

# Uae toyotas marketing strategy and swot analysis marketing essay



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Marketing strategy is extremely integral for any company's identity and the section it's targeting to in a market. At times similar products can have different marketing strategies and hence different approaches in a market. And these approaches determine how a product will survive in a market.

In the automobile industry, the basic marketing strategy has to revolve around either pricing, functionality or traits like reliability, resale and luxury. A certain line that focuses on pricing will be catering to those whose main concern is comparison of price between Toyota and its competitors.

Moreover, a luxury line of cars by the same brand i. e. Toyota will focus only on quality and superiority of the car when compared to its competitors. Sometimes the marketing strategy works in such a way that luxury cars are priced very high because most customers acquaint high price with superior quality.

One of the marketing strategies that Toyota uses is the reliability approach, which doesn't focus on the price or the superiority of the product but it stresses on the reliability of the car. Reliability in simple words mean how long lasting, well built and tough a car is. However, for this approach to be successful it is important that the market is mature enough to understand the need for a long lasting car without looking into the price and luxury aspect.

However, Toyota's marketing strategy mainly takes into account the reliability aspect with a little stress on pricing to ensure it thrives in the competitive market. In UAE particularly, since luxury cars are very famous, they keep bringing in models that cater to the needs of those who are

seeking luxury cars. When compared to other brands Toyota also believes in dealing to a mass market even though it has expensive car models.

## **SWOT Analysis:**

### **Strengths:**

Toyota is a very reliable and old brand hence one of its biggest strengths is its brand name and the reputation and good will of the brand in the UAE market as well as across the globe.

Since Toyota deals with the mass market and sells more than the luxury cars, Toyota is in a position to invest a lot in research & development, hire better team and staff, use the best quality materials and thus they provide superior quality to their customers, which is again a great strength of Toyota.

Cars launched by Toyota are customer friendly and hence liked by the masses. Their resale value is greater, which increases sales and is a major plus point of the company.

The marketing department of Toyota is very active across the world and similarly in UAE too which is why distribution of products into the market is easy and quick.

Toyota is one of those companies that bring out a very differentiated range of cars and hence cater to everyone in the market. For example, in UAE it caters to small families and business tycoons both because of its diverse range of cars.

UAE's consumer power is good which has helped Toyota root itself even more deeply in the market and thus it can compete with even higher end brands like Mercedes and BMW. Moreover, it is due to this reason that Toyota is able to invest more into the UAE market.

### **Weaknesses:**

Since Toyota is a large set up with thousands of employees, it is difficult to manage and coordinate, which also at times hampers the chances of moving fast into a market or taking quick actions about a competitor's move.

Distribution networks across UAE are expensive because of the large set up of the firm. This increases costs and reduces the profit and the company can't even increase prices to remain competitive in the market.

The UAE market is a mixed market with all sorts of customers and hence a variety of cars need to be launched to cater to all of them. Similarly, different marketing plans also need to be developed because every different product deserves a different strategy. Thus marketing costs and efforts are double!

While many of the customers in the UAE market have great affordability, it becomes difficult to satisfy those who are willing to spend a lot of money. Especially with a lot of stress on luxury brands and competitors that have expertise in producing luxury cars, it becomes tough to thrive in the market.

### **Opportunities.**

UAE is a vast market, with immense potential and a huge trend of spending on cars, which is why it is a great market with lots of opportunities to diversify and capture greater market share.

Since Toyota is dealing with a mass market, it always has the opportunity to diversify more and cater to an even wider audience.

In the luxury cars of Toyota it's main competition in UAE is with higher end brands, which gives Toyota a constant opportunity to improve itself, learn from the technologies used in luxury cars and higher end brands and bring it to their own company.

Threats.

The low priced cars might sometimes be confused with low quality products since UAE is a market with lots of stress and potential on luxury cars.

The brand image might get confused in the eyes of the customer because it caters to the people who need reasonable cars as well as those who need luxury cars. A fine line has to be drawn so people don't judge the quality of two different cars and get confused.

Other competitive companies introduce similar cars and products with superior quality and technology in the UAE market, which makes it difficult for the company to thrive.

Since a major section of people in the UAE market have a lot of disposable income they might not think of Toyota as a brand that is luxurious enough especially with higher end brands available in the market. To prove the superior quality and luxury, Toyota has to put in great efforts in marketing.