

Toyota motor
corporation is a
multinational
corporation marketing
essay



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Toyota Motor Corporation was founded in 1937 by KIICHIRO TOYODA to create the automobiles. Toyota motor corporation is a multinational corporation and it's headquarter is located in Japan. Toyota Motor Corporation has employed round about 320000 people worldwide at his peak time. Toyota Motor Corporation is one of the largest car makers by sale.

Toyota Motor Corporation is a leading automobile company and is operating in more than 170 countries in world. Toyota Motor Corporation is operating in many parts of the world and its primary markets are Japan, North America, Europe and Asia. The company recorded revenues for the fiscal year ending March 2007 was \$203. 1 billion which was more than the fiscal year 2006 by 13. 8%. There was an increase in operating profit as well which 19. 8% is more than year 2006. Toyota main aim and objective was to provide better quality and good customer services to its customer. Toyota Motor Corporation is competing with the other car makers especially with the general motors and they achieve their objective two years ago. They were announced the world's biggest car maker. After this they face a huge blow when they have to face the recall problem.

TOYOTA MOTOR CORPORATION AIMS AND OBJECTIVES

Toyota motor corporation mission is to provide high quality goods and services, more innovative and safe in order to meet the worldwide demand of the Toyota customers. In order to achieve its aims and objectives TMC is building plants in foreign countries. So, that that quality and reliability is maintained. Few aim and objectives are:

The management main concern is to gradually increase the business values

To produce the products that completely satisfy the customer needs

To become a more competitive global company

Overall intention of organisation through these corporate goals is to increase the image and profit of organisation. (www. associatedcontent. com)

ANALYSIS

In 2008 when Toyota Motor Corporation was on the brink to overlap the general motors' to become as the world leading automaker organisation the executives were busy in sending the signals that in becoming the world largest automaker corporation in world at so fast speed it can be dangerous for the corporation. Toyota now facing this problem when they have to recall 8 million cars around the world because at the speed which Toyota Motor Corporation expanding the business it was almost difficult to maintain the quality. Toyota has not commented openly about the problem of faulty accelerators and about the floor mats and then regrets on the death of 4 people. These recalls are increasing round about a million a year, then the president has appointed to vice presidents to have a look on the quality matters. One of the vice president was given a special task to work closely with the suppliers so that the defected models or designs can be detected earlier. The main thing is that the Toyota brand has become priceless. If u attach the Toyota logo with any car it almost becomes easy to sell the car in market because brand is recognised worldwide for its better high quality.

Well-known brand is also considered to be goodwill of the organisation. You take lots of advantages with this goodwill. For a business it takes a long time
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to build the goodwill and reputation in the market and on the other hand it is almost easy to destroy the goodwill of a business in few seconds. The same thing happen with the Toyota when they have to face the recall problem due to faults in their cars because they are known for the high quality and better customer services. Most of the people comment that Toyota is responsible itself for their problems. Automobile industry demand is very high and it is very important for the development of the world automobile industry. First of all Toyota Motor Corporation has to face the fine \$16. 4 million if they were not able to fix the problem soon. Second problem is that the Toyota owns values are shrinking due to recall. Toyota sale is badly affected by this problem and the investors have started to jack back their cash from the market. It is possible that the Toyota stock price rise again. But on the other hand it is difficult to gain the trust of people on Toyota again. (www. associatedcontent. com) (in. reuters. com)

Consequences of Toyota rapid expansion

According to Akio TOYODA

“ The president of Toyota Motor Corporation told a house panel that the company has to face the quality failure problems due to the rapid expansion. These quality failures led to recall of millions of vehicles around the world”.

He told that rapid expansion led to the number of problems including uncontrolled acceleration in some models and the breaks problems in PRIUS hybrid.

He says that company is affected due to this rapid expansion and speed at which they are working can affect people and organisation which they have developed over number of years. (rttnews. com)

Lean production system

In 1950 a young Japanese engineer EIJI TOYODA visited the ford plant in Detroit. At that time both Japan and the Toyota motor corporation was in crises. Toyota production system was only able to produce 2685 automobiles in thirteen years. While on the other hand ford's rouge plant was producing the automobiles in the range of 7000 per par day.

During this period Toyota was working on the mass production system. Mass production means production of goods on large scale at low cost per unit. EIJI TOYODA studied the fords rouge plant very carefully and upon his return to Japan he combine with experts and they conclude that mass production will not work for the Toyota and then they suggest it can be improved. At that time Toyota was facing some daunting challenges like

A demand for large number of different vehicles and the domestic market was very small at that time.

War left a huge impact on the Japan economy and they need capital to make investment in technology department.

At that time there was different car companies was available and these companies wants to establish themselves in the Japan. (PASCAL DENNIS and JOHN SHOOK)

Toyota lean production system[http://www. swmas. co. uk/info/image/ToyotaHouse. gif](http://www.swmas.co.uk/info/image/ToyotaHouse.gif)

Toyota production system eliminates wastes and provides the best quality, lowest cost and shortest lead time. Toyota production system consists of two pillars JUST-IN TIME and JIDOKA. Toyota production system is maintained through standard of work and scientific methods. JIDOKA concept was discovered by the SAKICHI TOYODA in the early 20th century. The function of it is that it automatically stops the production whenever a defect occurs. Where on the other hand just-in time was introduced by the KIICHIRO TOYODA in 1930's and it works like that through the elimination of waste reduce the time and control the inventory and overproduction. This system only classify that the product are produced according to the customer need and demand. Actually just-in-time is concept that allows the Toyota motor corporation to avoid the issues of over capacity that General Motors and Ford have faced.

([www. swmas. co. uk](http://www.swmas.co.uk))

Toyota supply chain

Supply chain means the network of seller, distributors, transporters and supplier which are involved in the production and delivery of particular product. When Toyota Motor Corporation first introduces their cars in America 50 years ago they completely import the car from Japan which was assembled of totally Japanese parts. In today's world when almost all the manufacturers are looking for the low manufacturing and supply cost, TMC is also looking that the automobile sold in America is mostly manufactured in the North America. The parts which are required are mostly supplied by the <https://assignbuster.com/toyota-motor-corporation-is-a-multinational-corporation-marketing-essay/>

North America suppliers. Chris Nelson says the vice president of Toyota motor engineering and manufacturing in North America that we want to produce our vehicles near where the customers are available and near to the supplier where we can get the parts easily. Automobile industry is a complex web so it is very important to select the suppliers. The OEM sits at the centre of this web. Next one is the tier one suppliers who delivered big parts to OEM. After that the tier two suppliers who deliver individual or assembled parts either to tier one supplier or OEM. There are some acceleration problems which arise only because of tier two suppliers because their motive was to increase the sale not quality. At the end come the tier three suppliers who supply small parts to tier two suppliers. In order to maintain the better quality Toyota needs to have a better communication with their supplier.

Toyota competitiveness

TMC is one of the world's biggest automobile companies in the world. Toyota always brings something new to the model in design and model. There is always a tough competition in the automobile sector. There are so many other car companies in the world with which Toyota has to compete. TMC's main aim is to provide the high quality and customer satisfaction to their customers around the globe. This increases their competitiveness around the world and its competitors try to follow Toyota. TMC has their brand name if you attach this brand name to any car it can be easily sold in the market. Toyota has this brand name only because they provide high quality. Although Toyota is facing a problem but the main thing is that they have accepted their fault and apologised to the people. TMC is bringing new innovation in the automobile industry in order to stay competitive.

Recommendation

Toyota Motor Corporation has brand name and it is considered one of the top automobile company in the world. TMC has a vision and some objective. So, in order to become the leading company in the world they should not forget that what their aims and objective are. TMC aims and objectives are that they provide the better quality, good customer services and the customer services. They should have proper quality control on their products and besides this they need to have check on their suppliers as well. Toyota motor corporation need to have check on their suppliers. Toyota motor corporation need that they choose their suppliers very carefully. There is no need to have blind trust on the supplier. They have to control the rapid expansion of the automobiles because it can affect the quality. Because due to the rapid expansion they already face the problem of recall which affect the Toyota brand name. One more thing is that when TMC is going to establish its plant in other country they need to send some experts to that country that can assist the workers so that the quality can be maintained. TMC need to produce automobiles according to geographical conditions of different countries.

Conclusion

TMC is one of the world leading automobile companies. Their aim an objective is to provide the high quality, good customer services and customer satisfaction. TMC face so many problems in the recent few years due to its rapid expansion like the problem in accelerators and mat problems in their automobiles. TMC has their brand name. It is always take long to make the brand name but it take no time to loss the brand name. So, TMC

need to maintain its brand name through better quality and through customer satisfaction.

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