How Toyota’s approach towards marketing communications helps keep everything going right

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BEFORE focusing on how Toyota South Africa’s approach towards advertising has played a major role in their continued success, it is important to first add some overall perspective.

In any marketing situation, advertising forms only a part, albeit important, of any company’s total marketing mix. Within the South African automotive industry, for example, many other mix ingredients are also involved and to place advertising in its true perspective, it is important to recognise at least some of these other ingredients.

Of interest to those involved in the basic subject of this publication, will be the great importance communications also plays in the management of many of these other marketing mix ingredients.

1. Acceptance and application of Marketing as a broad business principle.
While there is no doubt that all South African automotive companies now fully accept the concept and the need for Marketing, there are some which believe, understand and apply the principles of Marketing more effectively and efficiently than others. These companies recognise that the core of the marketing concept is communication with their target markets; understanding their requirements and providing products to satisfy these needs — while making a fair and reasonable profit.

2. Relationship with the source supplier
The depth of mutual understanding, co-operation, assistance and trust built up through continual communication between a local manufacturer and their overseas supplier can and does have a huge effect on the stability of the local company’s marketing mix. Particularly in the areas of product development/modification to suit local conditions and of course, pricing.

3. Selection of product line-up
With three to five year lead-times in the design and development of technological improvements, through to a brand new model, selecting the right model line-up to be introduced into a market is fraught with danger. Especially when you take into account that the local company has to commit themselves around three years in advance.

In this fast changing world, a lot can change in that time, so poor judgement up front can be incredibly costly.
4. Structure and control of the dealer organisation
Any automotive manufacturer is only as successful as its dealer organisation enables it to be and the manufacturer that allows the tail to wag the dog is in serious trouble. The communication challenge here is the careful balancing of control and sensitive policing, for the automotive dealer is always an independent business in its own right.

5. Relationship with local suppliers
Close communication and co-operation between an automotive manufacturer and their local component suppliers are also of critical importance. Especially for a company like Toyota that operates on the low overhead, high productivity “kanban” manufacturing system, where all local components are delivered on a “just in time” basis. The slightest misunderstanding here could bring the entire manufacturing operation to a costly halt.

6. Monitoring the competitive climate
As in any industry, studying, analysing, understanding and anticipating competitive activity helps make the difference between the leaders and the also-rans. Once again, communication via research and other means plays an important role.

7. Pricing strategy
One of the so-called four P’s of marketing, the pricing of high ticket items such as passenger and commercial vehicles is obviously an important factor.
With but a few exceptions that can get away with charging a premium for extrinsic values, most South African automotive manufacturers attempt to marginally better, or at least equal each other on a value for money pricing platform. Again, some with more success than others.

8. Product quality
Although physical manufacturing does not theoretically fall within the direct orbit of Marketing, actual product quality and the relationship between the marketing and manufacturing divisions of any organisation can contribute greatly towards the overall effectiveness of that company in the marketplace.
Since their operating objectives are usually in conflict, this is indeed a tricky communication challenge.

9. Corporate climate
It stands to reason that the more successfully a company manages its people resources, at all levels, the more efficient that company is likely to be in its marketplace. Since close collaboration and team-work are the foundations of Marketing, the control and maintenance of a happy balance in corporate climate is very important. And this too can only be achieved through the artful use of communication.

10. After sales service
Particularly in the automotive business, good after sales service is the key to repeat customers. Here again, the aspect of good communications plays a vital role.
In theory, the company that manages to best balance all the numerous ingredients of the marketing mix and maintain that balance, will be the number one company in their sphere of business.
Now having added that necessary perspective, let us begin to explore in greater depth how Toyota South Africa’s approach towards advertising also improves that important arm of their overall marketing drive.
To begin with then, good advertising is also the result of doing several things right at
the same time. And as with the broader concept of Marketing, the development of consistently effective advertising finds its roots in the quality of communication that surrounds the process.

Let's now isolate those factors, that in combination, lead to the development of consistently effective advertising; it is the way all experienced advertising people like to work and Toyota South Africa apply it with great effect:

1. **Client's understanding of advertising**
   Key to the quality of advertising any client will receive from their agency is their depth of understanding of the subject. At Toyota Marketing, senior management does not simply believe in advertising; from the Chief Executive down, they all participate in the whole advertising process – from start to finish.
   
   Also, from an advertising agency point of view it is such an advantage to work with a client who knows why he doesn’t like something and is able to articulate the reasons.

2. **Client/Agency relationship**
   When the relationship is such that the agency is made to feel an integral part of the client’s marketing team, the climate for producing great advertising is definitely improved. Now combine that with a client who also understands advertising and a unique situation occurs.
   
   Fortunately with Toyota, the advertising agency is never “them”; it is always a case of “us”, all working together to produce great works.
   
   The pity is that with some clients this is not always the case; they actually introduce an element of fear into their agency relationship, believing it will keep them on their toes. Scare tactics are not conducive to good creative work.

3. **Agency involvement in the development of the marketing strategy**
   The closer the agency people can get to understanding all the marketing problems and opportunities facing a client, the more total their feel for that client’s business. This will naturally also result in the likelihood of even more effective advertising.
   
   Toyota South Africa usually involves agency personnel in key new model marketing strategy meetings. Even though it is mostly on an observer status basis, opinions are asked for and exchanged. This kind of early in-depth involvement definitely leads to advertising that supports the overall marketing strategy more strongly.

4. **Recognition of the advantage of branding**
   Those who were potential new car purchasers seven or more years ago, may remember that in South Africa people used to buy just Toyotas. The brand names Corolla and Cressida did exist in the form of badging on the cars, but not to any great extent in the minds of the buying public. In those days, the brand was Toyota and you could either get a small one, or a larger one.
   
   As a bit of background, this situation arose from the heritage of even earlier times, when the name Toyota stood just for exceptionally tough, trouble-free bakkies – their original line of business.
   
   Seven years ago, a conscious effort began to start clearly branding Toyota models in their advertising. Each model range was given its own carefully selected personality and character, while still retaining all the positive image strengths that were Toyota.
   
   Today, over a relatively short space of time, Toyota Corolla and Toyota Cressida are South Africa’s top sellers in their respective classes.

5. **Reinforcing image strengths**
   Of all automotive advertising over the past few years, there is no doubt that Toyota advertising has maintained greater consistency of style and character. And an integral part
of this on-going consistency has been the continual reinforcing of the real and perceived image strengths.

Proven factors like reliability, fuel efficiency, low maintenance costs, quality of workmanship, value for money and high re-sale are continually woven into Toyota advertising – to keep on reinforcing the brand.

6. Identifying the target markets
By monitoring details on each individual vehicle sale and capturing all this information on computer, Toyota are able to clearly identify the slightest shifts in traditional purchaser profiles, by individual model type. This valuable factual up-dating, combined with very close dealer liaison and continual face to face research and personal contact by the marketing team with the motoring public, helps build and maintain a very clear image of which people want which vehicles.

And of course in advertising terms, the clearer the target market definition, the more effective the communications.

7. Extending the corporate culture
Walk into Toyota head office in Wynberg, Sandton and within minutes you'll be aware of the corporate culture, or "vibe". They're honest, down-to-earth, hard working people. Each person knows their job and they get on with it. Company politics, if it does exist, must be at an extremely low level.

From an advertising point of view, this basic down-to-earth honesty prevails in every item of advertising produced for Toyota. For years and years, a conscious effort has been made to ensure that no over-claims are made.

Everything you read in a Toyota advertisement is exactly the way it is, hence when you see and/or experience the product, you're never disappointed. We are what we are and fortunately a large percentage of South African motor vehicle buyers prefer it that way.

8. Briefing the Agency
In so many cases, one of the biggest problems an advertising agency faces is getting a sound brief from their client. And getting it in writing is even more difficult.

Strange as it may seem, even some large advertisers either still don't know how, or are reluctant to commit themselves to a written brief.

Toyota certainly does not rank amongst those. After having taken a great deal of executive time in discussion and formulating their marketing strategy, they then translate that into a very comprehensive written agency brief. Furthermore this document is tabled and discussed thoroughly with agency, so there are absolutely no grey areas of misunderstanding. And in addition to that, on major new model introduction the agency TV Producer will be flown down from Johannesburg to the Toyota plant outside Durban, for a physical presentation of the new model range to be introduced. Thereby enabling them to physically experience the new product before developing the advertising.

9. Agency’s response to the Client brief
It is extremely doubtful that any Client brief, no matter how thorough, or good, will reach the advertising agency in a form where it can simply be passed straight on to a creative team.

By and large, creative people are not overly interested in dry marketing facts and statistics, so it is normal practice for the more left-brained account handling people to sift through the client brief, extracting in a logical sequence the necessary information to include in agency's Creative brief, so their more right-brained creative colleagues can address consumer needs, wants and desires with consumer-orientated communications.

After a thorough internal review with top agency management, the Creative brief is then
presented back to the client and discussed thoroughly to get client’s approval, prior to giving it to the agency creative department to start work.

While this approach does consume some extra time, it at least ensures we’re all talking the same language right from the beginning.

10. Selecting the correct media for the job
It’s obvious that certain media are better suited than others to achieve particular communication objectives.

For example, print enables you to go into more detail, with magazines usually being read in a more relaxed frame of mind than daily newspapers. Radio is terrific for creating/maintaining awareness, but time and other constraints force you to present a simple clear message. Television on the other hand is superb for helping to build a brand’s personality, while emphasising one or two important points.

Each media has its own definite communication strength and it is the thorough understanding and utilisation of each of these unique strengths, in a well-balanced media plan, that adds additional impact and therefore value to an advertising campaign.

The application of this understanding also adds to the overall success of Toyota South Africa’s advertising.

11. Budgeting
However a Client may arrive at their advertising budget it is critically important to weigh the overall marketing objectives against the monies available. Naturally everyone’s intention is to make each rand work like it were two. Extracting maximum value and effect from each advertising rand is the aim of both client and agency alike.

There are occasions though when the task is bigger than the available budget can achieve and it’s critically important to recognise this fact right up front – even before the programme is started.

Toyota South Africa’s strength in this regard is to make available just enough budget to do each job thoroughly and to maintain good continuity of advertising, even through depressed economic times.

This avoidance of stop-start advertising undoubtedly pays dividends in the long term as can be proved by Toyota’s Cost Per Unit advertising spend when compared to numerous competitors. Month after month, year after year, their CPU spend is just on, or just below the industry average, while that of a lot of other manufacturers fluctuates quite severely.

In the advertising industry there’s an old saying that clients usually get the advertising they deserve. Although normally used in a derogatory sense, this has never been more true – in a positive sense – than for Toyota South Africa. They are a highly professional Marketing company, who recognise and respect the added value of effective advertising as part of the overall marketing mix.

For Toyota, everything keeps going right, because they consistently do more things right first time than any other competitor. It’s as simple, or as difficult, as that.