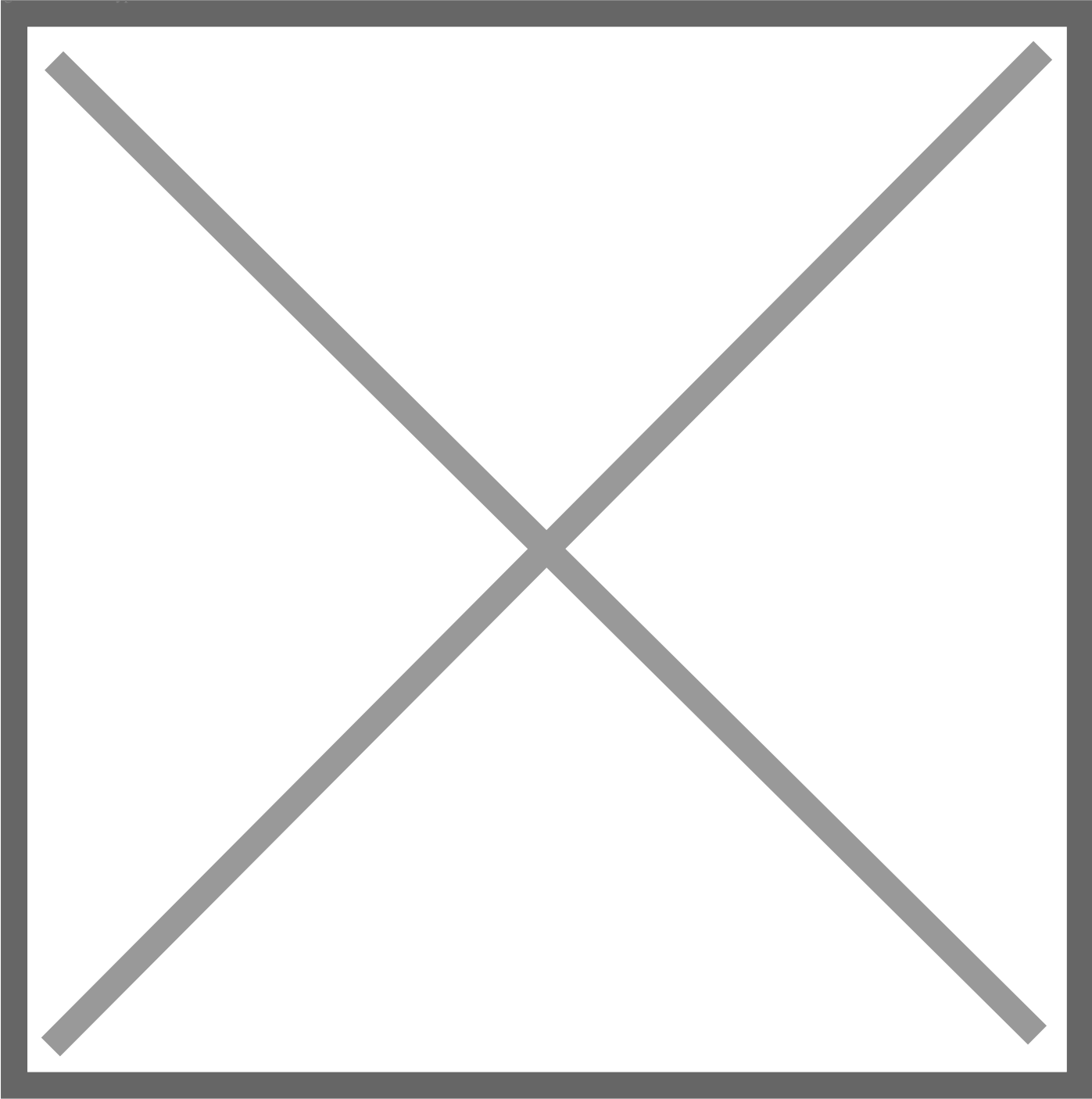


How Consumer Insights Impact the Future of Mobility

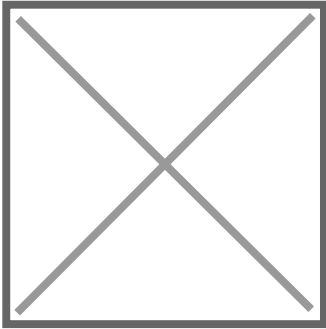
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Toyota believes the people who drive its vehicles and use its products can have the best ideas about how to make them even better. And as the company shifts to a mobility company, teams are looking to develop more than a traditional vehicle. That's why the Toyota Consumer Insights team at Toyota Motor North America (TMNA) is dedicated to gathering consumer feedback on every aspect of Toyota vehicles and products to help lead the company towards the future.

"There's a research life cycle that guides us, and we take into account the consumer's voice every step of the way," says Beatris Diaz, Consumer Insights Manager on the Toyota Truck Team. "That's what we strive for in our department, ensuring that the consumer voice is at the heart of every decision we make at Toyota."



Beatris Diaz

Toyota Consumer Insights is composed of different teams who research anything and everything, from product design all the way to a vehicle's launch and marketing. The group helps internal clients — business function groups at Toyota like engineering, product planning, service and parts, and marketing — understand the needs of the customer to better help develop products and rollout plans.

"Our job is to understand consumer motivations," Diaz says. "Why they do what they do, what motivates them to take certain action, their thoughts and behaviors, and then turn that into insights."

The Consumer Insights group gathers feedback on every single aspect of the vehicle, from forecasting future trends in electric vehicles to the functionality of the audio system. Diaz gives the example of a truck customer who reported that the knobs on the radio were too small to adjust while wearing gloves — a potential hinderance to those working at construction sites or participating in recreational outdoor activities. He suggested drivers couldn't easily adjust the volume – so the team shared that feedback with the product planning team for future ideation.

"The fact that as an organization we take action on consumer feedback is a great thing," Diaz says. "It helps us continue to put better vehicles on the road and develop products that help meet the needs of our customers."



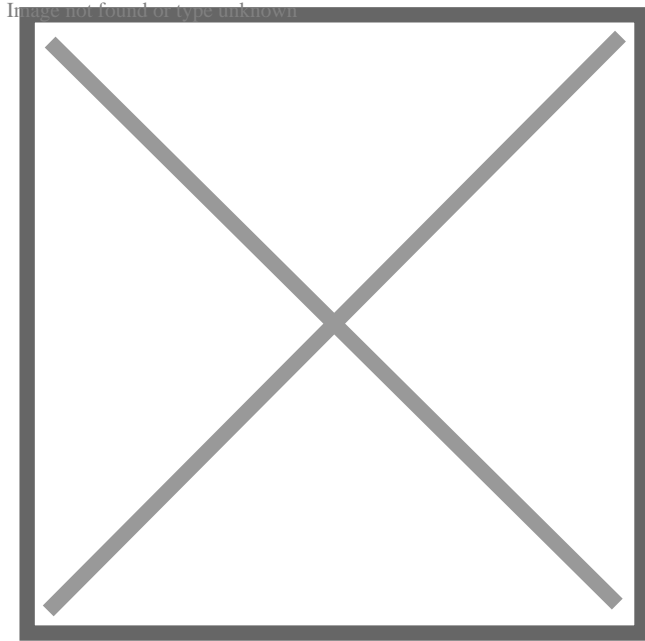
Informing Decisions Through Research

In the initial phase, Consumer Insights takes a business function's questions and starts researching them before bringing in research business partners to collaborate on the best methodology to use to meet consumer needs.

"We do what is referred to as primary research," Diaz says. "We conduct quantitative research, which includes surveys or larger data-driven types of questions. And then we do a lot of qualitative research, which is more on the exploration side."

Qualitative inquiries include focus groups, in-home interviews or drive-alongs with consumers. Diaz and her team can also reach out to owner groups to get quick answers from existing Toyota and Lexus guests.

“There are a lot of those little nuggets that we get from the various types of consumer interactions,” she says. “Once we gather all that information, we present it out to the stakeholders that are involved to help them make informed decisions, while paying attention to the voice of the customer throughout the entire process,” she says.



Bryan Schulz

Bryan Schulz, also a Consumer Insights Manager at TMNA, emphasizes how important connecting with the customer is to the research initiatives and Toyota’s commitment to Continuous Improvement, a core pillar for the company.

“If we don’t have a good understanding of the customer needs — both emotional and rational, functional needs — we’re in a really poor position to understand how to develop something, how to market something,” says Schulz. “From a consumer insights standpoint, we are an advocate for meeting the customer needs and we provide proven and new research tools to do this.”

A Customer Feedback Loop

Consumer Insights plays a role throughout the entire product life cycle, starting about five to seven years before a vehicle even hits the road. According to Diaz, the team is involved throughout the development process, working with product planning to understand the design direction and how the product fills a void in the current marketplace. Finally, the team works with the vehicle marketing and communications team and advertising agency partners to develop a comprehensive strategy.



Take the Toyota Tundra, for example. According to Diaz, the truck segment is traditionally dominated by domestic truck makers, which advertise their vehicles as traditional work trucks. However, the Consumer Insights team found that consumers consistently rated the Tundra as a sporty, adventure-ready vehicle.

“This information helped marketing and our advertising agency partners carve out a unique space for messaging to better position the product in the marketplace,” Diaz says. “They developed a high-energy, high-action campaign that resonated well with full-size pickup intenders, even more so with the intended target of a younger, more progressive truck driver.”

The research work doesn't stop after the vehicle is revealed to the world. Once the product is on sale, the team conducts research to ensure whether the communications are meeting the established objectives and if the vehicle is hitting its sales figures. According to Schulz, the whole process is intended to create a customer feedback loop.

“When we think about a customer feedback loop, Consumer Insights looks to understand future customer needs sometimes two generations ahead,” Schulz says. “We review existing research from early buyer studies and observe what features are most desirable. We work with clients to project current needs into the future by overlaying trends on our target customers.”

The key performance indicators in post-purchase surveys help Toyota determine which features drivers are using day to day, what's working and what isn't. It helps allow Research and Development, Connected Technology, and Woven Planet teams develop future features and concepts desirable to our customers.



The Future of Product Development

With over 20 years of using and conducting custom research and collaborating with development teams, the Consumer Insights team is always developing new research tools to support internal clients. Schulz's team designed a five-step approach (and a more detailed 10-step plan) to increase the success of business innovation development and improve business case development as well. Schulz says that as TMNA moves into more non-traditional mobility study areas, injecting consumer input throughout the development process can help increase success and mitigate risk.

“We’re working to become better at accelerating our understanding of future customer needs,” he says. “By anticipating customer needs earlier in the development process, we can also accelerate our product development to become a more innovative organization.”

Schulz says jumping right into concept development as a way to solve problems can often send a product down the wrong path. That’s especially true as the automotive industry moves into a less familiar space, including electrification. It’s more important to talk to the consumer earlier in development process rather than relying on internal assumptions only.

Schulz references a famous Henry Ford quote that is often mentioned: “If I had asked people what they wanted, they would have said faster horses.”

“The key to Ford’s comment is really about his point of view that customers said “faster,” says Schulz. “What I’ve learned at Toyota over the years is that while Ford presented evidence that customers don’t know what they want, what he missed is that they said ‘faster.’ Customers may not tell you the solution to their problems, but they are pretty clear about their problems if you just listen closely enough.”

An important role of Consumer Insights is to provide research tools to our clients that do just that both for current and future innovation.

“So together we won’t focus on building a faster horse – we will strive to design best in class mobility solutions for the future,” say Schulz.”