MARKETING PLAN

Word Count: 4429
# TABLE OF CONTENTS

**EXECUTIVE SUMMARY** ............................................................... 1  
**COMPANY DESCRIPTION** .......................................................... 1  
**STRATEGIC PLAN/FOCUS** .......................................................... 2  

**SITUATION ANALYSIS**
  - Industry Analysis ................................................................. 2  
  - Competitor Analysis .............................................................. 4  
  - Customer Analysis ............................................................... 4  
  - SWOT Analysis ................................................................. 5  

**MARKETING OBJECTIVES**
  - Market Penetration ............................................................. 1  
  - Target Markets ................................................................. 6  
  - Points of Difference ........................................................... 6  
  - Positioning ................................................................. 7  

**MARKETING STRATEGIES**
  - Product Strategy ................................................................. 8  
  - Pricing Strategy ................................................................. 9  
  - Promotion Strategy ............................................................ 9  
  - Place/Distribution Strategy .................................................... 10  

**SALES FORECAST** ..................................................................... 10  

**NOTES** .................................................................................. 11  
**EXHIBITS** ............................................................................. 13  
**WORKS CITED** ...................................................................... 19  

EXECUTIVE SUMMARY

The following marketing plan outlines the history, strategy, and objectives for Toyota Kirloskar Motor Corporation, an Indian subsidiary of Toyota recently established to take advantage of an emerging market untapped by their largest global competitors: GM and Volkswagen.

Toyota Kirloskar has decided to introduce a new, affordable family hatchback specifically designed for India’s rough rural terrain: the Yātrā. Toyota aims to combine spectacular safety features, unmatched comfort, and innovative technology to offer rural Indians (a price-sensitive, low-income demographic) an incredible car at a low price.

By using a combination of pull strategies to reach their primary target market Toyota will motivate consumers to seek out and purchase the Yātrā. Print advertising (magazine spreads), mass media promotion (TV publicity), and social media (active Twitter accounts) will engage buyers in an active process that successfully informs and persuades Indians to consider Toyota’s newest family hatchback a staple for rural life. These strategies will be crucial to the Yātrā’s success in the Indian marketplace.

COMPANY DESCRIPTION

The Toyota Motor Corporation is a Japanese automotive manufacturer founded by Kiichiro Toyoda headquartered in Toyota, Aichi Prefecture, Japan [1][2]. In 2012, the multinational corporation was declared the leading automaker by production, being the first to produce 10 million vehicles per year [3]. Toyota has also been recently recognized as the fourteenth-largest company in the world by revenue in November 2014 [4].

In the corporation’s lifespan, Toyota has become a well-known brand worldwide through a large focus on global expansion. Today, Toyota products are sold in 170 countries and as exports continue to grow, the localization of production bases has become more significant. Acting on the policy of producing vehicles where the demand exists, the corporation now has 51 bases in 26 different countries and regions in North America, Europe, and Asia [5].

Toyota Kirloskar Motor Private Limited is a subsidiary for the manufacturing and sales of Toyota cars in India, located in Bangalore [6]. It is currently the 4th largest carmaker in the country, following Maruti Suzuki, Hyundai, and Mahindra. The Etios models were designed as Toyota’s first Indian-specific vehicles. The sedan model was released in 2010, followed by the Liva hatchback, with both models becoming a large contributor to sales of Toyota vehicles in India. In the first two months of the 2011 fiscal, Toyota Kirloskar sold over 8,000 units of the Etios sedan in the domestic market [7]. The company is competing with approximately thirteen other 'B' segment products from rivals of the Indian car market [8].

Toyota’s commitment to delivering value through world-class vehicles is shown through the global recognition of the Toyota brand. In focusing efforts with localization, Toyota Kirloskar is ambitiously
planning to build a second plant at the Bangalore site. This development would increase the localiza-
tion level of Etios and Liva from 70 to 90 percent [9]. With the subsidiary’s belief in sustainable develop-
ment and objective to boost local industries, Toyota Kirloskar hopes to become the country’s top auto-
maker [10]. The expansion provides an opportunity for growth and could make Toyota the most widely
trusted brand for automobiles in India.

| STRATEGIC PLAN/FOCUS |

**Toyota’s Global Vision**

Toyota aims to be an industry leader, enriching customers’ lives through innovative products that
utilize advanced technologies and services. Through a commitment to quality, constant innovation and
respect for the planet, we will exceed expectations in the Indian auto industry and contribute to the
nation’s economy. We will meet challenges by engaging the talent and passion of all people who believe
there is always a better way.

**Mission Statement**

Toyota will cultivate a customer relationship by providing products and services of superior quality at
a competitive price. We strive to create an eco-friendly company in harmony with nature and society.

**Goals | Non-Financial Goals**

It is recommended that Toyota Kirloskar targets India to achieve a 5% growth of global sales in the car
market. Toyota Kirloskar is encouraged to diversify its advertising and marketing efforts towards
traditional media (magazines, TV ads), new media (social media), and TV publicity which all
play a major role in the consumer decision-making process.

**Goals | Financial Goals**

It is suggested that Toyota Kirloskar increase unit sales of the Etios from 50,000 in March 2012 to
60,000 units in 2015, a 20% increase. Toyota Kirloskar should strive to establish production and supply
structures to realize optimum product pricing and delivery. Toyota Kirloskar must increase their Indian
sales by 10% after sales in 2013 fell by 22%.

**Core Competency and Sustainable Competitive Advantage**

Toyota’s core competency is its ability to produce high-quality vehicles at affordable prices. This is
made possible by the company’s innovative production practices known as the Toyota Production
System (TPS). TPS is based on the Lean Manufacturing concept, which includes innovative practices
like Just-in-Time, Kaizen, and Six-Sigma; this will be further explained in the SWOT analysis section.
Toyota has worked tirelessly to establish this competitive advantage.

| INDUSTRY ANALYSIS |

The automotive manufacturing industry is thriving and growing at a quicker rate than ever before. By
2015, it is predicted to grow 4.5% annually, and Toyota Motor Corporation is leading this trend [11]. By 2010, Toyota had opened 66 plants worldwide - 15 in Japan, and 51 others spread across 26 different nations [12]. Their average annual growth rate has reached 8.31%, “16.44% above the prior year’s results [13].” In 2012, the company manufactured 74 different models [14] and 9.75 million cars [15]. In this fast paced environment crowded with new competitors, mass production is strategically imperative to staying successful.

As North Americans recover from the tail end of a recession certain trends have become apparent: consumers are no longer purchasing cars. Instead, they are repairing ones they own in an effort to save money. “Consumers are holding their cars, on average, for 63.9 months, which is up 4.5 months from the previous year [16].” Toyota takes pride in the longevity of their vehicles. According to their website, “80% of all Corollas in the last 20 years are still on the road [17].” Dealerships are suffering because of this but repair and maintenance shops are on the rise. Toyota promotes a variety of different repairs. They only use genuine, company-made parts. By bundling excellent service with a 5 year warranty it’s no wonder customer loyalty has increased over the years [18].

As consumers become more aware of their environmental impact the demand for eco-friendly cars has increased. Toyota has spearheaded the hybrid movement by designing electric and fuel-efficient cars like the Prius, Camry, and Avalon Hybrid. Due to their dedication to innovation, “The Big Three automakers [Ford, Chrysler, and General Motors] are required to quickly release more energy efficient vehicles to the market [19].” Toyota is determined to win the race by catering to this new, burgeoning market. They have partnered with one of the leading manufacturers of electrical equipment in North America, Leviton, to produce an electric car charging station capable of powering all hybrid Toyota vehicles [20]. New doors have opened in the automotive industry, forever changing what is possible.

North American Automotive Market

Competition has always been intense between the United State’s three major manufacturing companies: Ford, Chrysler, and General Motors. However, Japan has begun taking over the North American marketplace. In 2008, Toyota surpassed General Motors in global sales, reaching “2.41 million vehicles worldwide between January and March [in 2008], compared to GM’s 2.25 million [21].”

The Global Automotive Market

Globally, there are two countries that have become highly competitive in the automotive market. Germany has three major car manufacturers; Volkswagen, Daimler AG, and BMW; Japan has Toyota, Nissan and Honda. These two nations have been extremely successful in reaching the North America market, threatening to substitute large American brands. Toyota proudly advertises their wide selection of fuel efficient cars to battle competitors such as Volkswagen's new Hybrid Jetta [22]. This is illustrated by Porter’ Five Forces in figure 2 in the Exhibits.
COMPETITOR ANALYSIS

Toyota Motor Corporation competes in an oligopolistic auto market where manufacturers are constantly looking to build higher-quality cars. Due to operational costs, new firms suffer from a high barrier to entry. This limits the number of automotive manufacturers in the market. Toyota has a considerable interest in improving their processes to stay competitive and restrict the number of emerging companies.

Many of today’s consumers are part of the ‘green’ movement and have a positive attitude towards environmental sustainability. This, in combination with skyrocketing fuel prices, has created a demand for smaller, fuel-efficient cars [23]. Toyota must maintain a firm grasp on both cost-conscious and environmentally conscious consumers especially as other manufacturers begin focusing on this section of the market.

In developed markets, automobile demand is tied to an increasing number of factors like material and manufacturing costs. Over the past five years manufacturers and consumers have been plagued with high gas and oil prices, encouraging the adoption of fuel-efficient vehicles. In an era of modern technology, consumers have become better informed about vehicles’ actual costs; they are less likely to accept manufacturers’ large annual price increases. Automakers like Toyota must focus on product innovation, effective cost control and forecasting to determine expenditure and maintain a competitive edge.

One facet of Toyota’s efforts to address the growing cost conscious market is the introduction of new electric models [24]. While some automakers were more reluctant to shift production efforts to smaller cars, Toyota recognized that an upward trend in fuel prices would influence the demand for types of vehicles. They understood that consumers would be willing to invest more in upfront costs if it meant potential savings down the road.

With an increase in the number of automobile financing companies in emerging markets, Toyota’s establishment of export markets is a key success factor to help negate any downturns in domestic markets. For example, Japanese carmakers offering fuel-efficient vehicles took market share from manufacturers of large vehicles over the past five years (Toyota 10.2% overall). Over the next five years, the emerging markets will continue to grow and vehicle sales in the developed world will recover [25]. Toyota has been enhancing its emerging markets business strategy to tap into these opportunities and benefit from a growing consumer demand for fuel-efficient vehicles [26].

CUSTOMER ANALYSIS

Who Are Toyota’s Customers?

Toyota’s global expansion has given the Japanese brand a wide demographic of customers. The company has successfully identified and capitalized on its target markets for 50 years in the Canadian
marketplace [27]. Out of all countries, the United States leads with the highest amount of sales as seen in figure 4 [28]. Toyota caters to individuals and families of high and middle-class income looking for affordable, safe, and innovative vehicles [29]. Average consumers are attracted to the brand’s high-quality, functional designs. Wealthier buyers with a keen eye for luxury, performance, and advanced technology can also choose from a variety of models. Most recently, Toyota has extended its line of hybrid, electric, and fuel cell eco-friendly cars to environmentally conscious consumer [30].

Why Toyota?
Toyota’s success is due to their vast array of cars. With such a large customer base they must find a perfect fit for many needs. Choices range from sport cars to family vans, and pickup trucks to hybrids. Over the years, specific models have caught consumer’s attention. The 1966 Corolla became the most popular family car with its design still being referenced in newer models today. The 1955 Land Cruiser was built for military and police agencies but became the car for adventure seekers in 2002 with its powerful off-road capabilities [31]. Toyota’s impeccable customer service and relations department is the reason why consumers describe Toyota cars to be enjoyable to drive, safe and extremely reliable, as seen in figure 3 [32]. These features contribute to Toyota's ability to maintain customer trust and earn a large percentage of reinvesting customers as seen in figure 5 [33].

<table>
<thead>
<tr>
<th>SWOT ANALYSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The SWOT analysis in figure 4 notes the internal and external factors affecting Toyota’s success in a competitive global market.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARKET PENETRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>An increasing percentage of Toyota’s sales in Asia are a result of their growing presence in India. Entering the country in 1997 through a joint venture with Kirloskar Group, Toyota has become the 4th largest car manufacturer in India behind Maruti Suzuki, Hyundai, and Mahindra [34]. The Japanese company currently has 6.12% of the Indian market share and through various market penetration tactics aims to control 10% within the next 5 years [35].</td>
</tr>
</tbody>
</table>

Toyota has implemented more assertive sales efforts and better training for its dealers. In the rural heart of the country, dealerships have begun holding village road shows to emphasize the superior quality of Toyota’s vehicles and service [36]. The company lives by the phrase “Think globally, act locally”, having constructed 2 manufacturing plants and 205 dealerships across the nation creating more than 6000 jobs in the process [37]. Localization is one of their primary goals.

One may wonder why Toyota, a multibillion-dollar corporation, would even attempt to penetrate the Indian market. Afterall, the country has a significantly low number of drivers with only 16 cars per 1000 people. The answer: researchers have estimated the country’s car market will grow 10% per annum against the global rate of 5% [38]. It’s time for Toyota to dominate an emerging market that remains untouched by their largest global competitors, GM and Volkswagen.
**Primary Market**

Toyota’s new primary market is rural India. The South Asian branch plans to sell 40% of its cars to the low-middle class rural market, a drastic change from their metropolitan focus [39]. Toyota has aggressively begun expanding dealership operations in the countryside concentrating on selling the Etios and Liva, powerhouse family hatchbacks capable of withstanding inclement weather and tough rural conditions. Rural buyers demand cheap vehicles that promise longevity. In response, Toyota has lowered their initial prices and promised readily available spare parts during servicing [40]. These methods will help the company capitalize on a price sensitive market.

**Secondary Market**

The organization’s secondary market remains its strongest to date: average Indian citizens with middle-class incomes. Family-oriented passenger vehicles and workhorse-like utility vehicles are Toyota’s most widely produced and purchased models. The Innova, which targets parents between 35-40 years of age and adults with new, growing businesses, continues to be the country’s most preferred car [41]. This branding strategy allows Toyota to effectively cover both family and work-oriented markets.

**Tertiary Market**

The increased purchasing power of the Indian middle-class has led to new opportunities for the Toyota Prius as well, a hybrid-electric car. India has one of the world’s fastest growing economies, which means thousands of citizens now have higher disposable incomes and are willing to purchase a quality vehicle like the Prius. The Indian government would also provide Toyota with substantial subsidies and tax benefits if they launched an environmentally friendly car. The State Bank of India decreased interest rates on automotive loans in 2009, further empowering consumers and allowing them access to the Prius [42].

| POINTS OF DIFFERENCE |

Affordability, reliability, and innovation are words Toyota Kirloskar Motor (TKM) strives to associate its Indian brand image with. In combination with spaciousness, comfort and superior energy-efficiency TKM has assembled the perfect ingredients to appeal to a wide range of Indian consumers.

To accommodate their primary market, price-sensitive low-income rural families, Toyota crafted the Etios and Liva. These inexpensive family vehicles are equipped with dual front airbags and a clean engine designed to meet EURO 4 exhaust emission standards [43]. This deftly handles two issues: safety and a growing sense of responsibility to avoid further polluting the Indian environment. Figure 6 illustrates that automotive market B (which demands affordably priced eco-friendly cars) has grown rapidly in recent years. These two models were built slightly larger to supply comfort during long distance travelling; most of Toyota’s competitors create smaller, compact cars. In addition to being the most spacious, high-tech, safe vehicles on the road Toyota boasts that nearly all materials and components are sourced locally and produced in eco-factories [44]. Once again, the company proves its support of local economies.
Capaciousness being the selling point for family-oriented middle class markets; the Innova offers both 7 and 8 seater models. In a delightful marriage of safety and technology this compact Multi-Purpose Vehicle (MPV) is complete with light steering to promote easy driving, with a rear-end camera to increase visibility during parking and a powerful battery [45]. Sensors are also built in to prevent accidental collisions [46]. Its main competitor, the Honda Mobilio, claims to be the most luxurious and fuel efficient MPV in the country [47]. Toyota needs to emphasize the Innova’s seating capacity and ability to carry an entire family over long distances using less fuel.

Toyota has only recently released the Prius, an electric hybrid targeted towards high income families and early technology adopters, to India. However, the company is already making big moves planning to add 20 more battery-powered models in the near future [48]. These rechargeable cars are projected to boom in popularity, so securing a spot in the market now will allow Toyota to become a leader of low-cost hybrid technology.

The four aforementioned models all provide safety; comfort and luxury without compromising the compact size and reliability Indian vehicles need to handle congested roads and poor terrain. Regrettably, it seems that Toyota has focused too heavily on low costs and quality has suffered in the process. This company prides themselves in providing high-calibre automobiles. They should continue to focus on retaining these values to please customers and regain their market share.

| POSITIONING |

Toyota must utilize a differentiation approach to operate effectively in the Indian market. This technique focuses on distinguishing unique points of difference to reduce competition and reach new market segments. In response to demands for fuel-efficient family vehicles Toyota positioned themselves as leaders in strongly built, affordable, eco-friendly cars [49]. Their Etios, Liva, and Innova were created specifically for the Indian market [50].

Figure 7 demonstrates brand positioning from the perspective of a consumer looking for high quality, fuel-efficient vehicles (please note that these positions vary depending on the consumer). Toyota will increase sales by positioning their low cost, hi-tech, energy saving cars near the green circle on this perceptual map. By highlighting their most recent technological innovations as a point of difference, Toyota can overthrow the Honda Mobilio, their rival model [51]. In addition, the Innova and the Etios have been streamlined to fit India’s narrow roads but retain more spaciousness than any other competitor.

Toyota recently developed a marketing campaign to attract cost-conscious buyers by lowering the pricing of the Etios and Liva [52]. By recognizing these growth opportunities early on they have given themselves a head start large enough to keep Honda and Nissan at bay [53]. The middle class can still easily purchase other higher-priced models like the Prius since the State Bank of India decreased interest rates on automotive loans in 2009. Toyota skilfully recognized which environmental factors
and trends would lead to great opportunities, allowing them to capture the budget-conscious market before their competitors.

The differentiation approach to positioning has allowed Toyota to extensively achieve market penetration in a variety of niche markets. The company’s ability to anticipate and adapt to the demands of the Indian marketplace has proven to be a competitive advantage. Families seeking a comfortable, green, safe driving experience know exactly which automaker to choose.

<table>
<thead>
<tr>
<th>PRODUCT STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s newest and most improved family hatchback will be reintroduced as the Yātrā, a Hindi word for journey [54]. With yellow and orange aesthetics inspired by India’s marigold flower, which is commonly used for celebrations, Toyota hopes to invoke a spirit of excitement, joy, and adventurousness. These details will help TKM build a cultural relationship with Indian consumers. The Yātrā targets the same low-middle class rural citizens as its predecessor, the Etios Liva. However, this updated model has improved upon many of its antecedent’s failures. TKM listened to customer concerns, put their ear to the ground to anticipate design trends, and responded with an enhanced product people are sure to love. These innovations will guarantee the Yātrā’s success in the marketplace.</td>
</tr>
</tbody>
</table>

Most of the changes introduced by the Yātrā are technical rather than visual. Sound insulation has been upgraded to reduce noise levels in the cabin coming from wind or the engine. We’ve renovated the front and rear suspensions to eliminate potential failures and reduce reparation costs for consumers. Steering has been given a faster response rate, the type of sensitivity rural drivers need to react quickly to unexpected situations and poor road conditions. Headlights have been improved to reach a farther and wider distance than ever before. With wildlife running along country roadways at night, our drivers need the best and brightest lighting system to ensure their safety. In perhaps our boldest move yet, Toyota has decided to leave the Yātrā’s exterior build untouched. It has an appealing style and a perfectly sized cabin meant to fit India’s congested roadways [55]. The classic design that made the Etios Liva so unique and noticeable will live to see another generation.

In addition to interior features included in the previous model (an excellent air conditioning system, unmatched legroom, and a glove-box that conveniently doubles as a water cooler) new functions have been designed and implemented [56]. Speakers behind the back headrests will improve listeners’ audio experience. A mount for cellphones and tablets has been placed above the accelerometer, allowing drivers to use GPS and simultaneously charge their devices. Rural Indians are becoming more technology conscious and would appreciate the ability to use these modern features. Because they are so inexpensive to implement, all of these drastic changes come at no extra cost to the consumer.

All of Toyota’s vehicles are supported by excellent customer service a warranty. Toyota’s repair shops provide access to express maintenance and quick vehicle information, among other quality services[57].
The warranty guarantees reparation or replacement of any defective parts or craftsmanship under misuse within a period of 100,000km driven or 3 years of age \[58\]. Toyota’s support network is stronger than ever and ready to help customers with all of their Yātrā concerns.

**| PRICING STRATEGY**

The Toyota Yātrā has been competitively priced to compete with the Hyundai i20 and the Ford Figo, a favoured import. The Yātrā is a B-segment vehicle targeting customers who look for economy of operation and prefer reliability over luxury. As such, penetration pricing will be adopted for the early stages of its life in the marketplace. A low initial price will be set to reach deeper market segments and add to TKM’s already intimidating 40% share of the Indian auto market. The company offers a wide range of low-cost cars that can be bought for only a few thousand dollars. This strategy will make it difficult for competing companies to appeal to the price-sensitive rural market.

The Yātrā will use penetration pricing because of the elastic demand for compact cars. Despite profits being lessened during the short term, the quantity of cars purchased will increase, the model will quickly gain mass appeal, and TKM will reach their desired market share. Building a strong consumer base, accumulating sales over time, and gaining the trust of rural drivers is crucial. If this strategy proves to be profitable Toyota may decide to further reduce unit costs as the volumes sold rises, this is known as the experience curve effect. With this approach, the Yātrā is sure to become rural Indian drivers’ preferred method of transportation.

**| PROMOTION STRATEGY**

Utilizing both traditional and modern pull strategies to effectively reach their primary target market, (price-sensitive low-income rural families) Toyota will motivate consumers to seek out and purchase the Yātrā. Print advertising, mass media promotion, and social media will engage buyers in an active process that successfully informs and persuades Indians to consider Toyota’s newest family hatchback a staple for rural life.

Press Conference: A week prior to the late-2014 release of Toyota’s Yātrā, TKM will hold a press conference nationally broadcast on ZeeNews, India’s largest television network. An ambassador will excitedly respond to interview questions posed by journalists hoping for an inside look at what makes the Yātrā so revolutionary. The speaker will highlight features meant to appeal to the rural community: unparalleled engine power and revamped safety features (top-rated airbags, a bumper camera, and light steering). The primary goal of this approach is to create national awareness and attract new clients. Publicity is crucial to this campaign’s success. When viewers watch the conference it will add credibility to the product.

Press Advertising: Toyota will also employ this more affordable option by creating a 2-page magazine spread for IndiaToday emphasizing the main features and lifestyle associated with owning a Yātrā. The
ad will display a photo of the car in action with the lower 3rd dedicated to describing its purchasers through semi-inspirational language. Image building and information dissemination are TKM’s key objectives.

Public Relations (Consumer Participation Strategy): The third strategy will involve implementing social media channels on Facebook and Twitter and tailoring them to represent the Yātrā. Public relations staff will focus on facilitating and responding to online discussions. By answering concerns and forwarding consumer feedback to appropriate management, TKM will be able to use customer’s ideas to improve their brand image. Using social media as a promotional medium is another obvious advantage. Cellphone app usage is prevalent even in rural India, meaning Toyota can successfully create awareness within their target market and build good relationships with their stakeholders [59].

| PLACE (DISTRIBUTION) STRATEGY |
Distribution locations are a crucial element of the Yātrā’s marketing mix. Toyota plans on expanding dealership operations in the heart of India. Successful dealerships must be built in places with a high population growth rate and a steady economy. Rural areas such as Meghalaya and Bihar have reached record levels of population growth in the past decade. With 70% of the population residing there, it’s the perfect place to sell the Yātrā [60].

Toyota has grown rapidly in the Indian market, which means they are constantly seeking new employees. On TKM’s website, job postings for every Indian state encourage applicants to become Toyota dealers. There are nearly unlimited options for choosing a location to distribute vehicles [61].

Oftentimes, dealership locations rely heavily on manufacturing plant locations. Introducing a new factory closer to, or within, the area will reduce transportation costs and overall pricing, further enticing rural consumers to purchase a Yātrā. In addition to this, Toyota is planning to construct a Research and Development facility in the same area [61]. This would be a wise decision as product testing could take place in the same environmental conditions where the majority of Toyota’s vehicles will be sold.

| SALES FORECAST |
The sales forecast for the Yātrā is predicted to be 3,804 Ikahs in revenue for it’s first year, which is approximately $6,982,647.76 CND. This is based on the pricing we have set for the Yātrā, selling for 6 Lakh which is about $11,013.64 CND and that 634 Toyota cars were sold on average in 2013.
NOTES

COMPANY DESCRIPTION

SITUATION ANALYSIS
[18] Repairs & Parts, (accessed October 1, 2014)
MARKETING OBJECTIVES


MARKETING STRATEGIES


[60] "Become a Dealer." Toyota - India.Web. 7 Nov. 2014.

Figure 1: Toyota SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Internal</strong></th>
<th>📈 <strong>Strengths</strong></th>
<th>🌐 <strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>Responsive, innovative management</td>
<td>Fast expansion, senior manager shortage</td>
</tr>
<tr>
<td>Offerings</td>
<td>Strong brand image, vast vehicle selection</td>
<td>No legacy or vintage cars</td>
</tr>
<tr>
<td>Marketing</td>
<td>Leader in the &quot;green car&quot; movement</td>
<td>Weak presence in emerging markets</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Strong core values, new learning facilities</td>
<td>Different levels of worker engagement across globe</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Second in industry for manufacturing</td>
<td>Large-scale recalls</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>Customer behaviour studies and surveys</td>
<td>Global reach with R&amp;D not put to full use</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>External</strong></th>
<th>🌍 <strong>Opportunities</strong></th>
<th>🌐 <strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer/Social</td>
<td>New ‘urban youth’ market</td>
<td>Decreasing fuel prices</td>
</tr>
<tr>
<td>Competitive</td>
<td>Growth through acquisition</td>
<td>Increasing global competition</td>
</tr>
<tr>
<td>Technological</td>
<td>Hybrid and eco-friendly technology</td>
<td>Competitive technological battle</td>
</tr>
<tr>
<td>Economic</td>
<td>Global Expansion</td>
<td>Shifting yen exchange rates</td>
</tr>
<tr>
<td>Legal Regulatory</td>
<td>High-standard safety regulations make global expansion easier</td>
<td>New emissions standards</td>
</tr>
</tbody>
</table>
Figure 2: Porter’s Five Forces of the Automotive Industry

<table>
<thead>
<tr>
<th>Threat of Substitute</th>
<th>Threat of New Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many alternative automakers</td>
<td>Capital intensive</td>
</tr>
<tr>
<td>Many alternative methods of transportation</td>
<td>High possibility for retaliation from existing companies</td>
</tr>
<tr>
<td>Alternative methods of transportation can be more environmentally-friendly and, in turn, cheaper</td>
<td>Automotive companies have established a brand image and reputation</td>
</tr>
<tr>
<td></td>
<td>Regulatory laws instated by governments to protect home markets</td>
</tr>
<tr>
<td></td>
<td>Products differentiate from a design and engineering standpoint</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyer Power</th>
<th>Supplier Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are many buyers worldwide</td>
<td>Large number of global suppliers (oligopoly)</td>
</tr>
<tr>
<td>Individuals buying single cars, enterprises buying large fleets with bargaining power</td>
<td>Some suppliers are smaller automakers for specific countries (non-export)</td>
</tr>
<tr>
<td>Buyers can easily choose an alternative automaker</td>
<td>Materials easily accessible</td>
</tr>
<tr>
<td>Minimal costs for buyer to switch to another form of transportation</td>
<td>Materials easily accessible</td>
</tr>
<tr>
<td>Buyers are price sensitive where price is the influential factor</td>
<td>Automakers designing signature models with product innovation</td>
</tr>
<tr>
<td>Buyers are knowledgeable about vehicles’ actual costs, less likely to be coerced into buying unfairly priced cars</td>
<td>Shifting yen exchange rates</td>
</tr>
</tbody>
</table>

**Competitive Rivalry**

- Price competition is not desirable because it would lead to reduced revenue
- Automakers generally do not leave the industry
- Large and matured industry of existing competitors and substitutes
- Increasing competition in domestic markets for market share during
- Size of competing firms vary but generally target different consumer/geographical segments
- Consumers are loyal to their brands
Figure 3: Customer Feedback Received by Toyota

- **The Estima’s 1,500 W electric outlet was really useful during a large-scale power outage.** I was able to plug an extension cord into it through a house window and use the power for lighting.
- **Our car broke down during a trip.** I was really worried because I was far away from home. However, I received a quick response and a polite explanation of the repair details, and was able to drive home with peace of mind.
- **Japan**
- **I am really impressed with the Previa.** I have driven a variety of cars, but this was the first time I felt a real sense of trust. The family trip we take every autumn covers 2,128 km, but we have never had any problems with the Previa.
- **Europe**
- **While I was driving a Yaris on a mountain road, an oncoming car lost control and collided with our car.** Although our car was severely damaged, we were able to walk away unharmed. We survived the crash thanks to Toyota’s safety philosophy.
- **Other Asian countries/Africa**
- **I have owned a Sienna for 12 years and it has been a reliable partner during our travelling years.** Thank you for nurturing part of this wonderful time in our lives.
- **The Americas**
- **I have enjoyed driving a Corolla for 16 years now.** It has been driven more than 1.2 million km under rough conditions.

Figure 4: Vehicle Ownership by Country

![Vehicle Ownership by Country chart]

- (Thousand vehicles)
- U.S., China, Japan, Germany, Italy, Russia, France
- Passenger cars, Trucks & buses

Figure 5: Leading Automotive Brand’s Corporate Loyalty

- Toyota: 47.3%
- GM: 46.2%
- Ford: 46.0%

* Owners whose vehicle purchase was one of the brands under the same corporate umbrella as their previous purchase.
Figure 6: Auto Market Segments

* Segments are used mostly in Europe as a marketing tool for statistical analysis. The B segment that the Ellos belongs to is equivalent to “Super Compact.”

Figure 7: Using positioning and perceptual maps to increase Toyota sales in India
**PRICE COMPARISON FOR VEHICLES IN INDIA**

<table>
<thead>
<tr>
<th>Ford</th>
<th>Hyundai</th>
<th>Toyota</th>
<th>Martui</th>
<th>Volkswagen</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Figo</strong></td>
<td><strong>i20</strong></td>
<td><strong>Yatri</strong></td>
<td><strong>Suzuki Swift</strong></td>
<td><strong>Polo</strong></td>
</tr>
<tr>
<td>Slogan:</td>
<td>Slogan:</td>
<td>Slogan:</td>
<td>Slogan:</td>
<td>Slogan:</td>
</tr>
<tr>
<td>The No Nonsense Car</td>
<td>I Got It All</td>
<td>Live Today Tomorrow</td>
<td>You’re The Fuel</td>
<td>Polo – Built To Protect</td>
</tr>
<tr>
<td>Ford India</td>
<td>Hyundai India</td>
<td>Toyota Kirloskar</td>
<td>Manesar (Martul)</td>
<td>Volkswagen India</td>
</tr>
<tr>
<td>Subcompact Hatchback</td>
<td>Supermini Car</td>
<td>Subcompact Car</td>
<td>Subcompact Hatchback</td>
<td>Supermini Car</td>
</tr>
</tbody>
</table>

| Rs. 6.0 lakh | Rs. 6.0 lakh | Rs. 6.0 lakh | Rs. 6.0 lakh | Rs. 6.2 lakh |

*All comparisons are of Base 6.0 models; pricing from www.cardekho.com*
Figure 8: SWOT Analysis Extended

**STRENGTHS**

**Responsive, innovative management:** Toyota was the first organization to introduce Kaizen, Kanban, and Total Quality Management (TQM), logistical systems that improve/maintain high-level production and focus on refining functionality on all levels.

**Strong brand image, vast vehicle selection:** Priced at $30 billion, Toyota’s brand image is the most highly valued of any automotive maker. With a diverse product range (70 models), and highly targeted marketing Toyota satisfies the needs of every consumer group.

**Leader in the “green car” movement:** An early commitment to creating small, environmentally friendly cars boosted their brand image and gave them a competitive advantage.

**Strong core values, new learning facilities:** Toyota has created learning facilities with in-depth course content to teach the globally diverse HR Staff Toyota’s core values.

**Second in industry for manufacturing:** In 2003 Toyota surpassed Ford to become the world’s second largest carmaker with 6.78 million units annually.

**Customer behaviour studies and surveys:** Toyota’s intensive customer research led them to invest in “green” technology and become an early producer of hybrid vehicles.

**WEAKNESSES**

**Fast expansion, senior manager shortage:** In 2010, Toyota suffered from recalls after a large expansion. New, improperly trained managers ignored customer feedback and disregarded lean production.

**No legacy or vintage cars:** Toyota has everything but “classic” cars that can be shown off. To make up for this they’ve invested heavily in F1 and NASCAR.

**Weak presence in emerging markets:** Their key markets are Japan, U.S.A., and Europe but Toyota has ignored China and India’s vast potential.

**Different levels in global engagement:** Western workers make an average of 1.1 suggestions per year to improve Toyota’s performance. The Japanese make 167 per year.

**Large-scale recalls:** Toyota had to recall 9 million vehicles during 2009-2010, and 7.43 million cars in 2012. These damaged the company’s finances and brand.

**Global reach with R&D not put to full use:** Toyota has R&D centres with global reach but has not focused on China, India, or Africa, a continent not yet penetrated by GM.

**OPPORTUNITIES**

**New ‘urban youth’ market:** Toyota has introduced Aygo, a car targeted towards the ever-increasing market of wealthy, independent youth.

**Growth through acquisition:** Toyota should continue to purchase other car companies to gain new skills, perspectives, and access to different markets.

**Hybrid and eco-friendly technology:** Gas prices and awareness of ecological footprints has risen, increasing the demand for fuel-efficient cars.

**Global Expansion:** Toyota is expanding its market share in emerging economies like China and India, reaching 45% in 2011 and an estimated 50% by 2015.

**High-standard safety regulations make global expansion easier:** With such amazing safety regulations it is easy for Toyota to open up plants globally.

**THREATS**

**Decreasing fuel prices:** If fuel prices drop, cost conscious consumers, Toyota Prius’ main customer group, may no longer be interested in hybrid and electric cars.

**Increasing global competition:** GM, Toyota’s main competitor, has reorganized their management and is more competitive than ever. New companies in South Korea, China and Eastern Europe are proving themselves as well.

**Competitive technological battle:** Toyota has sold much of its innovative technology to other car manufacturers who are looking to improve upon the designs.

**Shifting yen exchange rates:** As yen exchange rates appreciate, Toyota’s profits from foreign countries lessen after conversion.

**New emissions standards:** Emissions standards being introduced by governments worldwide would force Toyota to invest more heavily in cleaner engines.
REFERENCES


<http://www.ibtimes.co.in/toyota-etios-liva-facelift-launched-india-feature-price-details-611370>

<http://www.toyotaglobal.com/innovation/safety_technology/safety_technology/parking/>


<https://www.polk.com/knowledge/polk_views/how_did_the_toyota_recalls_affect_customer_loyalty>

<http://www.academia.edu/4784977/Running_Head_MARKETING_PLAN_FOR_TOYOTA_MOTOR_CO MPA N Y>


