

Toyota's future vision: Diversifying into all things mobility

By [Nicholas King](#) - October 25, 2023 @ 2:00pm



Toyota has officially evolved, or reclassified itself, into a mobility solutions company instead of wanting to be merely known as an automotive manufacturer. -- Reuters photo

JAPAN'S largest automotive showcase returns after a four-year hiatus to a very different landscape.

The post-Covid pandemic era sees the automotive industry now ever more determined to achieve carbon neutrality or net zero emissions with motor vehicles seen as major contributors to air pollution and global warming.

With it also comes a shift in interest towards fully electric vehicles (EVs), or more specifically battery electric vehicles (BEV), which are looked upon as the perfect replacement to the less environmentally friendly internal combustion engine (ICE) with its association to use of petrol.

It is a trend that is not lost on the leader of the automotive industry. However, Toyota believes the answer does not lie solely on electrification.

For some time now the Japanese automaker has been experimenting and promoting alternative powertrains such as the hydrogen engine - which was the company's highlight at the 2019 Tokyo Motor Show.

The other being hybrid engines which the company views as a preferable alternative when it comes to cost and public adoption rate compared with EVs.

This has cumulated in Toyota officially evolving, or reclassifying itself, into a mobility solutions company instead of merely being known as an automotive manufacturer.

It is a move reflective of how the company and the Japanese automotive industry will move forward in the fast evolving market. It is an outlook shared with that of the once popularly known Tokyo Motor Show now rebranding itself into the Japan Mobility Show.

The difference in the event's naming is that of an expansive inclusion - it is no longer just about the largest city in the nation or cars but the entire country and all things that can be classified as vehicular or mobile in general.

Similarly Toyota no longer wants to be seen simply as a car company but the complete solution of how society and industries get from point A to B. From public transportation to wheelchairs Toyota wants to be part of it all from start to finish.

It crafted the "Toyota Mobility Concept" which incorporates the core themes of electrification, diversification, and intelligence as central pillars.

Electrification comes as part of the company's commitment to its multi-pathway approach to energy solutions whereby ICE, hybridization, and hydrogen power among yet-to-be discovered fuel sources are as equally important in saving the environment. The difference is application depending on suitability since different regions and countries require different solutions to an energy problem.

Diversification is more or less the same but in terms of models or modes of mobility. Toyota explains that the Innovative International Multipurpose Vehicle (IMV) project which was launched in Asia since 2004 has served private and business users' mobility needs. This in turn has led to employment, supply chain development, or exports, thereby contributing to the quality of life of residents and many countries' national objectives.

Take for instance how the company is now planning to introduce a new IMV 0 which is designed for lower income customers with greater customisability. This is in hopes that it enhances accessibility to mobility and improved standard of living for a different segment of customers.

Intelligence is best described through the incorporation of technology and data-driven solutions for a number of scenarios. The effectiveness of all three pillars will be further strengthened through specialized partnerships as Toyota works alongside other companies to achieve each other's goals.

It is still very early in the company's newly adapted mobility phase and the risks are still abound since 'mobility' itself is up to a very broad interpretation on what it encompasses. The concern is how the company may overstretch its operations and incur unnecessary losses.

The company is also cautious in how fast it'll grow in its new direction as many of the non-manufacturing engagements would require external professional knowledge for them to tackle. The reliance on partnerships also requires both parties to be equally competent, disciplined and responsible in their fields.

Still, Toyota is confident with its direction and views the potential gains ultimately outweigh any negatives.

Case in point with the latest reports highlighting that the industry is undergoing a cooling period for EV demand with growing inventory and slow sales in some countries.

EVs remain expensive in most places and require extensive investment both monetary and culturally for them to be properly viable for everyday adoption.

In contrast to this is how some countries have reported strong EV sales and growth.

Rather than backing themselves into a corner through restrictive commitments to a single product or powertrain, Toyota sees the long game of survival-through-adapt approach to be a lot more beneficial for everyone.

Perhaps time also plays a major factor in confidence as many of Toyota's competitors today old and new are no longer labelled as automotive manufacturers in the traditional sense.

Gone are the days when a company can solely rely on the uncertainty of just one industry for it to grow in and succeed.

In the Japanese company's view it is a matter of adapting to gain leverage on the competition or remain and sink into the bottom feeder of the business chain.