

UNIVERSITY OF WALES TRINITY SAINT DAVIT LONDON

[Date]
21/08/2018

BA BUSINESS MANAGEMENT MODULE – MARKETING FUNDEMENTAL



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1.1 INTRODUCTION

In 1937, Koichiro Tokada started the story of Toyota as an automatic loom work company. In 1929 Koichiro was travel to Europe and USA to investigate about automotive production. Even today, the Toyota company is the leading car production company in Japan. Today this report is talking about the world-famous car production company TOYOTA.

Toyota company had 325,905 worldwide employees in 2010. In 2014, 338,875 workers worked in Toyota. That means, every year Toyota has been increased their employees. Toyota is expending all around the world as a multinational company. Toyota became the thirteenth largest revenue company in the world in March of 2013. Also, in 2012, Toyota has been the largest automobile manufactured company. According to the research, Toyota manufactured 200 million vehicles in 2012. For 75 years, Toyota has been a great history in motor vehicle industry. Since 1937 to until today, Toyota is producing various types of vehicles such as Avalon, Camry, corolla, Yaris, Lexus, land cruiser (www.toyota-global.com.,2018)

In this report I am going to talk about the Toyota car production company and the behaviour of marketing process of Toyota furthermore.

1.2 MARKETING PROCESS

1.2.1 ANALYSIS ON MISSION AND OBJECTIVES

MISSION

The mission is talking about the purpose of the organization and primary objectives relative with the customer needs and value of the team. Mission define, how an organization can achieve their objectives and what is the way to approach to reach of objectives.

MISSION OF TOYOTA

“To attract and attain customers with high valued products and services and the most satisfying ownership experience in the world.”
(www.toyota-global.com.,2018)



According to the figure 01,

“Let’s go places” mission statement of Toyota

(Figure 01) Toyota logo source: www.toyota.uk

OBJECTIVES

Organizational objective defines short terms and medium terms goals which seek to accomplish. The organizational objective is helping to develop organizational policies. It is playing a large part of the organization to determine the resource of the company.

OBJECTIVES OF THE TOYOTA

- Toyota hopes to increase the number of manufactured vehicles,
- increase sales within the target period,
- to develop retail showrooms and parking facilities
- to make worldwide retail partners
- make high-security protector on the data of Toyota
- to develop advertising methods via most attractive ways

(www.toyota-global.com.,2018)

1.2.2 SITUATION ANALYSIS

PESTLE

pestle analysis is a very important analysis to the company which can affect marketing relationships in the company and company should work hard to get the achievement of the pestle. After that, it will help to make decisions in the organization. *(pestleanalysis.com.,2018)*



(Figure 02) pestle cycle Source: Author

- Political factors - Toyota requests a 2 billion loan from the Japanese government and they approved the loan. Furthermore, government rules and regulations always effect to Toyota. Especially the government makes taxes on imported vehicles.
- Economic factors - Japanese government increased the imported vehicle tax. As a result of it Toyota can improve their market very well. The country inflation rates, interest rates, labour cost and energy cost are very effects for Toyota to make their product price. When people get more savings, they tried to buy a car. Also, vehicle is acting as a saving factor. When people loss their money, means when country economy decreased, people don't try to buy a car.
- Social factors - As a result of population growth and number of family members increase, people try to buy an own vehicle. Also, customers focus on car on lots of sociable reasons. Especially, some one wants to show their career attitudes via vehicle, age, life style, safeties....
- Technological factors - Toyota have been sold 6 million hybrid cars between 1979- 2003. Also, they made a Prius between which was low consumption fuel engine. In 2009, the Toyota group used the low rolling concept to make resistance tire.

- Legal factors - In 12th of February 2010, Toyota faced legal problems from customers in Los Angeles. As a legal factor, Toyota launched a new hybrid vehicle in 2010. It is called as “recall programme” Toyota is using employment law as well. Specially, consumer protection law, copyright and patent law, health and safety law effects to the company across lots of ways.



- Environmental factors - Toyota has been reduced carbon usage. Toyota is manufacturing an eco-friendly environmental vehicle such as Prius. Toyota hope to face environmental challenge in 2050. Toyota is planning to reduce factory CO2, Car CO2, water pollution, recycle

(Figure03) source: www.toyota.uk

cars and to make jungle world in 2050 as a part of their environmental challenge in 2050.

SWOT ANALYSIS



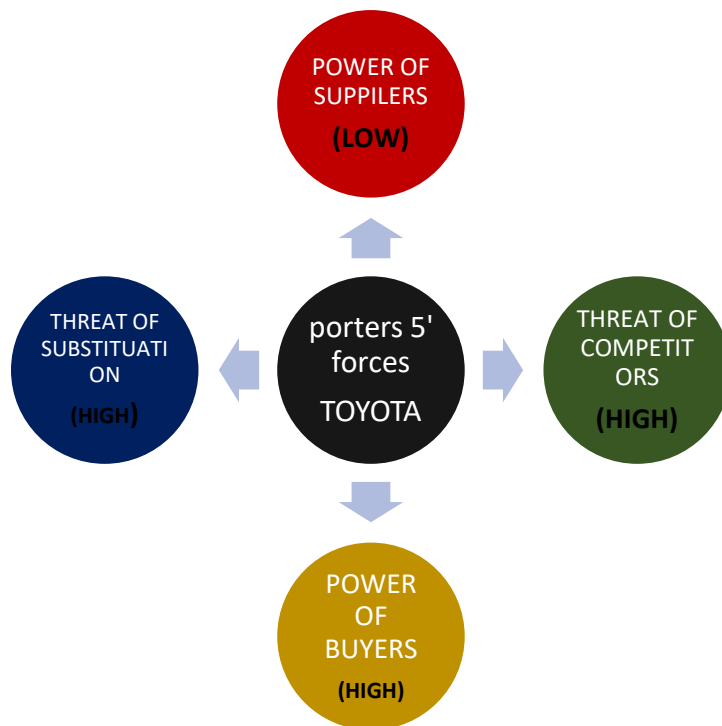
The definition of swot analysis is, internal (strengths, weakness) and external (opportunities, treats) affects in the organization. To achieve organization goals and objective.

(Figure 04) swot source: www.shutterstock.com

Swot analysis of Toyota,

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
Toyota has a great history	High-cost	Gas prices are increasing	Hippie care is coming to the industry
Manufacturing and service facilities	Toyota is getting loss American loyalty customers	Automotive industry is becoming in the future (electric cars)	Fuel price is increasing
Great history of the company	Competition between other car production company such as Nissan, Honda	Gas prices are increasing	Competitive motor vehicles such as Nissan, Honda
Provide luxury options and features to normal vehicles	Performance is not too much than other cars	People are getting more income than past	Exchange rate is effective to the price
international company	Try to aim middle-aged American	Government subsidies	Public transport method

PORTER'S FIVE FORCES



(Figure 05) porter's cycle source: author

In 1979, Michael E Porter developed Porter's five forces concept to understand, how to effect kinds of competition to the company. This is helping the company to determine the industry profit and development. This analysis really focused on to achieve competitive effects in the company.

Power of suppliers –Toyota suppliers don't like to change their own price. Toyota suppliers are decided on the model of car. Power of suppliers depends on raw material, manufacturing plants, warehouse suppliers...etc.

Powers of substitute - Two-wheeler substitutes are becoming a threat to Toyota and some types of transportation kinds are very eco-friendly and low cost. When an industry has an attractive price or best quality substitute, customers try attracting them easily.

Power of Competitors - There are lots of competitors have to face Toyota such as Nissan, Honda, Ford, Suzuki... etc in Japan. Especially in the automotive industry. Toyota always tries to introduce different types of products to increase their profit to face competition by making customer awareness.

Power of the new entrance - New entrance to the industry is very low. Because Toyota is making innovative products annually with new features and options. If someone needs to enter the industry, it may be unsuccessful. Because Toyota is establishing as a big and strong company already.

Power of Buyers - Buyers switching cost is very low. When number of populations increase, that means the number of customers increased automatically. Especially, car buyers always try to compare competitive prices and another same substitute with the selected car product

(panmore.com/toyota-five-forces-analysis-porters-model.,2018)

1.2.3 MARKETING STRATEGY

SEGMENTATION

“Right car right place” Toyota segmentation and target market are depending on this method. As a global company, Toyota covered lots of countries via segmentation. All of Toyota vehicles call to different segmentation of consumers which is based on, gender, life cycle stage as well. Toyota is using geographic, demographic mix of segmentation strategies to understand different types of customer group Such as Young students, Young professionals, Need and wants, Older people (www.smartinsights.com.,2018)

TARGETING

To make customer satisfaction, Toyota is using different types of targeting strategies for manufacturing and selling. The next step of the segmentation is Targeting. The target is aimed individual market and target try to get customers from that specific selected segmentations. In segmentation market, we can find most valuable targets. When company found that targets, it should be focused on that. (www.smartinsights.com)

The current demographic target of the Toyota is divided to parents, traditional, pragmatic, financially...etc. basically, Toyota is targeting middle aged young people in the world.

POSITIONING

“positioning is the act of designing the company’s offering and image to occupy a distinct place in target mind”

-Philip Kotler-

The position market means, depending on target consumers. Organization try to make their position caring about values, attitude, interest, lifestyle of the consumers.

1.2.4 MARKETING MIX DECISIONS

Simple definition of the market mix is, the organization take a decision to make better products in better place in better time from better way.

PRODUCTS – Toyota is making variety kinds of vehicles. Specially cars such as Toyota Prius, Premio, Vitz, corolla...etc. Toyota is manufacturing 51 units, 19 car models across 26 nations around the world. Toyota product mix associated with many kinds of category such as safety, innovation, quality and durability. technology, quality, warrantee...

PLACE – As an international company, Toyota is manufacturing all around the world via international wide dealers. But nowadays Toyota expanding around the world. Which is doing their sales via internet, retail, whole sale shops as well.

PRICE – The Toyota prices should be different than one to one model of vehicle. Toyota make their price on model, brand, country, currency, features, sale system (whole sale or retail) ... in general, most of the times, the price of Toyota vehicle associated with the model. Basically, the price of Toyota is very expensive and same as their parts.

PROMOTION – normally, Toyota is using different types of ways to promote their products and services. Specially from television, internet, and news paper advertisements. (*panmore.com/toyota-marketing-mix-4ps-analysis*)

1.2.5 IMPLEMENTATION AND CONTROL

IMPACT ANALYSIS

As a car production company, the main product of Toyota is car. If Toyota is making more and more types of cars with different kinds of features, Toyota can expand their vehicles all around the world. Because, people have lots of choices. Customers can buy any vehicle which is match with their income, their choices, their life style, needs and wants as well. If car prices are going increase, it is making a chance to competitors to marketing. But government taxes should be same on all. Also, Toyota can make their marketing and sales strategy by expanding all around the world via connecting with internet. After that they can promote their products anytime and anywhere.

1.3 THE ROLES OF MARKETING CREATIVE VALUE FOR CUSTOMERS

PRODUCTS

Toyota is manufacturing their products caring customer needs and wants. According to customer needs and wants, Toyota make vehicles to customers. the vehicles of Toyota make long guarantee period the features, options and facilities are different one by one brand of vehicle. But they always guarantee their vehicles more than 5 years.

PRICE

- Toyota offered their price with lower taxes.
- Toyota guarantee money back return
- Toyota offer to customers desirable payment systems
- Leasing professionals are always with Toyota to help customers
- Facilities of finance
- Insurance facilities
- Discounted prices and seasonal offers

PLACE

- consumers can get knowledge about products via internet (Toyota web side)
- Whole sale and retail partners
- Showrooms are open at evening hours
- Showrooms are open at week ends

PROMOTIONS

- Customers can update latest, most reliable news and promotions
- Online marketing
- Seasonal promotions
- Discount promotions (*panmore.com/toyota-marketing-mix-4ps-analysis.,2018*)

1.4 STAKEHOLDER ENGAGEMENT AND THEIR IMPACT ON MARKETING ACTIVITIES

Employees – employees in the Toyota is the inside property of the company. It is helping to company to make decisions and to activate decisions. If they don't perform their talents exactly Toyota income should be decreased.

Government –Specially government is making some taxes on the vehicles. Government do some restricted rules on Toyota. Also, government try to support to Toyota such as government do taxes on imported vehicles. Government giving pension and increasing salary of government worker to save money to buy a car.

Environment – environment means eco back ground which is nature. Toyota try to become eco-friendly. They are making eco-friendly cars such as hybrid, Prius. Toyota is getting some action to reduce air pollution, water pollution. Etc. because if the products are ecological it has a good marketing survive in the industry.

Media –Basically, Toyota is using newspaper advertisement, television advertisements and social media to promote as a marketing strategy. But unfortunately, media not only doing promote but also media care about bad habits of the company as well. Media try to report about the everything of the Toyota which may be good or bad. If they report something bad news about Toyota, Toyota consumers should not buy the products and it will be damage the brand name of Toyota.

Competitors – In recently, Honda, Ford, Suzuki becoming as more complete companies. Competitors always try to use different ways to be marking. They use different strategy of marketing strategies. This is like a challenge. Sometimes, competitors try to reduce their product price, give free insurance, guarantee for more and more years, free genuine part. Etc. (*the business environment, 2000*)

TASK 1 (B)

2. 1 PERSONAL REFLECTION

As a multinational organization, Toyota is growing all around the globe as a worldwide organization. Toyota is the one of the best car production company as my view. They are making various types of vehicles to face the competition. From 1937 to today, Toyota created well-ordered with their central goal, vision, objectives, and esteem. The team of Toyota work as a group to achieve their goals and objectives. The history of Toyota shows how developed Toyota in the car industry As an explanation behind the accomplishment of Toyota, it is investigating swot examination, porter's five forces and pestle investigation to settle on their choices. The company of Toyota try to make their target customer base within the segmentation groups. Toyota target customer base is young and middle agreed car lovers. Therefore, Toyota is making cars by using new technologies and new features, options. They try o manufacture cars differently one by one. Because, as a result of globalization car industry is becoming more competitive. Nizan, Suzuki, Honda car productions are coming to Industry as a competitor. Therefore, Toyota is utilizing numerous sorts of advancement and promoting approaches to extend their item around the globe. Particularly they are utilizing the web (site) and online life for their showcasing. As indicated by my own appearance, I think

I trust that Toyota is going about as a social business visionary with these lines of vehicles. they are giving an administration of mankind and the earth while likewise probably maintaining the business. the engine organization of Toyota has additionally been helping society through their numerous undertakings. their vision is more than cars.my general determination considers Toyota to be an organization that effectively made on half and half imaginative autos which is all the more naturally friendly and more fuel efficiency compare to other traditional cars. everybody practicing environmental safety by the closest future and other car manufacturing companies should be do it as my view...

3.1 CONCLUSION

From this report, I have got vast knowledge about the profitable organization and how they make a profit as well. Especially in this report, I had talked about Toyota car production company and how they achieve their success step by step. Furthermore, I got knowledge of many kinds of analysis system of the organization such as swot, customers five forces and pestle. Also, I found information about the company which is depend on target customer base and how to recognize target customer base exactly. Finally, I understood, marketing mixes their value for customers and the behaviour of stakeholders of the company very well.

I believe these kinds of information and knowledge will be very helpful to me make my mind of business in the future.

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5.1 APPENDICES