

# Integrated marketing communication plan for toyota motors



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This is a one year marketing plan for Toyota Motor Corporation for the year 2011. Upon its adoption and subsequent implementation, it should redeem the company's dented global image and restore consumer confidence in the products so as to increase the sales margin in the year. The plan analyses the company's current position relative to its competitors and customers, the current internal and external strengths and weaknesses and the opportunities and threats that are facing the company. It also takes a stakeholder perspective and looks at the company from their point of view, explores the various strategies that the company can use for marketing, as well as the objectives of the marketing plan. Further on, the plan will look at the tactics that the company could use to achieve these objectives, the actions to take, and how the plan will be evaluated and controlled.

## **1. 1 Company Background**

Located in Japan, Toyota Motor Corporation is a public company in the motor vehicle industry that was incorporated in 1937. It deals in automobile and other vehicles wholesale; metal building and component manufacturing; light truck and utility vehicle manufacturing; heavy duty truck manufacturing; motor vehicle body manufacturing; gasoline engine and engine parts manufacturing; other motor vehicle electrical and electronic equipment manufacturing; motor vehicle steering and suspension components manufacturing; motor vehicle brake system manufacturing and motor vehicle transmission and power train parts manufacturing (International Directory of Company Histories 2010). Currently the company employees are estimated to be around 214, 631 (Hannington 2010). The company's main

competitors include Honda Motors Co., Ltd., General Motors and Ford Motor Company.

## **1. 2 Corporate Vision and Philosophy**

To produce reliable vehicles and sustainable development of society by employing innovative and high quality products and services (Toyota 2010)

## **1. 2 Mission Statement**

To sustain profitable growth by providing the best customer experience and dealer support (Toyota 2010)

## **1. 3 Company Values**

Encouraging Professional Excellence

Welcoming New Challenges

Encouraging Teamwork

Customer First

Global Perspective

## **1. 4 Key Issues**

Recently, from September 2009, Toyota was hard hit with the Recall Crisis in which they had to recall about 7. 5 million vehicles and suspend the sale of eight of its best selling vehicles, a move that cost the company and dealers an estimated \$54 million a day ( Motor Trend 2010). This really affected their sales and image of being the world's largest and most profitable maker of

automobiles with a strong reputation for quality and dependability (CNN 2010).

## **2. 0 Context Analysis**

### **2. 1 Business Context**

It is estimated that in the world today, only a third of the populations enjoys the benefits of motor transport and the remaining two thirds do not have access to the privilege of using automated transport (Scott 2010). The potential for growth in the motor industry is therefore promising. This is especially so, in the emerging economies. There is therefore a big potential for quantitative growth in this industry. In addition, there is also space for qualitative growth (Scott 2010). This is in terms of adding value and the improvement of the quality of driving experience. Coupled with the on-going initiatives of improving conventional vehicle functions, the two major opportunities already emerging in the motor industry are in-vehicle mobile terminals and intelligent transportation systems (ITS) (Wesley 2010). ITS will reduce accident risks, route traffic more smoothly and make driving be a more fun-filled experience. Mobile terminals will lead to a major step forward towards the types of information that drivers and passengers can access while on the road (Wesley 2010).

### **2. 2 Consumer Behavior**

In the developed countries today, consumers are demanding for more customized and luxurious automobiles each day. The total worldwide sales of luxury automobiles are about 1. 5 million units with major markets being U. S. A, Japan and Germany (Newman 2010)

Though the developing countries are yet to catch up with this trend of more customized automobiles, there has been a notable increase in demand for less expensive models with low fuel consumption rates (Littman 2010)

Research also that consumer behavior in this industry directly depends on promotion of products (Smith). The way in which products are promoted directly influences consumer behavior, with the internet being believed to have the most impact (Davis 2010).

## **2.3 SWOT Analysis**

### Strengths

Global organization with strong international position in 170 countries all over the world

Strong brand image with basis on quality, customized range and environmental friendly.

Industry leader in manufacturing and production of automobiles and parts.

Superb penetration in key markets (EMEA, China, US). It is said to be the second largest automobile manufacturer behind Ford (Bradley 2010)

### Weaknesses

Since it is based in Japan, it is sometimes seen as a foreign car importer in most countries.

Toyota produces most of its cars in the US and Japan whereas its competitors may be more strategically placed to take advantage of the global efficiency gains.

Criticism and dented image due to the large scale recall in 2005, 2009 and 2010.

### Opportunities

Innovation and advanced technologies that leads to the demand for more customized and luxurious cars

Demand for cars that use alternative sources of fuel (CNET Car Tech 2010)

New market segments that require expansion into. For example, the upcoming 'urban youth' market.

Need for more efficient cars having less impact on the environment with greater performance.

To develop cars that respond to institutional and social wants ( The Motor Social Analyst 2010)

Increased global expansion more so in the emerging markets such as China and India where populations and demands increase by day.

### Threats

Fluctuating global political and economic conditions that affect purchase of new cars.

Increased competition and saturation from rivals such as Ford.

Fluctuations in the exchange rates. These affect costs of raw materials and profits.

Shifting global demographics

Changing car usage with governments advocating for the use of public transport systems rather than private cars.

Rising fuel costs and car maintenance costs. This has led to most people getting discouraged from using cars or using them less often.

Such technological inventions as teleconferencing and online learning that reduce the need for car transport.

## **2. 4 Stakeholder Analysis**

The stakeholders at Toyota want Toyota to advance their hybrid technology in order to gain brand name strength (Davis 2010). The stakeholders recognize their weaknesses and threats especially that of the recent recall and the Kyoto Protocol and therefore are seeking to do all that is possible to eradicate this (Chapman 2010). They are looking into the future and for ways in which to expand their brand name.

## **3. 0 Marketing Objectives**

The repair the dented global company image

To redeem the lost global consumer confidence in their products

To expand the market share in order to become the leading automobile manufacturer in the world

To the sales margin by 10%

To increase global brand awareness to an average one in every five people.

## **4.0 Marketing Strategy**

As opposed to the traditional way of developing in terms of numbers and volumes, Toyota has developed a system that concentrates on making strategic decisions in line with its successes in the novel markets. Toyota also strives to clear its image in cases involving any kinds of negative publicity in the media. These plans should be achieved through initiating a strong marketing and production department. Consistency in product quality and more efforts in the brand advertisement initiatives are also some of the strategies to be adopted if Toyota has to gain a competitive edge over competitors. The most effective marketing methods should also be sought after. These methods should contain messages that will effectively be relayed to the intended target audience. Introduction of new technologies in to the market should place Toyota at a better position compared to rivals. This may include mass production of hybrid gas-electrical vehicles, eight-speed automatic transmission automobiles among other inventions.

## **5.0 Marketing Tactics**

The marketing tactics to be employed by Toyota will include:

Effective pricing of products in order to be the preferred cost-effective automobile precuts globally

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Segmenting the market according to various factors such as comfort or fuel consumption in order to ensure that each market segment is catered for in terms of product availability.

Manufacturing more customized motor vehicles to meet specific demands of specific markets.

Consider effective global positioning relative to the other competitors to take advantage of the global efficiency gains.

Using an effective promotional mix e. g. advertisement, public relations, personal selling in order to sensitize the consumer on the new and existing products. These would be through the mass media, internet, global radios and other media.

## **6. 0 Action Plan**

In order to achieve the above stated objectives, the following actions shall be taken:

6. 1 The Marketing Budget. In order to strengthen the marketing department, the company will avail more funds to enable it improve its activities, both quantitatively and qualitatively. The following shall be the annual budget.

ACTIVITY

DEPARTMENT RESPONSIBLE

AMOUNNT (in 000, 000 \$)

Website maintenance

Marketing

100

Press releases

Marketing

90

Mass media advertisement

Marketing

200

Magazine, brochure and catalogue printing and distribution

Marketing

150

Market research and surveys

Marketing in conjunction with R&D

150

Seminars and other forums

Marketing

100

Bill boards and LCD screens

Marketing

110

Emails

Marketing

100

Totals

1, 000

6. 2 Activities to be undertaken by the marketing staff. The marketing staff shall have the responsibility of doing the following:

Ensuring that the official company website is up to date with the current products and services of Toyota Motor Corporation and any other issues affecting the company.

Giving press release on a continuous basis and in case of any crises, the frequency of such would be increased to address the matters at hand.

Developing effective catchy and attractive media adverts to be distributed to different global and regional media houses and national or regional newspapers.

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Developing, printing and distributing company magazines, brochures, catalogues and fliers regionally and globally.

Carrying out a market survey to find out the consumer perceptions on the company products and their needs.

Organizing seminars and forums where the current and new company products are showcased.

Mounting billboards and LCD screens in major cities around the world that advertise the company products.

Sending target emails to potential customers or clients.

## **7.0 Evaluation**

Since this is an annual market plan, it will be evaluated wholesomely at the end of the year. However, there shall be quarterly evaluations in terms of projected sales, market share gained and consumer confidence achieved for each quarter. Evaluation shall be in terms of:

The market share gained

Volumes of sales achieved

Client feedbacks

Responses produced as a result of the marketing activities; whether positive or negative and the extent of each.

New opportunities created and threat eradicated by the plan

Any changes in the sales conversion rates

Returns on investment; whether positive or negative.

## **8. 0 Control**

### **8. 1 Sale Control**

Sales control will seek to ensure that all sales will be properly recorded, fulfilled to the customer's satisfaction and made at the correct places.

Checks such as proper receipting and sales recording will be set up in order to ensure this.

### **8. 2 Profitability Control**

To ensure that the company's activities are reasonably profitable and cost effective, the budget shall not exceed the laid down figures. Unless there are unforeseen situation that will demand further funding, the above budget shall be adhered to.

### **8. 4 Brand awareness Control**

This will seek to ensure that the set target in terms of brand awareness is reached. The company targets to increase its global brand awareness by approximately one in every five people globally.

## **9. 0 Conclusion**

Thought the company has undergone hard moments caused by the massive recalls, loss of consumer confidence, global economic crisis among other factors, the above marketing plan will put Toyota Motor Corporation at a competitive edge in comparison to its main competitors such as Ford,

General Motors, redeem its global image and lost consumer confidence in its products and in turn increase its sales margins.