

Establish and adjust the marketing mix essay sample

[Business](#), [Customers](#)



1. Introduction

Toyota Motor Corporation (TOYOTA) is one of the biggest automakers in the world. Main products are a passenger car, truck, bus, RV etc. The company is headquartered in Toyota, Aichi, Japan which employed 300,734 people worldwide and was the third largest automobile manufacturer in 2011 by production behind General Motors and Volkswagen Group. Toyota is the eighth largest company in the world by revenue (around 200 billion USD) in 2011. The company reported it had manufactured its 200 million cars in 2012.

Toyota is a leading company, and for over 70 years. It has been expanding business all over the world and developing products. The company has 12 percent of the global market share. We can see and buy products everywhere.

Toyota was founded by Kiichiro Toyoda in 1937 as a spinoff from Toyota Industries to create automobiles. In 1934, while still a department of Toyota Industries, it created its first product, the Type A engine, and, in 1936, its first passenger car, the Toyota AA. Nowadays Toyota Motor Corporation group companies are Toyota, Lexus, Daihatsu, and Hino Motors, along with several non-automotive companies.

2. Marketing mix

2.1 Product

Toyota is a recognized brand, a reliable automotive maker and has a huge brand image. The company produces various kinds of cars, such as

passenger car, light car, sport car, luxury car, SUV, HV, EV, PHV (plug in hybrid), and we can choose and buy them. Toyota's cars have a lot of polished design, unique colors and clear trim which is attract to customers easily. Furthermore, the company has an innovative technology and big global market share (12%) in the world.

This would be interesting. We see the internet web sites, Toyota Japan, Toyota the USA and Toyota Australia, the company sells different products to each countries to more adapt to the local demand. Some cars are similar and common, such as Prius, Corolla and Camry. Compared with the USA and Australia web site, most of the presented cars are SUVs, 4WDs and Trucks which are more useful in the USA and Australia rather than Japan. In addition, Japan web site that exposes 73 cars, Australia web site that exposes 25 cars, and the USA web site that exposes 23 cars, it shows that the company concentrates on selling important products in an overseas strategy.(expect Lexus brand)

Toyota also produces a luxury car which is Lexus brand. The quality and the safety which are equal to luxury cars, such as Benz and BMW, and the reliability and economical, and it had price setting reasonable, moreover, the highest reception and customers after follow, and aims at a new height.

2. 2Price

Toyota Australia uses psychological strategy for price. They set every last three number of prices are 990 which customers perceive as lower than it is. (e. g. \$23, 990 instead of \$24, 000)

Comparing with GM and Volkswagen, Toyota has competitive advantage of car prices, however prices of Toyota's cars are still more expensive than developing automakers, the company has great quality and brand image, and we also expect high level services as a customer.

The price information as below found on Toyota web sites, it shows that Toyota sells a car same price approximately other countries. It's a great, this would be Toyota's spirit. For example, Volkswagen's famous car which is Passat, if you bought it in Australia, it could cost 43, 498 AUD, but if you bought it in USA, it could cost 25, 845AUD, the difference of 18, 000 AUD comes out.

Prius (Exchange rate 1AUD= 1USD, 1AUD= 100JPY)

Australia (Prius) AUD 23, 990

The USA (Prius) USD 24, 200 = AUD 24, 200

Japan (Prius) JPY 2, 320, 000 = AUD 23, 200

2. 3Promotion (branding, advertising, sponsorship)

We can see Toyota's car in the city, a dealer, TV commercial, magazines, everywhere. On the other hand, if people buy a car, it would be a momentous decision, because car is really expensive. Toyota tries to obtain customers by using a promotional activity, such as advertising, sales promotions and sponsorship. Also in these, sponsorship has been contributing to sale greatly. For example, the company has been sponsoring soccer FIFA World cup, it told that 2billion people watched that games and broadcasted to around 200 countries. In addition, the company has been

joining a motor show every year, and then announcing new product and new technology. Toyota conducts a lot of promotion activities, there would be few people who do not know the name of Toyota.

2. 4Place (channels of distribution, the shop)

Toyota has a manufacturing facility of the overseas of 50 in 27 countries, and is doing business expansion globally. Moreover, the Toyota car is sold by 160 countries of an overseas. The number of dealer is 8, 485 dealers in the world (Except Japan), and there are more than 270 dealers in Australia. We can buy Toyota's product everywhere.

2. 5Customer service level

Customer service is definitely important in automaker market, because customer who drives broken car, it is possible to occur a serious car accident. I believe that most of customers do not have car knowledge and need a high quality after service.

Toyota's customer service level is really high. Toyota has a variety of customer services, such as a regular car inspection, maintenance and fixing, we can use customer service near your house dealer which there are 8, 485 dealers in the world (Except Japan which has 5, 000 Toyota dealers) - no matter where you are. The company realizes reliable and convenient after-sales support and service is a top priority for customers. The company offers a wide range of customer services to help keep your cars running at their optimum and minimize.

Toyota's customer policy

" One car consists of about 30, 000 parts. In order to protect a customer's car life, slack of the one screw cannot be overlooked, either. Toyota thinks that supporting it is the heart which thinks of high technical capabilities and customer. It is " 3 Soul" of Toyota.

Exact technical capabilities, and kind customer reception and its two souls have led to reliance of Toyota."

With above reason, customer could buy Toyota's car, and they are guaranteed satisfaction.

2. 6Potential customer (geographic demographics)

Nowadays, car is used useful transportation by people in the world, and also having the car is one of status. As far as I know, most developed country people have a car per person, and the car market of developed country could be called saturation.

According to JAMA (Japanese automobile manufacturers association), the car possession number of every country in the world is over 1 billion sets in 2010, but there are over 7 billion people in the world, the company should sell a car to developing country people especially Asia market. In an economic projection the Asia number of population will be increasing more than 5 billion until 2050.

I think that this is potential market and customer and it is absolutely important for the company to obtain developing country market share,

because usually a two-wheeled vehicle market occurs from the level on which GDP exceeds 1, 000 US dollar per person, and from 2, 000 to 3, 000 US dollar it said that the “ motorization” led by a passenger car happened from a dollar stand (present China), and is divided. Most Asian countries is starting motorization, it is a priority for Toyota to obtain a market share in the Asia market. If the company obtained a big market share in Asia, achievements would improve explosively.

Actually, Toyota has started a developing country strategy (IMV: Innovative International Multipurpose Vehicle) since 2004. The company needs keeping this strategy in 40 years.

2. 7 Competitors and market share

In Australia market

According to the announcement of Australia FCAI, the new-car-registrations number of all years became 1, 112, 032 sets, the increase of 10. 3% compared with last year, in 2012, and it recorded the highest ever. More than 1 million sets are predicted also 2013. In Australia, Toyota’s main competitors are Holden, Mazda, Hyundai and Ford. However, the company has the biggest market share (19. 6%), No. 2 Holden (10. 3%), No. 3 Mazda (9. 5%), No. 4 Hyundai (8. 1%), No. 5 Ford motor(8. 0%).

3. Marketing mix for specific market

3. 1 Environmental Factors

Economics

World economic condition has been depressing since 2008 (Bankruptcy of

Lehman Brothers). As consumer psychology, while economics depression, consumer behavior could be defensive especially luxury goods market such as car, a jewel and house.

Technology

Big competitors could invent new car technology. Toyota has a great car technology, for example, Advanced Active Safety Research Vehicle (AASRV) which is automatic control car, and FCV-R which makes the fuel cell which carries out the chemical reaction of hydrogen and the oxygen, and builds electricity the source of power. If big competitors made over these technologies, it would be threat to the company.

Natural

A natural disaster is big environment factor. In 2011, Toyota was affected by two natural disasters which are Thailand floods and Tohoku earthquake in Japan. It said that the amount of loss was 3 billion USD. We are not able to expect natural disaster.

3. 2Consumer priority, need and preference

Priority

The priority consumers could be brand image which is one of status. As consumer psychology consumer would like to buy cheaper product, but if that car breaks down a lot of time, you would have to pay much repair cost. Toyota's brand image is equal to quality.

Need

The need of consumers would be car owner who think that car is

indispensable product, because it is useful transportation such as go shopping, traveling and going to work. In addition, people without a car will be potential customers in the future.

Preference

Consumers prefer Toyota which is a recognized brand, a reliable automotive maker and high level customer services, and other competitors cannot copy the company's quality and technology. When consumers buy a Toyota's car, consumers could think that I buy "Toyota", not "car".

Product

Toyota has a variety of great products which is needed to maintain for business in the market.

Most consumers buy a car in dealer. Toyota has 8, 485 dealers in 160 countries. I would like to adopt these distributions, therefore, could sell product a lot of consumers, and also consumers could see and ride test-drive in dealer.

I would like to adopt "Psychological strategy" for every product price which is used by Toyota Australia. They set every last three number of prices are 990 which customers perceive cheaper impression. The price is really important when consumer decide to buy products. In order to obtain market share from big competitors, would like to take advantage of psychological strategy.

This would be good campaign which is "Get two Toyota's car, discount 4,000USD". This is applicable a family, a relative, a friend, and anyone,

moreover campaign is applicable every products for a year. In order to gather customers in a dealers, would like to adopt a TV commercial as sales promotion. If this campaign succeeded, the company could improve a market share and obtain a higher brand image.

3. 4Marketing objectives

Toyota is the market leader in automobile company in the world. The company needs to keep this position and improve more market share. To meet the marketing objective for above marketing mix.

Organizational

Keep a reliable customer service and product quality by end of 2013.

Strategic (desired market positioning)

Improve market share from 12% to 15% by end of 2013.

Operational

Implement campaign by end of 2013.

4. Monitor and adjust marketing mix

4. 1 Marketing performance indicator

Organizational

In order to impress customers, before implementing the campaign, measure the customer service and product quality. And then, if there are some improvements, we are going to improve it. Strategic (desired marketing positioning)

In order to increase market share from 12% to 15% by end of 2013, implementing the campaign which is “ Get two Toyota’s car, discount 4,000USD” and developing countries strategy especially Asia market.

Operational

Implement the campaign whole year. In order to succeed campaign, the company has to do sales promotion by using TV commercials. Also, before implementing the campaign the company needs to survey questionnaires how consumers feel about Toyota.

4. 2 Monitor and adjust marketing mix

Survey

A survey has conducted on fourth February, 2013.

Sample size: 13

We conducted the survey with 13 people of 5 nationalities, including South Korean, Japanese, Australian, Mexican and Czech public. As a result, consumers recognize that Toyota is the biggest automaker in the world, and have an image of great quality. In addition, I could find that when consumers buy a car, most of them research by using a dealership and online shop, and also they have seen Toyota’s TV commercial, printed material advertising and online shop.

I could confirm that if consumers wanted to buy a Toyota’s car, they could see online shop and inspect dealership. Therefore, we need to promote some good sales promotion which consumers want to buy the car by using TV

commercial, printed material advertising and online shop. If the company promoted a great idea promotion, revenue and market share could improve definitely.

4. 4 Marketing mix and marketing objective

Our marketing objective is improving market share and maintaining No. 1 position in worldwide market. According to survey, we are well-known to consumers as the biggest automobile manufacture and great quality of products worldwide. Moreover, most of consumers have already known Toyota's online shop and dealership, and how to buy our company cars. In order to improve market share, we need to do sales promotion more aggressive and unique than other competitors.