

# What the eyes don't see, the heart doesn't buy: the Premium Motors case

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## Abstract

**Purpose** – This teaching case aims to encourage reflection on the formulation of the strategic repositioning of an automotive dealership.

**Design/methodology/approach** – Built on the teaching case method, it portrays the situation of the Premium Motors automotive dealership in the face of a strategic repositioning. Management and the board discuss ways to minimize the impact of the coronavirus disease 2019 (COVID-19) pandemic on sales figures. The situation presents the possibility of entering a new product segment.

**Findings** – How to make consumers correctly understand the new positioning? The case is structured to enable reflection and teaching of marketing strategies, with each student having the possibility of putting themselves in the role of company managers. The environment and trajectory are also portrayed, broadening the perception of the studied company and providing devices for solving the emerging problems of the case.

**Originality/value** – The case becomes a tool to promote knowledge, from the implementation to the management of strategic repositioning. Thus, the teaching notes offer directions on how professors can use the teaching case with their undergraduate and graduate students in disciplines related to strategy and marketing.

**Keywords** Market positioning, Automotive dealership, Luxury

**Paper type** Case study

## 1. Depressing results

On a Tuesday afternoon in July 2020, salesman Henrique finishes serving a customer in the store's showroom. One of the many interactions in which the customer shows interest is buying a car from a European brand, of which Premium Motors Group is an authorized dealer. On this day, the salesman realized that, by informing customers about the lack of brand-new vehicles for short-term delivery, they contemplated the possibility of buying a semi-new vehicle. The delay in delivering the new vehicle has become an inconvenience and a determining factor for the customer to look for another car at another store.

Henrique, one of the most experienced salesman, decides to talk to Lucas, manager of the Balneário Camboriú division, so that together they can find a way to boost sales and achieve



the proposed goals for the store and employees, since the problem of delivery time is a decisive factor in sales loss. The fact is that customers do not want to wait, and as a solution, they end up buying luxury semi-new cars in stores specialized in this segment.

In addition, with the lockdown brought on by the coronavirus disease 2019 (COVID-19) pandemic, luxury automotive retail in Santa Catarina experienced moments of great insecurity. Specifically, at Premium Motors dealership, a reseller of a European automaker, although sales were not suspended, salespeople needed to serve their potential customers digitally only, as stores were closed.

Faced with this new scenario, the company invested in digital media to compensate for the impossibility of in-store service but with no targeted strategy: there were only brand ads on search engines and social networks focused on the brand segment, i.e. on people with high purchasing power and luxury lifestyle. Practically, the old, offline advertising format was applied to a digital medium.

After a month of closed doors, the store could be reopened. However, car assemblers in general began to suffer from a lack of components to produce new vehicles, both popular and luxury ones. In addition, many factories were closed for longer, like Chinese input industries, causing a lack of semiconductors used as raw materials for the manufacturing of chips, responsible for situations such as starting the car or even activating security systems.

This problem caused a long extension of vehicles delivery time, which could reach six months of waiting. Additionally, the huge increase in these components' prices has put pressure on automakers' costs – duly passed on to consumers.

The increased price of new cars caused by the supply inflation resulting from the inputs shortage, combined to a high exchange rate, has heated the used cars segment. Customers looking for a brand-new car ended up choosing to purchase a semi-new vehicle, with better cost-benefit ratio and prompt delivery.

Luxury models and semi-new cars with low mileage have become the market sensation. This trend was understood as an internal problem for the company, as Premium Motors dealership did not have stock of used luxury cars. The group had used car stores but no luxury semi-new cars.

For years, the company's positioning was as the authorized reseller of an American automaker, a European automaker and of popular used cars. For this reason, the higher-value vehicles exchanged for new ones were mostly passed on to other shopkeepers who made the final sale.

## **2. I see changes, now what?**

Lucas began to hear countless complaints from salespeople. Considering all the problems caused by the pandemic, he took the matter to the board. On the agenda were (1) the refusal of customers to wait months for a new car and (2) the consequent migration to the luxury semi-new cars competition.

As a counterpoint, the directors pointed out the automaker's promise to regularize delivery times, the unavailability of space for other cars and the inflated price of used vehicles – in case of a need to form a product portfolio, the company would have to pay much more than the real value and the investment would be considerable. In addition to these arguments, there was still the need for salespeople to specialize in selling semi-new cars, especially the repositioning of the brand, which had been consistent for years. Anyway, the board promised to analyze the numbers and context and rethink the situation or present another proposal.

At the beginning of each month, a blank worksheet is started. Even more so now, with revenues falling due to the problems detected and having reached only 70% of the target in the previous month. Little has changed as far as results go in the months of 2020. At the monthly meeting, this time, the board brought new proposals, the main of which was to open a new segment: a luxury used car store.

To this end, some requirements were proposed for the acquisition of vehicles in exchange for a zero kilometer: they should come with an approved precautionary report, no history of accident or auction, manufactured in or after 2017 and maximum 50,000 km mileage. Before making the purchase of these vehicles, all would undergo a review at the authorized dealership to try to avoid future problems. Thus, an outline of the new store was created: Premium Select would be a store of selected and high-end used cars.

After several meetings held by company directors, they reached an agreement on the sale of semi-new vehicles: the company sought to streamline processes and enter the segment. Several issues still needed to be resolved, such as the space for the allocation and exhibition of vehicles and qualified and specialized labor for purchase and sale. Under the eyes of the board, the entrance of the group – which was in the market for almost half a century – into the new segment could not be an adventure, and a structure compatible with what the brand represented was necessary.

A few customers were interviewed in a brief and quick survey to align details. There was approval from the company's board of directors to make the project viable, and they started purchasing vehicles to make up the stock of premium semi-new vehicles. The agreed parameters were vehicles priced over 100,000 Reais with low mileage and less than five years of use. Initially, the company bought 14 cars identified and searched for by analyzing advertisements on the Webmotors website and another 14 by exchanging brand-new vehicles. The 28 cars were priced between 100,000 and 390,000 Reais, representing an investment of 5.6m Reais in inventory.

As a parameter for future negotiations, a gross profit of 12% was defined as target in the negotiation of these vehicles. That is to say that, in the turnover of this initial inventory alone, a gross profit of 672,000 Reais should be obtained. Such an amount would cover the entire cost of installing and opening Premium Select and would be considered satisfactory for the start of operations. This was the numerical projection of the entire effort.

Putting the plan into practice, José, one of the directors of the group, calls Lucas – Premium Motors manager and major motivator of the change – to talk. Lucas had even suggested a location for the new store and had already envisioned plans for allocating and hiring salespeople:

Lucas, I went to visit that room you indicated today, I really liked it, very good space, I think we are going to close a deal.

And the conversation continued with the director informing the manager that it would be a three-year lease with a preference for buying the room at the end. José would like to count on Lucas to manage both the used- and the new-cars stores at the same time, since the two spaces were close together and sales at Premium Motors were low now. He added that he believes in the success of Lucas.

Lucas replied:

You can count on me! I believe that if we hire two salespeople, we will be able to allocate two of our salespeople from Premium Motors store who would train the new ones from Select. So, we would have four sellers in each store.

The director also informed about the need for two salespeople experienced in the evaluation of used vehicles, avoiding the hiring of an appraiser dedicated to this function and the concern with the company's image before customers, presenting the best cars, the best guarantee, the best deals, the highest appreciation on their cars and the best service.

We need to be synonymous of luxury and quality semi-new cars, like Premium Motors. We must be the customer's first option in the segment. I believe that in three months we could have the operation up and running, we must hurry. - Completed José.

### 3. Implementing the business

Grupo Premium has been present in the segment of luxury and popular cars and trucks, in the construction segment, in technology and around insurance and consortiums for over 40 years. Founded in the 1970s, it was in 2015 that it became the exclusive representative of a European brand of luxury cars in Santa Catarina, thus creating the Premium Motors dealership.

The company had been achieving significant results since 2015, when it obtained the concession of the European automaker's flag in Santa Catarina, with a store in a rented structure in Florianópolis. Just a year later, they opened their second store in Balneário Camboriú. In 2018, three years after the inauguration, Premium Motors headquarters migrated from the rented store to its own modern store that follows the global standard of the automaker. Finally, in 2020, the construction of the third unit in Blumenau will be carried out.

Within the expected time frame, the inauguration of Premium Select store was held on November 7, 2020 and the communication and customer prospecting work actually began. From the point of view of communication, all strategies and actions were a responsibility of the group's marketing department. The actions to inform the opening and existence of the new store were very similar to those already developed with the new car dealership: 12 billboards were commissioned and placed around the city, with a picture of a car that resembled a luxury car. Manufacturers' brands were not displayed and part of the radio advertisements that the group had were directed to the new store, with the message of a new "semi-new" car store in the city.

In digital marketing, advertisements were placed on social media for three months, publicizing the group's new used-car store's opening in the city. The advertisements were arranged with the same form of communication as billboards, in which photos of a luxury car were used without exposing the vehicle's manufacturer. The call-to-action consisted of an advertisement aimed at a higher-income audience. In addition, traffic was also worked on, within the search engines, so that searches for used and semi-new cars would link the first results to the new store.

Regarding the sales team, everyone used message applications to send customers a standard ad with an image similar to the billboard and the one used on social media, inviting them to visit the store to get to know it, to have some coffee and find out what's new.

Although the actions were linked to the new store, they often went unnoticed by consumers, as the company's logo and concept were the same used by the group, and its content was very similar to that already used by the company in other stores. That somehow generated continuity in communication. In fact, the new store did not even have a separate budget for the operation, using part of what was already done by the group. The desire to maintain the identity and integrated communication for the whole group, in a way, took away part of the positioning appeal of the new store and diverted the attention of current and potential customers.

On the operational front, Manager Lucas was divided between the management of Premium Motors and Premium Select. With fewer salespeople at Premium Motors, those who stayed there were managing to reach individual goals due to the increase in the number of calls each salesperson had to answer.

### 4. The dilemma

A few months passed and the automaker managed to approach vehicle production stability, thus supplying the demand for new vehicles, a fact that ensured the company approached the results recorded before the pandemic. But at the new used car store, the results did not reach the numbers that were expected during planning. Six months after the opening, the stock of parked cars represented almost 8mn Reais, an increase compared to the opening inventory.

The increase traced to more cars being purchased in exchange for zero kilometers and sales flowing at a slower pace, not accompanying inventory. The store that opened with 5.6m Reais of vehicle cost in stock already had 40% more.

Several factors influenced the slowdown in the sale of luxury semi-new cars, one of which being the increase in the Selic rate (Brazil Interest Rate), which cascaded onto the financing interest rate. In addition, the market had the same perception of the company's managers and salespeople and was flooded by the opening of other stores in the segment. Those months of doubts and questions, of hope for the end of the pandemic, still in 2020, were lost and decisive. The company was not fast; on the contrary, it took a while, it was late, losing the market pioneer differential and the possibility of standing out and being remembered as the luxury semi-new car store.

The city of Balneário Camboriú, due to the great purchasing power (per capita yearly income of R\$37,429.00, according to IBGE/2016) and having the most expensive real state square meter in Brazil (FipeZap June/2022), encouraged businessmen from other sectors, such as construction and industry in general, to invest in the segment of used luxury cars as a way of diversifying investments and taking advantage of the existing demand. Balneário Camboriú began to draw attention for this reason, even attracting celebrities and famous people to the region to buy their cars in the city.

Over time, some cars stuck in stock suffered a sudden drop in value, according to the Fipe Table (a table that expresses average prices of vehicles advertised by sellers in the national market, often serving as a parameter for negotiations or evaluations), causing the target margin of 12% on vehicle sales unachievable. At the end of March 2021, the board calls Lucas to talk.

Lucas, about Premium Motors, congratulations on the month, goal achieved, we were one of the leaders in sales in Brazil. Our three stores with the goal achieved. And how do we close the month at Premium Select? - Asked the director.

Unfortunately, we did not reach the target, we have 60% of the target achieved and we have 7.8 million Reais in stock. - Informed the manager.

Director José did not like what he heard and made it clear that they needed to reverse the numbers and review the planning. He asked about what customers thought of the store, the cars, service and negotiation. And why sales did not happen, if the research carried out previously indicated that the opening of the luxury used car store would be a good business alternative?

Lucas replied that he was confident in the potential of the sales team, but external factors such as the high-interest rate as well as the opening of other stores in the segment in the same region, contributed to the low demand for sales at Premium Select. However, the director replied that the interest rate was high for everyone, and if competitors were selling, then there is a problem. José's main concern was about whether the company's communication was reaching customers.

Really, this is a big problem. Some of the customers who came to us were surprised because they thought we were a used car shop with lower prices, that we sold here at the shop only those cars that we took in exchange for cars from our more popular dealerships. - Replied the manager.

Lucas still added that when they got to know the store, customers were surprised to find out which models they had available for sale. He concluded that consumers did not clearly understand the new store proposal; therefore, the positioning was not clear.

Right now, the director commented with Lucas:

We need to review this! We do something and consumers understand otherwise. Our actions, both offline and online, were shallow and I'm going to call a meeting so that we can think of strategies to improve this. I'm going to allocate 5% of our revenue to this, but I need to see the results happen.

Now the board has a dilemma. Together with the new store manager and marketing professionals, they need to develop effective strategies and actions that reposition Premium Select in the minds of current and potential customers.

But what could be done? Which would these strategies and actions be? How to combine offline marketing and digital marketing strategies? The budget is defined, but the charge for return is latent both in terms of knowledge and results. Therefore, what to do to be able to position yourself in the consumer's mind according to the concept defined by the company?

## 5. Teaching notes

### 5.1 Data source

The data for the construction of this teaching case were collected through a primary source, with two semi-structured interviews: (1) with the director and (2) with the group manager. The case is based on a true story. The names of stores and characters were changed, avoiding identification, as requested by the company. Elements were inserted and dialogs were created to contribute to the writing of the case, but there was no change in the description or the events of the real story.

### 5.2 Teaching objectives

The case objective is the reflection and formulation of strategies that guide Premium's market repositioning. The case was structured to allow reflection on the marketing strategies to be used to respond to the dilemma, each student putting himself in the role of the company's managers. The company's environment is also portrayed, as well as the Premium Group's trajectory and the current situation, broadening the perception of the studied company and providing devices for solving the emerging problems of the case.

### 5.3 Teaching plan and timing

The case allows each student to put himself in the place of managers, having to make decisions in face of the dilemma. The case can be applied in undergraduate and graduate courses, in disciplines related to strategy and marketing. In postgraduate courses, it is encouraged to require a previous reading of the case, to use the activity classroom time for discussion. The moderator will be able to apply the sequence of suggested activities (Table 1).

The case was tested at a university in the South region of Brazil, in an undergraduate course in Business Administration. As additional recommendations, the professor will guide the discussion but not control it. It is important that the teacher uses time in the classroom, generally leaving 50% of the time for discussions (Partyka, De Lima, & Lana, 2021), to observe how the teams are developing the study. The main suggestions for resolving the

Activity	Suggested time
Reading of the case (according to the level of the course, which can be requested prior to the meeting)	20 minutes
Presentation of the case (identification and clarity of the dilemma)	20 minutes
Small groups discussion of the strategies for solving the case	30 minutes
<i>Large group discussion</i>	
Introduction (exhibition by the leader of each group)	10 minutes
Analysis (the teacher must align similar alternatives and indicate the best decision)	20 minutes
Closing (forwarding to the most correct decision)	20 minutes

**Table 1.**  
Teaching plan

dilemma were: conducting research with customers to understand their real needs, reducing the desired profit margin, working with consigned stock, even changing the name of the store was suggested, highlighting the premium segment and making the target audience understand the name positioning of the company.

#### 5.4 Assignment questions

- (1) Among the positioning strategies, called specific positioning, which one(s) can be applied to the case of Premium?
- (2) According to the classic definition by [Kotler \(1999\)](#), “positioning is the effort to implant the key benefit and differentiation in the minds of customers.” That is, it is not exactly what the company communicates but the way the customer understands it. Explain what happened at Premium and the ways to implant this concept in the customer’s mind?
- (3) How marketing repositioning can be considered a strategic action? What are the important aspects to be considered when developing a repositioning?
- (4) What is the purpose of the company’s new positioning and what strategies and actions could the company develop to consolidate this repositioning?
- (5) How can digital marketing and its tools help in the company’s repositioning process?

#### Analysis of assignment questions

*Q1.* According to [Kotler \(1999, p. 45\)](#), “positioning is the effort to implant the key benefit and differentiation in the minds of customers.” In the same sense, [Keller \(2003\)](#) defines brand positioning as the creation of brand superiority in the minds of consumers. Positioning helps to effectively combat errors in communication channels and allows brands to occupy a unique, meaningful and clear place in the minds of customers ([Zhechev & Stanimirov, 2018](#)) in relation to competitors ([Park & Chang, 2022](#)). The authors claim that positioning strategies change the pattern in which customers see and perceive a particular brand. The importance of positioning is well established in the marketing literature, especially where the research focus is on product and brand management ([Hooley, Broderick, & Möller, 1998](#); [Hooley, Greenley, Fahy, & Cadogan, 2001](#), [Hooley, Saunders, & Piercy, 2001b](#)).

Positioning involves convincing consumers of your products’ advantages against the competition while alleviating concerns about potential disadvantages. Positioning is not what you do with the product but how it is placed in the potential buyer’s mind ([Ries & Trout, 1999](#)). It means showing your audience why your brand is different from competitors. If your product, service or brand doesn’t offer any differential, there’s no reason to buy. [Dimingo \(1988\)](#) states that there are two sides to positioning: the first, facing the market, involves the process of identifying and selecting a market or a segment having vulnerable competitors as targets and defining a competitive strategy, i.e. determining the criteria for competitive success, knowing what the market wants and needs, identifying strengths and weaknesses of competitors in this market and assessing the abilities to meet the demands of this market more effectively than competitors, and the second side of positioning is aimed at the perceptual side of the consumer and involves the creation of an identity, whether corporate or product, based on positioning factors facing the market, using communication to reach and influence the decision to consumer purchase. In turn, for [Kotler \(2008\)](#), strategic planning is the managerial technique that allows for establishing the direction to be followed by the organization, and it also presents seven positioning strategies called specific positioning:

- (1) Positioning by attribute: The company positions itself with a certain attribute or aspect;
- (2) Positioning by benefit: The product promotes the benefit;
- (3) Positioning by use/application: The product is positioned as best for a specific purpose;
- (4) Positioning by user: The product is positioned in terms of the target group of users;
- (5) Positioning by competitors: The product suggests that it is different from, or better than, the competitor's product;
- (6) Positioning by category: The company can describe itself as the category leader and
- (7) Positioning by price/quality: The product is positioned at a certain price level.

With a successful positioning, the brand differentiates itself from its competitors, meets the needs of its consumer and creates more loyalty and value for the brand (Kalra & Goodstein, 1998; Keller, 2003; Ohnemus, 2009; Leek & Christodoulides, 2011). When positioning is done correctly and achieves its goals, it creates a long-term competitive advantage, bringing superior performance (Hooley, Greenley *et al.*, 2001, Hooley, Saunders *et al.*, 2001) and profits for the company (Suzuki, 2000).

Based on the theoretical context and allocating it to the story, in addition to the characteristics of the company and the market, when seeking to position itself in the minds of consumers, Select could follow three possible paths, within the concepts of specific positioning proposed by Kotler (2008). The first would be following the positioning by attribute, in which it uses the strength of the business group, with several dealerships and many years of history in the market to present itself as a company that offers security in business, guarantees of good business and quality products. An important attribute of a brand is not always perceived in the same way as another brand (Park & Chang, 2022). This highlights the need to be careful with the perception of the brand image by customers.

The company could also choose to rely on user positioning, in which it would present itself as the ideal car shopping destination for a specific group of consumers pre-segmented by better understanding their needs and shopping desires, offering more personalized services and speaking their language, supported, in this specific case, even in aspects of status for being a shopping destination for a specific group in the city, who would go to the store to buy their cars to belong to this social group that is a reference.

The third could be the positioning by competition, in which the company, even with the opening of new competitors in the same segment, places itself in the market as the best option among the stores in the segment, offering the best products and the best added services, guaranteeing quality products and support. This is particularly relevant because used cars are somehow expected to present problems: by providing good support, the company presents itself to the market as a company that safeguards and protects its customers. This could be done in addition to previously checking and selecting cars, minimizing this risk as much as possible.

Q2. For Kotler (2000), positioning can be divided into two stages: market positioning, through which the company establishes its position in the face of the competitive environment, and psychological positioning, through which the form of communication to the market will be defined. Market positioning establishes the desirable position in the market, whereas psychological positioning defines the way of communicating this position to the market: it is the development of an identity between the services offered by the company and the needs of the consumer.

Mind share is the space that a given brand occupies in the consumer's mind (Madden, 1991). In this way, mind share is responsible for ranking the brands of a certain category in

the consumer's mind and helping him in the purchase decision process. According to [Aaker \(2007\)](#), brand awareness is the presence of the brand in the minds of consumers. "If the consumer's mind is full of mental posters, each one illustrating an isolated brand, the awareness of a specific brand will be mirrored in the size of the poster that represents it" ([Aaker, 2007](#), p. 19). For the author, awareness can be measured according to the various ways in which consumers remember a brand, ranging from brand recognition to top of mind, which is the first brand remembered by the consumer in each category.

Studies confirm that high brand awareness has a positive effect on purchase intention ([Keller, 1993](#); [Wu & Ho, 2014](#); [Akkucuk & Esmaceli, 2016](#)) but with the emergence and strengthening of new brands, the fact that consumers just know a certain brand does not indicate that they will have a positive perception of it – although this may be the first step to generate positive attitudes and behaviors toward the brand ([Su, 2016](#)). Just being aware of the brand does not define that the consumer has a purchase intention, but this awareness allows the consumer to have other positive relationships with the brand, such as loyalty and perceived quality ([Pappu & Quester, 2016](#); [Foroudi et al., 2018](#)), which can generate purchase intent.

In Premium Select case, customers did not absorb the information about the positioning practiced by the company, hence the surprise of many customers when observing that the company had imported vehicles of great value in its stock. This occurred due to the long period in which the company bet on another segment of vehicles with lower value. To promote the change, the company needs better communication, working on an integrated way offline and online and with the sales force, highlighting the company's strengths: belonging to a respected group, being concerned with the quality of the products sold and full and easily accessible support. In this sense, a more targeted investment focused on specific content, combined with the strength of the group's brand, highlights the functional, social, economic and even sentimental aspects involved in buying a car, in this case, a luxury semi-new car.

The combination of strong social media work (mainly through Instagram and Facebook tools with the advertising appeal and TikTok and YouTube as platforms for presenting informative and explanatory videos) is required for generating desire and consumer awareness, stimulating traffic management and presenting itself as the best option (in terms of the attributes already mentioned). It is also possible to combine them with the brand presence and knowledge that can be provided by traditional offline media, aiming for brand recall. Finally, add the good work of the sales force through personal contact, working the relationship with customers in a way to present themselves, create shopping desires, educate and sell through messaging applications but with a humanized and personalized aspect through conversational marketing. It is important to emphasize that all these actions need to be coordinated and integrated with a clear objective, always highlighting and emphasizing the position the company wants to occupy in the minds of the client and potential consumer.

Q3. Repositioning is not only linked to the permanence of a product in the market but also to its return ([Rosa, 2004](#)). Repositioning happens in the need to change positioning when it is obsolete, which can be due to time, change in customer behavior, stagnation of brand growth or loss of market ([Aaker, 1998](#)). A repositioning action is derived from the loss of value of the current position or oriented toward taking advantage of a given market opportunity or decided by the recognition of the marketing ineffectiveness of the current brand positioning ([Bortolan & Telles, 2003](#)). Based on this concept, the authors classify three strategies for brand repositioning: reactive repositioning, propositional repositioning and corrective repositioning. According to the authors, reactive repositioning arises from changes in the client's behavior, propositional repositioning arises from the desire to use a new positioning to generate new gains and corrective repositioning arises when the previously chosen positioning does not achieve the expected results.

On the other hand, the positioning strategy may become inefficient and outdated, which requires repositioning strategies. However, brands can also be repositioned to take

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advantage of new niches or to compete in other segments and markets (Aaker, 1998). Repositioning must be a constant concern of the company due to market volatility and the wear and tear that a brand suffers, no matter how promoted it is (Richers, 2000). Furrier (2008) considers that a brand should not be seen as a definitive construction but as a constant effort to rebuild value for the company and its customers.

Within the theoretical context discussed, the company needs to use corrective repositioning, seeking, now, to create an understanding of what the brand is about and which products and their benefits are marketed. This is a challenge since certain consumers have already formed a mistaken understanding of Select, but at the same time, such work can be facilitated since, in a way, the message did not reach many consumers who were unaware of the brand and the store. What was bad news in a way was that it configured as a facilitating aspect for the repositioning work. It is now up to the company to integrate communication through a clear plan with defined objectives and offline and online content strategies aimed at positioning itself as a store with used luxury cars, valuing attributes such as origin, quality, exclusivity, convenience, prompt delivery, guarantee, security in support and highlighting emotional elements such as fulfilling dreams and self-worth, in addition to social aspects of status and belonging to groups. It is necessary to make these messages and appeals reach the consumer, hence the use of digital channels and traditional media.

Q4. The company's proposal is to position itself in an exclusive niche, work with a new range of products and strengthen the premium store's image. Besides exclusive vehicles in stock, the communication channel is paramount to bring this information to consumers so that customers perceive this new positioning. Products and services need a striking and strong difference that meets the criteria of importance, prominence, superiority, uniqueness, accessibility and profitability. Kotler and Keller (2006) point out that additional products and services are usually the most common strategies to differentiate an offer from its competitors. However, other differentiation alternatives are possible, such as employees, channel and image. Thus, the organization uses differentiation to project the positioning it intends in the market, while consumers perceive the positioning mainly due to the main differences in the brand's offer (Gouvêa & Niño, 2010).

Identifying target niches and evaluating this segment of customers according to their attractiveness and identifying the company's competitive skills lead to a differentiated offer of a product or a brand to its target audience that distinguishes itself from competitors (Gouvêa & Niño, 2010). It is also noteworthy that, to achieve the strategic positioning objectives, the company needs to seek total consistency between the positioning it intends and that perceived by the target audience (Oliveira & Campomar, 2007).

Strategies need to be focused on aspects of the marketing mix, still focusing on relationships and brand strengthening. Within the mix of products, the part refers to the quality of used cars sold, with aspects of care, origin, and integrity. Consumers need to understand that the company is concerned with these aspects, with the principle of selling semi-new vehicles that follow a strict quality standard.

It is also known that a greater quantity and diversity of the portfolio of a group brand end up reflecting on the sales performance of the flagship brand (Kirca, Randhawa, Talay, & Akdeniz, 2020). A diversity of car brands and styles, such as sedans, sport utility vehicles (SUVs), hatchbacks, pick-ups and sports cars, need to be in the product portfolio to generate choice and bring consumers who do not want to limit themselves to the unique models of a vehicle brand in particular, and have at their disposal different models of cars from different countries and styles. Overall, the availability of several brands in the portfolio contributes to better sales performance (Kirca *et al.*, 2020).

Regarding prices, aspects related to negotiation need to be facilitated, with financing facilities, cash discounts, and exchange cars in a more dynamic way, with negotiation and decision-making in real-time.

The store itself, as the point-of-sale, needs to deeply explore the showcase and display of the cars, in addition to working on aspects of customer comfort, personalized service and providing a pleasant shopping experience that surprises and inserts it into a different universe of refinement and exclusivity: using the automotive appeals of design and performance, speaking to the senses with fine and thematic decoration, using touch and experiencing, sitting in the car and turning it on, to hear the engine noise and the famous “new car scent.” The focus is on transforming the visit to the store into a remarkable experience, which gives the customer the feeling of being special and belonging to a select group of people who demonstrate this through the car they buy. This will help the consumer change the store’s initial idea of being just a popular used car dealership.

Regarding communication, the company needs to have its own budget for its communication and be able to explore the channels that are most viable for it once the customer segments and niches to be worked on are defined. For this, and given the characteristics of the public, it would be feasible to strongly explore the digital channels through search engines, striving to present itself in the first access options when consumers search for cars, used cars, sports cars, luxury cars, etc., showcasing itself as the main and best option in the region. In addition, social media is used to reach and awaken desires, either by attributes or by emotional or social aspects, status and belonging to instigate the consumer to search for the company and at least generate leads interested in the products or concepts offered. Blogs and YouTube would also be interesting, in the sense of creating channels with tips on cars, important points in choosing, attributes and technologies that draw attention, to inform and educate customers. The presence of the brand and its vehicles on car advertisement sites is also a good communication and brand awareness strategy, always looking at the aspects of superior products in terms of quality, even if they are semi-new, reflected in the images and presentation material. Regarding offline media, use traditional image channels, such as billboards, and audio, such as radio, maintaining the concept of content and visuals used in digital. Also, in face-to-face sales, the refinement of salespeople and the use of relationship marketing create a channel of customer–seller trust, in which the group’s customers are always informed about the store’s products and news. This whole set of integrated situations can be worked on as strategies for the brand’s new positioning, which, if well communicated, will be able to occupy an interesting and coherent space with the proposal in the consumer’s mind.

Q5. Digital marketing is defined as the use of digital technologies integrated with traditional marketing strategies to achieve the objectives intended by marketing managers (Alwan & Alshurideh, 2022), which includes all efforts that use electronic devices and the Internet (Desai, 2019). Thus, digital marketing has become a form of marketing that uses the internet, computer communication technology and digital media to achieve its objectives (Wu, 2022).

Muhammedrisaevna, Bakhridinova and Rasulovna (2021) consider the main objectives of digital marketing are the promotion and positioning of the brand and the growth of sales through various techniques applied by the discipline. Nowadays, one of the most effective elements in communication between company and customer is communication through digital means, so companies have concentrated their efforts on digital communications with their customers (Muhammedrisaevna *et al.*, 2021).

In the digital economy, digital technology platforms provide channels for brands to establish direct connections with users and brands and users begin to bond. That is, personal capabilities, integration and user experience participate in the brand-building process and play a decisive role (Li, Shi, Wang, & Xia, 2023). Digital marketing methods are content marketing, influencer marketing, campaign marketing, data-driven marketing, E-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, graphic advertising, eBooks and digital games (Desai, 2019).

Therefore, it is suggested to employ social media marketing where this practice will promote repositioning content on social media channels to increase the brand recognition

target for the company. Channels that can be used in social media marketing include Facebook, Twitter, LinkedIn, Instagram, Snapchat, Pinterest and Google+ (Desai, 2019). Digital communication becomes fundamental for the repositioning of the brand so that it can stand out among its competitors. To achieve this goal, careful planning is required so that the repositioning of the brand meets the demands of its target audience.

Furthermore, in addition to the digital medium, we must consider the offline communication channels, as the integration between the different channels is greater and each channel becomes a communication contact point between the consumer and the brand (Gerea, Gonzalez-Lopez, & Herskovic, 2021). From the presented integrated communication concept, it is suggested to launch a brand repositioning communication campaign equally for online and offline channels adapted for each platform.

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