

The cost leadership strategy is achieved by toyota marketing essay



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Toyota drive its cost lower through investments in efficient scale facilities, tight cost and overhead control, and cost minimization in such areas as service, sales force, and research and development. Effective implementation of this cost reduction strategy allows Ford to earn above-average returns despite the presence of strong competitive forces and economic meltdown prevailing all over the globe.

Competitive analysis for Toyota requires supervising, assessing and propagating information from the exterior and interior atmosphere through admiration for the beginning of new project. Its aim is to recognize the significant factors that will resolve the achievement of the new project. A trendy way to perform such an examination is to initiate with environmental scanning using a SWOT analysis. SWOT is an ellipsis used to explain exact strengths, weaknesses, opportunities, and threats. The outside atmospheres of the organizations have both openings and intimidating exists and even the top management is not fully capable to remove them at once.

The present global meltdown which engulfed the whole globe in 2008 and 2009 has still not completely passed away yet, according to Managing director IMF and some other economic pundits, the world has turned the corner and the worst is left behind.

As discussed in the 2009 Annual report of Toyota Corporation the biggest threat for Toyota Corporation and other automobile companies is the worst economic conditions of the world. This has affected not only the sales and profits of Toyota corporation but also automobile giants like Ford and General Motors.

Toyota has also involved in a recent quality scandal also when most of their customers criticize the poor quality of their new cars brakes and accelerating systems. Although Toyota has apologized from their customers but this quality control issue but this a severe blow to their already falling sales and profit.

The rivalry of other competitors is also a big threat for Toyota Corporation. Other Big automobile companies, who were also suffering from the economic and market conditions, try their level best to formulate an strategy that will help them to save their face in such a turbulent time.

Opportunities for Toyota

Toyota has primarily target the youth. Although the market is very competitive but Toyota has launched some right products to attract this market. Toyota's vehicles like Toyota Aygo has all the features that can attract the urban youths.

Present ear is the time when every new technology and product poses a new challenge for the environment of the world. At this critical juncture, such new products are welcomed by the customers which are not a threat for the environment. Toyota's Lexus and other vehicles are considered as environment friendly vehicles which is one of the major factors of their popularity.

How Toyota cope with the threats

In conditions of any crisis that encircles any organization, a special public relations department known as the crisis management is present that <https://assignbuster.com/the-cost-leadership-strategy-is-achieved-by-toyota-marketing-essay/>

handles the entire situation focusing all its efforts and objectives on the acquisition of a single outcome which is to pull the organization out from the prevalent crisis.

In order to develop an effectual strategy for handling the crisis management a three point agenda is normally, first which involves the termination of the crisis and the second and third are concerned with the reinstatement and restoration of the reputation and the credibility that the organization possess in the international market and among its consumers.

The best option in such difficult time is to ensure that the company cuts its myriad and miscellaneous expenses in order to provide all its major shareholders sufficient relief and also facilitate the process of catalyzing credibility restoration within the consumer eye. Furthermore the company in order to acquire greater trust must divert its capital and resources towards the manufacturing of vehicles that are fuel efficient and allocate prices of these vehicles such that they are easily within the economic affordability range of the consumer.

Prominent instruments that the company can use for making use of the management being performed by the crisis management team are the media vehicles and non-government organizations that the company regularly funds and provides financial assistance in multitude forms. Moreover it is also the responsibility of the organization to make use of consumer reminder regarding the profits that their shareholders have earned from the profits registered by the company and use them as a means of improving its own image and simultaneously convince the public that the

company is constantly making signs of rejuvenating from the meltdown and has triumphed substantially in doing so