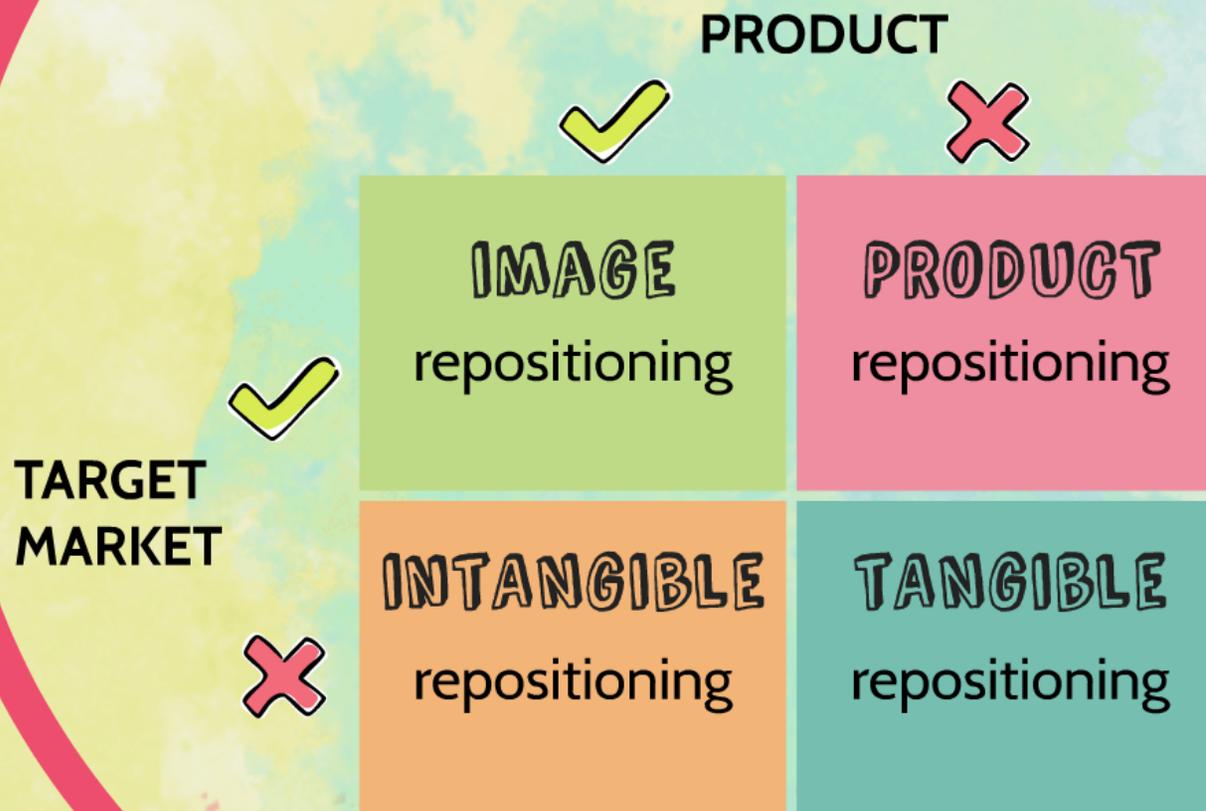


BRAND IMAGE

- customer perception of the brand

media
market
competition

Repositioning strategies



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Repositioning considerations

- define **problems** and identify **causes**
- explore other possible **solutions**
- estimate the **investment** needed
- ensure new identity **recognition**
- weigh **benefits** and potential **risks**

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RadioShack

UNSUCCESSFUL REPOSITIONING

- 1921 - electronics producer opens the first store
- 2009 - attempt to attract tech savvy shoppers as well as to retain their regular customers, by alternating brand identity
- new name - "The Shack", because "Radio" sounded too obsolete
- celebrity endorsement agreement with bicyclist Lance Armstrong
- investment - \$200 million of the 2009 ad budget

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AS A RESULT...

- sales of supporting product lines improved
- Sales of core business products suffered

"We completely pissed them off. We had turned our back and were ignoring them. We had alienated the very consumer that had given us that core credibility in electronics"
RadioShack's Chief Marketing Officer,
Lee Appelbaum

- acknowledgment of the problem - quick move to re-establish connections with the do-it-yourself shoppers