

MARKETING & BRAND PROMOTION



QUALITY DURABILITY RELIABILITY

Toyota's corporate tagline was "Moving forward" till 2008. This was representative of Toyota's first phase of journey in India.

After establishing Toyota brand in India it was felt that Toyota's key strength of quality had to be communicated strongly to the customers. The launch of 10th generation Corolla Altis was the perfect platform for rebranding of Toyota corporate brand as well. Therefore, with the launch of Corolla Altis FMC in Sept 2008, TKM adopted the new corporate logo Toyota - Quality Revolution (in short TQR).

OBJECTIVE OF CHANGING TO 'QUALITY REVOLUTION'

- » Focus on Toyota's passion and commitment to Quality in India – create a differentiating USP for the brand
- » Emphasise Toyota's promise to give the customer a "quality product" for a "quality life"

To elucidate the Quality aspect of our Products and services, concepts such as Q World, Q Class, Q Service, and Q Promise wherein "Q" stands for Quality were executed. Every concept highlighted the prime objective of Toyota - to provide quality products/services to achieve customer delight. Various 'Q' facets of the brand were used to build a strong launch base for Brands Etios and Liva.

With time it was observed that, it was imperative to communicate that Quality revolution is made of "Quality, Durability and Reliability" which forms the DNA of our products/services. Hence, to

communicate the core aspects of "Quality Revolution" – QDR was introduced as a unit along with the existing logo. In addition to this, it also acted as a differentiator from the competition.

THE MAIN OBJECTIVE OF INTRODUCING QDR

- » Communicate the core values of Toyota as a brand
- » Enhance customer's knowledge on the factors on which all Toyota's products and services are built

QDR was announced to key internal stakeholders during the Annual Dealer Meet on 15th Jan 2014. It was announced to the external audience during Delhi Auto Expo in Feb 2014. All advertisements featuring Toyota Products now carry the combined logo unit of Built on QDR to highlight that each individual product delivers Quality, Durability and Reliability.



ECONOMIC PERFORMANCE



THROUGH ECONOMIC SUSTAINABILITY

Toyota has continuously contributed to the sustainable economic development of society through the manufacture and provision of innovative and quality products and services that lead the times. Cars are useful because they afford us freedom of movement. On the other hand, they impact society and the environment in various ways. Always bearing this in mind, we listen carefully to our customers and neighbors in local communities to pursue our business successfully, seeking harmony with people, society, and the global environment, as well as the sustainable development of society through monozukuri (Manufacturing).



Economic Sustainability is a key driver for growth of an organisation. The automotive industry has been experiencing a roller coaster ride for quite some time. But in the long term, the industry's growth is closely linked to an increased need for automotives in developing country like India as its economies grow.

Toyota Kirloskar Motor and all the related stakeholders including the Toyota Suppliers and Dealers network make a significant contribution to the regional economies and communities, in which they operate, including direct and indirect employment, supporting local suppliers and community organisations, capital investment and payment of taxes leading to revenue of local authorities, skilled manpower development and enhancing technical expertise of local vendors.

Economic value Generated, Distributed and Retained (in INR Crore)	2013-14	2012-13	2011-12
Revenue (through core business segments)	13,215.77	14,881.73	11,452.21
Other Income (through other sources)	171.75	98.21	137.04
Total	13,387.52	14,979.94	11,589.25
Operating cost	12,772.23	14,320.06	11,120.05
Personnel expenses (wages+benefits)	743.27	590.41	458.77
Interest Charges	58.05	26.02	8.96
Community development/CSR investments	49.70	51.20	69.26

FINANCIAL IMPLICATIONS DUE TO CLIMATE CHANGE

One of the greatest threats that could cause a huge impact on earth is Climate change. More than a quarter of global greenhouse gas emissions come from road transport as per OECD studies. Economic risks to the business operations that affect profitability include continuous spikes in raw material prices, rising oil prices and volatility of foreign exchange, political stability etc.

Reducing energy consumption, dependency on fossil fuels, limiting CO₂ emissions and curbing climate change is critical and a tough challenge to us as a company. As a responsible manufacturing company, TKM undertakes various Kaizens on energy conservation and improvement of vehicle efficiency, water conservation etc.

TKM has received financial assistance from Government of India through various schemes such as Sales Tax Deferral and EPCG (Export Promotion Credit Guarantee) Scheme.

CONTRIBUTIONS THROUGH CSR ACTIVITIES

Financial assistance received (INR in Mn)	2013-14	2012-13	2011-12
Education	29.95	55.23	53.19
Environment	0.58	0.66	0.46
Road Safety	5.63	5.92	12.41
Art and Culture	0.00	0.00	0.00
Health and Human Services	2.59	2.83	1.95
Civic and community	5.38	3.60	0.98
others	1.40	3.59	0.00
Need based donations	0.32	0.46	0.27
Miscellaneous	0.27		
Emergency relief fund	3.45	0.00	0.00
	49.57	72.32	69.26

COVERAGE OF THE ORGANISATION'S DEFINED BENEFIT PLAN OBLIGATIONS

Contribution to Benefit Plan (In crore)	2013-14	2012-13	2011-12
Contributions to Provident and Other Funds	14.19	20.14	22.00
Staff Welfare Expenses	83.63	85.19	64.97
Total	97.82	105.33	86.97

Statutory benefits like provident fund, gratuity is provided.

TKM adheres to minimum wages regulations applicable by the Government of India.

SIGNIFICANT INDIRECT ECONOMIC IMPACTS

TKM has played a vital role in creating a large local employment opportunity (State of Karnataka). 100% of our ITI employees are local. Thus, TKM has provided a direct local employment opportunity to the lower strata of the society and bring about an upliftment in their living standards.

SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Financial assistance received	2013-14	2012-13	2011-12
IT exemption	None	None	None
Land provided at subsidised rate	None	None	None
Incentives - Sales Tax deferral *	409.56	491.23	399.62
Custom, excise duties waived	0	335.88	220.66
Others			
Total	409.56	827.11	620.28