

Toyota Strategic Market Analysis

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Toyota Consumer Behavior Issues 2012-2013

- Malfunctioning electric windows pose fire risk in eight Toyota models including RAV4, Yaris, Auris and Corolla. The recall has led to a major decline of Toyota's overall index score, which accounts for reputation, quality, and impression, dropping to 17.5 from 21.7 (Baker, 2012).
- To increase customer retention, Toyota Motor Sales focuses on adding more body shops within Toyota dealerships. While Toyota has 450 body shops located in their dealerships, less than 200 are certified (Rechtin, 2012).
- People became more negative towards Toyota brand after interacting with the news, where the recall of Toyota's models were broadcast (Shakespeare & Morris, 2013).
- About a month after Toyota's auto show held in Detroit, Toyota Motor Corporation brand perception increased 11 points from the previous year to a total of 133 points, passing competing brands Honda, Ford, and Chevy (Reuters, 2013).
- After Toyota's recall crisis, the automotive corporation strategized a consumer-based campaign "Let's Go Places" demonstrating the brand is moving forward (Stein, 2013).
- To keep up with today's fast exchange of information, Toyota centralized social media use to engage themselves in conversations involving their brand (Stein, 2013).
- Akio Toyoda, Toyota Motor Corporation's president, announced putting auto plants on hold until 2015 to focus on improvements towards growing leaner and tapping back into the founding principles created by his father (Kageyama, 2013).

Toyota Consumer Behavior Issues 2014 to Present

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- Toyota executes personalized marketing message among the Hispanic community by launching the “Mas Que un Auto” which translates to “more than a car”. This campaign recognized that Hispanics highly value their vehicles (Diaz, 2015).
- Despite persistent competitive advertisements, Toyota takes the lead for successful campaigns directed towards diverse communities. Toyota reinvents advertising to minority segments by creating groups that market specific products (Bond, 2017).
- Toyota’s global emerging-market sales fall behind other motor groups Volkswagen and Hyundai. While Toyota’s market extends to Japan, North America and Europe, Toyota’s Five Continents teams plans to take on Africa and Asia after pursuing Latin America (Greimel, 2017).
- Toyota partnered with a TV analytics firm, EDO, which found that Toyota’s “Home for the Holidays” advertisement received the highest volume of searches related to cars that week (Levine, 2019).
- Toyota’s original hybrid model, Prius, continues to raise expectations for other hybrid sedans over the span of twenty years as its 2020 model redesigned its performance, versatility, and technology (Sessions, Borjon & Harms, 2019).
- Unlike its big competitors, Toyota believes in a hybrid-centric strategy in eliminating greenhouse gases. Toyota believes hybrids are more practical to the average consumer over electric vehicles due to availability of charging stations (Vellequette, 2021).
- Toyota launched a digital retailing system, Smartpath, which allows consumers to purchase new Toyota vehicles, complete financing, purchase insurance, and value trade-in online without having to be present at a dealership. Smartpath has substantially

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decreased transaction time for consumers, improving satisfaction with the sales process (Vellequette, 2021).

Conclusions

- Toyota's brand reputation took a major hit after the worldwide recall crisis but has since then made advancements towards a recovery state.
- Since 2013, Toyota has focused on relationship marketing and appeal to customers through strategic marketing tactics such as personalized messages and inventing new ways for consumers to purchase vehicles.
- Toyota acknowledges the wants and needs from their current consumers by continually revamping their beloved hybrid model rather than creating an entire new market of electric vehicles.

Recommendations

- Correct manufacturing issues and invest in quality suppliers to ensure product satisfaction and maintain a reputable brand name.
- Continue testing brand perceptions and convey surveys to help Toyota plan their future tactics.
- Expand the product line of hybrids to accommodate the growing demand for alternative vehicles.
- Strive to integrate their digital retailing feature into more locations nationwide.
- Continue a consumer-centralized approach and build relationships by focusing on messages and campaigns on social media platforms.
- Invest in addition of certified body shops within Toyota dealerships to ensure quality services are provided to customers, in turn producing high retention rates.

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