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Assessment 2: Portfolio: Brand Extension.

**Toyota Autonomous Delivery Solutions - Shaping the
Future of Sustainable Last-Mile Delivery**

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Introduction

Brand extension refers to the corporate activity whereby companies introduce new products, new product variants, or product improvements by leveraging the brand equity of the existing parent brand. Marketing is essential for brand extension. Marketing is not the art of finding clever ways to dispose of what you make (Kotler, 2023). It is the art of creating genuine customer value. The leading global automotive corporation Toyota Motor Corporation maintains a strong dedication to innovation alongside quality standards and sustainable practices. Toyota Motor Corporation initiated its automobile production in 1937 and maintained leadership by delivering vehicles to diverse market segments that include passenger cars, trucks, hybrid vehicles, and electric vehicles (EVs). The Toyota brand remains prominent because of three models including the Corolla, the Camry, and the Prius, which earned a reputation for their durability and fuel-efficient performance. The Toyota Prius, introduced by Toyota, ushered in hybrid technology innovations and confirmed its status as a leading company in the environmental transition of transportation practices. This document investigates the possible brand expansion opportunity for Toyota by developing autonomous delivery solutions products. The new Toyota extension, known as Toyota Autonomous Delivery Solutions, provides electric-powered self-driving delivery vehicles through vehicles such as autonomous vans, robotic pods, and intelligent fleet management services (Cavusgil and Zou, 2020). The designed delivery vehicles present solutions for the expanding demand for efficient sustainable delivery systems which focus on urban areas. The proposed extension evaluates Toyota's brand values against the current innovation of self-driving technology as well as electric vehicles and sustainability to develop advanced delivery solutions. This report analyses how Toyota can use its investigated extension to become the leader in autonomous logistics systems.

Brand Extension

The launch of new brand extensions is an integral part of the business. Brand-extension strategy has several commercial advantages such as reduced promotional expenditure, increased likelihood of gaining retail distribution, reduced consumer risk, and enhanced parent brand equity. Toyota plans to develop its autonomous delivery vehicle segment through the brand extension known as Toyota Autonomous Delivery Solutions. This extension includes self-driving electric vehicles built exclusively for the delivery of end-user products during the last stage. The product portfolio would consist of three distinct autonomous electric products that include delivery vans and small robotic delivery units alongside electric cargo pods (Fink et al., 2021). The vehicles would use Toyota's sophisticated autonomous driving capabilities to bring secure and affordable along with environmentally friendly delivery options for e-commerce companies' retailers and businesses.

The delivery vehicles would use complete electrical power to minimize delivery emissions thus following Toyota's sustainability principles. The extension system would offer intelligent fleet management solutions that enable business customers to monitor their deliveries in real time as well as achieve optimal resource utilization. Toyota's existing research in both hydrogen fuel cells and electric vehicles creates a completely sustainable autonomous solution alongside this proposed extension.

Toyota implements this extension that represents key values of innovation and sustainability as well as efficiency. As an innovator in automotive development, Toyota has led the field in hybrid and electric vehicles since its early years while maintaining a deep dedication to environmental preservation (Peter and Olson, 2020). The new market opportunity enables Toyota to fulfil its mission by providing superior autonomous solutions that combine advanced technology with sustainability.

The autonomous delivery market worldwide will expand significantly through 2025 as the last-mile delivery sector projects revenue volume to reach \$30 billion. The market entry of Toyota would address current industry needs for efficient and environmentally friendly transport systems because e-commerce continues to expand (Peter and Olson, 2020). The expanding market of autonomous delivery attracts Toyota because it allows the company to apply its autonomous driving experience for leadership in this emerging business. The provision of affordable

sustainable delivery systems enables Toyota to procure the next-generation delivery market while solidifying its position as an autonomous logistics industry leader. The extension enables Toyota to expand its revenue base by preserving its core principles of innovation sustainability and performance excellence.

STP for the New Brand Extension: Toyota Autonomous Delivery Solutions

1. Segmentation

Demographic: Toyota Autonomous Delivery Solutions caters to businesses in e-commerce and logistics together with their corporate clients who want effective environmentally friendly affordable delivery solutions. Small to medium-sized enterprises (SMEs) together with large retailers form the primary target segment for this market because they seek to cut operational expenses and improve delivery operations along with building sustainability practices (Singh *et al.*, 2022). Autonomous vehicles in logistics will experience increased demand and self-driving trucks will play a fundamental role together with last-mile delivery as essential components for retail logistics' future.

Geographic: This extension seeks to provide service in developed market urban centers across the United States, Europe, and Asia. The dense e-commerce market together with major traffic congestion within these regions makes autonomous delivery solutions very compelling. Autonomous solutions appear poised to overcome key challenges of urban delivery logistics because they present opportunities to decrease delivery time spans and lower pollution emissions at the same time (Malhotra, Sivakumar and Zhu, 2022). The global last-mile delivery market will generate \$30 billion by 2025 since urban populations seek effective solutions for their densely populated areas (Malhotra, Sivakumar and Zhu, 2022).

Psychographic: The strategic psychographic segment consists of sustainable and efficient businesses which include e-commerce and logistics companies. The companies prioritize innovative solutions because these services help them achieve

sustainability objectives and minimize environmental impact and operational expenses (Li and O'Brien, 2019). The rising concern about environmental health forces businesses to adopt sustainable practices because consumers show growing interest in green alternatives. Research conducted by Nielsen reveals that 66% of worldwide consumers will pay additional costs for sustainable products while businesses seek eco-friendly logistics alignments according to their operations.

Behavioral: The segment from a behavioral standpoint includes e-commerce entities together with 3PLs and retailers that focus on enhancing speed performance while reducing costs to achieve improved customer satisfaction (Varadarajan and Menon, 2019). At present consumers want faster deliveries so these businesses explore autonomous solutions which deliver reliable and cost-effective service. These businesses strive to find relevant sustainable solutions because they face rising pressure from CSR management alongside sustainability commitments. Technologies that boost operation efficiency together with sustainable practices drive corporate technology adoption in today's market space.

2. Targeting

Toyota Autonomous Delivery Solutions aims its primary market at both e-commerce companies along with third-party logistics providers (3PLs) who serve urban areas within developed markets. The segments are the most suitable matches because they possess logistical systems which match perfectly with autonomous delivery operation frameworks. The e-commerce market worldwide shows Statista data indicates it will exceed \$6 trillion during 2024 thus prompting these businesses to seek enhanced delivery solutions. Among all potential Toyota autonomous delivery solution customers Amazon, Walmart, Target Uber Eats and DoorDash lead as major prospects (Aaker and Keller, 2018). The targeted segments within Toyota's strategy will receive distinct choices that the organization creates according to their needs. The designed products focus on serving businesses running at large scale while offering environmentally friendly solutions and seeking cost-effective options. Toyota provides customized fleet management software which allows business organizations to seamlessly add autonomous delivery vehicles to their operations. The solution caters to companies in different segments because of its distinct features which appeal to both substantial e-commerce establishments and lesser retailers needing delivery system optimization.

3. Positioning

Toyota Autonomous Delivery Solutions will be positioned as the premium, sustainable, and technologically advanced delivery solution for the growing e-commerce and logistics sectors. The positioning statement could be:

"Toyota Autonomous Delivery Solutions: Revolutionizing urban logistics with eco-friendly, autonomous technology for faster, smarter, and more sustainable last-mile delivery."

The strategic market position of Toyota Autonomous Delivery Solutions establishes a point of distinction against competitors by demonstrating their advanced equipment technology along with eco-friendliness together with their established history of developing mobility innovations. Toyota can establish itself as an outstanding competitor in autonomous delivery by developing one integrated solution combining autonomous driving with electric power and smart fleet management capabilities (Schuldt, 2021). The existing brands Nuro and Rivian face challenges from Toyota due to its market-leading capabilities in reliable mobility and sustainability along with its worldwide market expansion which enables end-to-end last-mile autonomous delivery solutions. The two companies operate within different spheres as Nuro exclusively makes small autonomous delivery vehicles but Rivian works with Amazon for electric delivery vehicles. The market advantage belongs to Toyota because it combines its autonomous driving technology with brand strength across global markets and its strong commitment to sustainability. Through a marketing strategy that combines high-tech efficiency with environmental sustainability, Toyota aims to establish leadership during the shift to ecological city centers.

Customer Personal Profile

John Williams

Age: 38 years

Gender:
Male

Income: £75,000 per
year

Occupation:
Logistics Manager
at a global e-
commerce company

Education: Master's
degree in Supply
Chain Management

Description: John, 38, is a good candidate for technology solutions since he has career security and operational decision-making power. He works as a man in a technology-dependent logistics industry dominated by men. His £75,000 yearly income allows him to invest in premium delivery technology like autonomous systems that improve operational efficiency and lower expenses. Mr John's role overseeing supply chains and optimizing final delivery services makes him a promising candidate for novel items in this sector. John's Master's degree in Supply Chain Management and knowledge of logistics technology and sustainability meet the goals of adopting novel delivery methods.

Psychographic:

- ☐ Values: Efficiency, sustainability, innovation
- ☐ Attitudes: Open to technological disruption, value-driven
- ☐ Lifestyle: Busy professional, tech-savvy, eco-conscious
- ☐ Buying Behavior: Focused on long-term investment in sustainable technology
- ☐ Aspirations: Improve operational efficiency, lead sustainable initiatives

Description: John prioritizes efficiency and sustainability in business and life. Innovative technologies that improve performance and the environment are welcomed by the firm. John has spent his life as a successful businessman and technology specialist looking for ways to improve his operations. John's purchase selections are affected by his demand for reliable, environmentally responsible technology that delivers enduring company value. As logistics director, John promotes supply chain efficiency and integrates sustainable technology for operational excellence and environmental preservation.

Marketing Mix Strategy: Toyota Autonomous Delivery Solutions

1. Product

Product refers to what company create and deliver to meet the needs of the customers. Many electric autonomous cars will be offered by Toyota Autonomous Delivery Solutions for final delivery. The product range includes autonomous delivery trucks, electric cargo pods, and robotic delivery units. Toyota's autonomous driving technology gives companies safe, efficient, and inexpensive delivery choices with environmentally responsible solutions. The leverage of a strong brand name can substantially reduce the risk of introducing a product in a new market by providing consumers the familiarity of and knowledge about an established brand. Moreover, brand extensions can decrease the costs of gaining distribution and/or increase the efficiency of promotional expenditures. Company fleet management systems may monitor cargo in real-time with Toyota cars connected to their platform (Schuldt, 2021). These vehicles satisfy worldwide green transportation standards by using full electric power to reduce environmental pollution and meet expanding market demands for sustainable logistics. The product line has cutting-edge sensors, AI-based routing, and advanced safety technologies to let autonomous cars navigate metropolitan routes. This product line will be built on reliable and high-quality Toyota engineering standards so companies can trust these delivery vehicles to work safely and effectively.

2. Price

Price refers to business pricing strategy and how customers pay for your products and services. Toyota Autonomous Delivery Solutions will charge premium prices because of its unique, high-quality image. Toyota will price autonomous delivery cars based on performance and long-term economic advantages. Electric cargo pods cost £40,000–£60,000, while autonomous trucks cost £150,000–£250,000 depending on size and technology. Toyota's goods are cheaper due to their superior technology and dependability (Malhotra, Sivakumar and Zhu, 2022). Despite Nuro and Rivian providing delivery options, Toyota's reputation for superior engineering, sustainability, and value provides buyers the confidence to buy these cars owing to their cost-effectiveness and eco-friendliness. Businesses seeking investment returns would like these items since they decrease fuel, maintenance, and driver costs.

3. Promotion

Promotion is about communicating information about your products and services to your target customer segments. It's usually designed to create a response. Toyota Autonomous Delivery Solutions will advertise and create partnerships online. Toyota emphasizes productivity, environmental friendliness, and the economic benefit of autonomous delivery systems in their content marketing. LinkedIn, industry journals, and webinars should be used to contact e-commerce, retail logistics, and third-party logistics company clients. Toyota's partnerships with big corporate customers and automobile dealers will be crucial to product marketing (Aaker and Keller, 2018). Clients may test the technology at Toyota dealerships and industry trade fairs. The system might acquire attention by partnering with Amazon and Walmart to demonstrate its logistics management capabilities.

4. Place

Place refers to where your products and services are made, found, distributed, sold and supported. It can be a physical location, a digital presence, or both. The Toyota Autonomous Delivery Solutions can be purchased either directly from Toyota dealership offices or through their official website. The Toyota website provides complete product exposition together with technical specifications along with fleet purchase decisions for customers. This platform enables business customers to browse different vehicle choices create fleet arrangements and execute orders

successfully (Singh *et al.*, 2022). The fleet management system from Toyota will integrate with authorized dealerships and logistics providers to offer simple distribution pathways to urban areas and commercial hub customers. The autonomous delivery solutions from Toyota become accessible through its global presence mainly in North America Europe and Asia with their rapidly growing demand for sustainable delivery solutions.

5. Process

The brand extension decision is strategically critical to an organization. Though an extension is a way to exploit perhaps the most important asset owned by a business, it also risks decreasing the value of that asset. The approach to acquire Toyota Autonomous Delivery Solutions alongside their deployment operates under straightforward and time-saving procedures. A business will initiate the delivery vehicle selection process followed by customization work that bases itself on fleet dimensions vehicle delivery rates and vehicle requirements. The provided vehicles come with a full user training package that makes customers ready to operate these vehicles and interface them with their current fleet system administration (Cavusgil and Zou, 2020). Businesses can begin using their autonomous vehicles for operations without operational interruptions by using software configuration through the Toyota Mobility App. Toyota's authorized service centers will deliver ongoing support and maintenance services to customers while ensuring their peace of mind.

6. People

Toyota Autonomous Delivery Solutions is supported by sales professionals, fleet managers, and customer support workers. Experts will advise corporate customers on autonomous vehicle installation in their logistics systems and provide customized solutions (Li and O'Brien, 2019). Technical experts and Toyota engineers must work together to deploy cars and maintain system performance. Toyota's customer service and assistance help companies maximize their new autonomous delivery cars' fleet utilization.

7. Physical Evidence

High-quality packaging, user-friendly interfaces, and durable vehicle designs that highlight innovation, durability, and sustainability show Toyota Autonomous Delivery Solutions' basic principles. Toyota's autonomous delivery cars include cutting-edge

sensors and AI algorithms to demonstrate its technology. Toyota will display its fleet cars at dealerships and trade exhibitions to illustrate its systems (Peter and Olson, 2020). Digital product brochures and an online gateway with car specifications, performance statistics, and integration possibilities will be provided. The interactions help Toyota become the leader in autonomous technology and green transportation.

Conclusion

The increasingly competitive environment of today's business world has compelled a large number of firms to target international markets. The Toyota Autonomous Delivery Solutions allows Toyota to access the rapidly expanding autonomous logistics market whose predicted value for 2025 reaches \$30 billion. Through its expertise in autonomous driving, electric vehicles and sustainability Toyota can develop affordable green delivery systems which resolve the toughest elements of urban delivery at the final destination (Kotler, 2023). The segment benefits Toyota because it matches its values of innovative practices combined with operational efficiency and environmental stewardship. Through this extension, Toyota gains additional product ranges while sustaining its top position in sustainable mobility technologies. Businesses will prioritize acquiring self-driving vehicles which meet their sustainability requirements while maintaining operational reliability. The trusted reputation of Toyota will make customers choose these solutions because of extended operational efficiency benefits (Varadarajan and Menon, 2019). Through its deluxe position of autonomous delivery services, Toyota aims to dominate the upcoming market while differentiating itself from rival companies Nuro and Rivian. Toyota's commitment to developing responsible and high-tech solutions allows the company to stay ahead of other innovative logistics providers who serve businesses across the globe.

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