CHAPTER 5:
MARKETING MIX OF
SAMPLE UNITS
5.1 INTRODUCTION

Marketing Mix refers to the ingredients that are combined to promote a brand’s unique selling proposition that differentiates it from others. Jerome McCarthy proposed ‘The Four P’s’ model which is used by all the companies, branding agencies and web design companies throughout the world.

5.2 THE FOUR P'S MODEL

The 4 P’s have been associated with the Marketing Mix since their creation by E. Jerome McCarthy in 1960. The Four P’s include Product, Price, Place and Promotion as shown in the exhibit below.

Exhibit 5.1

Four P’s Marketing Mix

Source: Retrieved from www.relativemarketing.co.uk accessed on January 11, 2017
• **PRODUCT**- The first of the Four Ps of marketing is product. A product is an item that is built or produced to satisfy the needs of a certain group of people. A product can be either a tangible good or an intangible service that fulfills a need or want of consumers.

• **PRICE**- It is the actual amount the end user is expected to pay for a product. Price is the most important determinant of the profitability of any company or business. Price is also one of the most flexible elements of the marketing mix and unlike others, can be changed quickly. Pricing is very critical because any mistake in pricing will adversely affect the company, its profits, growth and future. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. Price may also be affected by distribution plans, value chain costs and markups and how competitors price a rival product.

• **PLACE**- Place has to do with how the product will be provided to the customer. Distribution is a key element of placement. The placement strategy will help assess what channel is the most suited to a product. Availability of the product at the right place, at the right time and in the right quantity is crucial in placement decisions.

• **PROMOTION**- It includes all communication and selling activities to persuade future prospects to buy the product. Promotion decisions include Advertising, Media Type, Message, Budgets, Sales promotion, Personal selling, Public relations, and Direct marketing. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user it is being marketed to.

However, in the late 70’s it was widely acknowledged by Marketers that the Marketing Mix should be updated. This led to the creation of the Extended Marketing Mix in 1981 by Booms & Bitner which added 3 new elements to the 4 P’s Principle. This now allowed the extended Marketing Mix to include products that are services and not just physical things.
The extended 7 P’s are:

- **PEOPLE** – The company’s employees are important in marketing because they are the ones who deliver the service. It is important to hire and train the right people to deliver superior service to the clients, whether they run a support desk, customer service, copywriters, programmers…etc. When a business finds people who genuinely believe in the products or services that the particular business creates, it’s is highly likely that the employees will perform the best they can. Additionally, they’ll be more open to honest feedback about the business and input their own thoughts and passions which can scale and grow the business. This is a secret, “internal” competitive advantage a business can
have over other competitors which can inherently affect a business’s position in the marketplace.

- **PROCESSES** – The systems and processes of the organization affect the execution of the service. A well-tailored process should be in place to minimize costs. It could be company’s entire sales funnel, a pay system, distribution system and other systematic procedures and steps to ensure a working business that is running effectively.

- **PHYSICAL EVIDENCE** – In the service industries, there should be physical evidence that the service was delivered. Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible. For example, a hair salon would provide their client with a completed hairdo and an insurance company would give their customers some form of printed material. Even if the material is not physically printed, they are still receiving a “physical product”.

However, the 4Ps model of the sample units has been studied for the purpose of present study.

The marketing mix of the three sample brands is discussed as follows:

### 5.3 MARUTI SUZUKI

Maruti Suzuki India Ltd. is a leading manufacturer of four-wheeler in India. It was founded in the year 1982 with the mission to motorize India. The year marked the birth of the Maruti Suzuki factory. India turned out 40,000 cars every year. The new Maruti Suzuki 800 hit the streets to begin a whole new chapter in the Indian automobile industry. Maruti was a joint venture between Government of India (GoI) and Suzuki Motor Corporation, Japan. It quickly grew into the largest compact car making company of India and remained so till 2004. The company started with Suzuki holding the minor stakes of the company while GoI holding the major stakes. As of present, GoI has disinvested its stakes in the company completely, and handed over the management of company to Suzuki Motor Corporation. The company is
engaged in the business of manufacturing, purchase and sale of motor vehicles and spare parts. The other activities of the company include facilitation of pre-owned car sales, fleet management and car financing.

The company set out with an obsession for customer delight, one that was unheard in the corridors of automobile manufacturers then. It was about a commitment to create value through innovation, quality, creativity, partnerships, openness and learning. Maruti Suzuki was about revolutionary cars that delivered great performance, efficiency and environment friendliness with low cost of ownership. The brand was built with a belief in small cars for a big future. It encouraged millions of Indians to make driving a way of life.

Since the late 1980s, the company had been the market leader in the passenger car industry in India. However, the liberalization of the Indian economy in 1991 changed the dynamics of the Indian passenger car industry. From the mid-1990s, foreign automobile companies started entering the Indian passenger car market. Maruti started losing market share as competitors began taking over their space with the launch of models that proved very popular with Indian buyers. Between the financial years 1997-98 and 1999-2000, Maruti's market share declined from 83.1 percent to 60.8 percent.\(^4\) To counter the competition, Maruti started a major restructuring exercise. The company focused on improving its operational efficiency by using new manufacturing techniques, increasing capacity, using information technology (IT) in manufacturing, focus on new product launches at regular intervals and venturing into other related businesses like car finance, insurance and buying and selling used Maruti cars. Maruti's restructuring exercise paid off as the company was able to hold its market leadership position with a 55 percent market share in 2008-09.\(^5\) The new products launched by the company were well accepted by the market.

The company believes in:

- Customer Obsession
- Fast, Flexible and First Mover
- Innovation and Creativity
Networking and Partnership
Openness and Learning

The Four P’s of Maruti Suzuki is discussed as follows:

**PRODUCT**

The product strategy of Maruti focuses on catering the needs of almost all the segments. They follow multi segmentation strategy. Maruti Suzuki has worked a lot in order to create a unique, strong and reputable brand image. Before launching any new car, they do extensive research about the needs of their customers on the basis of varied customer’s psychology and demography. Maruti Suzuki lives by its mission to provide a car for every individual, family, need, budget and Way of Life. For this, it offers 15 cars and over 150 variants ranging from Alto 800 to the Life Utility Vehicle Maruti Suzuki Ertiga.

Maruti Suzuki product portfolio includes the following:

Exhibit 5.3
Maruti Suzuki Product Portfolio

<table>
<thead>
<tr>
<th>Car Model</th>
<th>Category</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alto 800</td>
<td>Hatchback</td>
<td>![Alto 800 Image]</td>
</tr>
<tr>
<td>Alto K10</td>
<td>Hatchback</td>
<td>![Alto K10 Image]</td>
</tr>
<tr>
<td>Wagon R</td>
<td>Hatchback</td>
<td>![Wagon R Image]</td>
</tr>
<tr>
<td>Celerio</td>
<td>Hatchback</td>
<td>![Celerio Image]</td>
</tr>
<tr>
<td>Stingray</td>
<td>Hatchback</td>
<td>![Stingray Image]</td>
</tr>
<tr>
<td>Model</td>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>Ritz</td>
<td>Hatchback</td>
<td></td>
</tr>
<tr>
<td>Swift</td>
<td>Hatchback</td>
<td></td>
</tr>
<tr>
<td>DZire</td>
<td>Sedan</td>
<td></td>
</tr>
<tr>
<td>Ertiga</td>
<td>Mini MPV</td>
<td></td>
</tr>
<tr>
<td>Omni</td>
<td>Minivan</td>
<td></td>
</tr>
<tr>
<td>Eeco</td>
<td>Minivan</td>
<td></td>
</tr>
<tr>
<td>Gypsy</td>
<td>SUV</td>
<td></td>
</tr>
<tr>
<td>Ciaz</td>
<td>Sedan</td>
<td></td>
</tr>
<tr>
<td>Vitara Brezza</td>
<td>Mini SUV</td>
<td></td>
</tr>
<tr>
<td>S-Cross</td>
<td>Premium Mini SUV</td>
<td></td>
</tr>
<tr>
<td>Baleno</td>
<td>Premium Hatchback</td>
<td></td>
</tr>
</tbody>
</table>


One of the key feature of products of Maruti Suzuki is that these products are made keeping the common man in mind. None of the products are high in price, and neither do they have features
which make them pricey. However, the products are known for their durability, service, pick up, car design and most things which the customer expects from a car.

The tertiary product of Maruti Suzuki is its service. Besides its products, Maruti also provides services such as an on road service by its vehicle that is operated for emergencies round the clock. The company has also opened a call center especially to provide services to its internal members and the customers. Information centers for the customers are open in cities like Bangalore, Hyderabad, and Chennai. Another service product is annual maintenance contracts as well as service centers which offer services to Maruti cars. Maruti service centers are present across the country and they have the highest number of service centers in India. Thus company creates products that are unique and valued and it is attaining advantage either through differentiation via new features, improved performance, after sales service or through cost leadership.

**PRICE**

“Buy it, run it or sell it, a Maruti Suzuki car gives you an unmatched value.”

The price of high mileage petrol cars in India is just a third of what the customer will pay for over its lifetime. The balance two-thirds include, maintenance, cost of spares and service, and resale. Together, they make up what is called the cost of ownership. It's where nothing can beat a Maruti Suzuki car.

India is driven by a deep value consciousness. Every year on an average, manufacturing units of Maruti Suzuki churn out around 1.2 million petrol cars and diesel cars. Economies of scale helps it in keeping the manufacturing cost low. Maruti Suzuki aims to pursue VA-VE initiatives (Value Analysis & Value Engineering) continuously in partnership with vendors. This in turn helps in reducing the cost of making Maruti Suzuki cars without compromising on quality.
Maruti Suzuki models are designed with superior specifications to last longer. This gives consumer the benefit of high resale value and demands less service over its lifetime. At the heart of Maruti Suzuki cars are the advanced K-series petrol and DDiS engines, built on the Suzuki belief of delivering 'more for less'. Consumers get more power and more driving, for lesser fuel consumption and lower CO₂ emission. This is how Maruti Suzuki make the most fuel efficient petrol car in India and get a mileage-obsessed nation to ask, "Kitna deti hai?"

Service and spares are other critical components of the cost of ownership story. The widest network of Maruti Suzuki service centers, known for an unmatched 'first-time right' score, also ensures maintenance costs are the lowest.

The following exhibit shows the current average price of different car variants of Maruti Suzuki.

Exhibit 5.4

Average Price of Different Car Variants of Maruti Suzuki

<table>
<thead>
<tr>
<th>Car Model</th>
<th>Price (Rs. Lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alto 800</td>
<td>2.59L Onwards</td>
</tr>
<tr>
<td>Alto K10</td>
<td>3.41L Onwards</td>
</tr>
<tr>
<td>Wagon R</td>
<td>4.24L Onwards</td>
</tr>
<tr>
<td>Celerio</td>
<td>4.17L Onwards</td>
</tr>
<tr>
<td>Stingray</td>
<td>4.77L Onwards</td>
</tr>
<tr>
<td>Ritz</td>
<td>4.53L Onwards</td>
</tr>
<tr>
<td>Swift</td>
<td>4.90L Onwards</td>
</tr>
<tr>
<td>DZire</td>
<td>5.43L Onwards</td>
</tr>
<tr>
<td>Ertiga</td>
<td>6.62L Onwards</td>
</tr>
<tr>
<td>Omni</td>
<td>2.79L Onwards</td>
</tr>
<tr>
<td>Eeco</td>
<td>3.44L Onwards</td>
</tr>
<tr>
<td>Gypsy</td>
<td>6.46L Onwards</td>
</tr>
<tr>
<td>Model</td>
<td>Price Onwards</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Ciaz</td>
<td>7.82L Onwards</td>
</tr>
<tr>
<td>Vitara Brezza</td>
<td>7.40L Onwards</td>
</tr>
<tr>
<td>S-Cross</td>
<td>8.38L Onwards</td>
</tr>
<tr>
<td>Baleno</td>
<td>5.36L Onwards</td>
</tr>
</tbody>
</table>


Maruti Suzuki’s pricing strategy helps both its customers and company. The company offers its different model just at a price difference of around Rs.10,000 /- for cars ranging between Rs. 3.25 lakhs to Rs.4.50 lakhs. Maruti offers five different cars in this range and different versions of each car. This pricing strategy make more options available to a customer. This enables customers to choose a car having the necessary required features within their budget. This strategy helps Maruti Suzuki to expand rapidly and capture the untapped markets.\(^7\)

Despite being the lowest cost manufacturers of cars in the world, Japanese companies continued to reduce costs every year. Maruti adopted policies on the Japanese experience but modified them to suit Indian conditions. Minimizing expenditure and reducing cost became a part of the management philosophy. Maruti benefited from the decision to keep profit margins very reasonable, especially when the vehicles were in short supply and commanded a high premium. This led to a more rapid growth of demand and also gave Maruti an image of not being a profiteering company.\(^8\)

Maruti Suzuki initially used penetration pricing strategy for its 800 and Omni models. In 1998, Hyundai Motor launched its Santro, it grabbed major market share because of its innovative features. To compete with Hyundai and other competitors Maruti Suzuki adopted competitive pricing strategy for its Maruti 800, Omni models. Maruti also brought about several innovative schemes through joint venture with finance companies to benefit the potential buyers with car loans to be repaid over a long period extending up to seven years. Maruti Suzuki later
adopted discount pricing strategy for its 800, Omni & Zen to grab the major market share & to remain in the competition.

Maruti Suzuki initially adopted competitive pricing strategy for its Alto model to face the competition from Indica & Santro, Maruti adopted discount pricing strategy for Alto and Alto K10 model. For Example, in June 2011, Maruti Suzuki launched ‘Lets Go India’ offer through its dealers for Alto and Alto K10 model which was valid till 30 June 2011. Under this offer, Maruti dealers declared that the customer who will buy Alto before 30 June 2011 will save Rs.21000 & Rs.15000 savings on Alto K10 model.9

In February 2012, Maruti Suzuki, launched its new Sedan i.e. Swift Dzire, with 150 more features, attractive looks and Rs.30000 cheaper than previous Swift Dzire. Initially Maruti Suzuki adopted Value pricing strategy for Swift Dzire and later the company adopted competitive pricing strategy.

In case of Maruti Swift, Ritz the company adopted Value pricing strategy whereas for its SX4 Grand Vitara & Kizashi, Maruti adopted Premium pricing strategy to grab the attention of high profile customers. Value pricing is based on the assumption that the objective of pricing is not to recover costs, but to realize the value of the product perceived by the customers. The merit of this method is the belief that the customer is interested not in the cost of the product but only in the value.10 Maruti Suzuki adopted innovative & aggressive pricing strategy for its Ertiga (Petrol) model to encourage sales of petrol engine cars for better capacity utilization.11

Thus, Maruti Suzuki follows a pricing strategy that caters to the needs of all customer segments and has a product offering at all price points. It has a vast product portfolio ranging from hatchback to SUV. The research team of the company makes an analysis of the current market trends, competition, cost of raw materials, economic factors governing the market,
distribution charges, advertisement costs, dealer profits and company profits in order to fix the price. Their pricing strategy is to provide an option to every customer looking for an upgradation in his car. Their sole motive of having so many product offerings is to be in the consideration set of every passenger car customer in India.

**PLACE/DISTRIBUTION**

Distribution of goods and services plays an important role in the sales system. In early day’s consumers used to book for a car and wait for more than a year to actually buy it. Also, the concept of exclusive showroom for any automobile company was non-existent. Maruti Suzuki was keen to change the situation and offer better service to the customers. With an objective to provide the vehicles in time to the customers, Maruti Suzuki developed a unique distribution network which gave the company a distinctive competitive advantage. The company established a wide network of Dealers, Maruti service zones etc across the country, even in remote areas. The strategy and idea behind establishing the vast distribution network was to reach the customers in remote areas and deliver the products of the company. The company’s major thrust has been to ensure easy availability of vehicles to all the customers across the country.

Before the entry of Maruti Suzuki, other manufacturers used to send vehicles from the factory to any part of the country by road with a driver. But Maruti changed the scenario. As Maruti Suzuki was aware of the fact than an Indian customer is very conscious about new vehicles i.e new vehicles without any scratch or damage; hence Maruti Suzuki made sure that the vehicles which leave the factory should reach the show rooms as early as possible and in ‘factory fresh condition’. Maruti Suzuki’s major innovation in terms of distribution was, it reduced the time gap between the manufacture of the car and its availability to the customer.12

Maruti Suzuki has two manufacturing facilities in India. Both manufacturing facilities
have a combined production capacity of 1450,000 vehicles annually. Maruti has a strong dealer network. Infact it was one of the very first companies in the country to understand the importance of after sales service in high involvement products like cars. It has the largest distribution & Service network comprising of over 400 sales showrooms, over 600 dealer workshops, and 1900 Authorized Service Stations spanning across over 1190 cities unparalleled in the country. It has 30 Express Service Stations on 30 National Highways across 1,314 cities in India. To increase their reach to rural India, where setting up a complete dealership was very difficult, they opened extension counters which are operated by some dealer in the city thereby ensuring increased customer touch points without risking the viability of the dealers.

Maruti Suzuki undoubtedly has the best distribution network in the country. Over the years, the company has expanded its sales and service network to cover the length and breadth of the country. Amongst car manufacturers in India, Maruti Suzuki has the largest sales and service network. Wherever the Maruti consumer goes, across the length and breadth of this vast nation, its service network follows. Maruti Suzuki Service has been No.1 in the J D Power Customer Satisfaction Award for 16 years in a row. It’s a survey that rates the after-sales service experience, one that no other global car market leader has won even once.

Service is a major revenue generator of the company. Most of the service stations are managed on franchise basis, where Maruti Suzuki trains the local staff. Other automobile companies have not been able to match this benchmark set by Maruti Suzuki. The Express Service stations help many stranded vehicles on the highways by sending across their repair man to the vehicle. The service network of the company includes dealer workshops, Maruti authorized service stations (MASSs), Maruti Service Masters (MSMs) and Maruti Service Zones (MSZs).

Maruti Suzuki has launched a new sales channel Nexa for its premium cars, in 2015. The Nexa showrooms were inaugurated in order to attract a new segment of customers and Maruti Suzuki billed these showrooms to be premium and different from its
regular showrooms. The Nexa network was launched alongside the launch of Maruti Suzuki’s premium Crossover, the S-Cross. The other model to be sold via the Nexa dealerships is its premium hatchback, the Baleno. Nexa has been created to address the needs of a new and growing segment of Indian customers. These customers are well travelled, digitally savvy and frequently experience five-star hospitality. They value personal touch and pampering in their purchase and ownership experience.

The aim of Nexa dealerships is to maintain a premium feel and offer the customers a more personal experience.

- Exclusive dealerships that retail only the premium offerings from Maruti Suzuki such as the S-Cross and Baleno. Future products could include the Ignis and Ciaz facelift
- Fully trained ‘relationship managers’ that cater all the needs of the customers.
- The showrooms are equipped with iPads and Apple TVs in order to visualize every aspect of the cars on sale.
- Smartphone app to track service history, book servicing appointments, emergency support, accessory purchase, etc.
- Black and White monochromatic color theme for NEXA dealerships
- Dedicated delivery area inside the showroom.

In one year, the Nexa network has grown to 150 showrooms in 94 cities of the country. Also, the company has sold over 1 lakh models through its Nexa dealerships, which is about 10 per cent of Maruti Suzuki’s total domestic sales. Also, Maruti Suzuki is confident that Nexa will contribute to 15 per cent of its sales by 2020. S-Cross was the first car to be sold through Nexa outlets. Several new models will be added to both channels as part of the Company’s medium term goal of 2 million annual sales by 2020.
PROMOTION

Advertising Strategy

Advertising is one important aspect of brand building. Customer generally remembers the products or brand because of innovative and creative advertisements. Hence it is important that the advertisement must be creative, innovative, distinctive and unique.\textsuperscript{18}

Maruti Suzuki’s promotional campaign includes TVCs, Radio and print ads, Point of sales, Mobile promotions, online marketing and Outdoor promotions. Maruti’s advertising strategy focuses both on building up its corporate image and promoting its cars. Some of the ad campaigns by Maruti Suzuki are listed:

- With an intention to promote all its cars effectively, in year 2000 Maruti decided to appoint Capital Advertising agency. In 2003, Maruti Suzuki came up with an innovative toy car advertisement which became very popular for its simplicity and straightforward message. The advertisement depicted a child playing with a toy car. When reprimanded by his father the child replies, “Kya karoop papa petrol khatam hi nahi hota” (what should I do? The petrol never finishes)\textsuperscript{19}

- Maruti Suzuki came up with a new ad campaign highlighting the fuel efficiency aspect of its cars. The three advertisements in the campaign show a Yacht, tank and a Spacecraft being sold to potential customers. The people/viewers after listening to all the product specifications and performance of all three vehicles asks only one question, “Kitna Deti Hai?” the voiceover of all three advertisement then says, “for a country obsessed with mileage, Maruti Suzuki makes India’s most fuel efficient cars”. And through these advertisements Maruti Suzuki have tried to position their cars as the most fuel efficient cars.\textsuperscript{20}
• Maruti Suzuki’s another TV advertisement “India comes home” highlighted its models like Wagon R, Zen, Alto, SX4, 800 and Swift. This ad had the emotional appeal. In one of the many ads under this campaign, a young boy waits on highway for lift to go home, when he spots a red Maruti Swift cruising on the highway, he smiles to himself and pull out a placard that reads, “Need to be home for Diwali”. After seeing that the driver of the car stops and gives lift to the boy. The ad ended with the voiceover, ‘India Comes Home in a Maruti’. 21

• Maruti Suzuki in its recent corporate brand campaign, “Rishton Mein hum Jeete hain”, created by Publicis Capital focuses on the joy of celebrating the many colorful festivals of India with loved ones. The ad highlighted that Maruti Suzuki cars are an intrinsic part of the lives of Indians, by showcasing different models with the backdrop provided by a different Indian festival for each. The TVC ends with the voiceover saying, “Maruti Suzuki: for a festival called life.” 22

• Maruti Suzuki in one of its campaign showcased the wide network of Service Stations. The ad depicts that Maruti Suzuki’s service station is available everywhere even in the remotest areas. This ad ended with the voiceover-“Jayenge aap jaha..payenge aap Maruti Suzuki Service Station waha” (Wherever you go, you will find a Maruti Suzuki service station) 23

• Maruti Suzuki launched one TV ad about its service network. In this ad, a small baby was shown crying. The father and other relatives of the baby tried to stop the baby from crying but were not successful in that. Finally, when the baby reaches in the hand of her mother started laughing. The TV ad ended with the voiceover- “Bring your Maruti only to the Maruti Suzuki Service Network’. Simply Maruti Suzuki gives message that if you wish to service your vehicle, do it only at Maruti Suzuki service station.
**Sales Promotion Strategies**

Maruti Suzuki India Ltd has a formidable line-up of vehicles in its stable and has been quite aggressive in promoting each of its car. Some of the promotional practices followed by Maruti Suzuki are:

- It offered vehicle insurance to its customers for One Rupee only.

- It launched a “Change Your Life” campaign where the participating customers could win a lucky draw worth Rs.50 million and other prizes as well.\(^{24}\)

- Maruti Suzuki launched various offers for its customers through its authorized dealers. The company dealers offered assured gifts to its customers like Refrigerator, Washing machine, LCD screen 22”, Microwave, Digital Camera, Titan watch (Pair), Suitcase, DVD player, Mobile, Video Game, Dinner Set, Maruti Genuine Accessories.\(^{25}\)

- In the year 2003, Maruti Suzuki entered into an agreement with State Bank of Travancore and Union Bank of India for providing loans to the customer of Maruti Suzuki at competitive rates.\(^{26}\)

- In the year 2004, Maruti Suzuki introduced an offer ‘2599’ for Maruti 800. The offer not only conveyed that the car can be bought at only Rs.2599 per month but also highlighted the aspirations of scooter owners who can upgrade to a car. In this offer the customer could buy a Maruti 800 with an Easy Monthly Installment of Rs.2599 for seven years period.\(^{27}\)

- In the same year, Maruti Suzuki introduced the ‘Teacher Plus’ scheme in a tie up with SBI. Under this scheme, Maruti Suzuki focused on teachers who were interested to buy a new car.\(^{28}\)
In 2009, Maruti Suzuki India Limited and IndusInd Bank entered into a strategic tie up for financing Maruti vehicles all over India. This tie up took place to provide the customers with quicker and easier credit facilities.  

Considering the potential opportunities in rural India, in 2010, Maruti Suzuki decided to tie up with ITC’s e-Choupal and Hariyali Kisan Bazaar of DCM Shriram Group for better penetration into the rural markets. The aim was to concentrate more on the domestic market in order to raise its share of rural sales. 

In year 2011, Maruti Suzuki, launched ‘Eeco Meal’ promotion offer. Under this promotion campaign, Maruti Suzuki collaborated with McDonallds. Upon the purchase of a value meal, happy meal and breakfast meal customers were given an EECO Happy Family contest form. The form contained questions about the Maruti Suzuki Eeco which the customers had to answer and submit along with a witty slogan on the Eeco. The winner will be based on the Wittiest slogan submitted. Eeco was positioned as a perfect family multipurpose vehicle and with this campaign they wanted to reach out to many more families.  

Maruti Suzuki promoted its car by sponsoring many reality shows such as Dance India Dance (DID), Just Dance, etc. the object was to reach the viewers of all age groups especially the youth. 

In order to target the youth of India, Maruti Suzuki organized “Maruti Suzuki Colors of Youths 2012” a mega show that offered students a platform to showcase their colors-Talent & Knowledge to the country at large. This event covered 150 colleges in 10 cities across the country. 

In 2014, Maruti Suzuki decided to make a positive attitude change towards road
safety. The ad series addressed the issues of non-adherence to the road safety rules and norms. The core thought behind the communication was "If we know its wrong, why do we still do it?" The films covered subjects which were integral to everyday living such as giving way to ambulances, saying no to drunk driving, always wearing a seatbelt, lane driving, and avoiding phone calls while driving. The campaign aimed to stir people’s conscience and make them reflect on their apathy.

- NEXA by Maruti Suzuki, welcomed its newly-launched premium hatchback Baleno with a never seen before digital campaign. The campaign was a huge hit amongst the digital users and also created a buzz across various social media platforms for its innovative and creative online presence.

**Media Tools used by Maruti Suzuki**

- **Outdoor Media** - Outdoor media campaign proved to be a success in promotion of Maruti Suzuki Swift. Maruti Suzuki created 500 innovative displays of Swift and spread it all over India. In Delhi, Maruti Suzuki displayed cardboard models of Swift at the busy areas like Rajiv Chowk and the ITO crossing.34

- **Digital Marketing** - Maruti Suzuki have collaborated with Google for digital marketing. Maruti and Google have been working closely on, ‘search engine optimization and online reputation management’ initiatives. This collaboration helped Maruti Suzuki in identifying and reaching the target customers. The search engine enables the company to track current and potential customers through their social media activities and to take necessary actions.

- **Print Advertisement** - Maruti Suzuki advertises its cars through leading newspapers and automobile magazines like Auto India, Auto Car, Overdrive, Auto Build India etc. In order to reach interior parts of the country, the company advertises through local
newspapers like in Marathwada region, Maruti Suzuki advertises through Marathi newspapers.

- **Social Media** - Social Media provides a platform where consumers can discuss and share their views, opinions, and ideas. According to NM incite- a joint venture between Nielsen and McKinsey & Company, Maruti Suzuki has been ranked the top most Indian brand in the social media space. According to the report, Maruti Suzuki enjoys strong sentiments and high volumes of conversations on auto forums that includes blogs, boards and social media websites like Facebook, Twitter and YouTube etc. Before making the purchase decision, the consumer today views and analyses various discussion blogs and websites for the brand reviews.

Thus, after analyzing the marketing mix of Maruti Suzuki, it can be said that the brand has strived really hard to build its positive brand image and strong brand equity in the market. Being a leader in the Indian automotive industry, it has always gone beyond providing people with mobility solutions. It is truly a legacy car brand that steers easily generation after generation.

5.4 HYUNDAI

Hyundai Motor India Limited was formed on 6th May 1996 by the Hyundai Motor Company of South Korea. Hyundai Motor India Limited (HMIL) is a wholly owned subsidiary of Hyundai Motor Company (HMC). HMIL is the largest passenger car exporter and the second largest car manufacturer in India.35 The company is an ISO 14001 certified for its sustainable environment management practices.

HMIL’s fully integrated state-of-the-art manufacturing plant near Chennai boasts advanced production, quality and testing capabilities. HMIL forms a critical part of HMC’s global export hub. It currently exports to around 92 countries across Africa, Middle East, Latin America, Australia and the Asia Pacific. HMIL has been India’s number one exporter for the last 10 years
consecutively. In its commitment to provide customers with cutting-edge global technology, Hyundai has a modern multi-million dollar R&D facility in Hyderabad. The R&D center endeavors to be a center of excellence in automobile engineering.

The company’s brand slogan is “new thinking, new possibilities”. Hyundai Motor's new thinking is about sharing new experiences and values with a wider audience. Through this new thinking, it will create new possibilities that will benefit people and the world. As per Hyundai new possibilities means coming up with more forward thinking ideas and solutions. This slogan illustrates the idea of providing more to its customers with new innovations, experiences and values beyond their expectations. To this end, Hyundai Motor strives to understand and care for customers, and offers creative, smart products and services that fulfill people’s needs.

Hyundai Motor’s brand value continues to climb, reaching a new high as the 39th most valuable global brand on Interbrand’s Best Global Brands Report. In the future, Hyundai envisions itself playing a central role in redefining mobility and shaping it with humanity at heart. Hyundai aims to be not just a car company that people like for its products, but one that is beloved for what it stands for. By exploring beyond products and constantly seeking to deliver the ultimate ‘premium’ experience, Hyundai Motor is on its way to lead the new era of customer care.

**PRODUCT**

Today, Hyundai Motor India Limited has created a different identity in the Indian automobile market. To cater the needs of various segments of customers, Hyundai Motors have a complete range of cars in its basket. Considering the changing needs of customers, Hyundai has fulfilled the expectations of customers by giving them technologically advanced vehicles with innovative features. Hyundai’s growth has been driven by volume oriented revenues coupled with technological soundness, superior designs and constant innovations. Since inception, Hyundai Motor India Limited has dominated the automobile market with the reputation of being the fastest growing automobile manufacturer in India.
Hyundai Motor India Limited (HMIL) believes in human centric technology and innovation here stems from the people’s needs. Every product from HMIL always aims for the customers to feel the ‘Caring’ factor. HMIL’s product value lies in its effort to enrich the customers’ life with brilliance, by enhancing the fundamental performances and pursuing the emotional satisfaction at the same time.

The technology of Hyundai Motor is constantly evolving to deliver a driving experience that's safer and more stable than ever before. Hyundai Motor's technology doesn’t aim to just improve abstract numbers, but to build cars that are well built and easy to use. HMIL’s product portfolio includes various car models in all segments from hatchback to SUV.

The car variants offered by HMIL are as follows:

Exhibit 5.5

Hyundai Product Portfolio

<table>
<thead>
<tr>
<th>Car Model</th>
<th>Category</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eon</td>
<td>Hatchback</td>
<td>![Eon Image]</td>
</tr>
<tr>
<td>i10</td>
<td>Hatchback</td>
<td>![i10 Image]</td>
</tr>
<tr>
<td>Grand i10</td>
<td>Hatchback</td>
<td>![Grand i10 Image]</td>
</tr>
<tr>
<td>Elite i20</td>
<td>Hatchback</td>
<td>![Elite i20 Image]</td>
</tr>
<tr>
<td>Model</td>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>i20 Active</td>
<td>Hatchback</td>
<td></td>
</tr>
<tr>
<td>Xcent</td>
<td>Sedan</td>
<td></td>
</tr>
<tr>
<td>Fluidic Verna</td>
<td>Sedan</td>
<td></td>
</tr>
<tr>
<td>Elantra</td>
<td>Sedan</td>
<td></td>
</tr>
<tr>
<td>Creta</td>
<td>SUV</td>
<td></td>
</tr>
<tr>
<td>Tucson</td>
<td>SUV</td>
<td></td>
</tr>
<tr>
<td>Santa Fe</td>
<td>SUV</td>
<td></td>
</tr>
</tbody>
</table>


The above exhibit highlights the wide range of cars offered by HMIL. HMIL is known for its quality products which have high performance. Hyundai cars have a high demand both nationally and internationally. Hyundai products never fail to win laurels in each segment from various automobile ratings ever since its operations in India. Hyundai Cars have been a favorite at all awards ceremonies and have always been winning awards for models like i10, Tuscon, etc. HMIL has also been awarded the benchmark ISO 14001 certification for its sustainable environment management practice.37

The research & Development team focuses on the development of new products and technologies that include interior and exterior design changes, development of new generation
engines and alternate fuel systems, concept vehicles and advanced passenger safety and comfort systems, in line with evolving customer preferences across the globe. Recent successes of the team include the development of the Hyundai Patented common Rail Direct Injection (CRDi) engine in association with Detroit Diesel and the award winning fuel cell Santa Fe.

In the year 2015-16, Hyundai achieved its all-time highest volume and highest-ever market share of over 17 percent. This was due to the strong performance of models like the Creta, Elite i20 and Grand i10. The Creta, launched in July 2015, became a true game-changer for the company in India and took the SUV market by storm. With average monthly sales of around 7,000 units, the Creta has been a regular feature among the top 10 most sold cars in the country throughout the year and established Hyundai as a force to reckon with in the fast growing SUV market in India.

**PRICE**

HMIL follows a differentiated marketing strategy. Differentiated marketing combines the best attributes of undifferentiated marketing and concentrated marketing. It appeals to two or more distinct market segments, with a different marketing plan for each. HMIL has divided its target market in two parts. The primary consumer target is middle to upper income professionals, who need value for their money and comfortable ride in city conditions. The secondary consumer target is college students who need style and speed.

Hyundai rightly understood the consumer expectations to create magnetic products, price them strategically, position them sharply and keep making the magnetism more potent. Having understood the finer differences in consumer motivations, it opted for ‘reasons-to-buy’ differentiation over the ‘blanket-all approach’ followed by most of the other players. It is an aggressive marketer. It focuses on medium and low price products. Hyundai has also started premium products range to capture the growing market. The segments are based on type
of customer like age group, attitude, end use of product, demographic behavior, purchasing power, and status of the people of the region.

In initial years, Hyundai’s strategy was not to make profits but to gain major market share. Since inception till date, Hyundai’s focus is to become a quality vehicle manufacturer rather than a price conscious manufacturer. Pricing strategy of HMIL includes Premium pricing, Value pricing & Competitive pricing strategy.

The following exhibit shows the current average price of different car variants of Hyundai Motor India Limited.

Exhibit 5.6

Average Price of Different Car Variants of Hyundai

<table>
<thead>
<tr>
<th>Car Model</th>
<th>Price (Rs. Lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eon</td>
<td>3.31L Onwards</td>
</tr>
<tr>
<td>i10</td>
<td>4.40L Onwards</td>
</tr>
<tr>
<td>Grand i10</td>
<td>4.95L Onwards</td>
</tr>
<tr>
<td>Elite i20</td>
<td>5.60L Onwards</td>
</tr>
<tr>
<td>i20 Active</td>
<td>6.71L Onwards</td>
</tr>
<tr>
<td>Xcent</td>
<td>5.46L Onwards</td>
</tr>
<tr>
<td>Fluidic Verna</td>
<td>7.89L Onwards</td>
</tr>
<tr>
<td>Elantra</td>
<td>12.99L Onwards</td>
</tr>
<tr>
<td>Creta</td>
<td>9.22L Onwards</td>
</tr>
<tr>
<td>Tucson</td>
<td>18.99L Onwards</td>
</tr>
<tr>
<td>Santa Fe</td>
<td>28.56L Onwards</td>
</tr>
</tbody>
</table>

The above exhibit highlights the wide range of Hyundai’s portfolio in India at the moment. Its most affordable vehicle is the Eon, which competes with the Maruti Suzuki’s Alto 800, while the most expensive vehicle is the Santa Fe, which is priced at about Rs 28.56 lakhs.

To compete with Maruti Suzuki’s 800, Alto and to attract the first time buyers especially middle class, Hyundai Motor launched its compact segment car Eon. In order to attract customers from all the segments, Hyundai Motor adopted affordability based pricing strategy for Eon. To compete with Maruti’s Zen Estilo, Wagon R & Tata’s Indica, Hyundai Motors have adopted competitive pricing strategy for i10.

The company launched its i20 to compete with Maruti Suzuki’s Swift, Ritz and other premium segment cars of competitors. Because of innovative features, more space and latest technology, Hyundai Motor initially adopted Premium pricing strategy for i20. Though Hyundai Motor is one of the strong players in the compact segment but because of restructuring and redefining pricing strategies of Volkswagen Polo, General Motors Beat and Ford Figo, Hyundai Motors launched new version of its i20 compact in year 2010 with a price cut of Rs.40,000. This was the Parity pricing strategy of Hyundai Motor to compete with the other brands.  

PLACE/DISTRIBUTION

In its commitment to provide customers with cutting-edge global technology, Hyundai has a modern multi-million dollar R&D facility in Hyderabad. The R&D center endeavors to be a center of excellence in automobile engineering. It claims to have the most advanced production, quality and testing capabilities in the country. To cater to rising demand, HMIL commissioned its second plant in February 2008, which produces an additional 300,000 units per annum, raising HMIL’s total production capacity to 600,000 units per annum. Current
Production Capacity with these two plants in Kancheepuram increased to 670,000 cars per year.41

HMIL has 449 dealers and more than 1,150 service points across India.42 HMIL also operates its own dealerships known as *Hyundai Motor Plazas* in large metros across India. HMIL has the second largest sales and service network in India after Maruti Suzuki.43 Such strong distribution network helps HMIL build a competitive advantage and easy availability of cars to the customers.

Hyundai has its own logistics company named Hyundai Glovis India Private Limited through which Hyundai vehicles are transported across India & delivered to the dealers. It is an international logistics management company which is a group of Hyundai Motor Company. Hyundai Glovis provides ocean transportation, air transportation, inland transportation, logistics consulting, storage, packaging services as well as supply chain management services. Hyundai Glovis started its operations in India in the year 2006. The first service was offered to its parent company Hyundai Motor India in year 2007. Presently Hyundai Glovis transports more than six lakhs cars per year out of which it transports four lakh cars to its dealers in the domestic segment across India whereas two lakh fifty thousand cars in the export segment per year. The cars delivered to dealers in its closed trucks with proper safety. Glovis India ensures competitive transportation price, high safety, service variety, order configuration, flexibility and transparency while maintaining time and points of contacts.44

As a part of innovative step, Hyundai Motor has provided support to its dealers in India through G.D.M.S (Global Dealer Management Service) wherein all the dealers can link up the entire network with the company’s main computer system for onsite support facility.
PROMOTION

Advertising Strategy

Advertising plays vital role in introducing the product to the customer and market. Since inception, Hyundai Motors India Limited has focused on innovative advertising strategies. Presently Hyundai Motors have adopted an aggressive advertising strategy.

To promote its products, Hyundai Motors have used various media like print, hoarding, direct marketing, digital marketing etc. To tap the urban customers, Hyundai advertised its brands with the help of local newspapers, advertisement through hoardings, electronic displays at market place, malls etc. Today Social Media has become the new influencer. People base their purchase decisions on the reviews and blogs they read on social networking sites. Thus HMIL promotes its cars on social networking sites likes Facebook, Twitter etc. Hyundai also promotes its cars by sponsoring various sports events, shows, etc.

Some of the ad campaigns and promotional offers launched by Hyundai Motor India are listed below:

- In the year 2012, HMIL released its television advertisement for the ‘Next Gen’ version of Hyundai i10. The brand ambassador of Hyundai Motors Shah Rukh Khan along with actor Manajari Phadnis played role in this advertisement. This innovative and creative advertisement was created by Innocean Worldwide. The film shows how i10 helps in bringing good things to its owners. The advertisement highlighted various features of i10 like the Sunroof, back wiper, superior engine etc.  

- HMIL used digital media to create a buzz before the launch of Eon. This digital media was combined with various above the line communications (ATL) such as Print, electronic and out of home (OOH) advertising as well as some rigorous below the line
(BTL) activities. The creative idea of Eon as a “Life Changer” for the target audience was centered upon in a compelling manner. The style quotient of Eon was pumped up to gain competitive superiority and the aim was to give Indians their new drive. HMIL focused on the idea that Eon meets the aspirations of youthful India and played around with the brand’s creative tagline ‘India On’.

- To provide customers with the feel and touch factor, Hyundai Motors spotted Eon at the Delhi Metro Stations. Under this advertising campaign, the Eon was spotted for a month at Metro Station where the customers could come across and check Eon.

**Sales Promotional Strategies**

In any business, promotional strategy plays a vital role in boosting the sales and performance of a company. A creative and well developed promotional strategy can assist the company in understanding and connecting with clients and customers. Currently, Hyundai Motors India Limited is known as one of the leading companies which occupies prominent place in Indian automobile industry due to its innovative and clear promotional strategies.

Some of the promotional strategies are as follows:

- Since India is a Cricket obsessed country, therefore in 2011, Hyundai Motors became global ICC sponsor. It started with Hyundai ICC First Ball Tour initiative for ICC Cricket world Cup 2011. The tour included colorfully painted Hyundai i10 cars carrying the cricket balls in the boot which were displayed to the eager fans.

- Hyundai Motor India Limited, the official ‘Car Partner’ of the ICC Cricket World Cup 2011’ organized its consumer engagement program with the launch of the Hyundai Fan Park, where fans can watch the matches of the ICC World Cup live on large screens in a fun-filled environment. The Hyundai Fan Park initiative was set up in high-flying malls
like the Great India Place, Noida, the In-Orbit Mall in Mumbai and the Ampa Mall in Chennai. The pavilions had giant screens for live screening of all matches and a cricket pitch for fans to display their cricketing talent.\(^{48}\)

- HMIL presented the All New Fluidic Verna to members of the Indian Cricket team for bringing back the World Cup to India after 28 years. To encourage the Indian cricket team to win the ICC Cricket World Cup 2011, Hyundai Motor India Limited had announced that if the World Cup comes home then the winning Indian team will be felicitated with the All New Hyundai Verna cars.\(^ {49}\)

- In May 2012, Hyundai Motors had launched a promotional programme called the ‘5 Star Assurance Programme’ for the buyers of i10. This programme offered total maintenance assurance, motor assurance, warranty assurance, exchange assurance and roadside assurance.

- With an intention to provide free service to its customers, Hyundai Motors launched an event i.e “Free car care clinic”. This is a nationwide activity organized by the company twice every year where Hyundai Motors provide free 80 point checkup to its customers. This checkup includes examination of the transmission, engine, electrical, underbody, exterior, AC etc. Hyundai organize this activity at 900 locations across India.\(^ {50}\)

- In 2014, Hyundai Motor India launched its first-ever corporate campaign, ‘life is brilliant’. The corporate campaign was designed to further strengthen Hyundai’s caring and emotional connect with the Indian consumer.

- In 2016, Hyundai Motor India, launched integrated ‘JAI HO’ campaign to celebrate the three successive Indian Car of the Year award winners – Grand i10 (2014), Elite i20 (2015), and Creta (2016). The campaign highlighted and celebrated Hyundai as a new age modern premium brand that meets and exceeds the aspirations of Indian customers.
Hyundai has won the hearts of Indian consumers by bringing world-class products to the Indian market and has consolidated its position as a trendsetter brand in India in-line with its brand slogan “New thinking New Possibilities“. Since inception, Hyundai Motor India has been continuously growing and has become a household name in the country. However, it needs to focus on the rural market as well in order to compete with the market leader i.e. Maruti Suzuki.

5.5 FIAT

Fiat brand in India was earlier represented through a Joint Venture company called Fiat India Automobiles Pvt Ltd., FIAPL founded in the year 1997 with Fiat S.p.A (Italy) and Tata Motors as the two partners coming together to produce cars for both brands in a plant set up through joint investments at Ranjangaon, in Pune district of Maharashtra. The board of directors for this company comprises five nominees each from Fiat and Tata.\(^{51}\) The key interest area for the Tata-Fiat JV was the production of the famous 1.3 Multijet Engine (which won World Engine of the Year Award 2005) and corresponding powertrains common to a number of both Tata and Fiat brand cars in India namely – Fiat Palio, Fiat Grande Punto, Fiat Linea, Tata Vista & Tata Manza.\(^{52}\)

Even today the Tata Fiat JV plant operates under the FIAL name, as an independent entity and it produces Fiat and Tata brand cars for FCAIPL (Fiat India NSC) and Tata Motors respectively. The company presently employs about 2600 employees. It also undertakes contract for manufacturing of engines for Maruti Suzuki India Ltd and Premier Automobiles.

About Fiat Group Automobiles India Private Limited (FGAIPL)

FGAIPL is a fully owned subsidiary of Fiat Group Automobiles S.p.A, Italy. The company was incorporated in Mumbai, India, in March 2012 and distributes FIAT and Jeep vehicles in the country through an independent dealer network.
On 10th April, 2013, Fiat Group Automobiles India Private Limited (FGAIPL), the fully owned subsidiary of Fiat Group Automobiles S.p.A., Italy announced the completion of the dissolution with Tata Motors for the distribution arrangement of FIAT vehicles in India. FGAIPL now independently controls all commercial activities which includes marketing, sales, distribution and after sales services of FIAT vehicles in India. The objective behind establishing a National Sales Company (NSC) in FGAIPL was to consolidate company’s position as a key automobile player in the Indian car market.

PRODUCT

Brand Fiat is well known in India since it has been around for decades. But the company has no significant presence in the Indian automotive market, with barely 0.5 percent market share. It broke off the much-talked-about marketing and distribution tie-up with the Tatas to go solo. However, the two companies continue to jointly manufacture cars at Ranjangaon. To ramp up Indian operations, after its return to the country in 2012, Fiat announced a three-pillar strategy i.e. focus on distribution, branding and products. Globally, Fiat together with Chrysler is the seventh largest automotive brand, but in India it is merely on the fringes.

Fiat offers 2 new car models in Midsize segment, 5 in Small segment, and 1 in Sports segment in India. The various models are:
Exhibit 5.7
FIAT Product Portfolio

<table>
<thead>
<tr>
<th>Car Model</th>
<th>Category</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Punto Pure</td>
<td>Hatchback</td>
<td><img src="Punto_Pure.png" alt="Image" /></td>
</tr>
<tr>
<td>Punto Evo</td>
<td>Hatchback</td>
<td><img src="Punto_Evo.png" alt="Image" /></td>
</tr>
<tr>
<td>Linea Classic</td>
<td>Sedan</td>
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<tr>
<td>Linea</td>
<td>Sedan</td>
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</tr>
<tr>
<td>Avventura</td>
<td>SUV</td>
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<tr>
<td>Urban Cross</td>
<td>SUV</td>
<td><img src="Urban_Cross.png" alt="Image" /></td>
</tr>
<tr>
<td>Abarth Punto</td>
<td>Premium Hatchback</td>
<td><img src="Abarth_Punto.png" alt="Image" /></td>
</tr>
<tr>
<td>Abarth 595</td>
<td>Premium Sports Hatchback</td>
<td><img src="Abarth_595.png" alt="Image" /></td>
</tr>
</tbody>
</table>

In the above exhibit it can be seen that Fiat has complete automobile segment including hatchbacks, sedans & SUV’s. Fiat cars are over engineered and indestructible, and have the best ride and handling. Fiat makes the best engines in the world and outsource some. However in order to compete in Indian market with major players like Maruti, Hyundai, Tata, etc., it will have to launch new car models and more variants in the hatchback segment.

Fiat cars in India are reckoned for their extraordinary drivability. Its multi-jet diesel mill powered Linea, Avventura, and Punto Eva. Punto and Linea have been in headlines since their launch among motor enthusiasts for their powerful performance, steady handling, and flawless design. Fiat has big plans of extending its dealership network in India and reach rural and semi-urban market via new outlets.

PRICE

Price can be defined as the economic value of product normally expressed in form of money. The price of product should be set in such a way that buyers can pay and company can earn adequate profits. Pricing is a complicated element, which needs to reflect supply and demand, the actual value of the object, and the perceived value of it in the mind of the consumer. It has positioned itself as an automobile company which gives the passion of driving.

The following exhibit shows the price of various car models offered by Fiat Group Automobiles India Private Limited.
Fiat launched Abarth 595, an upgrade of the Abarth 500 – itself an upgrade of the Fiat 500 – priced at more than Rs3.2 million ($50,000). Fiat also launched an Abarth version of the Punto, to be followed in coming months by the Linea and Avventura, even as the Indian market continues skewing toward inexpensive, high-volume cars. Fiat Group Automobiles India Private Limited should strive to introduce more cars in the micro and hatchback segment at reasonable prices. This is how it will be able to carry out its mass-market strategy.

PLACE

Fiat Group Automobiles India Pvt. Ltd and Tata ended a six-year sales and distribution joint venture in 2012. As a part of 50:50 joint venture agreement signed in 2007, the two companies had agreed to a joint distribution network and back-end support, besides co-
manufacturing of products at the Ranjangaon facility near Pune. However in order to further develop the Fiat brand in India, Fiat and Tata agreed to hand over the management control of Fiat's commercial and distribution activities to a separate Fiat Group owned company. After the end of this joint venture, Fiat Group Automobiles India Pvt. Ltd independently controlled all commercial activities, including marketing, sales, and distribution and after-sales services. Fiat established 51 dealerships and workshops in one year. In December 2012, the company announced bringing models from the Chrysler stable to India. It has also established a national sales company as an independent entity within Fiat Chrysler India operations and set up a warehouse that can stock 6,000 different parts at any given point. FGAIPL operates a fully equipped warehouse that is capable of stocking up to 6000 different parts at any given point in time. The warehouse is equipped with the latest IT systems that tracks and updates dealer’ spare parts requirements on a real-time basis. It therefore enables FGAIPL to deliver the necessary spare parts to metro customers within 24 hours and non-metro customers within 72 hours.

Fiat India is focusing on expanding its dealership network in the country, especially in key cities like Delhi and Mumbai. The company is actively working on dealer development and aims to increase its total share in the passenger vehicle market by adding new products to its portfolio. However, Fiat India is currently undergoing a tough time. Post the separation with Tata, on the sales front, things are not exactly going Fiat’s way, despite opening up a new sales and service network.

The present dealer network of Fiat has been shrinking lately. After Fiat decided to part ways with Tata and went solo, it opened up a new independent network, which soon grew in excess of 140 dealers, across the country. However, with lack of new products, dealers started finding it difficult to sustain and few of them started quitting. As per the industry reports around 25% of dealers have given notices to the company, for relinquishing dealerships. Even prominent dealers like Pandit Automotive, Pune, who had been one of the highest selling Fiat dealers in India, has recently resigned. Tuli Motors, New Delhi also has closed down its Fiat dealership.
PROMOTION

Fiat India began its solo distribution journey in India, with the launch of two Fiat Caffe's, one each in Pune and New Delhi. The cafe is a mixture of a showroom and a coffee shop and features posters of Italian inventions and how Fiat has used those inventions. To promote its products, Fiat India has used various media like print, hoarding, direct marketing, digital marketing etc. To tap the urban customers, Fiat advertised its cars with the help of local newspapers, advertisement through hoardings, electronic displays at market place, malls etc. Today Social Media has become the new influencer. The company has made its presence on digital space as well. The brand's digital initiative attempts to make the consumer feel big. Titled 'Feel Big', the initiative attempted to make consumer feel like a hero.

FGAIPL has recently launched its new website which is highly interactive and engaging site designed to further enhance FIAT’s digital footprint. The website is directly connected to the dealer management system to provide quick feedback to customer queries. It also incorporates an ownership section that provides maintenance tips, warranty information, latest offers on FIAT products, a servicing schedule and training information provided to technicians. The site presents the information in an easy-to-use format, including both text and images, for viewers to more easily access and understand.

Some of the ad campaigns and promotional offers launched by FIAT India are listed below:

- Fiat India launched The Big Fiat India diesel car promotion scheme. This new scheme offered the Fiat Punto and Fiat Linea diesel cars at the same price as the petrol Fiat Linea and Punto variants. With the rise in petrol prices, diesel cars make for an even more attractive proposition. Fiat has been leading the diesel revolution across the world and even in India. Moreover few lucky owners got a chance to win fuel vouchers for one year.
• In order to push its car out of showroom shelves, Fiat India launched a sales promotion campaign called the Doctor’s Campaign.\(^{55}\) Like its name suggests, this campaign aimed squarely at Indian medical practitioners, to whom Fiat India offered a few special benefits. First of all, the offer enabled doctors to test drive Fiat cars without their busy schedules being interrupted by delivering test cars to the doctors’ doorsteps. The company also offered an attractive exchange offer to doctors through which they could exchange their old cars for new Fiat models. Leading auto financier SBI, became a part of this scheme in which it offered 1% discount on Fiat cars bought through SBI loans and also waived off processing fees on the auto loan.

• In 2011, Fiat launched a new “festive edition” campaign. The campaign aimed at forging deeper ties with the Indians at grass root level. Fiat India launched special festive offers for its customers. Under this scheme customers could enjoy a total benefit of up to Rs. 1,30,000/- on the Linea & Rs. 75,000/- on the Punto. This scheme included an attractive exchange benefit of up to Rs 20000/- where in customers could upgrade to Fiat cars if they exchange their cars while buying new Fiat cars. In addition this scheme also ensured that all Fiat customers get peace of mind by way of free 50 months road side assistance package along with 1st year insurance @ Re 1.\(^{56}\)

• In 2012, Fiat prepared for the festive season with a campaign for the newly launched 'Absolute' versions of the Linea and Punto. Created by Saints and Warriors, the TVC showed a man bargaining for discounts across several situations. The situations included a restaurant bill, an auction house and a ransom demand for his son. His urge for discounts ended when he visited the Fiat showroom, where he's told about the various features offered in the Linea and Punto. He began to ask for a discount, before he realized the features command the price. The brief was to communicate to the target group that Fiat had an upgraded offering that offered a significantly better value proposition.

• Another campaign launched by Fiat India highlighted Fiat's Multijet and Common Rail Direct Injection technology. It was a 360-degree campaign which consisted of print and outdoor to start with before moving to television and digital.
• In 2013, Fiat Group Automobiles India launched a new ad campaign for its flagship brand Linea. Showcasing the unique features of the car and the engine technology, the advertisement highlighted the features of the car such as rain-sensing wipers, automatic lights, Blue & Me with voice commands and advanced multi-jet and T-jet engines.

• In 2014, Fiat rolled out a new campaign titled 'Hello Life' in India. Through this TVC Fiat tried to convey the feeling of happiness and positivity around the brand. The background music for the film is Pharrel William’s 'Happy'.

• Through Hello Life campaign, Fiat intended to promote fresh talents in art, music and fashion. The youngsters who stood for the Hello Life concept were helped in showcasing their work of art at Fiat Cafe lounges located across India, in Delhi, Pune and Bengaluru.

• In order to resurrect its brand image Fiat India launched a new brand campaign, called “Crafted for Car Lovers” in the year 2015. The underlying theme of the campaign was based on the insight that Fiat Cars are designed for the true auto enthusiasts. The TVC effectively portrays the brand promise of superior drive and strong build quality. It depicted the entire Fiat Product line up including the two brand new additions, the Abarth 595 Competizione and the Abarth Punto.

• FIAT also launched a new warranty policy. The comprehensive warranty for FIAT customers comprised of a three year manufacturers’ warranty, with an option for customers to extend it to five years. The additional two year warranty was offered by FIAT dealers through the ‘Europe assistance’, a service provider. The new warranty policy package was introduced keeping the customer’s confidence in the quality of FIAT brand top of mind. Equipped with a 24/7 road side assistance (RSA) and soon to be launched mobile service vans, FIAT plans to serve customers better and faster in case of a major or minor breakdown by providing towing facility to the nearest FIAT exclusive dealership.

• FGAIPIL has also established an all-new 24/7 call center to connect with consumers and respond quickly to their queries. It provides 24/7 on-call service with multiple language
options for customers. The 30 member strong staff is fully trained in technical and soft skills in order to replicate FIAT Group’s global standards in customer service and prompt response.

5.6 MARKET SHARE ANALYSIS

A company's marketing efforts have a direct impact on sales and market share, but they are not the only factors that influence industry performance. A positive brand image is vital to business success, and a brand is much more than a familiar name presented through traditional advertising strategies. A brand encompasses the consumer's complete experience with both the product and the company, making it a powerful tool for gaining market leverage. Therefore, market share and brand equity are positively related in the sense that high market share reflects strong brand equity and vice versa. The following exhibit shows the market share of the three brands.

Exhibit 5.9
Market Share

Maruti Suzuki has done a commendable job for inching towards close to 50% Market Share. This is the highest market share of Maruti Suzuki in recent times. Maruti Suzuki is keeping the spirits up with Alto, Baleno, Vitara Brezza with heavy demand from buyers. Hyundai is the second largest player in the Indian market with 17.93% market share. Hyundai Creta emerged as the undisputed leader in the Mid SUV Segment with heavy demand from urban Indian buyers. Hence, 67% of the market share is occupied by these two major players. However, Fiat does not contribute to even 0.5% Market Share. It has a market share of 0.22%. It is facing tough times and has failed to make a mark in Indian market. The market share of other automobile brands in India account to 32.66%.

5.7 CONCLUDING REMARKS

Thus, the study of marketing mix helps in understanding the reasons for high brand equity of Maruti Suzuki and Hyundai and reasons for low brand equity of brand Fiat in India.

Maruti Suzuki India Ltd. is a leading manufacturer of four-wheeler in India. Its high brand equity is attributed to the fact that it focuses on catering the needs of almost all the segments. Its product portfolio includes various car models in all segments from hatchback to SUV. Their pricing strategy is to provide an option to every customer looking for an upgradation in his car. Their aim is to be in the consideration set of every passenger car customer in India. Even in terms of distribution, Maruti has the largest dealer network and widest service network. This plays an important role in attracting customers and building their trust. In terms of promotion, Maruti has a strong presence in the market. It promotes its brand through various advertisement media. It has both rational and emotional appeal in its advertisements thereby establishing a connect with its consumers.

Hyundai has second highest brand equity in the Indian automobile market. It has created a different identity for itself in the Indian automobile market. To cater the needs of various
segments of customers, Hyundai Motors have a complete range of cars in its basket. Considering the changing needs of customers, Hyundai has fulfilled the expectations of customers by giving them technologically advanced vehicles with innovative features. Its products are competitively priced and has an offering for all kinds of customers. Hyundai’s dealer and service network is not as wide as that of Maruti but it is the second largest. In terms of promotion, it is an active player in the market. It has a strong presence on social media. This has led to strong brand awareness and recall among the consumers thereby enhancing its equity.

The reason for Fiat’s low brand equity in the Indian market is its failure to introduce new cars in the market. Its product portfolio is very limited and lacks focus with a car like the Grande Punto at one end of the spectrum and the 500 Abarth at the other. It fails to cater the needs of the Indian consumers. Its cars are not priced competitively. Fiat India is currently undergoing a tough time. The present dealer network of Fiat has been shrinking lately. A lot of its prominent dealers have resigned and closed down their Fiat dealership. This has adversely affected the brand value and sales of Fiat. In terms of promotion, it has failed to promote its products effectively. The brand scores very low on awareness and recall. It needs to promote aggressively in order to make its presence felt in the minds of consumers.
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