**Activity / COMPETITIVE ADVANTAGE**

**TOYOTA GREEN TECHNOLOGY**

Toyota has invested in hybrid vehicles\* and is now a leader in the automotive industry. Toyota possesses a competitive advantage through the value of its green image.

*\*A hybrid vehicle is a vehicle that combines two or more power sources to move the vehicle: electric and petrol for example*

Toyota: How the Hybrid Race Went to the Swift

“Toyota not only has higher profits than any other automaker but also enjoys the best reputation for producing clean-running, fuel-efficient vehicles. Its gas-electric hybrid Prius is a public relations juggernaut… As Toyota prepares to motor past Ford as the world’s second largest carmaker, it has become a textbook case on how a green reputation delivers a competitive edge…”

COMPETITIVE ADVANTAGE

A competitive advantage exists when a company has a product or a service that is perceived better than that of its competitors.

The firm needs to know the market and understand who his competitors are before developing a competitive advantage.

A competitive advantage does not last very long however some companies are engaged in a never ending search to find ways to beat their competitors

To make sure it stays ahead of its competitors, the firm will innovate, improve quality and try to

maintain its costs

Answer the questions

1) Introduce the organization and the products mentioned in the article.

2) To succeed in the automotive industry what did the company invest in?

3) Explain the role of technology in competitive advantages.

4) Using what you know and the examples below, identify the different sources of competitive advantage.

5) Explain what a competitive advantage is.