SWOT Analysis AMAZON

Strengths.

- Amazon is a profitable organization. In 2005 profits for the three months to June dipped 32% to $52m (£29.9m) from $76m in the same period in 2004. Sales jumped 26% to $1.75bn. Until recent years Amazon was experiencing large losses, due to its huge initial set up costs. The recent dip is due to promotions that have offered reduced delivery costs to consumers.
- Customer Relationship Management (CRM) and Information Technology (IT) support Amazon's business strategy. The company carefully records data on customer buyer behaviour. This enables them to offer to an individual specific items, or bundles of items, based upon preferences demonstrated through purchases or items visited.
- Amazon is a huge global brand. It is recognisable for two main reasons. It was one of the original dotcoms, and over the last decade it has developed a customer base of around 30 million people. It was an early exploiter of online technologies for e-commerce, which made it one of the first online retailers. It has built on nits early successes with books, and now has product categories that include electronics, toys and games, DIY and more.

Weaknesses.

- As Amazon adds new categories to its business, it risks damaging its brand. Amazon is the number one retailer for books. Toy-R-Us is the number one retailers for toys and games. Imagine if Toys-R-Us began to sell books. This would confuse its consumers and endanger its brands. In the same way, many of the new categories, for example automotive, may prove to be too confusing for customers.
- The company may at some point need to reconsider its strategy of offering free shipping to customers. It is a fair strategy since one could visit a more local retailer, and pay no costs. However, it is rumoured that shipping costs could be up to $500m, and such a high figure would undoubtedly erode profits.

Opportunities.

- The company is now increasingly cashing in on its credentials as an online retail pioneer by selling its expertise to major store groups. For example, British retailer Marks and Spencer announced a joint venture with Amazon to sell its products and service online. Other recent collaborations have been with Target, Toys-R-Us and the NBA. Amazon's new Luxembourg-based division aims to provide tailored services to retailers as a technology service provider in Europe.
- There are also opportunities for Amazon to build collaborations with the public sector. For example the company announced a deal with the British Library, London, in 2004. The benefit is that customers c an search for rare or antique books. The library's catalogue of published works is now on the Amazon website, meaning it has details of more than 2.5m books on the site.

- In 2004 Amazon moved into the Chinese market, by buying china's biggest online retailer, Joyo.com . The deal was reported to be worth around $75m (£40m). Joyo.com has many similarities to its new owner, in that it retails books, movies, toys, and music at discounted prices.

Threats

- All successful Internet businesses attract competition. Since Amazon sells the same or similar products as high street retailers and other online businesses, it may become more and more difficult to differentiate the brand from its competitors. Amazon does have it s brand. It also has a huge range of products. Otherwise, price competition could damage the business.
- International competitors may also intrude upon Amazon as it expands. Those domestic (US-based) rivals unable to compete with Amazon in the US, may entrench overseas and compete with them on foreign fronts. Joint ventures, strategic alliances and mergers could see Amazon losing its top position in some markets.
- The products that Amazon sells tend to be bought as gifts, especially at Christmas. This means that there is an element of seasonality to the business. However, by trading in overseas markets in different cultures such seasonality may not be enduring.

SWOT Analysis Apple

Strengths.

- Apple is a very successful company. Sales of its iPod music player had increased its second quarter profits to $320 (June 2005). The favourable brand perception had also increased sales of Macintosh computers. So iPod gives the company access to a whole new series of segments that buy into other parts of the Apple brand. Sales of its notebooks products is also very strong, and represents a huge contribution to income for Apple.

- Brand is all-important. Apple is one of the most established and healthy IT brands in the World, and has a very loyal set of enthusiastic customers that advocate the brand. Such a powerful loyalty means that Ample not only recruits new customers, it retains them i.e. they come back for more products and services from Apple, and the company also has the opportunity to extend new products to them, for example the iPod.

Weaknesses.

- It is reported that the Apple iPod Nano may have a faulty screen. The company has commented that a batch of its product has screens that break under impact, and the company is replacing all faulty items. This is in addition to problems with early iPods that had faulty batteries, whereby the company offered customers free battery cases.
- There is pressure on Apple to increase the price of its music download file, from the music industry itself. Many of these companies make more money from iTunes (i.e. downloadable music files) than from their original CD sales. Apple has sold about 22 million iPod digital music players and more than 500 million songs though its iTunes music store. It accounts for 82% of all legally downloaded music in the US. The company is resolute, but if it gives in to the music producers, it may be perceived as a commercial weakness.
- Early in 2005 Apple announced that it was to end its long-standing relationship with IBM as a chip supplier, and that it was about to switch to Intel. Some industry specialists commented that the swap could confuse Apple's consumers.

Opportunities.

- Apple has the opportunity to develop its iTunes and music player technology into a mobile phone format. The Rokr mobile phone device was developed by Motorola. It has a colour screen, stereo speakers and a advance camera system. A version of Apple's iTunes music store has been developed for the phone so users can manage the tracks they store on it. Downloads are available via a USB cable, ands software on the handset pauses music if a phone call comes in. New technologies and strategic alliances offer opportunities for Apple.

- Podcasts are downloadable radio shows that can be downloaded from the Internet, and then played back on iPods and other MP3 devices at the convenience of the listener. The listener can subscribe to Podcasts for free, and ultimately revenue could be generated from paid for subscription or through revenue generated from sales of other downloads.

Threats.

- The biggest threat to IT companies such as Apple is the very high level of competition in the technology markets. Being successful attracts competition, and Apple works very hard on research and development and marketing in order to retain its competitive position. The popularity of iPod and Apple Mac are subject to demand, and will be affected if economies begin to falter and demand falls for their products.
- There is also a high product substitution effect in the innovative and fast moving IT consumables market. So iPod and MP3 rule today, but only yesterday it was CD, DAT, and Vinyl. Tomorrow's technology might be completely different. Wireless technologies could replace the need for a physical music player.
- In 2005 Apple won a legal case that forced Bloggers to name the sources of information that pre-empted the launch of new Apple products. It was suspect that Apple's own employees had leaked confidential information about their new Asteroid product. The three individuals prosecuted, all owned Apple tribute sites, and were big fans of the company's products. The blogs had appeared on their sites, and they were forced to reveal their source. The ruling saw commercial confidentiality as more important as the right to speech of individuals. Apple are vulnerable to leaks that could cost them profits.

SWOT Analysis CRAYOLA

Strengths

- Crayola is a recognized and highly trusted brand name and logo. In fact, 98 out of every 100 Americans recognize it. Children age 2-10, their target market, love Crayola products and have selective demand for it. Children demand the products and then influence their parents to purchase them. The Crayola brand name is synonymous with high quality and high brand loyalty.
- They are a global company, with a wide spectrum of individuals who use Crayola products all over the world.
- Crayola has built up a highly successful distribution system. Their products are available everywhere, including grocery stores, drug stores, Internet sales, hospitals, doctor's offices, schools, gas stations, airports, theme parks, hotels and restaurants. They sell retail and also in bulk to organizational buyers at a lower cost. Schools all over the US and in other countries like The UK, Canada, Australia, and Mexico all utilize Crayola art materials.
- Crayola's website is geared for children, parents, and educators. They provide free ideas for crafts and printable coloring pages. The website is used for booking, ordering, promotional information, marketing, and more. Crayola even provides advice on how to remove stains on their official website.
- Crayola is well-established due to their innovation (keeping the company out of saturation and decline). Crayola has been in service for many years and knows how to cater to the needs of the consumer. Crayola is constantly building new products and the growth targets many individual needs. Crayola also developed art products that emphasized international diversity by launching Crayola My World multicultural crayons. The company hoped that by using crayons, markers, paints, and modeling compounds that reflected the variety of skin tones, children would build a positive sense of self as well as respect for cultural diversity.
- Crayola's price range is reflective of their core target market, middle and lower upper class Americans; and their products are priced competitively with their major competitor, Rose Art. The consumer feels that the price reflects the quality.
- Crayola uses all non-toxic, child-safe materials that are cost effective and efficient. They use a variety of colors with fun memorable names, which appeal to children and adults. Crayola is environmentally friendly as well. They have scented products for sensory skills. They have easy grip products for motor skills.
- They have licensing deals with major children's characters, including all Disney characters, and Nickelodeon characters, which increases their appeal to children.
- The majority of their retail promotion consists of television commercials, magazine ads, and point of purchase displays. Their promotion impacts and targets children primarily and foremost, however, it is a pull strategy to create an influence purchase by the parents. In most large retail stores, Crayola has their own aisle!

Weaknesses

- In addition to its inkTank line, Crayola serves the professional market with its Portfolio Series collection of color pencils, oil pastels, and acrylic paints. Because they are most well known for children's art products, they have yet to achieve high market share in this division, and most art professionals do not use Crayola products.
- Crayola launched an unsuccessful line of children's' clothing in the 1980's, and it was scaled back to include only newborn layette sets. In 2007 they launched a test market campaign for Crayola

branded bottled water, which was also unsuccessful, as consumers were hesitant to buy it because they anticipated that the water would actually taste like crayons (which it didn't).

- Also in the late 1980's sales began to decline due to increased competition and the company began to slip into saturation, they began a campaign to increase demand by urging parents to purchase a "fresh box."
- Crayola's attempt to build a solar power plant was sidelined in 2008. They intended the power plant be used to help run their manufacturing facility in Pennsylvania, however, they have run into problems finding partners to make it a reality.
- Crayola still ranks behind in sales and market share in their marker product line. In 2007, Sanford Sharpie had a 31% market share, with sales (at Wal-Mart) of $56 million, while Crayola had a 22% market share, with sales of $37 million (at Wal-Mart).

Opportunities

- In 2009 they introduced two innovative lines of products for babies and toddlers; including products that allow babies to explore colors even before they can use a crayon. The products for toddlers are large enough so that they can grasp them, and even color in the bathtub, which allows for easy clean up, therefore appealing to the primary purchaser, parents.
- In July 2009 Crayola launched a school social media campaign on Twitter and Facebook. It is geared towards moms (their core purchaser) and features innovative ways to be creative and save money during back to school shopping.
- In the spring of 2009 they created a summer wellness campaign to encourage children to play outside more.

Threats

- With the advent of computers and web based learning, sales of crayons are projected to decrease as children leave behind hand held art supplies at a younger and younger age. It's called KGOY-kids growing older younger, and many companies have suffered because of it, most recognizable is Mattel, the maker of Barbie dolls. In the 1990's the average age of a child in their target market was 10 years old, and in 2000 it dropped to 3 years old. As children reach the age of four and five, old enough to play on the computer, they become less interested in toys and crayons and begin to desire electronics such as cell phones and video games. Crayola is slowly falling victim to the same phenomena, how will they innovate to overcome this?
- In the downturned economy, parents and schools are spending less on school supplies. A survey from Deloitte found that 64% of consumers said they would spend less on school purchases. Nationwide, parents plan to spend an average of $548 to send their children back to school; and estimates range from a decline of 7.7%, forecast by the National Retail Federation, to as much as 12% in 2009, according to America's Research Group.

EA Games SWOT

Dr. Jill Novak, University of Phoenix, Texas A&M University

Strengths

- Electronic Arts (EA) Games, is a global corporation which develops, markets, publishes and distributes video game software, online interactive games, and mobile games. They design games for a number of platforms including Sony PlayStation 3, Microsoft Xbox 360 and Nintendo Wii; handheld game systems, including PlayStation Portable (PSP), Nintendo DS and Apple iPod; personal computers (PCs); and mobile phones. The company distributes games in over 35 countries worldwide.

- EA Games has four segments under their label: EA Games, EA Sports, The Sims and EA Casual Entertainment.
- The EA Games label has the largest percentage of research and development staff, and produces action-adventure, role playing, racing and combat games and the extraordinarily popular online role-playing games.
- The EA Sports label produces sports-based video games, including the Madden NFL, (which in 2007 grossed $100 million in sales in their first week on the market), FIFA Soccer and Tiger Woods PGA Tour franchises. The sports division brings in 43% of EA's revenue.
- The Sims label is a line extension of life simulation games, and an online interactive game with over four million regular users.
- The EA Casual Entertainment label develops games that are intended to be quick to learn and play online, making them easily accessible for a wide audience. Pogo has 1.6 million subscribers.
- In 2007, EA created a strategic alliance with Hasbro, which included crossover licensing. They were able to create digital versions of Hasbro's classic board games, including Monopoly, Scrabble, Yahtzee, Trivial Pursuit, Nerf, GI Joe, and Littlest Pet Shop. They have also created these digital games in a variety of platforms, including for mobile phones, handheld gaming devices and computers.
- EA Games has a social responsibility platform that includes a grant program, software donation program, volunteer opportunities, and supporting non-profit organizations and schools by giving to organizations that provide services to underprivileged youth in the areas of math, computer science, music and art.

Weaknesses

- In December 2008, Electronic Arts cut its worldwide workforce by approximately 10% and closed at least nine of its studios and publishing locations. They also laid off 6% of their staff, and let go of Kathy Vrabek, head of EA's Casual Entertainment division, just 18 months after she took the job.
- Their software is dependent upon the platforms that are created by other companies, leading to limitations in design capabilities, graphics and game performance.
- Game release times have to be tied into specific times of year, Christmas sales, sports seasons and major sporting events, any miscalculation of production and distribution further hurts sales, and makes their assets less profitable.

- In 2008, EA, in a licensing deal with Hasbro, created a digital Scrabble game, which was a failure due in part to software problems.
- EA's crown jewel Madden NFL franchise was the company's only title among the industry's top 10 best-selling games in 2007.

Opportunities

- In 2008, EA acquired ThreeSF, Inc., a gaming-based social network; and they acquired J2MSoft Inc., a Korean-based developer of PC online games.
- The computer gaming industry has begun to recognize that the U.S. Army needs simulation training and EA Games can provide the instruments to achieve their goals. Games are also being adopted for defense, medicine, architecture, education, city planning and government applications.
- A line of interactive training tools featuring voice commands and instructional coaching.
- Complete game-in-a-box containing all the equipment necessary for kids to practice and play a sport.
- A line of sports toys that will utilize electronics to reward young athletes with cheers when they use proper techniques.
- A basic line of high density-foam balls to help kids develop skills at an early age.
- CEO Riccitiello believes EA may one day even go so far as to give away many of its games for free, making its money off action figures and other licensing deals the same way that George Lucas did with the Star Wars movie franchise.

Threats

- Since 2004 sales have been steadily increasing, however, profits have been steadily decreasing until 2008, when they actually had a negative profit margin. They earned $3.8 billion in sales, but had a $454 million loss.
- Sales and profits are dependent on the success and prolonged purchasing power of gaming consoles. If sales for a gaming console wane (such as a Playstation or Wii) software/game sales will slump.
- Software piracy has become a serious problem, especially in countries, like South Korea where laws are not enforced; software is pirated and distributed without much fear of consequences, cutting into EA Games' profits.
- In May 2009, EA Games was sued claiming they illegally used the names and likenesses of thousands of college football and basketball players in their software since the 1990's.
- Due to their executive staff layoffs, restructuring, and lack of stability there has been speculation that they are a prime candidate for a takeover by other global entertainment companies.

SWOT Analysis McDonald's

Dr. Jill Novak, University of Phoenix, Texas A&M University

Strengths

- McDonald's has been a thriving business since 1955 and 20 of the top 50 corporate staff employees started as a restaurant level employee. In addition, 67,000 McDonalds restaurant managers and assistant managers were promoted from restaurant staff. Fortune Magazine 2005 listed McDonald's as the "Best Place to Work for Minorities." McDonalds invests more than $1 billion annually in training its staff, and every year more than 250,000 employees graduate from McDonald's training facility, Hamburger University.

- The business is ranked number one in Fortune Magazine's 2008 list of most admired food service companies.
- One of the world's most recognizable logos (the Golden Arches) and spokes character (Ronald McDonald the clown). According to the Packard Children's Hospital's Center for Healthy Weight children age 3 to 5 were given food in the McDonalds packaging and then given the same food without the packaging, and they preferred the food in the McDonald's packaging every single time.
- McDonalds is a community oriented, socially responsible company. They run Ronald McDonald House facilities, which provide room and board, food and sibling support at a cost of only $10 a day for families with children needing extensive hospital care. Ronald McDonald Houses are located in more than 259 local communities worldwide, and Ronald McDonald Care Mobile programs offers cost effective medical, dental and education services to children. They also sponsor Olympic athletes.
- They are a global company operating more than 23,500 restaurants in 109 countries. By being spread out in different regions, this gives them the ability to weather economic fluctuations which are localized by country. They can also operate effectively in an economic downturn due to the social need to seek out comfort foods.
- They successfully and easily adapt their global restaurants to appeal to the cultural differences. For example, they serve lamb burgers in India and in the Middle East, they provide separate entrances for families and single women.
- Approximately 85% of McDonald's restaurant businesses world-wide are owned and operated by franchisees. All franchisees are independent, full-time operators and McDonald's was named Entrepreneur's number-one franchise in 1997. They have global locations in all major airports, and cities, along the highways, tourist locations, theme parks and inside Wal-Mart.
- They have an efficient, assembly line style of food preparation. In addition they have a systemization and duplication of all their food prep processes in every restaurant.
- McDonald's uses only 100% pure USDA inspected beef, no fillers or additives. Additionally the produce is farm fresh. McDonald's serves 100% farm raised chicken no fillers or additives and only grade-A eggs. McDonald's foods are purchased from only certified and inspected suppliers. McDonalds works closely with ranchers, growers and suppliers to ensure food quality and freshness.
- McDonalds only serves name brand processed items such as Dannon Yogurt, Kraft Cheese, Nestle Chocolate, Dasani Water, Newman's Own Salad Dressings, Heinz Ketchup, Minute Maid Juice.
- McDonald's takes food safety very seriously. More than 2000 inspections checks are performed at every stage of the food process. McDonalds are required to run through 72 safety protocols every day to ensure the food is maintained in a clean contaminate free environment.
- . McDonald's was the first restaurant of its type to provide consumers with nutrition information. Nutrition information is printed on all packaging and more recently added to the McDonald's Internet site. McDonalds offers salads, fruit, roasted chicken, bottled water and other low fat and calorie conscious alternatives.

Weaknesses

- Their test marketing for pizza failed to yield a substantial product. Leaving them much less able to compete with fast food pizza chains.
- High employee turnover in their restaurants leads to more money being spent on training.
- They have yet to capitalize on the trend towards organic foods.
- McDonald's have problems with fluctuations in operating and net profits which ultimately impact investor relations. Operating profit was $3,984 million (2005) $4,433 million (2006) and $3,879 million (2007). Net profits were $2,602 million (2005), $3,544 million (2006) and $2,395 million (2007).

Opportunities

- In today's health conscious societies the introduction of a healthy hamburger is a great opportunity. They would be the first QSR (Quick Service Restaurant) to have FDA approval on marketing a low fat low calorie hamburger with low calorie combo alternatives. Currently McDonald's and its competition health choice items do not include hamburgers.
- They have industrial, Formica restaurant settings; they could provide more upscale restaurant settings, like the one they have in New York City on Broadway, to appeal to a more upscale target market.
- Provide optional allergen free food items, such as gluten free and peanut free.
- In 2008 the business directed efforts at the breakfast, chicken, beverage and convenience categories. For example, hot specialist coffees not only secure sales, but also mean that restaurants get increasing numbers of customer visits. In 2009 McDonald's saw the full benefits of a venture into beverages.

Threats

- They are a benchmark for creating "cradle to grave" marketing. They entice children as young as one year old into their restaurants with special meals, toys, playgrounds and popular movie character tie-ins. Children grow up eating and enjoying McDonalds and then continue into adulthood. They have been criticized by many parent advocate groups for their marketing practices towards children which are seen as marginally ethical.
- They have been sued multiple times for having "unhealthy" food, allegedly with addictive additives, contributing to the obesity epidemic in America. In 2004, Michael Spulock filmed the documentary Super Size Me, where he went on an all McDonalds diet for 30 days and wound up getting cirrhosis of the liver. This documentary was a direct attack on the QSR industry as a whole and blamed them for America's obesity epidemic. Due in part to the documentary, McDonalds no longer pushes the super size option at the dive thru window.
- Any contamination of the food supply, especially e-coli.
- Major competitors, like Burger King, Starbucks, Taco Bell, Wendy's, KFC and any mid-range sit-down restaurants.

SWOT Analysis Starbucks

Strengths.

- Starbucks Corporation is a very profitable organization, earning in excess of $600 million in 2004.The company generated revenue of more than $5000 million in the same year.
- It is a global coffee brand built upon a reputation for fine products and services. It has almost 9000 cafes in almost 40 countries.
- Starbucks was one of the *Fortune Top 100 Companies to Work For* in 2005. The company is a respected employer that values its workforce.
- The organization has strong ethical values and an ethical mission statement as follows, *'Starbucks is committed to a role of environmental leadership in all facets of our business.'*

Weaknesses.

- Starbucks has a reputation for new product development and creativity. However, they remain vulnerable to the possibility that their innovation may falter over time.
- The organization has a strong presence in the United States of America with more than three quarters of their cafes located in the home market. It is often argued that they need to look for a portfolio of countries, in order to spread business risk.
- The organization is dependant on a main competitive advantage, the retail of coffee. This could make them slow to diversify into other sectors should the need arise.

Opportunities.

- Starbucks are very good at taking advantage of opportunties. In 2004 the company created a CD-burning service in their Santa Monica (California USA) cafe with Hewlett Packard, where customers create their own music CD.
- New products and services that can be retailed in their cafes, such as Fair Trade products.
- The company has the opportunity to expand its global operations. New markets for coffee such as India and the Pacific Rim nations are beginning to emerge.
- Co-branding with other manufacturers of food and drink, and brand franchising to manufacturers of other goods and services both have potential.

Threats.

- Who knows if the market for coffee will grow and stay in favour with customers, or whether another type of beverage or leisure activity will replace coffee in the future?
- Starbucks are exposed to rises in the cost of coffee and dairy products.
- Since its conception in Pike Place Market, Seattle in 1971, Starbucks' success has lead to the market entry of many competitors and copy cat brands that pose potential threats.

SWOT Analysis Toyota

Strengths.

- New investment by Toyota in factories in the US and China saw 2005 profits rise, against the worldwide motor industry trend. Net profits rose 0.8% to 1.17 trillion yen ($11bn; £5.85bn), while sales were 7.3% higher at 18.55 trillion yen. Commentators argue that this is because the company has the right mix of products for the markets that it serves. This is an example of very focused segmentation, targeting and positioning in a number of countries.
- In 2003 Toyota knocked its rivals Ford into third spot, to become the World's second largest carmaker with 6.78 million units. The company is still behind rivals General Motors with 8.59 million units in the same period. Its strong industry position is based upon a number of factors including a diversified product range, highly targeted marketing and a commitment to lean manufacturing and quality. The company makes a large range of vehicles for both private customers and commercial organizations, from the small Yaris to large trucks. The company uses marketing techniques to identify and satisfy customer needs. Its brand is a household name. The company also maximizes profit through efficient manufacturing approaches (e.g. Total Quality Management).

Weaknesses

- Being big has its own problems. The World market for cars is in a condition of over supply and so car manufacturers need to make sure that it is their models that consumers want. Toyota markets most of its products in the US and in Japan. Therefore it is exposed to fluctuating economic and political conditions those markets. Perhaps that is why the company is beginning to shift its attentions to the emerging Chinese market. Movements in exchange rates could see the already narrow margins in the car market being reduced.
- The company needs to keep producing cars in order to retain its operational efficiency. Car plants represent a huge investment in expensive fixed costs, as well as the high costs of training and retaining labour. So if the car market experiences a down turn, the company could see over capapacity. If on the other hand the car market experiences an upturn, then the company may miss out on potential sales due to under capacity i.e. it takes time to accommodate. This is a typical problem with high volume car manufacturing.

Opportunities.

- Lexus and Toyota now have a reputation for manufacturing environmentally friendly vehicles. Lexus has RX 400h hybrid, and Toyota has it Prius. Both are based upon advance technologies developed by the organization. Rocketing oil prices have seen sales of the new hybrid vehicles increase. Toyota has also sold on its technology to other motor manufacturers, for example Ford has bought into the technology for its new Explorer

SUV Hybrid. Such moves can only firm up Toyota's interest and investment in hybrid R&D.

- Toyota is to target the 'urban youth' market. The company has launched its new Aygo, which is targeted at the streetwise youth market and captures (or attempts to) the nature of dance and DJ culture in a very competitive segment. The vehicle itself is a unique convertible, with models extending at their rear! The narrow segment is notorious for it narrow margins and difficulties for branding.

Threats.

- Product recalls are always a problem for vehicle manufacturers. In 2005 the company had to recall 880,00 sports utility vehicles and pick up trucks due to faulty front suspension systems. Toyota did not g ive details of how much the recall would cost. The majority of affected vehicles were sold in the US, while the rest were sold in Japan, Europe and Australia.
- As with any car manufacturer, Toyota faces tremendous competitive rivalry in the car market. Competition is increasing almost daily, with new entrants coming into the market from China, South Korea and new plants in Eastern Europe. The company is also exposed to any movement in the price of raw materials such as rubber, steel and fuel. The key economies in the Pacific, the US and Europe also experience slow downs. These economic factors are potential threats for Toyota.