

# [Achieving global competitive advantage marketing essay](https://assignbuster.com/achieving-global-competitive-advantage-marketing-essay/)

Global business is where strategy links up with geography. Five major geographic factors drive the international business. First, the feature of the home country influences its competitive performances. Second, the features of the country where it engages in production and transaction with suppliers shape the company’s competitive potential. Third, the feature of the countries where it serves customers determine demand for the company’s products. Fourth, the featured countries where the company has partners that provides complementary goods and services affects the company’s productive efficiency and appeal to customer. Therefore, competitor’s home countries, supplier countries, customer countries and also partner countries impact the competitive advantage of the international business. There are a few main advantage in achieving the global competitive. Firstly it helps building the global supply chain efficiently. Apart from that, there is a wide flexibility where it is widely flexible to manage the country to diverse specific risks and opportunity. I have decided to choose Toyota as my case of organisation. Toyota company is one of the largest manufactures in the world. They are very well known around the Globe. Toyota’s vehicle is sold in more than 170 countries and regions around the world. Toyota employs more than 320, 000 people worldwide.

Home Country

The headquarters of Toyota in its home country in Toyota City, Japan. According to Akio Toyoda the Toyota’s president, Toyota plays a very role in the development of Japan’s economy. This is because Toyota’s is Japan’s largest company by sales ($230 billion fiscal) a year and in recent years it has been the most profitable company and biggest taxpayer in Japan.

The framework above shows the global segmentation of Toyota.

After the recent oil crisis that happened, Japanese automobile industry has rapidly grown up in the United States and other countries. Today, Toyota has an outstanding market share all over the world and has given a threat to the United States automobile industry. Toyota’s management system has greatly contributed to this success. From the tradition, Toyota’s philosophy has been always successful. However, to adapt to a globalized market, Toyota had to add more values to existing ideologies. With tolerance on the multiculturalism, it denies chauvinism by harmony among the local society. Toyota considers of protecting the environment as much as they can while they are manufacturing. However, Toyota doesn’t comprises with some values which are generally applied to Japan. In a transaction situation, the Japanese puts more weight on long-term stability and affiliation. Toyota always does not approve conflicts between management and unions and they do not tie any contracts with unions for mutual development. Toyota approached the corporate governance in a different way. Toyota has introduced a unique management system where it focuses to prompt decision making in developing their global strategy and speeding up operations. It also has a range of long-standing house committees and councils who are responsible for monitoring and discussing the management and corporate activities looking from the viewpoint of various stakeholders in order to ensure heightened transparency and the fulfilment of social obligations. Toyota maintains a unique corporate culture that emphasis on problem solving and preventative measures. Toyota’s approach is that they build in quality through manufacturing processes and to enhance the quality of everyday operations, consequently strengthening corporate governance. Apart from that, Toyota’s management team and workers conduct operations and make decisions founded on that common system of checks and balances high ethical standards.

Supplier Country

Toyota has its own factories in most parts of the world where they manufacture or either assemble vehicle for the local markets. Toyota has its manufacturing or assembling plants in Japan, Australia, India,, Canada, Indonesia, Poland, South Africa, Turkey, Colombia, United Kingdom, United States, France, Brazil, Portugal and more recently they built in Argentina, Czech Republic, , Malaysia, Thailand, Egypt, China, Vietnam, Venezuela, Philippines and Russia. Toyota is seemed to be enhancing a lot towards technology ever since their hybrid version of cars. That is not all, Toyota has also came up with its latest safety technology where they are producing cars with collision avoidance assistance, adaptive headlights and a steering wheel which detects health problem in the driver. Toyota company pays good wages to their employees and they are also given bonuses. According to the wall street journal, last year (2012) in November, Toyota offered the U. S workers a retirement incentives. This was a sign of a more matured phase in the U. S that could erode its labour-cost advantage over domestic rivals. When Japan was hit by tsunami. The Japanese economy was badly affected by the damage caused, costs associated to rebuild the affected areas and interrupted infrastructure, including energy shortage was a result of suspended operations at nuclear power plants throughout Japan. Toyota’s operations and all demands for its product was declined due to the tsunami impact. It took Toyota at least six months for its supply chain to recover from the earthquake damage. During this period, all factories and power plants of Toyota in other countries helped Japan to manufacture and deliver parts that was necessary. In this aspect, the supplier countries helped Toyota when it had its bad downfall due to tsunami. Without its supplier’s country, Japan would have faced a serious impact and a major economy downfall if there were no backups to supply and support them. Apart from that, Toyota also has a collaborative safety research centre where they launch new projects in order to reduce the risk of driver’s distraction and help better in order to protect traffic population including children, seniors and pedestrians.

Customer Countries

Toyota serves its customer country with its best standard of service in order to maintain the demands of its product. Targeting customers in customer country is crucial to expand the business internationally. This can be done by considering the feature of the customer countries so as to understand the nature and context of market demand. This information will help the company in order to provide the types of products and competitive strategies that will be required. There is a high demand for Toyota ever since it took large steps towards manufacturing eco friendly vehicles and its effort has created a reputations for Toyota itself. Toyota Prius and Lexus RX400h Hybrid were developed on a new hybrid technology. High oil price have shot up the sales eco-friendly cars. Toyota’s dedication and investment in research and development has taken Toyota a step ahead of other car manufactures. Apart from that, Toyota has sold some of their Hybrid technology to other car company such as Ford. Having a competitive advantage is necessary for a firm in order to compete in the market. Toyota goes with the flow towards society and culture in their customer countries. They have a ‘ corporate principle’ of respect for the people. Toyota has dominated the media advertisements in almost all countries where new cars n upcoming car design will be revealed or telecasted ahead before its launched. They do this in order to make sure they are ready to get new orders n booking before the car is launched. Apart from that, Toyota’s president Akio Toyoda has urged most country with having high tax on foreign cars to reduce them in order so that the people in each country will be able to afford it. Customer countries contributes to Toyota through buying their car and their car products when they are satisfied with the quality and design produced by Toyota.

Partner countries

Toyota has sought to work closely with their suppliers in its manufacturing activity. In good time and bad, Toyota and its partners has come through same issues together and Toyota always built a strong a close relationship with because of the need of mutual support and a harmony society. Strong foundation with solid relationship with partners help to quickly restore normality to production system after the japan tsunami attack. In a recent meeting of Toyota and BMW, BMW agreed to build sports car with Toyota in order to build a deeper partnership. Apart from that they also agreed to create fuel-cell systems, lightweight materials and lithium batteries. Apart from that, Toyota is also collaborating with Ford on developing new hybrid system for light trucks, SUV’s and future telematics Standards. Toyota also does non automotive business such as housing where they incorporate with technology to meet different customer needs.

Competitor country

Toyota’s biggest competitor is Nissan and Volkswagen. Both of these automotive company have been always trying to be better than Toyota.

Conclusion

All above are the explanations based on the star analysis for the Toyota company. It represents the ‘ Star Analysis’ method.