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ToyotaPries university of Maryland university College September 30, 2010 Synopsis: As the United States unite In the global effort to monitor the use and waste of energy, fuel efficient or hybrid cars such as the Toyota Pries has dominated the market over the Subs who once adored every American driveway. With much doubt, in 2004, the Pries has become the leading selling vehicle in America. The sleek design has caught the eye and pockets of many Americans who prefer the “ gas sipper” over the “ gas guzzler.

” (Kettle & Armstrong, Principles of Marketing, 2010)

In addition to the declined trips to the gas station, the Pries also offer advance technology such as technology saws community who discovered ways to modify the Pries computer system, making it perform many customized features. Such unconventional features, gained the approval of the underground market so to speak. Not to mention the incentive of driving In the High Occupancy Vehicle (HOVE) lane even with one occupant.

Tax breaks sued by the federal government in addition to free parking were just a few of the perks that came along with owning a hybrid. (Kettle & Armstrong, Principles of Marketing, 2010) According to Toasts website, they report a decline In sales July and August in comparison to the same time last year.

“ Toyota Motor Sales (TM’S), U. S. A. , Inc. , today reported July sales of 169.

224 units, a decrease of 6. 8 percent from the same period last year, on a dally selling rate (ADS) basis. ” In August, Toyota sales were at the peak In 2009 when Cash for Clunkers were going on, but last months’ sales declined 31. Recent on a ADS. The Toyota Pries has a new competitor on the market, the Honda Civic Hybrid and theFordFusion Hybrid. With these new products, and the idea that most automobile companies are progressing towards the hybrid movement, you will see a lot more hybrids appearing on our roads. Especially since the skyrocketed gas prices since 2008. AAA: What micromanagement factors affected Toyota Pries? How well has Toyota dealt with each of these factors? In 2010, Toyota announced a voluntary global recall on certain Toyota Pries models which involved millions of vehicles sold in the united States.

Due to this, the micromanagement factor of the company was influenced because Toyota then had to re-evaluate and redesign a new marketing plan while taking company groups such as management and finance Into account.

This also affected the suppliers who had an Imperative connection to the customers’ satisfaction and safety when the Pries was made by defective parts which could 1 OFF of Marketing, 2010) According to Toast’s newsroom site, the report of there being “ unconfirmed accidents alleged to be related to this condition, one of which reported a minor injury’ can send a drastic downward plunge in sales of Toasts as a whole.

Toyota, Toyota Announces Voluntary Safety Recall on Certain Toyota Corolla and Corolla Matrix Models, 2010) In addition, competitors could use the opportunity for the decline in sales to regain the lost customers of the Toyota Pries. The media public placed newspaper articles and televised broadcasts that a recall was established by Toyota, this in turn affected the most important aspect in Toasts micromanagement; their customers. They had to maintain a strong relationship with their loyal customers and assure them that they would be taken care of. Kettle & Armstrong, Principles of Marketing, 2010) As an element of the recall, the vehicles that were involved were replaced at no charge to the owner. Toyota mailed out notifications advising owners of such recall and that further notice will be made available to them.

If additional detailed information was needed they could contact Toyota Customer Experience Center for answers. In efforts to dealing with this micromanagement factor, Toyota made the information and resources available for all customers affected. Kettle & B: Outline each of the major nongovernmental factors —demographic, economic, trial, technological, political, and cultural – describe how each impacted Pries sales. How well has Toyota dealt with each of these factors? Each nongovernmental factor played a role in Toyota Pries sales. Below is an outline of each factor and how well Toyota dealt with each: 1.

The demographic environment has a huge impact on Toyota Pries sales, especially with the change in population, age and generations.

The American family is changing with more people opting not to marry, divorce, or have no intentions of having children; the need for a huge SUB to accommodate the growing family has lessened. Kettle & Armstrong, Principles of Marketing, 2010) There are more people deciding to go with the fuel efficient hybrid, hence the Toyota Pries. This evolved need has increased the sales of the Pries making it the car that has more benefits than Just a mode of transportation. 2.

The economic environment is a factor that affects the spending patterns and buying power of the consumer. Though trends come and go, the affordability and sustainability of the Pries has adapted with the changes in income for the American consumers. Toyota has closely watched the economic forecast and with sufficient twice, such as the Cash for Clunkers program, the sales for the Toyota Pries skyrocketed. (Toyota, Toyota Vehicles: Third Generation Toyota Pries is World’s Best Selling Hybrid, 2010) 3.

The natural environment such as our main natural resource for fueling our vehicles, oil, has aided in the increased sales of the Toyota Pries. Since gas prices increased in 2008, a fuel efficient car such as the Pries is economically and environmentally friendly.

Toyota created the hybrid that “ combines a gas engine with an electric motor” using less gas than the usual sedan. (Kettle ; Armstrong, Principles of Marketing, 2010) 4. Technological environment has also increase the world of the technology buff as well as the modern customer who wants practical but affordable. Kettle ; Armstrong, Principles of Marketing, 2010) Toyota is aware that the technology wave is a spectacular movement that shapes our marketing environment today and uses this to their advantage by incorporating affordable luxury in the Toyota Pries. 5.

Political and social environment has affected the Pries sales in 2007 when the United States Environmental Protection Agency (EPA) required test results posted on vehicle windows. Hal S. Knowles, 2008) This increased legislation which could increase or decrease sales but in this instance, sales has increased due to the governments seal of approval so to speak. 6.

Cultural environment, last but not least, has an enormous impact on the production and sales of the Pries.

With the “ going green” movement on the rise, purchasing a hybrid for cost efficiency is not the only reason but also because it is healthy to our natural environment and resources. People have different attitudes towards the natural world and with the cultural trends leaning towards preserving our environment, arching a Pries is making the first step. Toyota can use this natural preservation as an aid to boost sales for the community who are against “ gas guzzlers” simply because there are environmentally friendly. Hal S. Knowles, 2008) C: Evaluate Toast’s marketing strategy for the Pries so far. What has Toyota done well? How might they improve their strategy? Toast’s marketing strategy for the Pries so far has been sufficient in building new relationships with customers as well as maintaining the ones they currently have even after the recall.

They have targeted many people in a community, young, old, technology save. , and modern all while catering to each individual need that they may require.

The only thing that Toyota may want to improve is alter the vehicles appearance. With most automobile companies Jumping on the hybrid bandwagon, creating a more appealing car can grab the attention of the customers who do not think that the current hybrid is appealing to the eye. There are even Subs that are hybrids which are giving people the same look they are familiar with but more cost efficient with gas. ID: How have constant Toyota vehicles recalls impacted their quality image? How loyal are Toyota wieners since the recalls?

How is this impacting the Pries sales to date? The constant Toyota vehicle recalls has greatly impacted the quality image of their company.

They were portrayed as having the image of creating safe and dependable cars but with the recent recalls due to defective and malfunctioning parts have you think otherwise. These incidents placed a plunging decline on sales of not Just the Toyota Pries models but all other models as well. The Toyota brand has been tainted by the new image portrayed as a result of the recall. Most Toyota owners remained loyal since the recall.

With the protocol that Toyota implemented, owners were not left high and dry even though this placed a huge inconvenience on their mode of transportation but they took care of their customers so that they maintained that relationship.

Since cars were replaced at no cost, instead of purchasing another car, its more than likely that Toyota customers stuck by the Toyota brand and maybe moved on to unaffected models. The recalls have impacted the Pries sales by causing a decline in sales since they were announced. Though many of their loyal customers purchasing a possible recall vehicle.

Toyota will have to redesign their marketing strategy to gain the trust of new customers or sales will continue to decline.