COMPETITIVE STRATEGIES OF TOYOTA CAR DEALERS

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Abstract - This article aims to investigate concepts on strategic management and business policy in relation to competitive strategies of Toyota car dealers. Four concepts, namely, entrepreneurial orientation, competitive advantage, market orientation, and business performance were examined. Related literature from documents, journals as well as electronics data base was reviewed. It is, according to the study, suggested that, in good business competition, executives must keep pace with the current situation, and be able to solve the problems of threats and market challenges thrown by competitors in the same industry in a timely manner. They also need to find defensive and protective strategies, and create competitive advantages to reign consumers' mind sustainably.

Keywords - entrepreneurial orientation, competitive advantage, market orientation, business performance

I. INTRODUCTION

For small and medium enterprises, it is necessary for business operators to find and adjust their strategies to add more value to their products and to gain more competitive advantages to their business so as to keep pace with any present and future changes. Fast development of the products to serve the changing situations is considered very crucial. It is of great help to compete with the old and new competitors, domestically and internationally, especially in a present free market era. For current automotive industry in Thailand, there are many partners from neighboring countries such as China and Indonesia. Due to the changing conditions and high competitions, business entrepreneurs have to change their management policy to serve and handle the changing market which is considered a key element in developing and improving strategies to create sustainable competitive advantages of automotive industry in Thailand [1]. Market orientation is a major factor supporting ability to do business and create customers' value to overcome competitors, and, best of all, to generate profitability and business performance[2]. In addition, the need to achieve long-term business operation and to gain sustainable competitive advantage causes market orientation to be the most important element of strategy orientation, greatly influencing organizations[3]. For the past 30 years, market orientation strategy has highly attracted attentionand been applied by those who tend to be business entrepreneurs[4]. According to [5] 's studybeing entrepreneur-orientedwas a variable stimulating and increasing capability as well as most influencing operational effectiveness of Toyota dealers.

Toyota Motor Thailand Co. Ltd. is one of the top Japanese companies of automotive industry that has the highest sales and market share in 2016 [6]. Up till now Toyota has undertaken social promotion and development in every country where its business is in operation, as a result, its automotive business is widely and sustainably growing. Presently, Toyota is integrating corporate social responsibility (CSR) into its business chain so that the company and the societies can grow together. It tries to create continuous competitive strategies to gain more advantages over competitors and has all dealers and all sectors of Toyota organization follow [7]. Toyota success is coupled with the success of all dealers as well. Such success can be determined by the effective operations of Toyota dealers that lead the organization to survive. Factors that are critical to the survival of the organization consist of finance, learning and development, customers' satisfactory, and internal processes [8].

The objectives of this article are to present strategies to create competitive advantages for Toyota Company so that the organization can increase its potential to be able to compete with the present competitors and those in the future. The conceptual framework of the study presents the proposition of four variables all of which are related to and affect each other as shown in Figure 1.

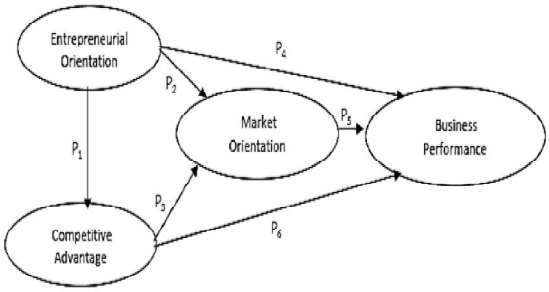


Figure 1: Conceptual framework of competitive strategies of Toyota car dealers

Figure 1 shows a conceptual framework of the proposed competitive strategies of Toyota car dealers. Six propositions were set; namely, (P_1) entrepreneurial orientation positively affected competitive advantage, (P_2)entrepreneurial orientation positively affected market orientation, (P_3) entrepreneurial orientation positively affected

business performance,(P_4) competitive advantagepositively affected market orientation, and (P_5) market orientation positively affected business performance, and (P_6) competitive advantagepositively affected business performance.
Three strategies were reviewed and propositions of the study were presented as follows:

II. LITERATURE REVIEW

A. Entrepreneurial Orientation

Entrepreneurial Orientationis usually defined as a multidimensional construct,applied at the organizational level, which characterizes firm's entrepreneurial behavior and includes one of several of these dimensions: risk-taking, innovativeness, and pro-activeness [9]. Leaders have to be a role model in every dimension, be brave to make decision, and to try new technology and innovations to meet an increase market opportunity. Major five dimensions of entrepreneurial orientation strategy raised by Wales 2016,Miller 1983, andLumpkin & Dess 1996) include: 1) Freedom of management; individuals or team have freedom to work for success, 2) Innovativeness; Leaders are willing to support creativity and trial of new products and services, 3) Bravery in risk-taking; entrepreneurs should be brave to take risk in investment for high returns, 4) Proactive; entrepreneurs should be able to find and predict new market opportunities and needs for the benefits of organizations, and5) Competitive ability; The tendency to intensely challenge rivals to achieve the target market positioning, and to outperform competitors for organizational advantages.
The studies conducted by[10], [11] indicated that entrepreneurial orientation is an important factor that had positive effects on competitive advantages and, as a whole, on organization performance. This led to the author's proposition 1 mentioned above, i.e.(P_1) entrepreneurialorientationpositively affected competitive advantage.
[12] found in their study that entrepreneurial orientation and market orientation had positive effect on each other. They stated that entrepreneurs should assess and adjust their own entrepreneurship in order to plan for market strategy effectively to increase growth rate, market share, and profits for their enterprises. In addition, [13]found that entrepreneurial and market orientation played very important role in marketing, business strategy, management ability, and business performance. Market orientation could help improving business effectiveness while using appropriate strategies could increase business performance. These findings brought about another proposition of this study as (P_2) entrepreneurial orientation positively affected market orientation.
[14] said that five variables of entrepreneurial orientation affected business performance. Medium and small business should apply entrepreneurial orientation strategy to their enterprises for competition in their own industry.[15] found that influential dimensions of entrepreneurial orientation strategy are of 5 folds; namely, being oneself, innovative ability, braveness in risk-taking, controllability, proactive competitionall of which positively affected business performance. The third proposition in this study was, therefore, proposed as: (P_3) entrepreneurial orientation positively affected business performance.

B. Competitive Advantage

Competitive Advantage is a superiority gained by an organization when it can provide the same value as its competitors but at a lower price or can charge higher prices by providing greater value through differentiation? This strategy helps the company to take advantage over the rivals, to satisfy customers, and eventually to achieve its performance goal.[16] described 5 variables used in their study on measurement of competitive advantage as follows: 1)Cost: Organization must manage the production cost effectively, and the cost must be lower than that of the competitors. 2) Quality: The products must be of good quality, meeting the customers' need. (3) Flexibility: Organization must be flexible in response to any changes, either the products themselves or the delivery schedule. (4) Delivery: Organizations must be able to manage delivery time effectively. Rapid and reliable delivery and service is preferable. Waiting period for new products should be informed so that marketing team can be prepared. (5) Innovation: Products, production process, and new technology should be more advanced than those of the competitors'. [17]found, in their study, that market and entrepreneurial orientation had positive relationship with organization performance. Theysuggested that, in market orientation, differentiation in our proposition had to be made. Customers' need, rivals' strategies, market changes had to be analyzed to gain advantage over the competitors and to reduce customer's uncertain satisfaction.[3]found that two variables in market orientation; namely competitor orientation and customer orientation, positively affected competitive advantage of the organization. It could, therefore, be concluded and made into another propositionof this study as(P_4): Competitive advantage positively affected market orientation.

[18] study entitled "Improving competitive advantage and business performance of SMEs by creating entrepreneurial social competence," indicated that competitive advantage positively influenced business performance while[3]found, in their study, that competitor orientation strategy positively affected the performance of medium and small business, and that competitor orientation could be applied as organization strategy too. This led to another

proposition of this study;(P_5):Competitive advantage positively affected business performance.

C. Market Orientation

Market Orientation is defined as a company philosophy focused on discovering and meeting the needs and desires of its customers through its product mix [19]. Market orientation tries to offer products that meet the demand of customers. It is a determination of everyone in the enterprise to create value to the products continuously resulting in profits, better organization performance, and competition in the long run. Market orientation helps to maintain the relationship with the customers, to impose behavioral norm related to organization development.[20]proposed concepts on new form of market orientation called NEWMKTOR Model which suggested that the organization should focus on the long-term profits from existing target market. Business enterprises, consequently, realize the importance of 3 factors of market orientation proposed by Narver& Slater (1990). Those three factors include customer orientation, competitor orientation, and social benefit orientation. Provision of customers' welfare and social returns is a very important market strategy for those organizations that aim at long-term profits. This is such a new perspective of creating new image of the organization in that it participates in social responsibility. It is quite different from traditional marketing that just focuses only on production, and consumption of the products and service. Factors of social benefit orientation consist of: 1) Tangible products (economic goods and service production, 2) intangible products (wisdom, sub- conscious), 3) participation in activities related to tangible goods (eco system, fundamental structure), and 4) participation in activities related to intangible goods (social, cultural, and environmental responsibilities). [21]found that three factors of market orientation; namely, customer orientation, competitor orientation, and organization coordination boosted efficiency and good performance of organization while [22] found the significant relationship between market orientation and organization performance. According to the literature review above, it triggered another proposition (P6) of this study: Market orientation positively affected business performance.

D. Business Performance

A study conducted by [23] explained that balanced scorecard could be used to measure four major perspective; namely, 1) financial perspective that aimed to measuring ultimate achievement and profit of the organization, 2) customer perspective, a key strategy to create value for customers, that attempted to create differentiation from rivals so as to attract and retain customers and to build good relationship with the target ones, 3) internal process perspective that focused on internal work system such as customer management, innovation, rules and regulations, and social system the organization wishes to achieve its goal to meet customers' need, 4) learn and growth perspective whose aims were to development of personnel, system, organizational positioning to generate long-term growth and improvement. According to [24]balance indicator is a management instrument developed for measuring vision and strategy of organization. Four aspects are assessed: 1) financial performance such as income growth, profits, and cost; 2) internal management such as product design, time set for launching new products, cost control, production waste, delivery time, and service based on the number of repeat customers; 3) customers such as holding market share, retaining old customers and increasing the new, customers' satisfaction, product and service quality, frequency of orders, complaints, profits, organization image viewed by customers; 4) Learn and growth such as employees' knowledge and ability, availability of information technology and innovation.

CONCLUSION

According to the literature review of concepts, theory, and research, it was found that competitive strategies of company consisted of 3 factors; namely, entrepreneur orientation, competitive advantages, and market orientation all of which affect business performance and were interconnected. The idea gained from the synthesis was that in good business competition, executives had to keep pace with the current situations and solve the problems of threats and market challenges thrown by competitors of the same industry in a timely manner. In addition, they have to find more strategies to defend their own business and to sustainably reign consumers. Further studies should be made on analysis of five force factors for solving problems of competitive violence so as to gain competitive advantages.

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