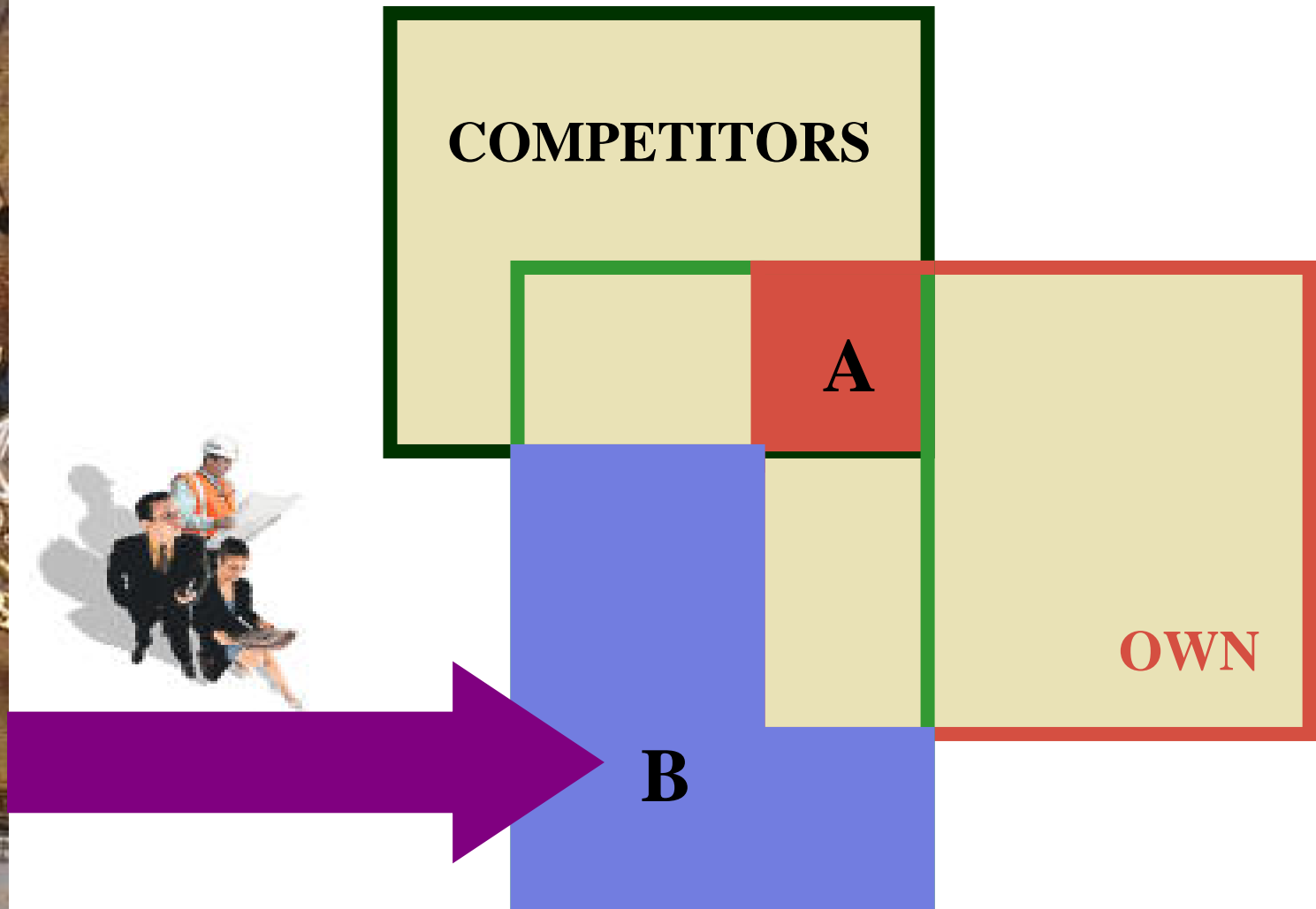


A collection of items is arranged on a light-colored surface. On the left, there is a chessboard with several pieces. Next to it are two medals: one with a red ribbon and a white star, and another with a blue ribbon and a white star. A compass is visible in the bottom left corner. A pair of glasses with thin frames and a thin bridge is positioned in the center. The text 'Creating New Market space' is written in green, serif font on the right side of the image.

# Creating New Market space

Thomas  
Yunchao wang

# Creating new market space



# Creating new market space

- ◆ By looking across substitute industries
- ◆ By looking across strategic groups
- ◆ By looking across the chain of buyers
- ◆ By looking across functional of emotional appeal to buyers.
- ◆ By looking across time





# Looking across substitute industries

- ◆ Substitute industries
- ◆ Avoid direct conflicts
- ◆ A successful case







**The greatest competitor we  
saw was not in the industry**

**It was the pencil**

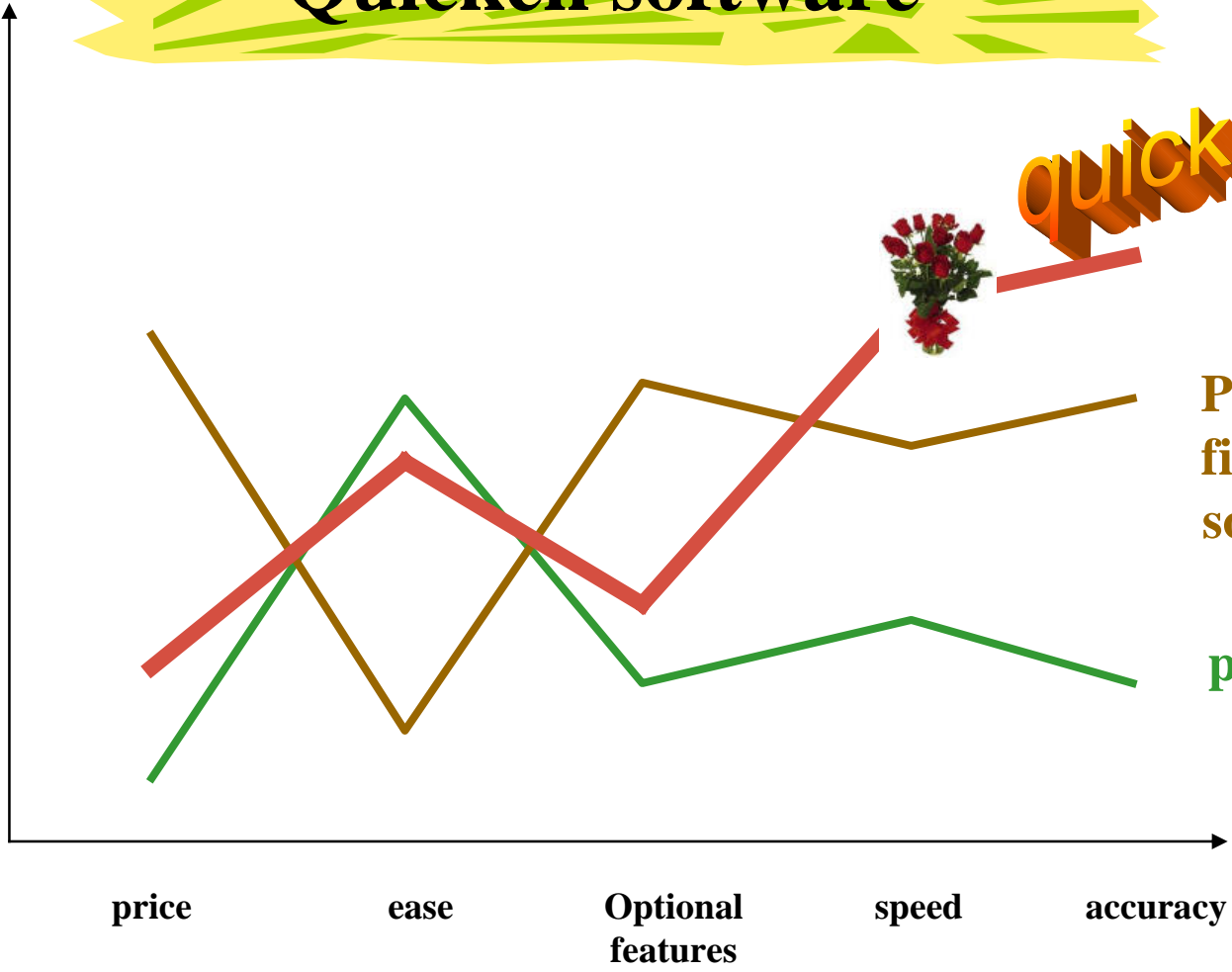


# Quicken software

high

Relative level

low



quicken

Personal financial software

pencil

Key elements of product, service and delivery



# Looking across strategic groups







# Looking across strategic groups

- ◆ **Strategic groups**

**A group of companies within an industry that pursue a similar strategy**

- ◆ **Strategic groups can generally be ranked in a rough hierarchical order built on two dimensions.**

**Price and  
performance**






# Looking across strategic groups

- ◆ **The key to creating new space across existing strategic groups is to understand what factors determine buyers decisions to trade up or down from one group to another.**
- ◆ **Michigan—based champion enterprises succeed to win the market by looking across two strategic groups in the housing industry. Prefabricated housing and on—site developers.**

# Looking across the strategic groups

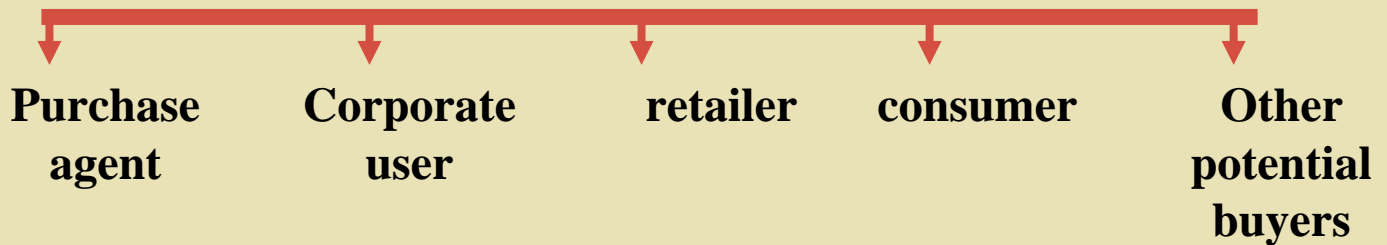
- ◆ Compare of the two groups

	price	speed	flexibility
Prefabricated housing			
Developers on--site			



# Looking across the chain of buyers

- ◆ Chain of buyers  
who are directly or indirectly involved in buying decision
- ◆ .existed and potential costumers



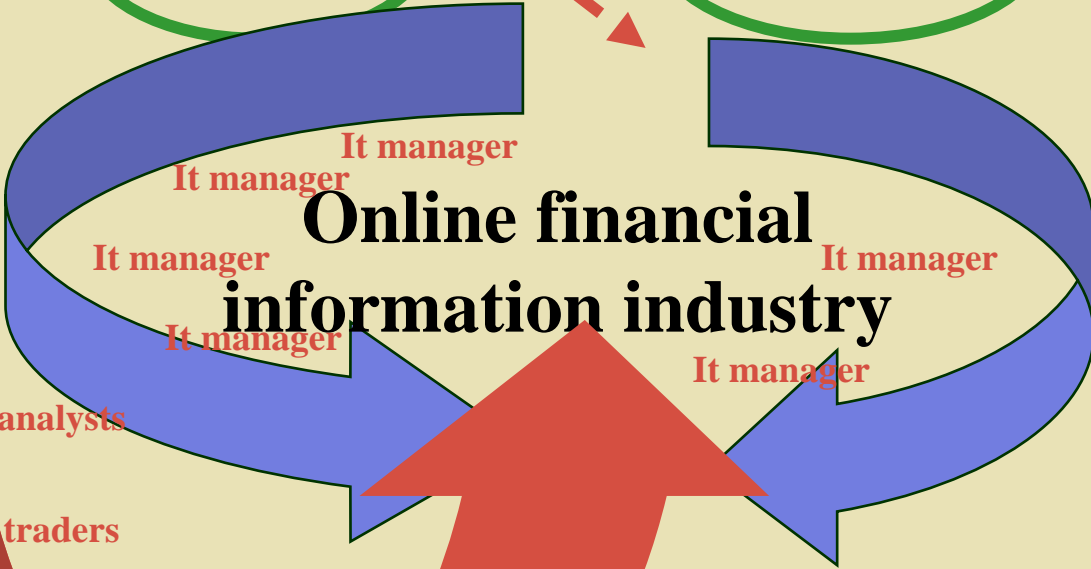


**Bloomburgis**

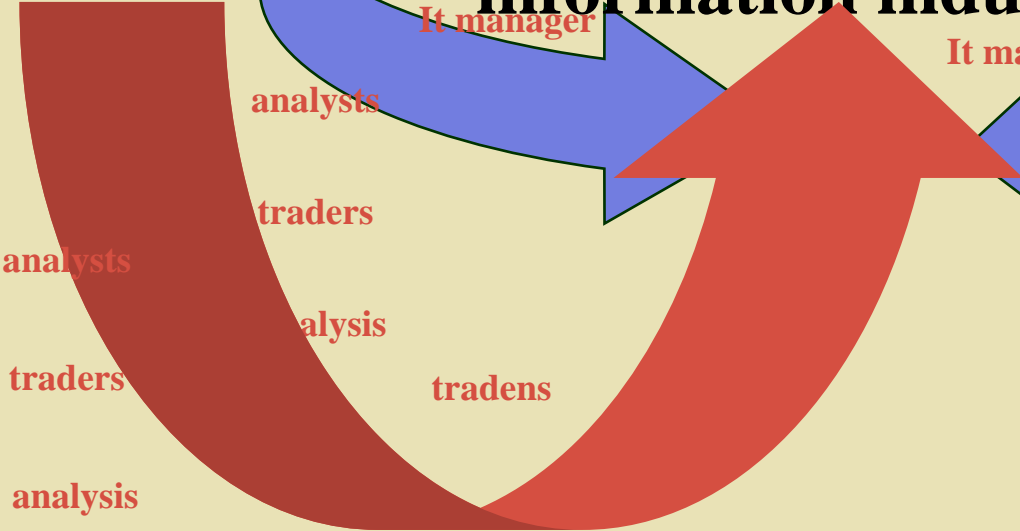


**Reuters**

**Telerate**



**Online financial  
information industry**



analysts  
traders  
analysis  
traders  
analysis

traders



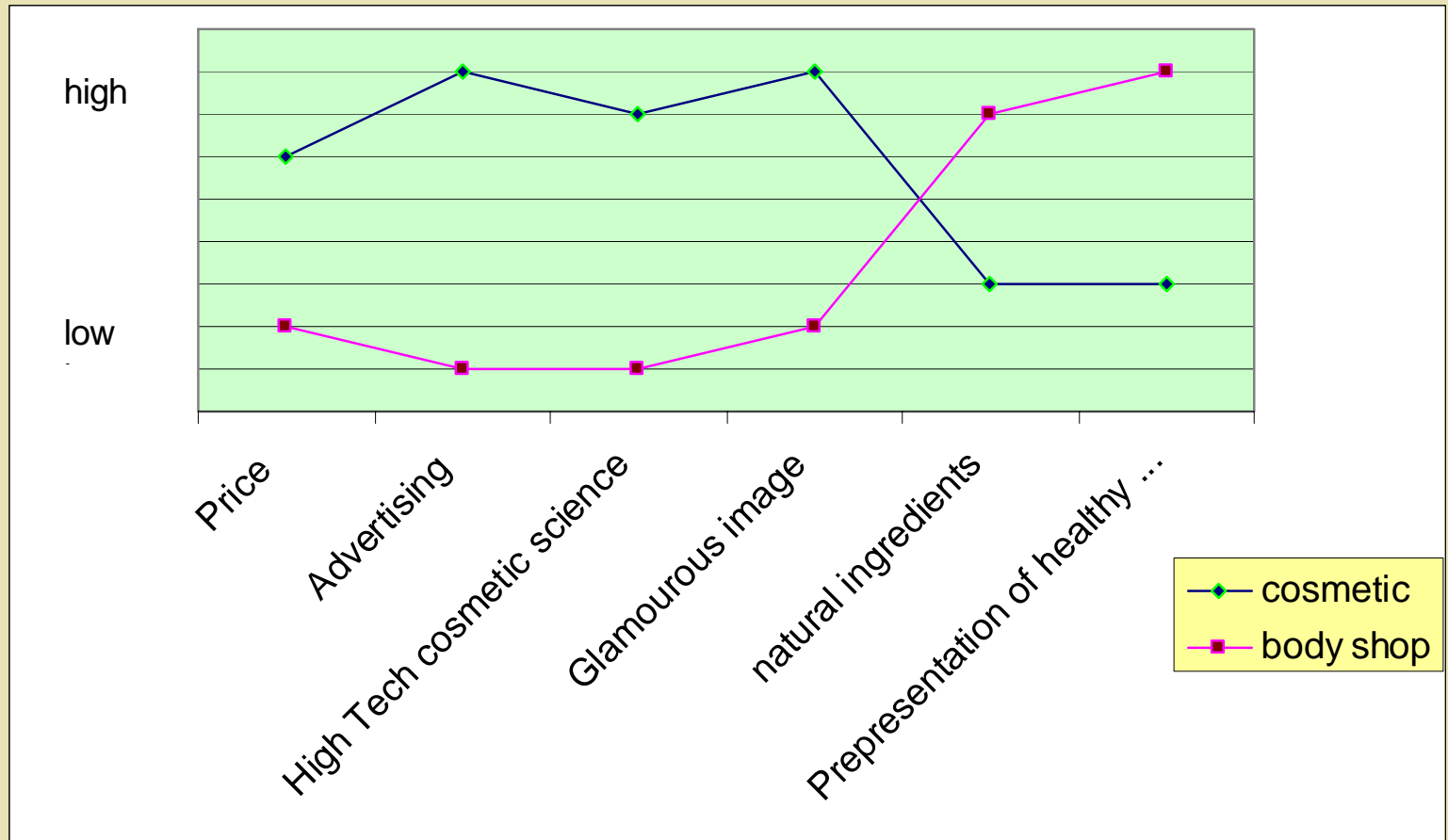
# Creating New Market Spaces II

## Looking Across Functional or Emotional Appeal of the Buyers

- converge between products and services but also appeal
- Industry can infuse commodity products with new life by adding emotion
  - Coffee market 1980 Food Nestlé, Procter&Gamble, US-Coffee Market → Starbucks viewing coffee as emotional experience „**caffeine – induced oasis**“
  - Citizen and Seiko leader watch industry – digital display easier to read
  - Swatch fashion accessoires



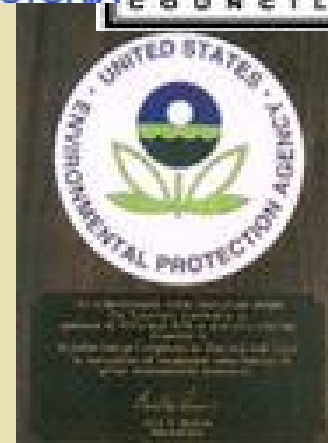
# Body Shop vs. Cosmetic Company



# Looking Across Time

eg. Internet development

Global Movement protection Environment



# Shifting the Focus of Strategy

<b>Competition</b>	<b>Head-to-Head Competition</b>	<b>Creating New Market Space</b>
<b>Industry</b>	focus on rivals in industry	Substitute Industry
Strategic group	Competitive position with in strategic group	Strategic groups with in industries
Product and service offerings	Focuses on maximizing the value of products and services	Complementary products / services
<b>Functional / emotional orientated industry</b>	Improve price performance	Rethink functional / emotional orientation
<b>Time</b>	Focus on actual trends	Participate external trends






## New Strategies

1. establishment in Japan of the Lexus brand (luxury)
2. search for new costumers keep the old ones
3. reinforcement of the identities of Toyota

recent years emphaze “sense of the best”





# Toyota luxury leader marketing campaign

- new, more efficient manufacturing processes
- lower inventory level
- accelerated production schedule allows quicker discovery and correction of quality problems
- embedded improvements in quality through the product design cycle

**becomes leading luxury** and mainstream automotive brand in the world



## 2003 Toyota Avalon XLS Sedan

	Invoice	Target	MSRP
<b>Base Price</b>	\$26,844	\$27,164	\$30,505
<b>Destination</b>	\$485	\$485	\$485
<b>Average Sales Tax</b>	\$1,597	\$1,597	\$1,597
<b>Customer Rebate</b>			
<b>Dealer Advertising</b>	\$200	\$200	\$200
<b>Gas Guzzler Tax</b>	-	-	-
<b>Total</b>	<b>\$29,126</b>	<b>\$29,446</b>	<b>\$32,787</b>

### Engine Specs

<b>Engine type</b>	Gas
<b>Number of Cylinders</b>	6
<b>Number of Valves</b>	4
<b>Fuel Type</b>	Unleaded Regular
<b>Horsepower</b>	210 @ 5800 rpm
<b>Torque</b>	220 @ 4400 rpm

## Highlights

Solara is essentially a 2-dr version of Toyota's Camry sedan and is redesigned for 2004 using the latest Camry platform. It bows as a coupe, with a convertible version due later in calendar '04. Styling is new, and the car gains about two inches in wheelbase and height, one in overall length. Models are SE, new SE Sport, and luxury SLE. Each offers a carryover 157-hp 4-cyl engine and a new 225-hp ...



2004 Toyota Solara





**2004 Toyota Solara interior**



2004 Toyota Solara



2004 Toyota Solara