

Current market conditions - toyota



Current Market Conditions - Toyota Toyota is considered to be the largest automobile company in world whose sellings are over 8million models across the globe. Toyota positions not only among the topseller automobile companies but also has gained the customer satisfaction. Toyota is basically a Japanese car corporation. Toyota has been damaged due to the recent diminished in the price of U. S dollar.

The main competitors of Toyota in the market today are General motors and Honda. General Motors is dominating the market since last 81 years. Honda fills major portion of automobile consumers also, which takes up to 17% of the market share alone. Toyota's manufacture numbers get to a 726, 103 units, which indicated the company's overall growth of 12%. Due to increased consumption and healthy overall trend Toyota is looking forward to manufacture 9. 32 million automobiles in the coming year. It has been estimated that a 9 percent increase in the market share will make Toyota the largest carmaker in the world, leaving behind General Motors, Ford and Honda. Toyota would also be able to end the rule of General Motors (GM) for more than 81 years. Overall an increasing trend in car selling was witnessed among all Japanese companies in last year. The trend is still going on and would increase in the coming year. So it is a healthier sign for Toyota.

It has been analyzed due to increased demand for Toyota vehicles all over the world; Toyota has to boost up the supply of their vehicles in the market. It does require more than an increase in the efficiency of current manufacturing capacity. Obviously Toyota would have to install new manufacturing plants and units in different region of the world especially where the production cost is low. The overall increase of 4% in the demand in coming years would have to be served in a way without affecting the

supply and demand relation. The analysis shows that major companies in car making industry faced trouble in maintain the equilibrium between demands and supply either due to unaware of the market forecasting or due to failure in increasing the supply. The failure of before time measures to increase capacity went on affecting the market share of those companies even after several years.

Toyota is implementing lots of new regulations from government. It has been noticed that the federal government organization in charge for vehicle safety and security is continue to force Toyota to manufacture models of its trucks and pickups less easier for small children and infants. Obviously the argument behind that is to prevent children and infant driving trucks and pickups. Moreover due to government regulations, Toyota is planning to make an intended recall of 170, 000 pickups from model years 2001 to 2005 to eliminate the button, which immobilize the passenger side airbag. The explanation for the button in the first set is so that if someone raises the seat of car in the front traveler side, the airbag would not go off and prevent further damage to the kid sitting there. Toyota's vice president for regulatory affairs said that it is too expensive to place the LATCH system in the trucks stem at frond seats in the pickups and trucks.

References

James M. Morgan, Jeffrey K. Liker. (2006). The Toyota Product Development System: Integrating People, Process, and Technology. Productivity Press