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Toyota Analysis

Toyota Company has been involved in the production, marketing and sale of Automobiles over a long period of time. It satisfies the travelling and transportation needs of its customers. There are various brands of the company targeted at different ages and income groups.

**SWOT Analysis of Toyota**

*Strengths*

The company had a strong market position and brand recognition all around the world with a high percentage of market share in Japan in the year 2012. The company enjoys considerable market share in almost all regions of the world. Such strong market position allows the company to gain and retain a competitive advantage in the international market.

Toyota has a strong focus on the research and development so that it can regularly improve on various aspects of products. Major focus is on functionality, quality, safety and environmental friendliness of products. These efforts have been directed towards development of new products and processes as well as improves the existing products. Latest features have been installed in existing products and new products have also been developed with improved features. Company has been able to hold technological leadership in majority of product segments and continues to develop latest products.

*Weaknesses*

The suppliers have a strong bargaining power against the company because there are a large number of companies from which suppliers could choose from. If Toyota cannot come up with suitable terms and conditions, the suppliers will go to other companies. Other aspect of this weakness is that the company is dependent upon its suppliers all over the world.

The green vehicle has been launched by the company but there has been no specific market for this product. It will take time for company to launch its green vehicles.

Company has to recall some of its products due to poor functioning or some other similar issues, which creates some negative publicity for it and affect company reputation.

*Opportunities*

Increasing demand for cars and vehicles in the developing countries has provided ample opportunities for company to extend its business. There is also a higher demand for environment friendly cars all over the world and company is trying to fill this gap by producing such cars.

*Threats*

There are a number of competitors who pose serious threat to the company in terms of changes in market share. There has been an increase in prices of raw materials used by companies which have put an upward pressure on prices (Panagiotou).

Price and quality have been chosen to develop a perceptual map for Toyota because these are the major aspects which affect the customer. Customers basically judge price and quality against perceived costs and benefits. A product which is placed higher on a perceptual map will be expected to be priced high and deliver higher level of quality as well. Toyota is positioned at the high ends of quality and middle of the price continuum. This means that the company will has to control the overall costs of production. Company can adopt a just-in-time approach to inventory management so that it can keep the prices low. Lean production is another way through which company has ensured higher quality and comparatively lower prices (Price 80).

H

Lexus/Highlander

L Camry

Quality

Price

In the above diagram, we have shown price on the x- axis and quality on the Y-axis. Toyota has been shown to have higher quality and medium pricing for its vehicles (Johansson and Thorell 60). There are many brands offered by the company with different prices and features.

Positioning Statement

Company will continue to produce high quality vehicles which are affordable and at the same time environment friendly. This will mean that all stakeholders related to the company are considered (Akpoyomare 54).

**Works Cited**

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