

Business and market overview for mitsubishi



**ASSIGN
BUSTER**

Mitsubishi was established in 1917 when they first released the Mitsubishi model A which was the Japan's first-series production automobile. In 1970 the Mitsubishi Motor Company (MMC) was formed. In 1974, the company started its distribution to UK. In 1990, the company introduced the world's first Traction Control System (TCS) and later Super Select 4WD and Multi-mode ABS in 1991 and INVECS in 1992. In 2000, MMC and DaimlerChrysler (DC) decided to become successful business partners. The company also introduced its famous 4x4 model which is popularly known as Pajero which has been seven times the winner of Dakar rally. Recently the company launched its new MIVEC engines which are eco friendly & fuel economical engines.

Mitsubishi Motors was formed as a wholly owned subsidiary of Mitsubishi Heavy Industries (MHI) in 1970. MHI was chopped into three regional sections with the names East Japan Heavy Industries, Central Japan Heavy Industries, and West Japan Heavy Industries. Eventually the forbidden name began to reappear, and in 1964 MHI was reintegrated out of its three fragments. By 1967, MHI's Motor Vehicle Division was producing about 75,000 cars a year. That division was spun off as an independent company in 1970, creating Mitsubishi Motors Corporation. Tomio Kubo, a successful engineer from MHI's aircraft operation, was placed in charge of the new company.

Marketing Environment

Mitsubishi Motors was founded in 1970 and is headquartered in Tokyo, Japan. It is Japan's fourth largest car company, and manufactures and markets

passenger cars and light commercial trucks. The company sells its products in North America, Europe, and Asia. Its line of passenger cars includes the Diamante sedan, the Galant sedan, several mini-cars for the Japanese market.

PEST ANALYSIS

a)POLITICAL: Tthe government proposed towards the limiting the number of cars in Japan , which would gradually effect the sales of mitsubishi beause they would not have had manufactured at the same level as they did before . The Japan government was interested in attracting the foreign firms so that they could invest in Japan .

b)ECONOMIC :- Investing in country like Japan, and selling in Japan will not add the cost of extra tariff to their vehicles . Mitsubishi's petrol cost would have had to accommodate just for the market by bringing much more economical cars in the market .

c)SOCIAL :- The main USP of Mitsubishi cars is that it can easily be modified in performance wise and in a stylistically manner which hence increases the desirability wihtin ourselves .

d)TECHNOLOGICAL :-Due to legal and consumer pressure safety requirements are required . Satellite navigation has to be included in clever cars in order to catch up with other new models . MIVEC is environmental friendly which provides clean emissions ans fuel economy .

THE COMPETITION

Main Competitors

Honda Motor Company Limited, Nissan Motor Co, Ltd. Toyota Motor Corporation, Ford Motor Company, General Motors Corporation, DaimlerChrysler AG.

Sales & profit trend

Tokyo-based Mitsubishi sold 257, 000 vehicles during the quarter, up 21 percent from the previous year. Sales improved in Japan, with demand healthy for the Colt compact and Outlander sport utility vehicle. Sales were also strong in the rest of Asia, including China and Thailand. Mitsubishi stuck to its forecast for a net profit of 15 billion yen (\$172 million) for the fiscal year through March 2011. Mitsubishi Motors added 1. 8 percent to 116 yen in Tokyo trading.

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Sales – July 2010

JULY 2010

JULY 2009

% Chg.

YTD 2010

YTD 2009

% Chg.

HONDA

11, 615

12, 984

-10. 5

77, 886

82, 827

-6. 0

Car

6, 812

8, 519

-20. 0

47, 619

56, 625

-15. 9

Truck

4, 803

4, 465

7. 6

30, 267

26, 202

15. 5

TOYOTA

14, 882

19, 232

-22. 6

108, 154

116, 674

-7. 3

Car

7, 792

12, 414

-37. 2

61, 238

73, 652

-16. 9

Truck

7, 090

6, 818

4. 0

46, 916

43, 022

9. 1

MAZDA

7, 268

6, 491

12. 0

48, 127

45, 282

6. 3

Car

6, 082

5, 484

10. 9

40, 034

38, 637

3. 6

Truck

1, 186

1, 007

17. 8

8, 093

6, 645

21. 8

NISSAN

8, 318

7, 534

10. 4

49, 834

47, 001

6. 0

Car

5, 532

5, 168

7. 0

34, 759

33, 264

4. 5

Truck

2, 786

2, 366

17. 8

15, 075

13, 737

9. 7

SUZUKI

935

1, 158

-19. 3

5, 277

6, 881

-23. 3

Car

604

705

-14. 3

3, 640

4, 369

-16. 7

Truck

331

453

-26. 9

1, 637

2, 512

-34. 8

SUBARU

2, 336

1, 824

28. 1

15, 684

11, 904

31. 8

Car

987

931

6. 0

6, 610

6, 613

-0. 0

Truck

1, 349

893

51. 1

9, 074

5, 291

71. 5

MITSUBISHI

1, 672

1, 901

-12. 0

11, 511

11, 956

-3. 7

Car

1, 016

1, 016

0. 0

6, 595

6, 687

-1. 4

Truck

656

885

-25. 9

4, 916

5, 269

-6. 7

TOTAL

47, 026

51, 124

-8. 0

316, 473

322, 525

-1. 9

Car**28, 825****34, 237****-15. 8****200, 495****219, 847****-8. 8****Truck****18, 201****16, 887****7. 8****115, 978****102, 678****13. 0****Sales – August 2010****AUG. 2010****AUG. 2009****% Chg.****YTD 2010****YTD 2009****% Chg.****HONDA**

12, 914

12, 218

5. 7

90, 800

95, 045

-4. 5

Car

7, 464

8, 321

-10. 3

55, 083

64, 946

-15. 2

Truck

5, 450

3, 897

39. 9

35, 717

30, 099

18. 7

TOYOTA

12, 862

18, 239

-29. 5

121, 016

134, 913

-10. 3

Car

6, 403

11, 050

-42. 1

67, 641

84, 702

-20. 1

Truck

6, 459

7, 189

-10. 2

53, 375

50, 211

6. 3

MAZDA

7, 486

6, 880

8. 8

55, 613

52, 162

6. 6

Car

6, 425

5, 978

7. 5

46, 459

44, 615

4. 1

Truck

1, 061

902

17. 6

9, 154

7, 547

21. 3

NISSAN

6, 882

7, 675

-10. 3

56, 716

54, 676

3. 7

Car

4, 017

5, 219

-23. 0

38, 776

38, 483

0. 8

Truck

2, 865

2, 456

16. 7

17, 940

16, 193

10. 8

SUZUKI

1, 004

1, 315

-23. 7

6, 281

8, 196

-23. 4

Car

614

1, 007

-39. 0

4, 254

5, 376

-20. 9

Truck

390

308

26. 6

2, 027

2, 820

-28. 1

SUBARU

2, 328

1, 940

20. 0

18, 012

13, 844

30. 1

Car

1, 069

879

21. 6

7, 679

7, 492

2. 5

Truck

1, 259

1, 061

18. 7

10, 333

6, 352

62. 7

mitsubishi

1, 282

1, 860

-31. 1

12, 793

13, 816

-7. 4

Car

657

993

-33. 8

7, 252

7, 680

-5. 6

Truck

625

867

-27. 9

5, 541

6, 136

-9. 7

TOTAL

44, 758

50, 127

-10. 7

361, 231

372, 652

-3. 1

Car**26, 649****33, 447****-20. 3****227, 144****253, 294****-10. 3****Truck****18, 109****16, 680****8. 6****134, 087****119, 358****12. 3****Sales – September 2010****SEPT. 2010****SEPT. 2009****% Chg.****YTD 2010****YTD 2009****% Chg.****HONDA**

13, 662

12, 399

10. 2

104, 462

107, 444

-2. 8

Car

7, 933

9, 847

-19. 4

63, 016

74, 793

-15. 7

Truck

5, 729

2, 552

124. 5

41, 446

32, 651

26. 9

TOYOTA

14, 563

17, 569

-17. 1

135, 579

152, 482

-11. 1

Car

7, 234

11, 046

-34. 5

74, 875

95, 748

-21. 8

Truck

7, 329

6, 523

12. 4

60, 704

56, 734

7. 0

MAZDA

6, 881

6, 520

5. 5

62, 494

58, 682

6. 5

Car

5, 752

5, 513

4. 3

52, 211

50, 128

4. 2

Truck

1, 129

1, 007

12. 1

10, 283

8, 554

20. 2

NISSAN

8, 548

7, 233

18. 2

65, 264

61, 909

5. 4

Car

5, 710

5, 428

5. 2

44, 486

43, 911

1. 3

Truck

2, 838

1, 805

57. 2

20, 778

17, 998

15. 4

SUZUKI

852

1, 351

-36. 9

7, 133

9, 547

-25. 3

Car

561

917

-38. 8

4, 815

6, 293

-23. 5

Truck

291

434

-32. 9

2, 318

3, 254

-28. 8

SUBARU

2, 447

2, 544

-3. 8

20, 459

16, 388

24. 8

Car

1, 197

1, 242

-3. 6

8, 876

8, 734

1. 6

Truck

1, 250

1, 302

-4. 0

11, 583

7, 654

51. 3

MITSUBISHI

1, 373

1, 735

-20. 9

14, 166

15, 551

-8. 9

Car

824

860

-4. 2

8, 076

8, 540

-5. 4

Truck

549

875

-37. 3

6, 090

7, 011

-13. 1

TOTAL

48, 326

49, 351

-2. 1

409, 557

422, 003

-2. 9

Car**29, 211****34, 853****-16. 2****256, 355****288, 147****-11. 0****Truck****19, 115****14, 498****31. 8****153, 202****133, 856****14. 5****Target Markets**

Japan

MMC(Mitsubishi Motor Corporation) will improve the profitability of new vehicles by marketing products distinctive to Mitsubishi Motors, implementing measures to strengthen sales capabilities across the country.

North America

Mitsubishi Motors will further strengthen trust between the company and its dealers and make concerted efforts with dealers in providing service to

customers, as well as working to improve the brand image in the mid to long term.

Europe (Western and Central Europe)

In the mature Western European market, Mitsubishi Motors will address environmental awareness and tightening regulation of CO2 emissions by promoting environmental technologies and compact vehicles.

THE COMPANY

Sales and profit trend

August

2010

Fiscal Year 2009

(10/04 – 10/08)

Calendar Year 2010

(10/01-10/08)

Volume

YoY(%)

Volume

YoY(%)

Volume

Domestic

Production

Passenger Cars

42, 952

161. 8

219, 037

185. 2

366, 214

Commercial Vehicles

7, 086

112. 9

33, 152

107. 4

53, 864

Total

50, 038

152. 4

252, 189

169. 1

420, 078

Domestic

Sales *

Passenger

Cars

Registrations

6, 524

151. 0

27, 340

139. 3

50, 084

Minicars

5, 507

110. 8

25, 176

115. 1

46, 990

Total

12, 031

129. 5

52, 516

126. 6

97, 074

Commercial

Vehicles

Registrations

121

60. 8

1, 013

81. 1

1, 783

Minicars

3, 323

128. 2

16, 799

112. 8

28, 586

Total

3, 444

123. 4

17, 812

110. 4

30, 369

Registrations Total

6, 645

147. 0

28, 353

135. 8

51, 867

Minicars Total

8, 830

116. 8

41, 975

114. 2

75, 576

Grand Total

15, 475

128. 1

70, 328

122. 0

127, 443

Exports

Passenger Cars

37, 826

231. 7

170, 788

252. 1

275, 320

Commercial Vehicles

529

134. 9

1, 976

100. 7

3, 978

Total

38, 355

229. 4

172, 764

247. 9

279, 298

Production

Domestic Production

50, 038

152. 4

252, 189

169. 1

420, 078

Overseas Production

39, 741

132. 0

196, 150

155. 3

333, 558

Total

89, 779

142. 7

448, 339

162. 8

753, 636

*Includes imports to Japan

http://www.mitsubishi-motors.com/publish/share/images_e/spacer.gif

Market share

Total global production in fiscal 2009 came in at 942, 696 units, down 13. 4 percent over fiscal 2008 and the second consecutive decrease in annual volume. Production volume in Japan at 513, 585 units was down 24. 7 percent over the same period last year, the second consecutive fiscal year decrease.

Business Sector

Mitsubishi Motors is primarily engaged in manufacturing and marketing of automobiles. The company manufactures passenger cars, mini-cars, light commercial vehicles and performance cars. The company has global operations spanning North America, Japan, Europe and Asia. It is headquartered in Tokyo, Japan and employs over 31, 900 people.

Project focus

Its line of passenger cars includes the Diamante sedan, the Galant sedan, several mini-cars for the Japanese market, the hatchback Colt, and the Montero and Endeavor sport utility vehicles for North American consumers.

Colt

Colt Plus

Delica D: 5

Colt

Colt Plus

<https://assignbuster.com/business-and-market-overview-for-mitsubishi/>

Delica D: 5[http://media.mitsubishi-motors.com/lineup/e/images/spacer.](http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif)

[gifhttp://media.mitsubishi-motors.com/lineup/e/images/dot03. gif](http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif)

Galant Fortis

Galant Fortis Sportback

Lancer

Galant Fortis

Galant Fortis Sportback[http://media.mitsubishi-motors.](http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif)

[com/lineup/e/images/spacer. gifhttp://media.mitsubishi-motors.](http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif)

[com/lineup/e/images/dot03. gif](http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif)

Lancer

Lancer Evolution X

Minica

Outlander

Lancer Evolution X

Minica[http://media.mitsubishi-motors.com/lineup/e/images/spacer.](http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif)

[gifhttp://media.mitsubishi-motors.com/lineup/e/images/dot03. gif](http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif)

Outlander

Pajero

Pajero Mini

TRITON

Pajero

Pajero Mini<http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif>

<http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif>

TRITON

Toppo

Town box / Minicab

eK Series

Toppo<http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif>

<http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif>

Town box / Minicab<http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif>

<http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif>

<http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif>

eK Series<http://media.mitsubishi-motors.com/lineup/e/images/spacer.gif>

<http://media.mitsubishi-motors.com/lineup/e/images/dot03.gif>

i

i-MiEV

SWOT analysis

STRENGTHS – Eco friendly and less expensive vehicles. In 2007 the total global sales of the company went upto 1, 359, 000 vehicles.

<https://assignbuster.com/business-and-market-overview-for-mitsubishi/>

WEAKNESS – low quality standards compared to competitors. The company needs to keep producing cars in order to retain its operational efficiency. Car plants need huge investment in expensive fixed cost, as well as the high costs of training and retaining labour. So if the car market experiences a down turn, the company could see over capacity.

OPPORTUNITIES – Has a reputation for manufacturing environmental friendly vehicles. Has launched couple of new models which is targeted at the streetwise youth market.

THREATS – Competition is almost daily, with new entrants coming into the market from China, South Korea, and new plants in Eastern europe. The company is also exposed to any movement in the price of raw materials such as rubber, steel and fuel. The key economies in Asia, the US and Europe also experience slow downs.

THE COMPANYS MARKETING STRATEGY

Segmentation

The MMC group is engaged in the development, production and sales of cars and parts for those cars. MMC is responsible for most of the development work.

In Japan, Mitsubishi regular and small passenger cars and minicars are produced by MMC, with some recreation vehicle models (the Pajero, among others) also being produced by the Pajero Manufacturing Co., Ltd. These automobiles are sold in Japan by Tokyo Mitsubishi Motor Sales Co. and other Mitsubishi Motors sales companies.

Mitsubishi Automotive Engineering Co., Ltd. undertakes some of the development of MMC automotive products, Mitsubishi Automotive Logistics Co., Ltd. undertakes the transport of Mitsubishi auto products in Japan, and Mitsubishi Automotive Techno-Service Co., Ltd. is responsible for inspection and servicing of certain new Mitsubishi vehicles.

Targeting

Mitsubishi aims its brand toward a diverse audience that is “ young at heart.” They emphasize the importance of making their cars in the image of their distinct customers. Most of their customers are under the age of 35.

Positioning

When first stepping on the scene, Mitsubishi’s brand strategy included the importance of distinguishing its brand and making it stand out from all the rest. Mitsubishi faces competition from numerous other Japanese automakers present in the United States and around the world, such as Mazda, Nissan and Toyota. United States’ carmakers fight Japanese competition by teaming up with Japanese carmakers. Mitsubishi faces major competition from these United States/Japanese collaborations: Ford Motor Co.’s purchase of a stake in Mazda and General Motors’ joint venture with Toyota.

This statistics shows the domination of mitsubishi motors over its competitors.

Differenciation

Mitsubishi spent \$25 million to co-promote Universal's "2 Fast 2 Furious", which features several Mitsubishi vehicles. The film stars Paul Walker and Tyrese Gibson appeared in TV commercials for Mitsubishi.

Mitsubishi became community partners in 2002 with key foundations and organizations:

Chili-Burton Snowboards Foundation -provide a diverse group of inner-city youth from Los

Angeles, Chicago and Washington, D. C. with the opportunity to participate in a learn-to snowboard program.

Growth Strategy

" We believe diversity is essential to a quality supplier base. Men and women, people of color and different cultures and backgrounds working together are necessary to achieve our ultimate goal – world class quality."

-Mitsubishi Motors North America

Mitsubishi's diversity plan includes:

- A national executive Diversity Leadership Council
- Training in diversity throughout the organization.

- A partnership with the United Negro College Fund to provide a \$2000 scholarship for African-American students.
- A partnership with members of Congress to honor 26 outstanding women as “ Unsung Heroines.”

THE MARKETING MIX

Product Mix

http://www.alhabtoor-motors.com/mitsubishi/i/hd_lineup.gif

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/pajero.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/outlander-2008.jpg>

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<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/nativa.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/pajero-sports.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/asx-2011.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/galant.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/lancer.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/n-lancer.jpg>

<http://www.alhabtoor-motors.com/mitsubishi/i/lineup/grandis.jpg>

These are some of the main products of the mitsubishi motors.

Price Mix

The company initially quotes a higher price and later decreases it according to the demand of its customers which is referred to as price skimming.

Place Mix

The company has its agencies all over the world to sell its products. The company uses single level of distribution ie; direct selling to the various agencies all over the world. Moreover all these agencies located all over the world are in a favourable location.

Promotion Mix

The company uses various advertising techniques to promote its vehicles. Some of them are like discounts, free services & like gift vouchers. etc. It mainly uses personal selling techniques as it is promotion of vehicles. Apart from that it also uses media such as television, radio. etc for the promotion.

EVALUATION OF THE COMPANY'S STRATEGIES & TACTICS

Evaluation of the company's current position

Even though the company had many drawbacks and setbacks in the early years like 2001-06 but the company has been doing fairly good currently. In last two years if we see ie; 2008-2010, the company has been coming back to a strong position. This has been depicted in the statistics showed above earlier in this project.

Evidence of the companys success

The company even though was a huge success in starting but then declined later on. It was in a huge loss in the mid working period of company ie; early 1995-2005. But if we see the recent 5-6 years the company has been doing good and has been launching innovate models thereby increasing its sales. The statistics of the sales and profit trend of the company in 2009-2010 fiscal year conveys its success.

Prosects for future growth/success

The company has plans for future growth by launching innovative, stylish & eco- friendly vehicles which gives the customers maximum satisfaction & preserves the environment. The company currently is working on vehicles which operates on batteries which reduces the pollution & is eco-friendly.

BCG MATRIX

RELATIVE MARKET SHARE

HIGH LOW

Stars

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AUTOMOBILES

Question Marks

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FilesContent. IE5I4W6NE09MC900441498[1]. png

ELECTRONICS

Cash Cows

C: UsersNaresh KumarAppDataLocalMicrosoftWindowsTemporary Internet
FilesContent. IE5S6DNCX6DMC900299491[1]. wmf

FINANCE

Dogs

C: UsersNaresh KumarAppDataLocalMicrosoftWindowsTemporary Internet
FilesContent. IE5S6DNCX6DMC900111614[1]. wmf

ENERGY

CONCLUSIONS

The company has been doing good in recent years but it has to launch more sporty and luxurious vehicles rather than sticking to the conventional vehicles. More variety of vehicles should be launched rather than sticking to similar kind of models. Moreover it should target the youth also.